E-Rate Overview Session 2

November 8, 2021
3:00 – 4:30pm

North Carolina Department of
PUBLIC INSTRUCTION

Training Topics

After a quick refresher:

1. Budgets and Discounts
2. Applying for Services and Funding
3. Contracts
4. Category 2 Mini-Bids

Recap and Review

- Discount rates based on NSLP
- Calculate library discount rate
- What does E-rate pay for? Category 1 vs. Category 2

Discount Rates

- Urban vs. Rural
- Category 1: 20% - 90%
- Category 2: 20% - 85%

Discount Rates - Libraries

Library Discount Calculation

- Determine the main branch of the library.
- Determine the school district in which the main branch of the library is located.
- Use the NSLP (or equivalent) percentage calculation for that school district.

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

Budgets

- No Budget for Category 1 services

- Category 2 services are budgeted based on:
  - Enrollment for schools ($167.00 per **student**)
  - Square footage for libraries ($4.50 per **sq. ft.**)
- Category 2 budgets are 5-year budgets
  - FY2021-2025, resets in 2026, and every 5 years

How E-rate works:

Category 1

- Competitive bidding (470)
- Apply for funding (471)
- Funding approved (FCDL)
- E-rate pays discounted amount
- Non-discounted amount responsibility of library (DPI helps schools)

Example:

Internet monthly charge:
$1,000.00 X 12 = $12,000
Your discount amt = 80%
E-rate will pay $9,600.00
You will pay $2,400
WAN monthly charge:
$96,000 X 12 = $1,152,000
Discount amt = 60%
E-rate will pay $691,000
You will pay $460,800

How does DPI help?

Category 1:

- NCREN
  - Free Internet to Schools (with free firewall and content filtering) or a stipend to help offset your cost

- Wide Area Networks (WANs)
  - Will pay the non-discount amount to cover cost of WAN

- PRC073 for districts, PRC036 for charters

How does DPI help?

Category 2:

- State Master Contracts (SMC) for all C2 eligible services
  - No need to file a 470
  - Schools: Use our 470/contracts and DPI pays non-discounted amount
  - Libraries: Allowed to use our 470/contracts for pricing
  - Detailed mini-bid competitive bidding process
- PRC073 for districts, PRC036 for charters

Key Forms

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

The FCC Form 470

COMPETITIVE BIDDING

Form 470

Requesting Services

- The FCC Form 470 opens the competitive bidding process.
- It notifies potential bidders of the types and quantities of services requested.
- Only the applicant or its authorized representative can prepare, sign, or submit the FCC Form 470.

Form 470

Competitive Bidding Requirements

- The competitive bidding process must be open and fair.
  - **Open** = information shared with one bidder must be shared with all.
  - **Fair** = bidders must be evaluated fairly and equally.
- 28-Day Waiting Period
  - FCC Form 470 must be posted on the USAC website for a minimum of 28 days before you select a vendor and file an FCC Form 471.
- You must comply with all E-rate, state, and local procurement requirements.

Form 470

Requesting Services: Requests for Proposal

- Requests for Proposal (RFPs) may be created to describe specific needs and circumstances in more detail.

- USAC refers to an RFP or an RFP document generically. RFP documents are any documents that provide additional information to potential bidders on the scope or details of your project.

  - For most types of service requests, RFPs are not required. However, you must issue an RFP for some requests or if you are required to do so by state/local rules.

  - Services on your FCC Form 470 and RFP must match.

  - All RFPs and RFP documents must be attached to your FCC Form 470 in EPC.

Form 470

When do I need to file a 470?

- To seek new or renewed services for Internet or WAN (Category 1)

- To seek new services for Category 2 if NOT using NC State Master Contracts (SMCs)

- C1 and C2 can be filed on the same 470

- Timeline: October/November

The FCC Form 471

REQUESTING FUNDING

Form 471

Requesting Funding: FCC Form 471 Application Window

- The filing window for the second program form – the FCC Form 471 – generally opens in mid-January and closes in mid-March.

- You can file this form after you have completed your competitive bidding process, chosen your vendors, and signed contracts (if appropriate). You also must wait for the filing window to open.

Form 471

Requesting Funding: FCC Form 471

Your FCC Form 471 application can be broken into the following parts:

- Basic information – information about the applicant and contact information.

- Discount information – student counts, urban/rural status of your schools or libraries.

- Funding Request Numbers (FRNs) – for each funding request, you provide:
  - The service provider name and the Service Provider Identification Number (SPIN).
  - Information about the contracts or month-to-month/tariff agreements.
  - The eligible schools/libraries that will receive the services.
  - Your chosen services and their costs.

- Certifications to indicate your compliance with program rules.

Form 471

When do I need to file a 471?

- Yearly for recurring services (C1)

- Each year you plan to use C2

- C1 and C2 MUST be filed on separate 471s

- Timeline: Filing Window (January - March)

Contracts

- The result of competitive bidding will be a contract between you and selected vendor

- Contract must be uploaded in the CONTRACT MODULE in EPC before filing the 471

- Services/funding requested on the 471 MUST be tied back to this contract

- [Click Here](#) for "How to Upload Contract in EPC" slide deck

Mini-Bids

- Required if using SMCs
- Must select from SMC vendors
- Is a "competitive bidding" process
- Must keep documentation
- Is auditable
- Training in November 2021, check our website

Questions?

What's Next?

- November 15, 2021: New to E-rate: Session III
  3:00pm – 4:30pm

- November 17, 2021: CAT2, Mini-Bids, and Budgeting
  This is a two-part training: USAC first then DPI
  USAC Training: 3:00pm – 4:00pm
  DPI Training: 4:00pm – 5:00pm

Make sure you register for 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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