E-Rate Overview Session 1

November 1, 2021
3:00pm – 4:30pm

North Carolina Department of
PUBLIC INSTRUCTION

Training Topics

1. History of E-rate
2. NC School Connectivity
3. EPC
4. Types of Funding
5. Eligible Services

Universal Service

Universal service is based on the principle that all Americans should have access to a baseline level of telecommunications service and further the public interest of keeping Americans connected.

This is **the founding principle** of the Communications Act of 1934, which established universal service in legislation and created the FCC. The establishment of the Universal Service Fund in 1997 advances this founding principle.

The **1934 Communications Act** of Congress created the Federal Communications Commission (FCC). The job of the FCC was *and still is* to implement and administer regulation for interstate communication platforms.

Fast Forward to 1996.......

The 1934 Communications Act was rewritten and is now called the **Telecommunications Act**. It includes new technologies *(think Internet)* and to codifies the concept of "Universal Service" by creating a fund to ensure that all Americans have access to basic telecommunications. **This was the genesis of what we know as E-Rate.**
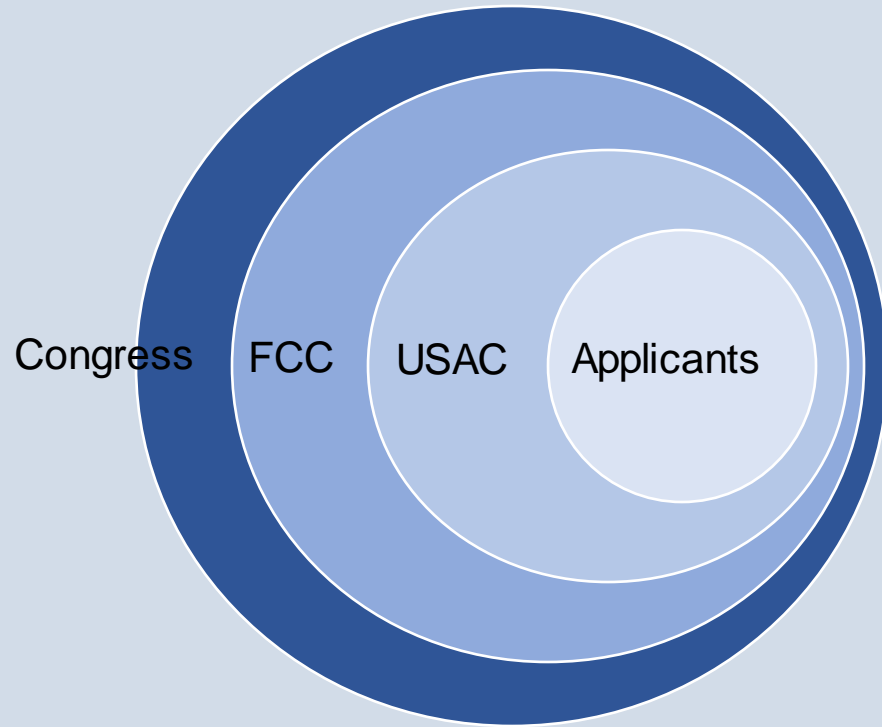
Universal Services Fund

Funds Four Programs:

- Schools and Libraries (E-rate)
- Rural Health Organization
- Low Income America
- High Cost for Eligible Service Providers

E-rate

- Discount program
- "Educational Rate"
- Schools and Libraries, considered to be educational organizations, referred to as E-rate

The BIG Picture

Congress   FCC   USAC   Applicants

The Universal Service Administrative Company (USAC) administers the E-rate program for the FCC.

Am I Eligible?

✓ Am I a K-12 public/private school or public library?

✓ Is my purpose to educate eligible students and the public (libraries)?

✓ Am I applying for eligible services?

✓ Will these services be used on the school or library campus only?

Eligible Service List

Each year the FCC approves a list of eligible services.

- Commonly referred to as the **Eligible Service List** (ESL).
- The timing of the release of the ESL typically sets the timing for the upcoming funding window.
- Funding Year 22 ESL should be released in early November.

How much can I get?

Discounts depend on **two** factors:

1. The level of poverty (the percentage of NSLP* eligibility or its equivalent in the school district).

2. The urban or rural status of the school district or library system.

*NSLP = National School Lunch Program

How much can I get?

INCOME Measured by % of students eligible for the National School Lunch Program (NSLP)	CATEGORY ONE (C1)		CATEGORY TWO (C2)	
	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

How much can I get?

Library System

To calculate the discount for a library system:

- Determine the total number of students eligible for the NSLP in the public school district in which the main branch or main administrative office of the library is located.

- Determine the total number of students in that school district.

- Divide the first number by the second number to get the percentage of students eligible for NSLP in that school district.

- Using this percentage and the urban or rural status of the library system, find the appropriate C1 and C2 discount for the school district in the discount matrix 📄.

What will it pay for?

Category 1:

• Broadband services from the service provider to the schools/libraries.

Category 2:

• Network equipment and services for the management and maintenance of eligible equipment used for broadband connectivity within schools/libraries.

Category 1 Examples:

- Cable modem
- DS-1, DS-2, DS-3, DS-4
- Ethernet
- Leased Dark Fiber
- Self-Provisioned Network
- Satellite Service
- Microwave
- Multi-Protocol Label Switching (MPLS)
- Broadband over power lines

Category 2 Examples:

- Network cabling
- Wireless Access Point
- Switch
- Router
- Managed Internal Broadband Service (MIBS)
- Repair and upkeep of **eligible hardware**
- UPS
- Wire and cable maintenance
- Basic technical support

Key Terms – "Funding Year"

Funding Year (FY)

• Funding year runs July 1 to June 30

• Named for the year it begins

    Example: FY22 begins July 1, 2022 through June 30, 2023.

Key Terms – "FRN"

Funding Request Number (FRN)

- The funding request number (FRN) line-item includes details and costs associated with the eligible and ineligible products and services requested.

- Each funding request is assigned a number or FRN

Key Terms – "BEN"

Billed Entity Numbers (BEN)

- USAC assigns a unique identifying number to each entity that participates in the Schools and Libraries Program. This number assigned by USAC is called a Billed Entity Number.

- Need a BEN? Call 1-888-203-8100

Key Terms – "Filing Window"

- The filing window is the time frame, specified by USAC, during which applications can be filed.

- The Filing Window varies from year to year, typically opening in January and closing in March.

Key Terms - "SPIN"

A Service Provider Identification Number (SPIN) is assigned to providers participating in E-rate

Service providers may have more than one SPIN

because of…

- Different business units or service areas
- Mergers and acquisitions

Key Terms – "SPAC"

- Service Provider Annual Certification (SPAC) is an FCC form that service providers file annually to certify that they will comply with program rules and guidelines. This must be filed before USAC will pay invoices.

Key Terms – "EPC"

E-rate Productivity Center (EPC)

- EPC is the account and application management portal for the Schools and Libraries (E-rate) Program.
- Applicants, consultants, and service providers participating in the E-rate Program use this tool to manage program processes (submit forms, answer inquiries) and to submit questions.

Key Terms – "FCDL"

Funding Commitment Decision Letter (FCDL)

- After an application is reviewed by the Program Integrity Assurance (PIA) reviewer(s), an applicant is notified of the status of their application via the FCDL. It consists of a form and a spreadsheet which show the details of the decision.

Key Forms

470		471		486		472/474
Competitive Bidding		Apply for Discounts		Start Services		Invoice USAC

Key Forms

470 — • Begin Competitive Bidding Process

471 — • Apply for Discounts/Description of Services

486 — • Set Service Start Date/CIPA Compliance

472 — • BEAR – Billed Applicant Reimbursement

474 — • SPI – Service Provider Invoice (discounted billing)

498 — • Banking Information – Once and done!

Questions?

What's Next?

- November 3, 2021   3:00pm – 4:30pm
  FY22 and the new Form 470

- November 8, 2021   3:00pm – 4:30pm
  New to E-rate: Session II

- November 15, 2021   3:00pm – 4:40pm
  New to E-rate: Session III

Make sure you register for these trainings on our website!

Resources

- NC E-rate Website: https://sci.fi.ncsu.edu/
- 2022 E-rate Handbook: https://www.livebinders.com/b/2821883

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