

# Erate Training for Arizona Schools



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**“ODTL”**

**Office of Digital Teaching and Learning**

# ARIZONA BROADBAND

High-speed Internet is the necessary foundation for taking advantage of technology in the classroom. I support expanding broadband connectivity in every classroom in our state to ensure our students have the tools and skills they need to succeed in school and beyond.

Governor Doug Ducey.....



# Bandwidth Recommendations

([www.setda.org](http://www.setda.org))

Internet Service Provider		
School Year	2017-18	2020-21
Small School District (fewer than 1,000 students)	At least 1.5 Mbps per user (Minimum 100 Mbps for district)	At least 4.3 Mbps per user (Minimum 300 Mbps for district)
Medium School District Size (3,000 students)	At least 1.0 Gbps per 1,000 users <sup>^</sup>	At least 3.0 Gbps per 1,000 users
Large School District (more than 10,000 students)	At least 0.7 Gbps per 1,000 users	At least 2.0 Gbps per 1,000 users

# Arizona Broadband for Education Initiative

- The Arizona Corporation Commission on March 2, 2017 voted to update AUSF rules enabling Arizona to have a “State Match” program providing \$8M in matching funds
- State Legislators passed the state budget allocating \$3M from the general fund for 2017-2018
- Brings \$150M in infrastructure builds / projects to Arizona
- <http://www.azed.gov/erate/arizona-broadband-initiative/>
- 5 years ago, we were targeting 100K per student and \$10 per meg and we had 20% of our schools meeting the bandwidth target.
- Today, 90% of Arizona Schools *have the ability* to meet the Federal bandwidth per student goal
- For 2022, we are targeting 4.3M per student and <\$5 per meg. **This is progress!**
- Compare the cost of bandwidth across the state:  
<https://connectk12.org/states/AZ/>

# Funding Example

E-rate funding and rule changes have created an  
**UNPRECEDENTED, SHORT TERM OPPORTUNITY**

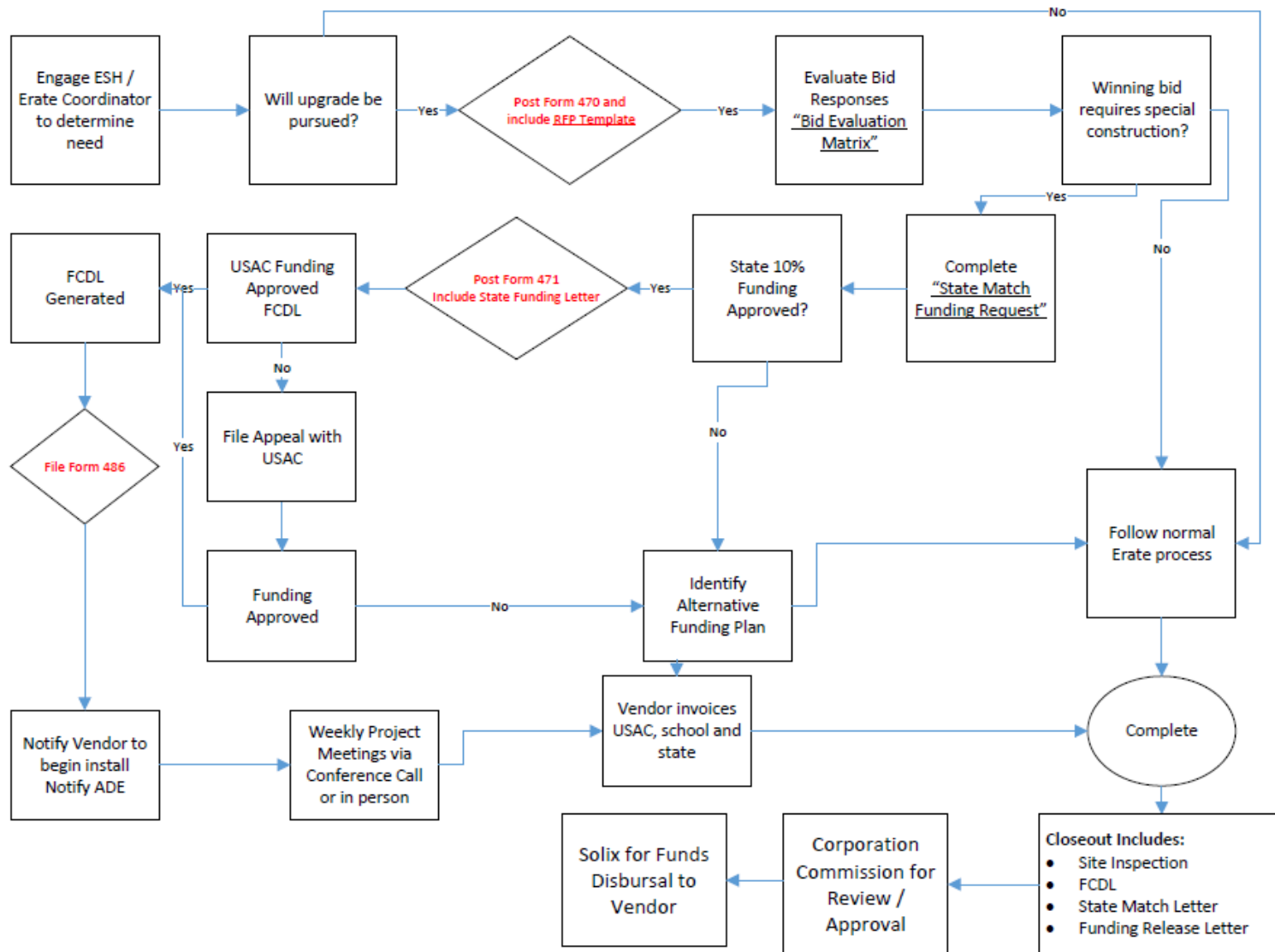
to connect schools and libraries to fiber and create more upgrade options

- **Example:** District is in need of high-speed internet but is several miles from the nearest telco location
- One-Time Build costs =
- For a school/library with 80% discount E-rate will pay for 80% of the costs =
- State *can* pay 10% =
- With State match, E-rate will pay and additional 10% =
- Net cost to District =

\$100,000
- \$80,000
- \$10,000
- \$10,000
\$ 0.0

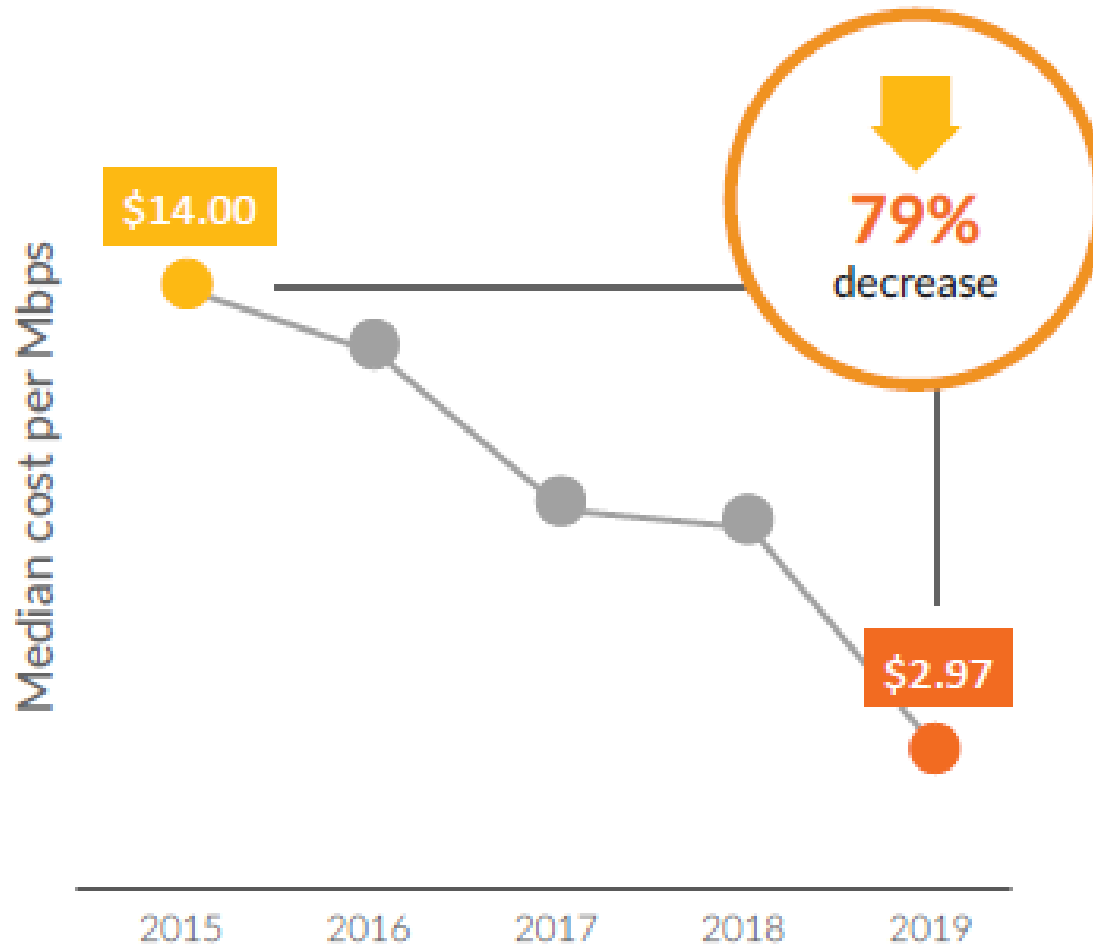
# The process...

## Arizona Broadband for Education Initiative





# Decrease Cost



# How to Apply

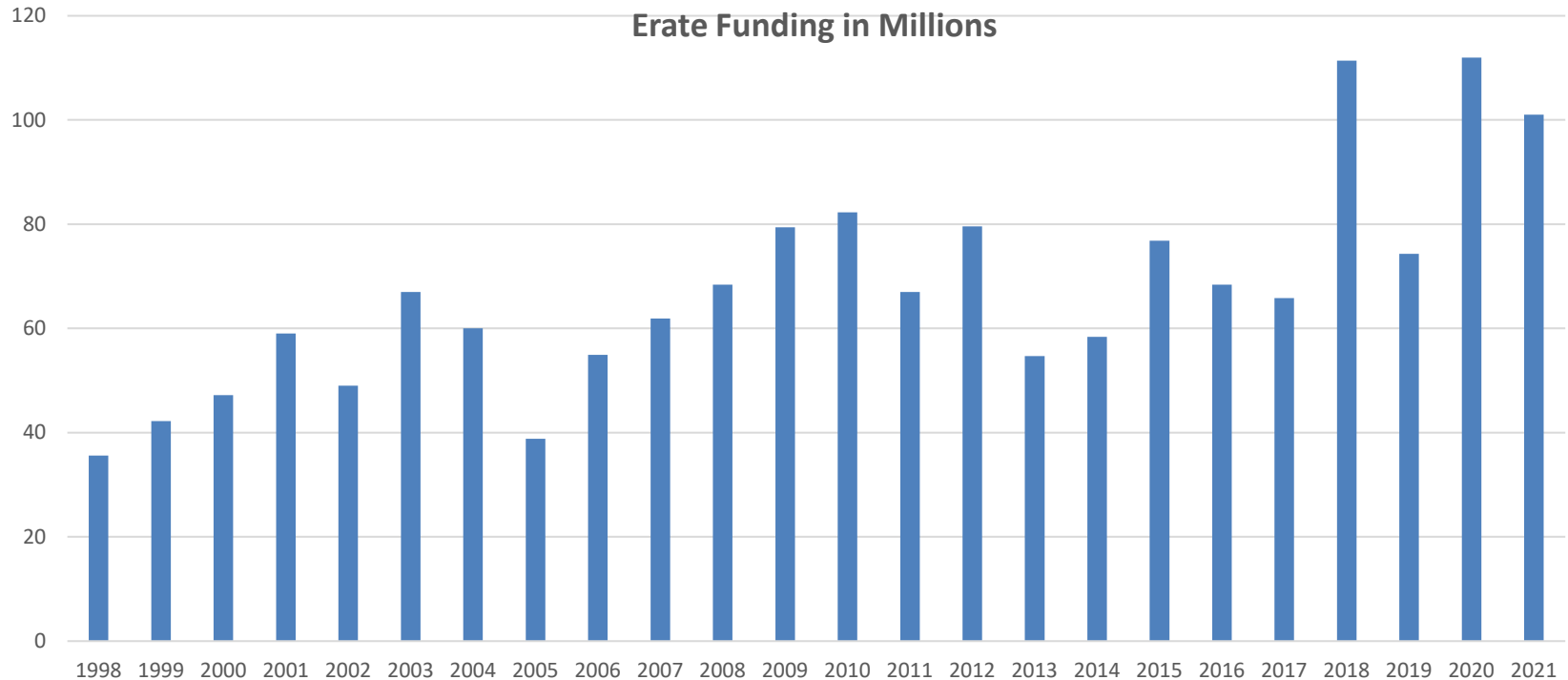
- Post a Form 470 for “Special Construction” and **include an RFP** (Include Due Date)
- Review proposals after a minimum of 28 days (Longer is better for complex builds)
- Post your 471 for construction AND monthly recurring costs along with your 471 for your existing services.
- Be responsive to all PIA inquiries!

# ERATE

# Definitions

- Federal Communications Commission (**FCC**), an independent U.S. government agency, oversees the E-Rate program
- Universal Service Administrative Company (**USAC**), a not-for-profit, administers E-Rate along with three other programs
- Schools and Libraries Division (**SLD**) is the part of **USAC** with responsibility for E-Rate
- Program Integrity Assurance (**PIA**) is the group that will send inquiries on your application. Respond timely in order to assure funding is not held.
- Billed Entity Number (**BEN**)
- Request for Proposal (**RFP**)
- Allowable Contract Date (**ACD**)
- Non Instructional Facility (**NIF**), no longer available for funding. Unless...
- Funding Commitment Decision Letter (**FCDL**)
- Receipt Acknowledgement Letter (**RAL**)
- Billed Entity Applicant Reimbursement (**BEAR**)
- Service Provider Invoice (**SPI**)
- **E-Rate doesn't stand for anything**

# Historical View



Arizona, historically had about a 30% approval rate. Beginning in 2018, we started moving up to 65% approval as a result of better filings and proper PIA responses.

# E-Rate? What is it?

- Established by the telecommunications act of 1996
- [ARS 15-1261](#) establishes an “Erate Fund” at the District level
- Applicants must apply each year (Form 471)
- Entitlement program
- Reimbursements are based on the poverty level and the maximum one can get back is 90% of your billed amount
- E-Rate Program provides reimbursements to eligible schools and libraries for
  1. Category 1 Services (Telecommunications)
    - Internet
    - Managed Services
  2. Category 2 Services (Infrastructure can be virtualized and paid monthly)
    - Routers
    - Wireless
    - Switches
    - Cache Engine
    - Internal Cabling
    - Basic Maintenance (Hardware, cable, tech support, patch and security updates)  
**Cannot be used to replace staff and should be used carefully**
- Original budget of \$2.25B Raised to 3.9 Billion for the 2015 funding year and will be adjusted for inflation going forward
- We MUST make good decisions. Consider if Erate wasn't there, would you agree to the cost?

# General Information

- How large are the discounts on eligible products and services?
  - Discounts: 20% to 90% of eligible costs (85% Max for Category 2)
  - Discount for a school or library depends on:
    - Percentage of eligibility of students for National School Lunch Program (NSLP) in:
      - (for a school) the school
      - (for a library) the school district in which the library is located
    - Urban or Rural location of the school or library <https://sltools.universalservice.org/portal-external/urbanRuralLookup/>
      - Be sure to check your BEN and correct any information that may be incorrect NOW.
  
- Who can apply?
  - Schools and School Districts
  - Libraries and Library Systems
  - Consortia
  - Charter Schools
  - Private Schools

<http://www.usac.org/sl/applicants/beforeyoubegin/definitions.aspx>

# Free Goods and Services

- Applicants and service providers are prohibited from using E-Rate to subsidize the procurement of **ineligible** or **unrequested products and services**
- E-Rate cannot be used to get free stuff or kick-backs. The value of ineligible products that are needed to run the service have to be backed out in your vendor selection process.
- Cost of eligible goods and services cannot be inflated to cover the “Free” ineligible stuff
- Nothing is FREE



# Non-Discounted Portion

## ▪ **Obligation to Pay Non-discount Share**

- Applicants are required to pay their share of the cost (the “non-discount” portion or share) — this share cannot be donated, forgiven or ignored.
- **Service providers cannot waive or credit the applicant’s share.**
- Service provider must bill the applicant for non-discount share of services. If applicant can’t show proof of payment during invoice review; invoice will be denied and the school will be required to pay the FULL amount.
- Deferred payment plans that allow the applicant to pay after USAC has paid will jeopardize a funding request.

# CIPA

- **Child Internet Protection Act**

- The Children's Internet Protection Act (**CIPA**) requires that K–12 schools and libraries in the United States use Internet filters and implement other measures to protect children from harmful online content as a condition for federal funding.
- Schools and libraries subject to CIPA are required to adopt and implement an Internet safety policy addressing:
  - Access by minors to inappropriate matter on the Internet
  - The safety and security of minors when using electronic mail, chat rooms and other forms of direct electronic communications
  - Unauthorized access, including so-called “hacking,” and other unlawful activities by minors online
  - Unauthorized disclosure, use, and dissemination of personal information regarding minors
  - Measures restricting minors' access to materials harmful to them
- Schools and libraries must certify they are in compliance with CIPA before they can receive E-rate funding (Includes school devices used at home)

<https://www.fcc.gov/consumers/guides/childrens-internet-protection-act>

# Technology Planning

- Technology Plan Approver (**TPA**) – the agency certified by **USAC** that approves your technology plan (State E-Rate Coordinator)
- It has to be written (drafted) before the filing of the Form 470, finalized and approved before the start of services.
- Can be multi-year but major changes should be re-approved
- **No longer a requirement but still suggested**

# Getting Started

- **MUST have an EPC login (Erate Productivity Center)**  
[http://www.universalservice.org/\\_res/documents/sl/pdf/e-rate-productivity-center/EPC-Applicant-Guide-Getting-Started.pdf](http://www.universalservice.org/_res/documents/sl/pdf/e-rate-productivity-center/EPC-Applicant-Guide-Getting-Started.pdf)
  - If you use a consultant, add them to your account as a consultant
- **Must have a BEN (Billed Entity Number) or District BEN if you have multiple sites and a single person to manage your Erate filing**
- **Must track NSLP information and keep the documentation on hand or reported to the state for tracking**
  - If it's reported to the state, then it will be online and all the PIA reviewers will have access at this URL: <http://www.azed.gov/health-nutrition/frpercentages/>
- **Erate Consultant (Not required)**
  - **Cannot** make decisions for you
  - Files paperwork and helps through the process
  - Many times they easily pay for themselves

# Getting Started cont...

- Need an EPC Account?

- Call 888-203-8100 and get a case number
- Send an email to the email address directed with a case number in the subject field and the following information in the body:

Billed Entity Number:

Billed Entity Name:

Entity Legal Name:

Physical Address:

Mailing Address:

County:

Telephone Number:

Organization Type: (School District, Library, Consortium)

Sector: (Public, Private, Religious)

Email address for Account Administrator:

FCC Registration Number: <https://apps.fcc.gov/coresWeb/publicHome.do>

# After logged into EPC

# Update current Internet speed

1. Select your entity
2. Select “Related Actions”
3. “Manage Connectivity Questions”
4. Very important (Accurately) update all the information on the page

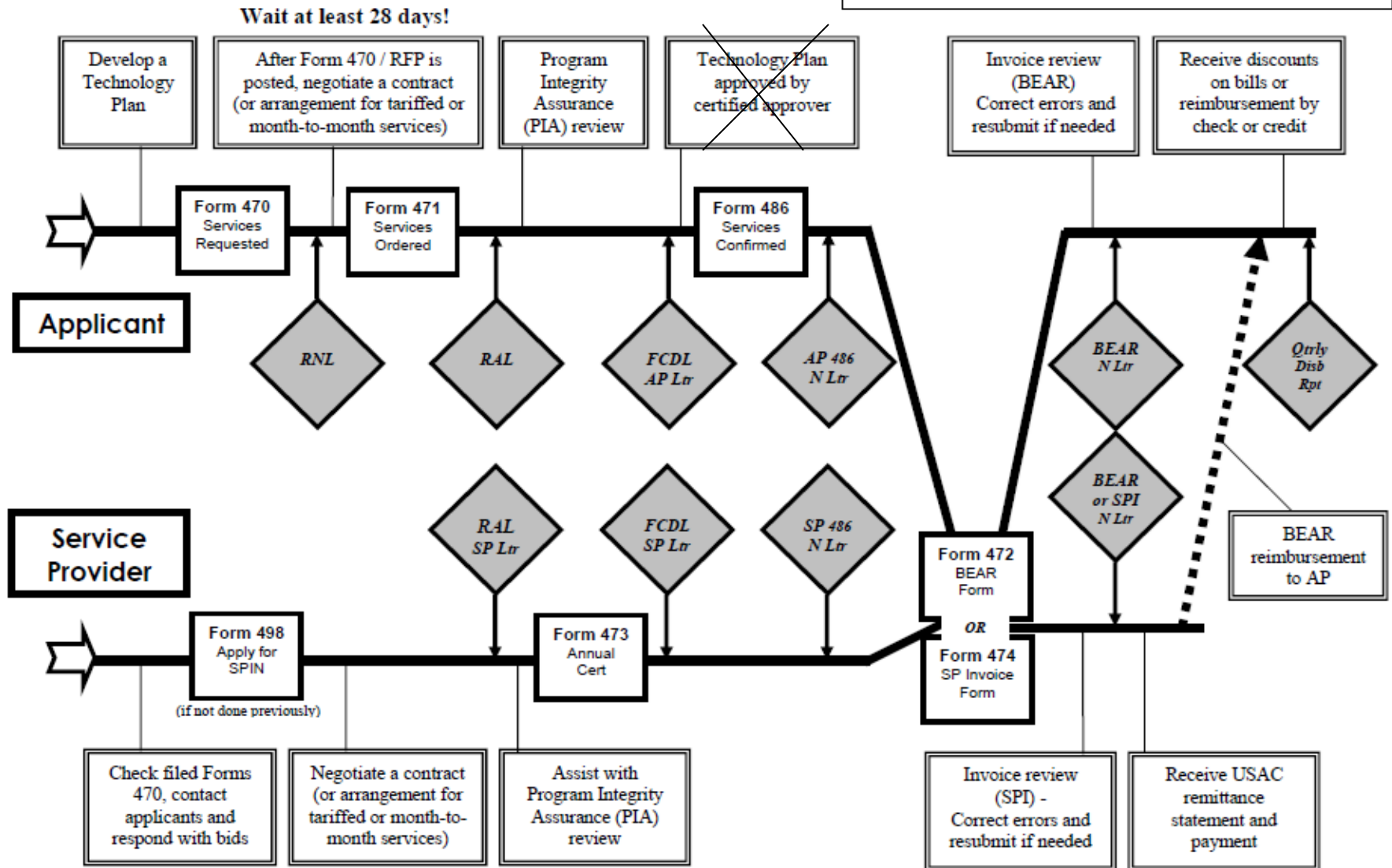
# THE PROCESS

## FORM 470

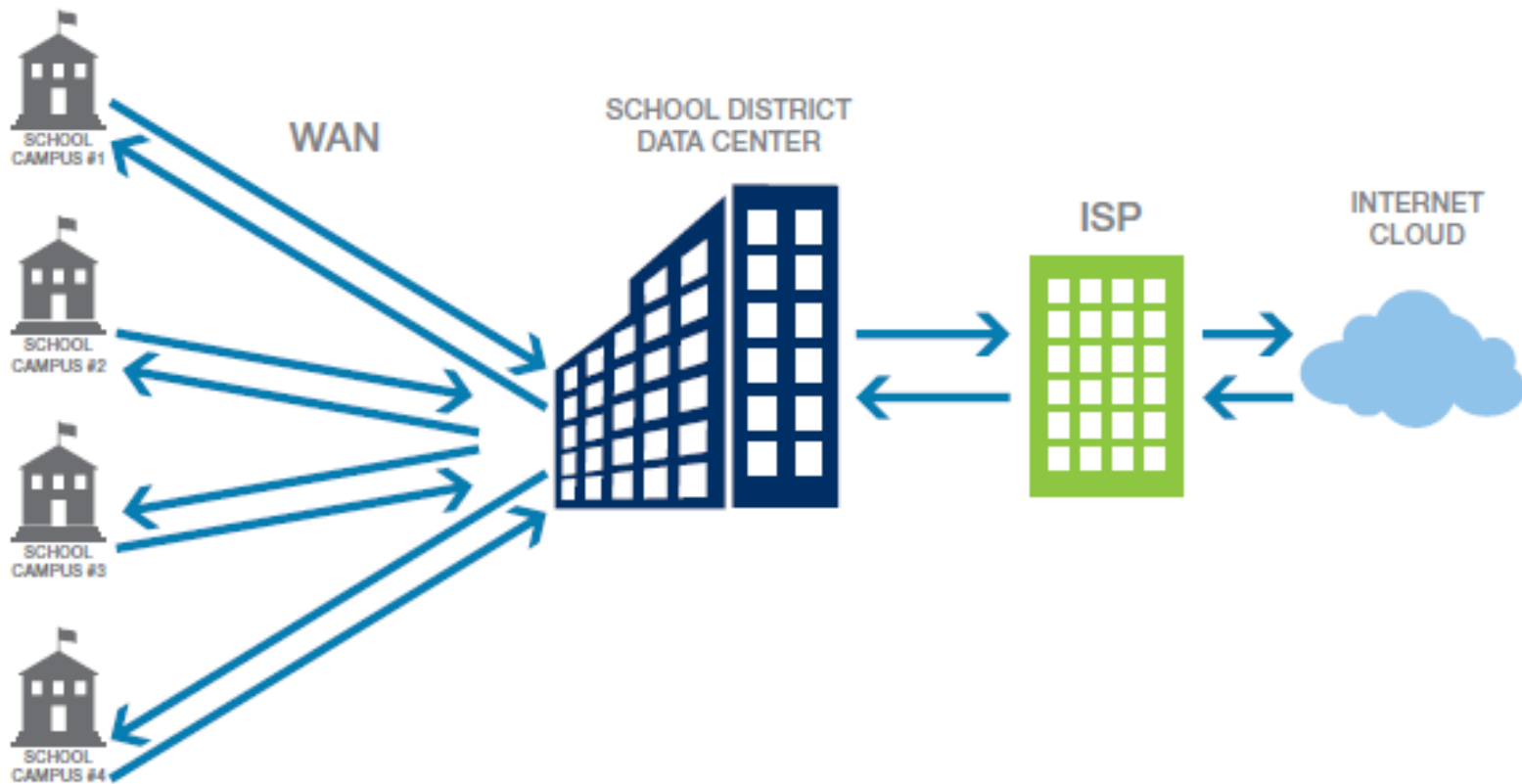


# Application Process Flow Chart

Key	
AP or SP	Applicant or Service Provider
SPIN	Service Provider Identification Number
RNL	Form 470 Receipt Notification Letter
RAL	Form 471 Receipt Acknowledgment Letter
FCDL	Funding Commitment Decision Letter
486 Nltr	Form 486 Notification Letter
BEAR or SPI	Billed Entry Applicant Reimbursement or Service Provider Invoice
Qtrly Disb Rpt	Quarterly Disbursement Report



# Network Overview



Questions?



# FORM 470

# Request Services (470)

- **You post a Form 470 to:**
  - Open a **competitive bidding process**
  - Notify potential bidders (service providers) of the types and quantities of services that you need (Be specific)
  - Define the scope of your needs (e.g., a school building, a library system, a state network)
  - You may also post an RFP and include a link in the 470
  - If using a State Contract, still must go through the bidding / evaluation process
  - Must be posted 28 (Minimum) days before vendor selection can begin (Use selection matrix)
  - Share all information with all bidders

**Save your documentation...**

# Items to include on 470 (Examples)

- **Category 1 Special Construction**
  - File RFP with Form 470 (Include MRR)
  - Include on the RFP that after FCDL, weekly projects meetings will be held and Project Plans and Gantt charts are required with estimated turn-up dates for all sites
  
- **Category 1 Services (No set limit to the monthly amount)**
  - Internet
    - 10M dedicated internet access with quotes for expansion to 100M in 10M increments with Ethernet handoff
  - WAN
    - 100M (Layer 2 or Layer 3) connections to all sites within the district (List them)

# Items to include on 470 (Continued)

- **Category 2 (Always leave off brand names) Erate budget is \$150 per student (5 years)**
  - **Cabling**
    - xx – Single Cat6 Data drops
    - xx – Quad Cat6 Data drops
    - xx – 7' Cat6 patch cables
    - xx – 15' Cat6 patch cables
    - xx – 1M Fiber patch cables
  - **Cache Engine**
    - Cache Engine for District Aggregation point to serve all sites in the district.
  - **Firewall**
    - Firewall capable of traffic throughput for x number of devices
  - **WIFI**
    - X number of WIFI devices covering x number of classrooms
  - **Router**
    - Router to manage traffic for x number of sites and x number of devices (Mention any specific protocols you might require)
  - **UPS**
    - X number of 2U rack mountable UPS's capable of supporting the following Erate devices (List the devices it will support)
  - **Data Switches**
    - x – 24 port POE switches
    - x – 48 port POE switch with uplink port
    - x – Uplink GBIC and cables
- Require "As-Built" documentation and FRN documented for each device
- Only complete responses will be evaluated

# Sample Bid Evaluation Matrix

FACTOR	POINTS AVAILABLE	VENDOR 1	VENDOR 2	VENDOR 3
Price of the eligible products and services	30*	15	30	25
Prior experience with the vendor	20	20	0	20
Prices for ineligible services, products, and fees	25	20	15	25
Flexible invoicing: FCC Form 472 or FCC Form 474	15	0	15	15
Local or in-state vendor	10	10	8	7
<b>TOTAL</b>	<b>100</b>	<b>65</b>	<b>68</b>	<b>92</b>

\*This number must be higher than all other numbers in the same column.

**List of Disqualified Bidders:**

**Vendor 1**

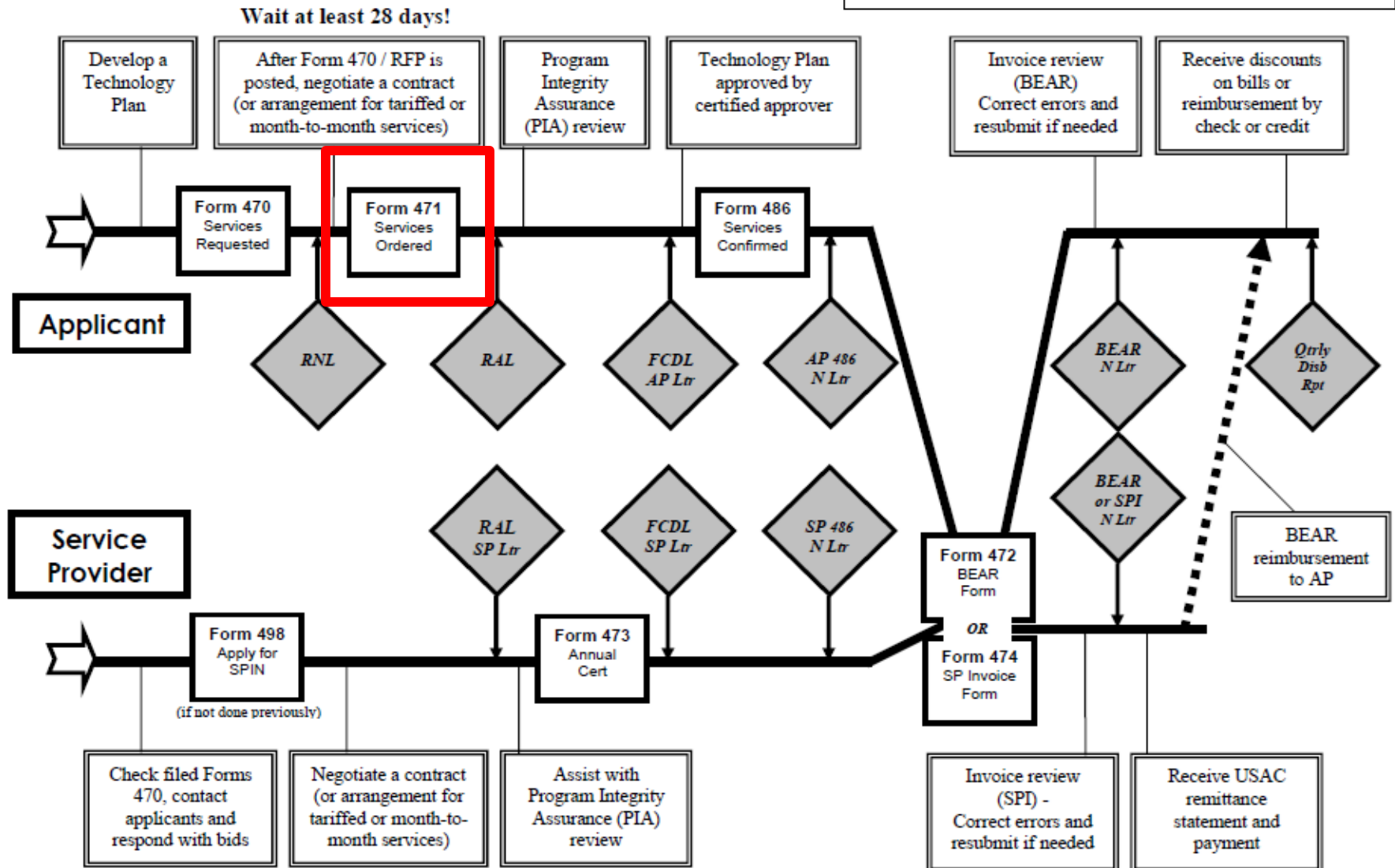
Reason for disqualification: All interested bidders received two weeks' notice of a required pre-bid conference. Vendor 1 did not attend this conference and did not provide a reason for their absence.



# FORM 471

# Application Process Flow Chart

Key	
AP or SP	Applicant or Service Provider
SPIN	Service Provider Identification Number
RNL	Form 470 Receipt Notification Letter
RAL	Form 471 Receipt Acknowledgment Letter
FCDL	Funding Commitment Decision Letter
486 Nltr	Form 486 Notification Letter
BEAR or SPI	Billed Entry Applicant Reimbursement or Service Provider Invoice
Qtrly Disb Rpt	Quarterly Disbursement Report



# Request services (471)

- You post a Form 471 to:
  - Select vendors for the coming year
  - Request specific funding amounts for services
  - Have a contract or “Legally Binding Agreement” **in hand** when posting the 471
    - Month to month and tariff services do not require a contract
  - Cannot be posted before the opening of the 471 window AND after waiting 28 days from posting your 470
  - Make sure your Category 2 vendors give you model numbers, part numbers, cost along with their SPIN

Save all documentation for **10 years**

# What to include

- The PIA group will likely request the following so it's a good idea to document it now:
  - Scan of Bid Evaluation Matrix
    - Document reasons behind scoring for each vendor
  - Scan all bids that were received / evaluated

Create / scan and attach your contract / signed agreements **before** starting your Form 471

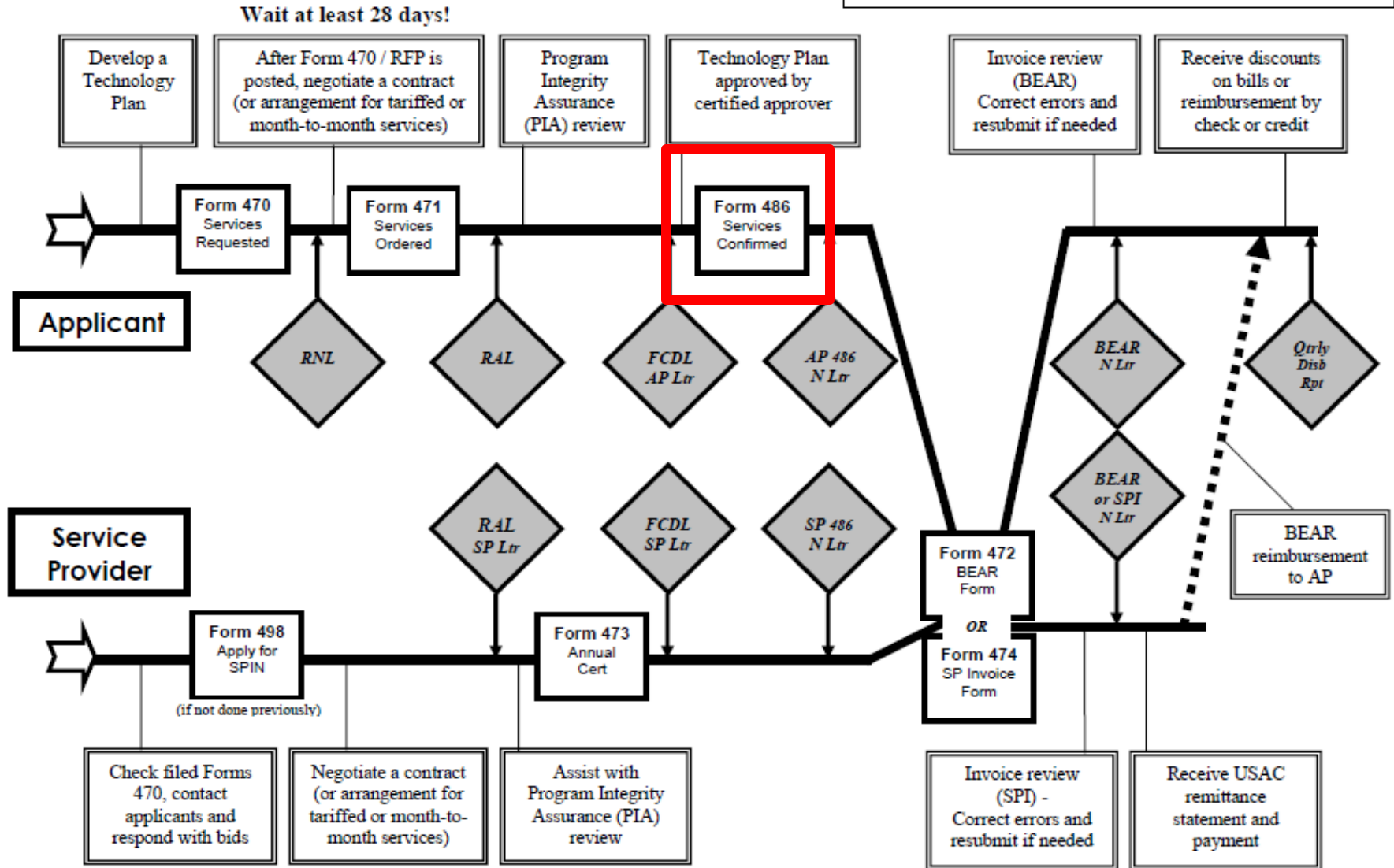
# Application Review

- **USAC** reviews your Form(s) 471 to:
  - Check the eligibility of the schools and libraries and their discount levels
  - Verify contract with vendors or “Legally Binding Agreement”
  - Verify that the services you requested are eligible for discounts
  - Give you an opportunity to make allowable corrections to your form
  - In some cases, ask for additional verification of your compliance with program rules
  - Respond to all inquiries within the timeframe allotted (Your funding depends on it)
  - Engage your vendor or the State Erate Coordinator for assistance with PIA inquiries
  - Verify you are a real entity
  - Funding Commitment Decision Letter (**FCDL**) – a letter issued by **USAC** to the applicant and the service provider that contains commitment decisions on funding requests

# FORM 486

# Application Process Flow Chart

Key	
AP or SP	Applicant or Service Provider
SPIN	Service Provider Identification Number
RNL	Form 470 Receipt Notification Letter
RAL	Form 471 Receipt Acknowledgment Letter
FCDL	Funding Commitment Decision Letter
486 NLtr	Form 486 Notification Letter
BEAR or SPI	Billed Entry Applicant Reimbursement or Service Provider Invoice
Qtrly Disb Rpt	Quarterly Disbursement Report



# Start services (486)

- AFTER you receive your FCDL (Funding Decision Commitment Letter)
- You post a Form 486 to:
  - Notify USAC that services have started and invoices for those services can be processed and paid
  - Report your status of compliance with CIPA
  - Must be filed within 120 days of the FCDL
- Acronyms and terms
  - Form 486 Notification Letter – a letter issued by USAC to the applicant and service provider after a Form 486 has been processed
  - Children’s Internet Protection Act (CIPA) – a law with specific requirements on Internet safety policies and filtering

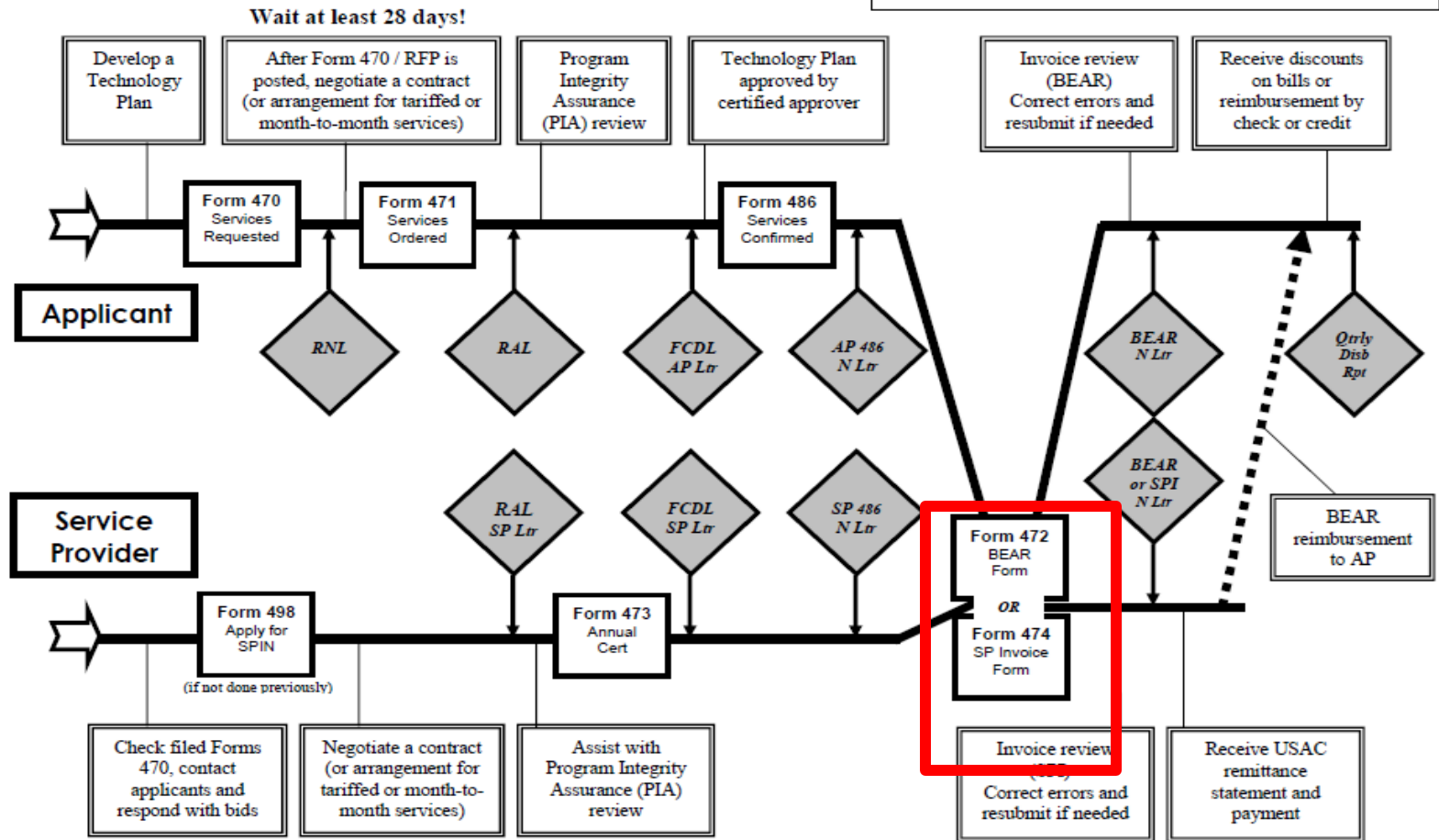


# THE PROCESS

BEAR FORM 472  
OR  
SPI FORM 474

# Application Process Flow Chart

Key	
AP or SP	Applicant or Service Provider
SPIN	Service Provider Identification Number
RNL	Form 470 Receipt Notification Letter
RAL	Form 471 Receipt Acknowledgment Letter
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BEAR or SPI	Billed Entry Applicant Reimbursement or Service Provider Invoice
Qtrly Disb Rpt	Quarterly Disbursement Report



October 2006

# Invoicing

- 2 ways to handle invoicing
  - Discounts on bills (Form 474, SPI)
    - Service provider must handle the filing of invoices with USAC
  - Reimbursements (Form 472, BEAR)
    - Applicant must pay for services and apply for reimbursements from USAC on a Quarterly basis

# Timeline

Step		Timeline
1	File Form 470	July 1, 2021 through February 21, 2022
2	Wait 28 Days	Required to wait <b>at least</b> 28 days after filing 470 before beginning bid reviews
3	Conduct Bid Evaluation and Award	As needed but before the deadline and after your 28 days ( <b>Price</b> must be the heaviest weighted factor)
4	File Form 471	Window opens January 12, 2022 at 12:00 PM EST and closes March 22, 2022 at 11:59 PM EST.
5	PIA Review and <b>FCDL</b>	Ongoing
6	File Form 486	Within 120 days of receiving FCDL
7	Invoice USAC (Form 472/474)	July of current funding year – End of funding year

# Record Retention

- Retain documents for 10 years (Keep an “E-Rate book for each year)  
[http://www.usac.org/\\_res/documents/sl/pdf/samples/samples-checklist-E-Rate-binder-dividers.pdf](http://www.usac.org/_res/documents/sl/pdf/samples/samples-checklist-E-Rate-binder-dividers.pdf)
- Records may be kept electronically
- Applicants retain documents to show compliance:
  - Documents describing bid evaluation criteria and weighting
  - Any correspondence with potential bidders
  - Documents related to the selection of the service provider(s)
  - Signed and dated copies of contracts
  - Also, see further list on USAC website under document retention
- Retain documents to show your compliance:
  - Letters of Agency and any agreements with all consultants
  - Technology Plan (both draft and final approved version) and TPA Plan Approval letter
  - RFP, including evidence of publication date and any solicitation you did
  - Any and all bids (winning and losing)
  - Email to yourself if you get no or one bid

# USAC Resources

- USAC Homepage  
<http://www.usac.org/sl/>
- USAC Reference Page  
<http://www.usac.org/sl/tools/reference-area.aspx>
- USAC tools  
<http://www.usac.org/sl/tools/search-tools/>
- USAC Outreach and Training  
<http://www.usac.org/sl/about/outreach-training.aspx>

# Erate Resources for AZ

- Arizona Department of Education (ADE) <http://www.azed.gov/erate/>  
[Free and Reduced: http://www.azed.gov/hns/frp/](http://www.azed.gov/hns/frp/)
- Arizona State Library Archives and Public Records  
<http://www.azlibrary.gov/libdev/funding/e-rate>
- CIPA Compliance  
<https://www.fcc.gov/consumers/guides/childrens-internet-protection-act>
- Arizona State Procurement Office (AZSPO)  
<https://procure.az.gov/bsol/login.jsp>  
<https://spo.az.gov/statewide-e-rate-contracts>

# Federal Funding for Home Connectivity

## EBB / ECF / ACP

Emergency Broadband Benefit  
Emergency Connectivity Fund  
Affordability Connectivity Program (Continuation of EBB)



# 2021 Additional Federal Funding

- American Rescue Plan signed into law March 11, 2021 gives \$7.1B for Erate
  - The FCC will have 60 days to write the rules for the program
  - Another program within USAC
  - 100% funding (Not based on NSLP) on home purchases
  - Reimbursement program – Not vendor billing (SPI)
  - Retroactive but unknow how far back
  - Eligible devices are to be defined (hotspots, “devices”)
  - Special Construction
  - Arizona requested \$217M (\$167M Equipment and \$49M in Service) and received \$104M (Through Wave 5)

# EBB to ACP (January 1, 2022)

## ▪ Emergency Broadband Benefit Program

- Launched by the FCC, provides a discount of \$50 per month towards broadband service for eligible households and up to \$75 per month for those on tribal lands. Eligible households may also receive up to \$100 to purchase a laptop, desktop or tablet from participating providers if the contribute \$10-\$50 toward the purchase price
- I have been encouraging schools to sign up as “Outreach” partners in order to get parents notified of the program
- Schools will be required to verify NSLP for their students
- <https://www.fcc.gov/broadbandbenefit>

## ▪ Affordable Connectivity Program

- Formerly EBB (Emergency Broadband Benefit)
- Provides a discount of \$30 per month towards broadband service for eligible households and up to \$75 per month for those on tribal lands. Eligible households may also receive up to \$100 to purchase a laptop, desktop or tablet from participating providers if the contribute \$10-\$50 toward the purchase price
- If enrolled in the EBB by 12-31-21 your benefit will continue until 3-1-21 then transition to the new program
- Rules are still being finalized at this time
- Schools will be required to verify NSLP for their students
- <https://www.fcc.gov/broadbandbenefit>

Questions?

