

Important Information



- Funds For Learning uses its best efforts to ensure that all of the E-rate-related information that it provides is accurate, current, and complete as of the date of original presentation. However, because of the dynamic nature of E-rate program rules, regulations, and procedures, FFL can neither warrant nor guarantee the accuracy, currency, or completeness of this information.

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Preparing for Funding Year 2018

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Agenda



- Introduction and program updates
- Eligible services and discounts overview
- Form 470 and E-rate procurement
- Preparing for the Form 471 application

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Oklahoma: Funding Year 2017



- \$50.3M in discounts requested on \$69.6M of services
 - › **Category One:**
 - Pre-Discount/Requested/Committed: \$57M, \$41.2M, \$23.3M
 - › **Category Two:**
 - Pre-Discount/Requested/Committed: \$12.7M, \$9M, \$3.7M
- Smallest applicant: Elgin Community Library (\$432.00)
- Largest applicant: Oklahoma City Public Schools (\$3.7M)

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E-rate Program Update



- FY2018: very similar to FY2017
 - › Voice service: discount -80%
- E-rate is **not** “going away!”
 - › FCC Chair (and others) critical of program administration
 - › USAC contractor Solix contract expires at the end of the year
 - › Funds ‘stored’ in US Treasury instead of third party institutions
- Remember upcoming invoice deadline! (10/28 – FY2016 recurring)

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FY2018 Forecasting and Trends



- No dates yet; USAC estimate January to March
 - › “Profile window” could be November-December
- FY2017 trend: faster commitments
 - › Less review during PIA, more review during invoicing
- “Problems” taking longer than usual to resolve
 - › File carefully to reduce instances of RAL corrections, 500s, subs, etc.

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How to succeed



- Make a plan
 - › Who is responsible? Where does information live? What happens when you are not available? What is your timeline?
- Document, document, document
 - › Think about what documentation you can retain to support any data point or program rule. Make sure documentation is dated!
 - › Document retention requirement: 10 years from last date of service

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Funding Application Steps



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Eligible Services Overview



Eligible Services List



- Defines what products and services qualify for discounts
 - › Focused on broadband **connectivity and infrastructure**
 - › Eligibility defined by **functionality**
- FY 2018 list not finalized
 - › **Comment period has ended**
- Not listed in the ESL? Assume it is not eligible

Connectivity and Infrastructure




- Category One connections:
 - › Connections to public Internet
 - › Connections between separate schools (and/or NIFs)
- Category Two connections:
 - › Connections inside a specific building (LAN)
 - › Connections between multiple buildings of one school
 - › Connections between multiple schools in one building (also C1*)

Service Categories



- Two funding categories:
 - › Category 1 (“C1”): *service to the building*
 - Telecommunications and Internet access
 - › Category 2 (“C2”): *service within the building*
 - Internal connections, managed internal broadband and basic maintenance


Category Two “Budgets”



- Per-site funding cap
- Cumulative running total over five years
 - › Clock starts per-site from first year request is submitted
- Calculated annually based on enrollment
 - › Can adjust up or down
- \$150/student for schools; \$2.30 or \$5.00 /ft² for libraries
 - › Funding caps adjusted for inflation (153.47 / 2.35 / 5.12 in FY2017)

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Calculation Examples



Enrolled:
300
students

×

\$150 per
student

×

Discount
Rate:
80%

-

FY15-17
Approved:
\$0

=

Site cap:
\$36,000

Enrolled:
400
students

×

\$150 per
student

×

Discount
Rate:
60%

-

FY2016
Approved:
\$10,000

=

Site cap:
\$26,000

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Have you used your budget?



- Five-year clock starts with first Funding Year C2 is committed
 - › According to USAC, clock starts for all sites simultaneously
- After FY2019, “two in five” rule goes back into effect
 - › FCC could make other arrangements
- Don’t know your usage? help@fundsforlearning.com

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Action Item: Planning



1. Review current services and contracts
 - › What services will continue?
2. Estimate Category Two budgets per site
3. Tech forecasting
 - › What services / projects are needed July 2018 – June 2019?

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Applying for E-rate Discounts



Step 1: Updating Your Profile



- “Administrative window”
 - › Eliminates need for secondary consortia and library window
- Profile includes:
 - › Site demographics
 - › Discount calculation information

Profile: Best Practices



- Start by making your own site list:
 - › Site/school name
 - › Physical address
 - › Phone and e-mail (can be the same for all sites)
 - › NCES code and state site ID (if helpful)
 - › Enrollment and NSLP counts at each site
- Don't forget non-instructional facilities (NIFs)
 - › Bus barns, maintenance buildings, admin buildings, etc

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Site Addresses



- USAC reviews addresses **very** closely
- Any address which may be on a bill/invoice should be in profile
- Use “annexes” for secondary buildings with separate address

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EPC Applicant Profile



- All sites are identified by Billed Entity Numbers (BENs)
- Application is filed using “parent” BEN
 - › Each recipient of service (site) has a “child” BEN
- Adding or removing BENs requires service call to USAC
 - › Use EPC “Customer Service” feature or call 888-203-8100

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Review Profile



- Review all sites currently in profile (“Manage Organization”)
 - › Note old/closed BENs that should be removed
 - › Note new BENs that need to be created
 - › Ensure that demographic and enrollment/NSLP data is accurate
- Make note of required changes...
 - › Profile data may be overwritten

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EPC: “Manage Connectivity Questions”



- Information requested on a **per-site** basis
- Info carries over– check accuracy (and add info for new sites)
- Data required:
 - › Download and upload speed (Internet or WAN)
 - › Predominant connection type (MC)
 - › How sufficient is the quality of the Wi-Fi at this location? (MC)
 - › What is the biggest barrier to having a robust internal network in your classrooms at this location (MC, with “other” option)

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Calculating Discount Rates



Calculating the E-rate Discount



- Discount rate calculated based on:
 - › District-wide NSLP eligibility; and
 - › Urban or rural location defined by US Census data

- All district sites receive same discount rate

E-rate Discount Matrix



Percent of Students Eligible for NSLP	Category One Discount Rate		Category Two Discount Rate	
	Urban	Rural	Urban	Rural
Less than 1%	20%	25%	20%	25%
1% - 19%	40%	50%	40%	50%
20% - 34%	50%	60%	50%	60%
35% - 49%	60%	70%	60%	70%
50% - 74%	80%	80%	80%	80%
75% - 100%	90%	90%	85%	85%

Sample Discount Calculation



<i>Ford Indep. School Dist 1</i>	Enrollment	NSLP
Fiesta Elementary	300	250
Focus Elementary	300	200
Mustang Middle School	500	190
Taurus High School	500	160
Total	1,600	800

E-rate Discount Rate = **80%**

$$\frac{800}{1,600} = 50\%$$

NSLP Eligible

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Methods to Calculate Discount Rate



- Actual student participation rates
 - › Check <http://sde.ok.gov/sde/child-nutrition-documents>
 - › Review data from other months
- Surveys of families
 - › NSLP % based on actual number of returned forms
- Community Eligibility Provision
 - › CEP school districts use same method for E-rate
 - › # of directly certified students * multiplier (1.6)

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Action Item: Review Profile



1. Create internal site list:

- › School name, BEN, address, enrollment, NSLP
- › Estimate discount rate and C2 caps for budgeting purposes

2. Review data in EPC

- › Note changes that will be required (but don't update yet!)
- › Watch news feeds for "all clear" to begin updating data

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E-rate Procurement



Oklahoma Forms 470



- FY2017: 1,096 Forms 470 filed in total
 - › 904 referenced Category One services
 - › 344 referenced Category Two services
- FY2018: Five 470s filed so far
 - › All Category One
 - › First Form: St. Joseph Catholic School, Muskogee
- Last date to post not yet, **plan for earlier deadline in 2018**

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Procurement Process Summary



- **All E-rate discounted services must be competitively bid:**
 - › Exemption for “low cost” Internet: 100/10 speed @ \$3,600/yr or less
- Evaluate bids received
- Sign contracts and service agreements

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FCC Form 470



- Posted on USAC's website
 - › Describes products and services requested
 - › Includes attachments (RFPs) and other information
 - › Includes contact information
- Filed at any time during the year (subject to EPC)

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FCC Form 470




- Bidding period is **28 days** from the date the Form 470 is filed
 - › "Allowable Contract Date" marks end of 28 day period
 - › RFP should also be open for 28 concurrent days
- Document retention
 - › Keep copies of all bids received (even losing bids)
 - › Keep records of communication(s) with bona fide respondents

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Form 470 Scope



- The 470 sets the overall scope of a funded project
- <some scope>
 - › Competitively bid via Form 470
 - › Contracted
 - › Requested via Form 471
 - › Purchased
 - › Discounted with E-rate funds
- Deviations from original scope can cause denial

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Form 470 Step 1: Line Items



Category One	Category Two
Transport Only - No ISP Service Included	Antennas, Connectors, and Related Components
Cellular Data Plan/Air Card Service	Cabling
Cellular Voice	Caching
Leased Dark Fiber and Leased Lit Fiber*	Firewall Service and Components
Internet Access & Transport Bundled	Racks
Internet Access: ISP Service Only	Router
Lit Fiber Service	Switches
Other (requires RFP)	UPS/Battery Backup
Self-provisioned Networks and Services Provided Over Third Party Networks*	WAP
Voice Service (Analog, Digital, Interconnected VOIP, etc)	Wireless Controller

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Form 470 Step 2: Service Descriptions



- Line item selections are not enough
- Describe needs:
 - › In detail
 - › Without too much detail
- Remember that 470s aren't binding
 - › You are not obligated to purchase all (or any) services on the Form

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Form 470 Step 2: Service Descriptions



- E-rate no longer requires technology plans; **but:**
 - › Consider expected growth over life of contract (and funding year)
- Dictate how you want pricing broken out on bids
 - › Binary disqualification factors? List them!
- Consider potential questions from service providers

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A word about RFPs



- RFPs are not an E-rate requirement, but may be required by state/local rules
- An RFP does not have to be long or complicated
 - › Think of an RFP as an “attachment” to the Form 470
- Be very careful about addendums!

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Competitive Bidding Conduct




- Applicants expected to treat all vendors equally
 - › Bid requests may not be vendor-specific
 - › No inside information or special advantages
- “Fair and open” competitive bid process
 - › Vendors should not assist with Form 470 or RFP preparation
 - › Vendors should not assist with vendor selection
 - › No gifts – including meals!

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Evaluating bids



- Cost of **eligible** services must be the highest weighted factor
- Two ways of evaluating bids:
 - › “Binary” disqualification criteria (must be disclosed)
 - › Subjective criteria (evaluated on a “matrix”)
- Memorialize the selection in writing:
 - › Scoring worksheets, committee meeting notes, etc – use **dated** docs
- Know and follow state and local bid evaluation rules!

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Sample Vendor Evaluation Matrix



Criteria	Available Points
Cost of eligible goods and/or services	30
Cost of ineligible portion	25
Prior experience with vendor	15
In-state preference	10
Compatibility with existing infrastructure	20
100 possible points	

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Contracts



- Legally binding agreement required
 - › After 28-day period but prior to funding request (Form 471)
 - › Should include extension/renewal terms
 - › Exception: Month-to-month and tariff services
- Should contain detailed scope of work
 - › Service parameters, equipment make, model and quantity
 - › Billing terms, service logs, etc.
- May be contingent upon funding commitment

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Contracts



- You can use OMES contracts
 - › File Form 470 and consider state contract terms/pricing as “bid”
- E-rate allows contracts with voluntary extensions
 - › Contracts must have a **final** end date after extensions are used

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EPC: Entering Contracts



- Enter nickname and contract number
- Upload copy (Y/N)
- State contract? Multiple award schedule? (Y/N)
- “Piggy backing?” (Y/N)
- Number of bids received (required)
- Associated Form 470 (FY2016-17 or prior year)
- Account number

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EPC: Entering Contracts



- Contract vendor (identified by SPIN)
- Contract award date
- Voluntary extensions? (Y/N)
 - › If yes: number of extensions, expiration date if all are exercised
- Pricing confidentiality (Y/N)

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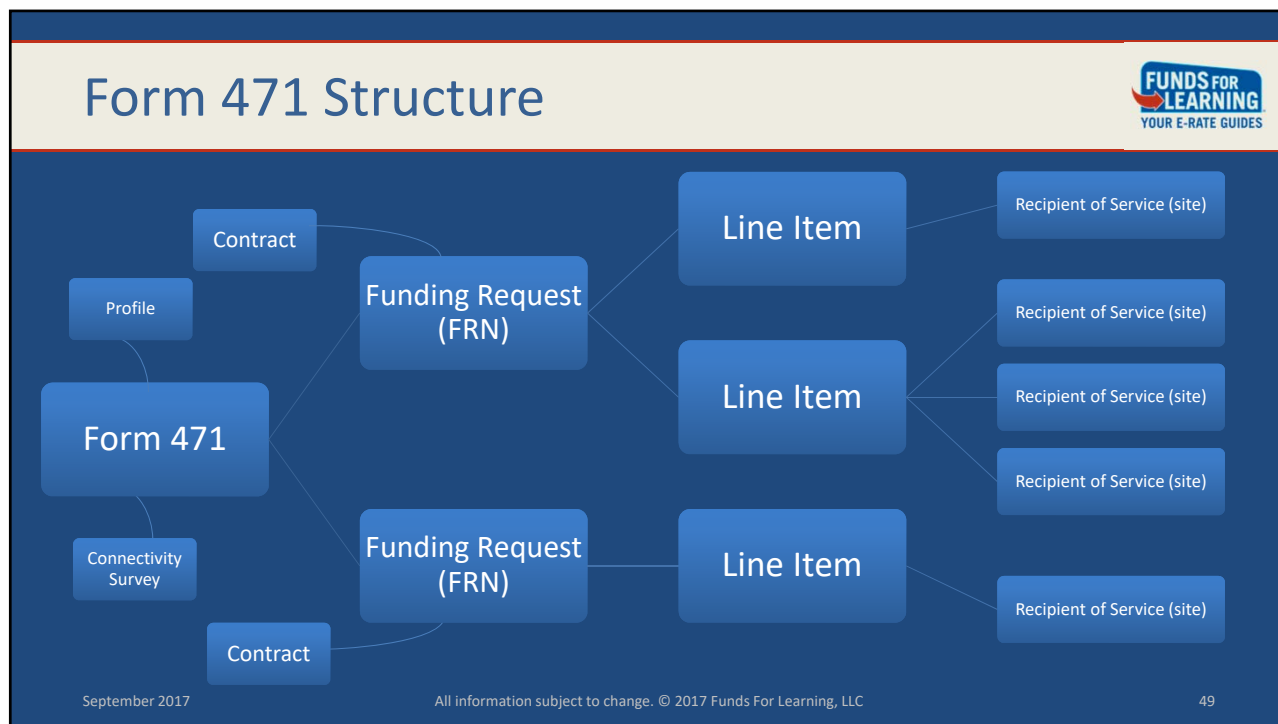
Filing Funding Applications



FCC Form 471



- Each 471 application will have one or more FRNs
 - › Funding Request Number
- An FRN may be associated with a contract
- Each FRN will have one or more line items
 - › Formerly: "Item 21"
- Each line item will be associated with one or more sites



Funding Requests

- Identify vendor
 - › Service Provider Identification Number (SPIN)
- Identify contract information
 - › Award date, expiration date, extensions, contract number
- Identify charges: use invoices or contracts
 - › Recurring and non-recurring
 - › Don't forget shipping, taxes, fees, etc

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Funding Request Strategies



- Category One and Category Two applications are separate
- Category One: most services district-wide
- Category Two: consider where equipment will be installed

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Let's talk about line items...



- Mirror line items as closely as possible to quotes or bills
 - › Watch C2 documentation closely!
- Forms 500, service substitutions require line item data
 - › "Allocated" dollars per site per line item
- Prediction: BEARs/SPIs will eventually require line item data

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Creating an FCC Form 471



- EPC Form creation wizard
 - › Sites and discount rate will pull from “Manage Organization” (Profile)
 - › Connectivity questions will pull in from “Manage Connectivity ?s”
 - › Select contracts from Contracts section when creating FRNs
 - › Enter line item:
 - Pick function/type
 - Recurring/non-recurring costs
 - Sites receiving services

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Support for Oklahoma Schools

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