Intro to E-Rate

May 2024

Outcomes

- Get overview of E-Rate for libraries and why libraries may choose to participate
  - Program
  - Benefits
  - Timeline
  - Forms
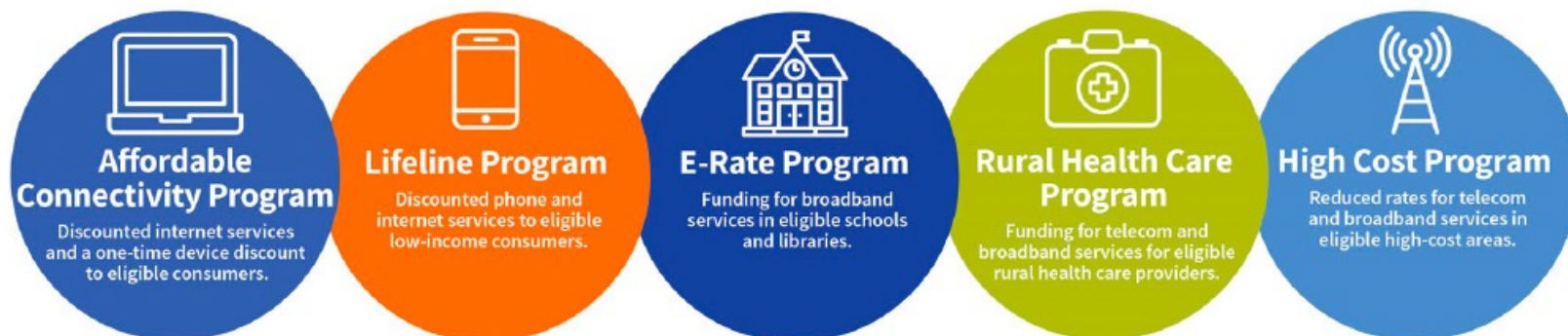 - Key concepts
  - Things to consider

What is E-Rate?

- The E-Rate program provides support to schools and libraries across the nation to obtain affordable, high-speed broadband services and internal connections to connect students and library patrons with learning opportunities and services.

Who We Are: The Universal Service Administrative Company

The Universal Service Administrative Company (USAC) is an independent, not-for-profit organization designated by the Federal Communications Commission (FCC) as the permanent administrator of the USF and its four programs.

- **The Universal Service Fund (USF):** Exists to ensure that all people in the United States have access to quality, affordable connectivity service.

Affordable Connectivity Program
Discounted internet services and a one-time device discount to eligible consumers.

Lifeline Program
Discounted phone and internet services to eligible low-income consumers.

E-Rate Program
Funding for broadband services in eligible schools and libraries.

Rural Health Care Program
Funding for telecom and broadband services for eligible rural health care providers.

High Cost Program
Reduced rates for telecom and broadband services in eligible high-cost areas.
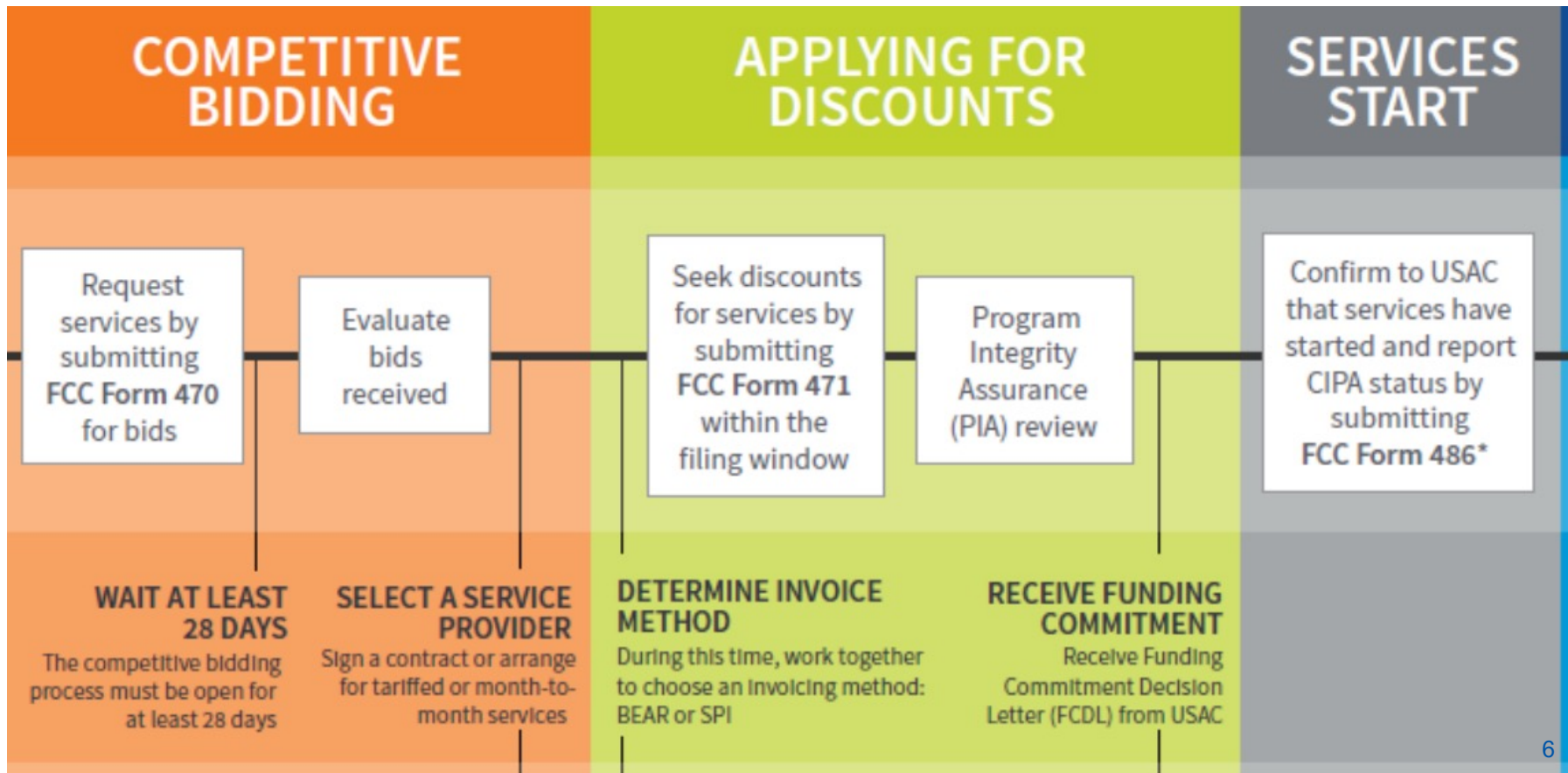
Discounts up to 90% on eligible services

- **Category One (C1)**
  - Data Transmission and/or Internet Access
  - No budget (limit) on funding requested.

- **Category Two (C2)**
  - Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections
  - Applicant has a budget or limit on how much funding can be requested.
  - Budget covers a five-year period.
  - See Category Two Budget page

Application Flowchart 2024

COMPETITIVE BIDDING		APPLYING FOR DISCOUNTS		SERVICES START
Request services by submitting **FCC Form 470** for bids	Evaluate bids received	Seek discounts for services by submitting **FCC Form 471** within the filing window	Program Integrity Assurance (PIA) review	Confirm to USAC that services have started and report CIPA status by submitting **FCC Form 486***
WAIT AT LEAST 28 DAYS The competitive bidding process must be open for at least 28 days	**SELECT A SERVICE PROVIDER** Sign a contract or arrange for tariffed or month-to-month services	**DETERMINE INVOICE METHOD** During this time, work together to choose an invoicing method: BEAR or SPI	**RECEIVE FUNDING COMMITMENT** Receive Funding Commitment Decision Letter (FCDL) from USAC	

Applicant Forms and Important FY2024 Dates

Competitive Bidding
July 1, 2023 to February 2024*

→

Apply for Discounts
January 2024 to March 2024*

→

Start Services
July 1, 2024 to June 30, 2025

→

Invoice USAC
Recurring Services
July 2024 – October 2025*

Non-recurring Services
July 2024 – January 2025*

470

471

486

472 (BEAR)
OR
474 (SPI)

* Date ranges reflect a typical timeline, but, are subject to change.

Getting started

1. Make sure you have an FCC Registration Number https://www.fcc.gov/wireless/support/knowledge-base/universal-licensing-system-uls-resources/getting-fcc-registration

2. Obtain a Billed Entity Number (BEN) and create a user profile in the E-Rate Productivity Center (EPC).

3. Solicit bids for eligible services and equipment by completing an FCC Form 470 and wait at least 28 days before selecting your service provider(s). If your purchase meets the requirements under Commercially Available Business Internet Access or the Library Category Two $3,600 exception in the E-Rate rules, proceed to start services without completing this step.

Before You Begin: EPC Administrative Window

The EPC Administrative Filing Window is the period during which applicants can make updates to their profile information in EPC to prepare for the upcoming FCC Form 471 application filing window. During the administrative window, applicants can update their student counts, National School Lunch Program (NSLP) participation rates, contact information, and request a Category Two (C2) Budget recalculation.

- **First-time Filers**
  - If you are new to the E-Rate program, you will need a user account in the E-Rate Productivity Center (EPC) .
  - For security purposes, you will also need a login and password for One Portal, our multi-factor authentication security system.
  - If you are new to the program, our Customer Service Center (CSC) at (888) 203-8100 can help you set up your organization's EPC profile and your account administrator.

- **Existing EPC User Accounts** – The EPC Administrative Window is closed. You will not be able to make changes to your EPC profile when the administrative window is closed. If you need to modify some information in an entity profile when the profiles are locked, contact the CSC for further guidance.

The administrative window closes – and the applicant profiles are locked – shortly before the FCC Form 471 application filing window opens in January. The administrative window will open on October 24 and will close in January.

Form 470 – Request for Services

- Which services do you want E-Rate discounts on?
  - Internet – Category 1
  - Internal Connections – Category 2
- Competitive bidding on those services
- Must be online for at least 28 days before you can select a service provider and file next Form 471
- Filing dates – July 1 of previous year to 28 days before close of Form 471 filing window (generally February)
- Can file with or without an RFP (Request for Proposal)
- Don't put it off! File early. You can file another 470, if necessary.

Eligible Services Examples

- **Category One (C1)**

  - Point-to-point transport services with the ability to securely transmit data between locations (transmitting data between eligible locations) such as Fiber, Copper, Microwave and Satellite

  - Commercially available access to the internet such as through a cable internet provider or satellite internet provider

- **Category Two (C2)**

  - Routers, switches, cabling, basic firewalls, other equipment needed to utilize a broadband connection within a school or library to transport the internet to publicly accessible areas of the library

  - A plan that covers the **repair and upkeep of eligible equipment** needed to use a broadband connection within a school or library.

  - Services provided by a vendor to operate, manage and monitor eligible internal connections (owned or leased equipment) necessary for the broadband connectivity within schools and libraries.

  - **Not eligible for funding**: end-user equipment, such as laptops, computers, headsets, speakers, etc. 27

Form 471 – Select service provider

- Filing window announced every year. Form 471 can only be filed within this filing window (January – March?)
- After 470 has been online for 28 days, you can evaluate bids and select your service provider
  - Multiple bids require an evaluation matrix with cost as the primary deciding factor
  - If you only have one bid and it is cost effective, you can select it
  - If you have no bids, you can reach out to service providers for bids/pricing
- This is the most important form. Don't wait until the last minute

Application Review

- You may be contacted by USAC for more information about your application.
    - Do get back to them promptly.
    - Feel free to ask questions if you're unclear on what they're asking.
    - Failure to respond within given timeframe can result in loss of funding.
    - If you feel request is unreasonable or if you're having difficulties dealing with the requestor, contact your MSL consultant for assistance.

- Reviews and/or Audits go easier if you keep your E-Rate records and forms together sorted by funding year.

Funding Approval – Form 486

- Funding waves usually begin a couple of months after window closes. Early 471 filers are often funded in initial waves.

- FCDLs (Funding Commitment Decision Letters) are sent through EPC

- Form 486 – starts funding. If you receive your FCDL and submit 486 before the funding year starts on July 1, discounts can begin immediately with July bill.

- You have 120 days from beginning of FY July 1 or FCDL date (whichever is later) to file 486. Late submissions will cause funds to be prorated

How do you want to receive funds?

- Discounts – most common. Service providers bill USAC. Applicant gets discounts on bills. For example, 70% funding gets 70% discount on Internet bill.

- Reimbursement – applicant pays bill and submits Form 472 (BEAR) to USAC. Discounted amount paid is transferred to applicant's bank account by USAC.

Children's Internet Protection Act (CIPA)

- Requires that schools and libraries enforce certain safety measures preventing minors from accessing obscene content on the internet.

- Entities must Keep Records

  - Schools and libraries must [maintain documentation](#) demonstrating their CIPA compliance.

    - Maintain documentation showing CIPA compliance for all funding years

    - In the first year, they may show work toward CIPA compliance unless granted a waiver for the 2nd year. They must be compliant by the 3rd year.

- **Three requirements** of CIPA compliance are:

  - Internet Safety Policy

  - Technology Protection Measure/Public Notice

  - Public Notice and Hearing or Meeting

21

Internet Safety Policy

- The Internet Safety Policy must address:
    - Access by minors to inappropriate subject matter on the internet;
    - The safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communication;
    - Unauthorized access, including hacking and other unlawful activities by minors online;
    - Unauthorized disclosure, use, and dissemination of personal information regarding minors; and
    - Measures designed to restrict minors' access to information and subject matter that is harmful to minors.

Technology Protection Measure (e.g., Internet Filter)

- You must specifically block or filter internet access.
  - Entities **must enforce** operation of the technology protection measure during use of its computers with internet access.
  - The person with authority for the administration of the school or library may authorize disabling the internet filter during use by an adult to enable access for bona fide research, or other lawful purpose.
  - The local community (school board, local educational agency, library, or other authority) decides what content is inappropriate for minors.

24

Public Notice

- You must provide **public notice** and hold at least **one public hearing or meeting** to address the internet safety policy.

- For private schools, public notice means notice to your constituent group.

- Additional meetings are not necessary – even if the policy is amended – unless those meetings are required by state or local rules, or by the policy itself.

25

Required CIPA Documentation

- Entities must <u>maintain documentation</u>

  - Indicating their CIPA compliance

  - Demonstrating their internet safety policy, along with any updates to the policy.

  - Showing the policy's adoption. For example, approval in the minutes of the required hearing or meeting, or documented adoption by a school or library board.

Documentation for Technology Protection Measure

- A description of the filter.

- A report or other relevant documentation on the school's or library's use of their internet filter

  - The documentation must show that the internet filter was installed and functioning properly during the funding year in which the entity was CIPA-compliant.

For example:

- Filter provided by service provider:

  - A school could provide archived internet access reports from the internet service provider of internet sites blocked, or bills from the service provider verifying the filter was fully functional.

- School purchased its own filter:

  - A school must provide logs from their IT staff, showing hours the filter was in use.

27

What documents should you retain?

Documentation that the school or library gave **public notice** and held a **public hearing or meeting** on the policy.

For example:

- A copy of a website announcement for a regular school or library board meeting open to the public where the policy was discussed.

- An advertisement in a local newspaper of a county government hearing or meeting where the policy appeared as an agenda item.

- Copy of the minutes of the hearing or meeting, and the date on which the hearing or meeting occurred.

Filters may be disabled for adult use

Document Retention Requirement

Applicants and service providers are required to keep records relating to the application process for at least **ten years** after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request.

TIP: In your personal record keeping, use file names and folder names that are specific and descriptive to locate them more easily.

Learn more on the Document Retention page.

71

Final Suggestions

- Sign up for the News Brief to stay on top of deadlines and developments https://www.usac.org/e-rate/learn/news-brief/

- Remember you are ultimately responsible for deadlines and compliance even if you are working with a consultant

- Be cautious about signing long term contracts with service providers as service can improve and prices can drop

- Consider really taking advantage of the program and using discounts to provide your community with the Internet access they need and deserve! Boost your bandwidth if you can! 1GB is target for libraries

Contact your MSL Consultant
for more info

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