



E-rate Funding Year 2021

South Dakota Library Applicants

July 2020

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For the South Dakota Department of Education

E-rate is...

- “Education Rate” formally named “Universal Service Support Mechanism for Schools and Libraries”
- A technology program for affordable broadband access
- Open to all K-12 schools and public libraries
- Funded at \$4 billion per year, plus annual inflation adjustment
- Based on a competitive bid model to set prices for services and equipment
- Funding quantified as a discount percentage from the cost of qualified services and equipment

E-rate is managed by...

- **Federal Communications Commission**
 - Administrative agency in charge of regulations, enforcement, policies
- **Universal Service Administrative Co. (USAC)**
 - Administrator of all universal service programs including E-rate
- **Schools and Libraries Division of USAC (SLD)**
 - Division inside USAC responsible for E-rate

Who's in Charge

FCC

- Issues rules
- Issue legal decisions
- Interprets rules
- Sets all policies
- Supervises SLD

USAC/SLD

- Day to day administrator
- Review and processes applications
- Implements rules and policies instructions
- Not allowed to set policy

3 E-rate Fundamentals

Entity

- K-12 School per State law
- Library eligible for LSTA funding

Service

- Listed on Eligible Services List
- Delivered to eligible entity

E-rate Discount

- Based on % of Free/Reduced Students
- Correlate to E-rate Discount Matrix

Eligible Libraries

- Eligible for funding under LSTA
 - Must have separate independent budget
 - Must pay for E-rate eligible services
 - Dual use libraries – Public library must have a separate budget and pay for technology in order to be able to apply for E-rate

Administrative Buildings

- Buildings that part of the library but are primarily administrative
- E-rate calls these administrative buildings “Non-Instructional Facilities or NIFs”
- Building must be listed on the funding application and must have its own Entity Number

E-rate Entity Numbers

- Each library or NIF must be listed on E-rate funding application as a recipient of service.
- Must have an E-rate assigned number called “Entity Number.”

2 Funding Categories

- **Category 1 - Services TO buildings**
 - Internet access service
 - Data transmission service

- **Category 2 - Services/equipment INSIDE buildings**
 - Internal Connections equipment/service
 - Managed Internal Broadband Services
 - Basic Maintenance of Internal Connections

Category I Overview

- Funding is geared to broadband service to buildings
 - Data Transmission Circuits
 - Internet Access Service
- Voice phone service is no longer eligible

Data Transmission Lines

- High speed connections to and between library buildings, usually leased from third party vendor

Internet Access

- Eligible Internet Access may include the following features if they are provided as a standard bundled component of a vendor's Internet access service
 - Basic firewall protection
 - Domain name service
 - Dynamic host configuration
- Examples of ineligible components of Internet access
 - Applications, filtering, content, email, and equipment such as computers, laptops, tablets and all other end-user devices
 - Webhosting is not eligible

Category I Other Eligibility

- Eligible
 - Installation if included on competitive bid form
 - State, federal and local taxes
 - Universal service fund charge
- Ineligible
 - Late fees
 - Finance charges
 - Paper statement fees
 - Administrative charge for collecting USF fee

Category 2 Items

Data network equipment and service inside buildings needed for broadband connectivity

- 3 Subcategories
 - Internal Connections
 - Basic Maintenance of Internal Connections
 - Managed Internal Broadband Services

Internal Connections

Component	Component
Access Points	Uninterruptible power supply/battery backup for eligible equipment
Antennas	Wireless controller
Connectors	Software/operating systems of eligible equipment
Cabling	Licenses (right to use) for eligible equipment
Caching	Virtualized (cloud based) functionality
Basic firewall functionality	Bundled warranty up to 3 years that is integral to equipment and included as part of price
Switches	Installation, configuration of eligible equipment
Routers	Basic training on use of equipment
Racks	

Managed Internal Broadband Services (MIBS)

- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections
- Services may include:
 - Management and operation of the LAN/WLAN
 - Installation, activation and initial configuration of eligible components
 - On-site training on use of equipment
 - Equipment ownership options
 - 3rd party manager may own and equipment leased as part of management agreement
 - Applicant may own equipment and contract for management services
 - Unlike basic maintenance, network monitoring is eligible but only as part of MIBS
- FCC must approve continuation of MIBS as part of current NPRM

Basic Maintenance of Internal Connections

- Equipment being maintained must be eligible
- Cost must be based on estimated time and materials
- Insurance type contracts are not eligible
- Reimbursements limited to actual time spent on maintenance
- Extended warranties are not eligible
- Software updates and basic technical support are eligible without having to document use of the service
 - If prepaid for multiple years, right now you can only claim the annual cost of the maintenance and must apply for proportionate cost each year
- FCC must approve continuation of maintenance as part of pending NPRM

Category 2 Budgets

- Unlike Category 1 services, the price for Category 2 equipment and services that can be claimed is limited by a set budget
- Budget is set by FCC and adjusted each year for inflation
- Budget is the total amount of funding **prior** to E-rate discount

New Beginning FY 2021

- Fresh start: All budgets will be zeroed out and reset for next 5-year period, FY 2021 – FY 2025
 - No funds remaining from first budget cycle can be carried forward
- Library Multiplier based on square feet
 - \$4.50 for all libraries
 - Minimum building amount is \$25,000
- Same multipliers in effect for all 5 years
- Library or library system-wide budgets

Library System Budgets

- Budgets administered and managed by applicants at the library system-wide level
- No longer required to “match” equipment costs to each individual library’s budget
- No longer required to allocate costs of shared equipment among the libraries using equipment
- No longer required to report equipment transfers to USAC using Form 500
 - Still must maintain 10-year asset register
 - Must document in your records any transfers including the associated reason within 3 years of date of purchase

Budget Floors

- Minimum budget floor of \$25,000
 - Libraries with 5,555 square feet or less will benefit by using minimum amount

C2 Budget - I I+ Buildings

- Library Systems – 2 options
 - Calculate total square footage x \$4.50 or
 - Calculate # libraries x \$25,000
 - Use larger of the 2 numbers for your budget

C2 Budget - 10 or < Buildings

- Library Systems – 3 options
 1. Calculate total square footage x \$4.50 or
 2. Calculate # libraries x \$25,000
 3. **Hybrid** - Calculate by each building (1 or 2) and use higher amount & sum amounts
- Once calculated, budget managed at the library system level

Library System – 11+ Libraries C2 Budget Example

Per Square Foot Calculation \$4.50 per Sq Foot					
Library	# Sq Feet	FY21 - FY25 Budget	Library	Enrollment	FY21 - FY25 Budget
One	6250	\$28,125.00	Seven	4000	\$18,000.00
Two	1800	\$8,100.00	Eight	3000	\$13,500.00
Three	9000	\$40,500.00	Nine	1600	\$7,200.00
Four	1300	\$5,850.00	Ten	3500	\$15,750.00
Five	8000	\$36,000.00	Eleven	6500	\$29,250.00
Six	6500	\$29,250.00	Total	51450	\$231,525.00

The square foot calculation is likely to be more advantageous when most libraries in the system exceed 5,555 square feet

Minimum Floor Budget Calculation					
Library	# Sq Feet	FY21 - FY25 Budget	Library	Enrollment	FY21 - FY25 Budget
One	6250	\$25,000.00	Seven	4000	\$25,000.00
Two	1800	\$25,000.00	Eight	3000	\$25,000.00
Three	9000	\$25,000.00	Nine	1600	\$25,000.00
Four	1300	\$25,000.00	Ten	3500	\$25,000.00
Five	8000	\$25,000.00	Eleven	6500	\$25,000.00
Six	6500	\$25,000.00	Total	11 Blgs	\$275,000.00

Library System – 10 or < Libraries

C2 Budget Example

Per Square Calculation \$4.50 per Sq Foot					
Library	# Sq Feet	FY21 - FY25 Budget	Library	# Sq Feet	FY21 - FY25 Budget
One	6250	\$28,125.00	Six	6500	\$29,250.00
Two	1800	\$8,100.00	Seven	4000	\$18,000.00
Three	9000	\$40,500.00	Eight	3000	\$13,500.00
Four	1300	\$5,850.00	Nine	1600	\$7,200.00
Five	8000	\$36,000.00	Ten	3500	\$15,750.00
Total Square Feet = 44,950 x \$4.50 = \$202,275.00					

Minimum Floor Budget Calculation					
Library	# Sq Feet	FY21 - FY25 Budget	Library	# Sq Feet	FY21 - FY25 Budget
One	6250	\$25,000.00	Six	6500	\$25,000.00
Two	1800	\$25,000.00	Seven	4000	\$25,000.00
Three	9000	\$25,000.00	Eight	3000	\$25,000.00
Four	1300	\$25,000.00	Nine	1600	\$25,000.00
Five	8000	\$25,000.00	Ten	3500	\$25,000.00
# Buildings = 10 x \$25,000 = \$250,000.00					

Hybrid Budget Calculation					
Library	# Sq Feet	FY21 - FY25 Budget	Library	# Sq Feet	FY21 - FY25 Budget
One	6250	\$28,125.00	Six	6500	\$29,250.00
Two	1800	\$25,000.00	Seven	4000	\$25,000.00
Three	9000	\$40,500.00	Eight	3000	\$25,000.00
Four	1300	\$25,000.00	Nine	1600	\$25,000.00
Five	8000	\$36,000.00	Ten	3500	\$25,000.00
Sum of all Bulding Budgets = \$283,875.00					

The hybrid calculation is likely to be more advantageous when some of the libraries have less than 5,555 square feet.

Category One Discount Matrix

INCOME Measured by % of students eligible for NSLP	URBAN LOCATION Discount	RURAL LOCATION Discount
If the % of students in your school that qualifies for the NSLP...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Maximum Discount = 90%

Category Two Discount Matrix

INCOME Measured by % of students eligible for NSLP	URBAN LOCATION Discount	RURAL LOCATION Discount
If the % of students in your school that qualifies for the NSLP...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	85%	85%

Maximum Discount = 85%

Library Discount Calculation

- Independent Libraries
 - Will derive their discount based on the percentage of students eligible for the NSLP in the school district in which that library is located and whether the library is located in an urban or rural area
- Library Systems and Libraries in a System
 - Will derive their discount based on the percentage of students eligible for the NSLP in the school district in which the main library system outlet/branch is located
 - AND
 - The percentage of buildings in rural areas
 - If more than 50% are located in rural areas, then the rural discount should be used

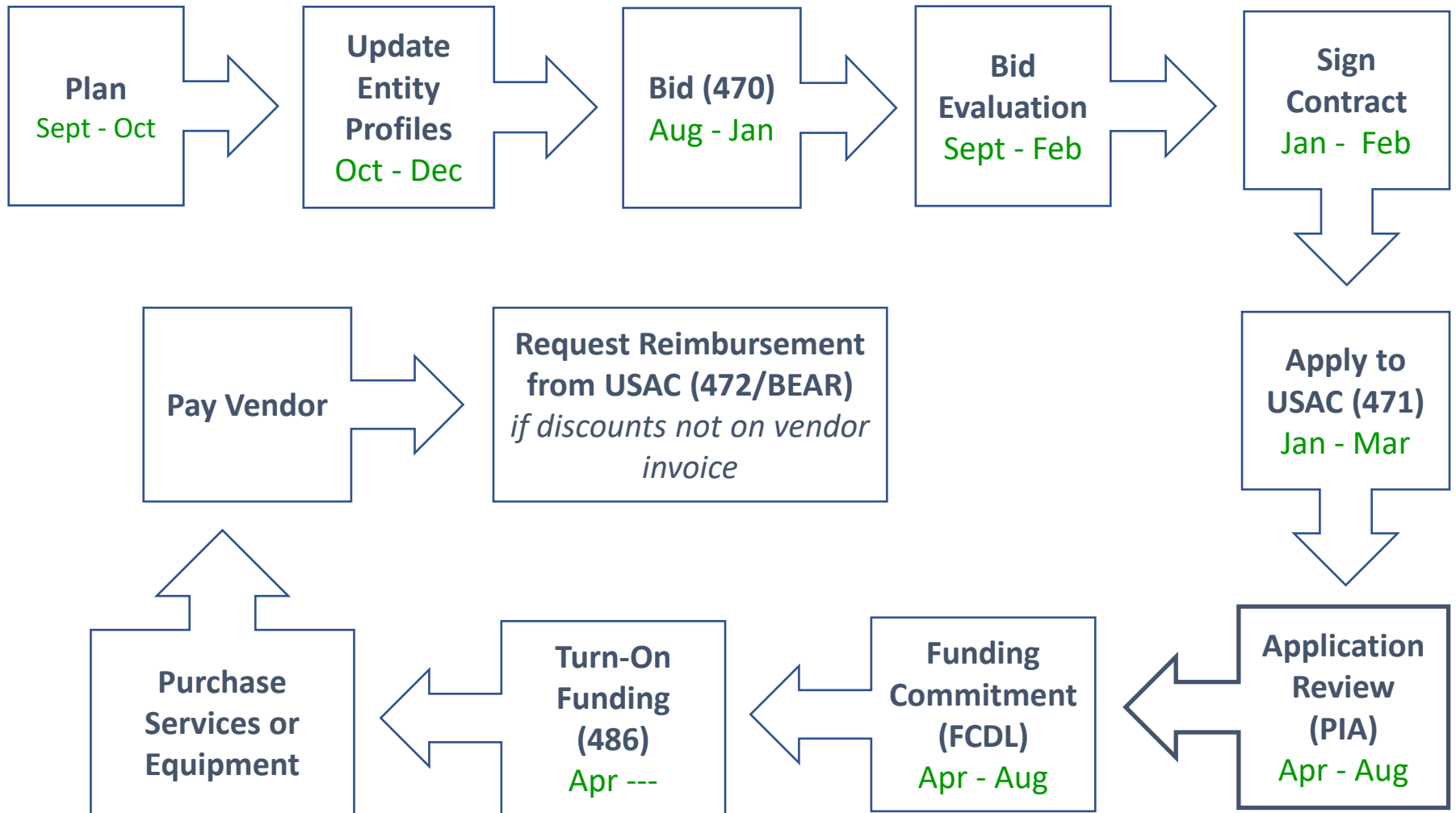


Application Cycle

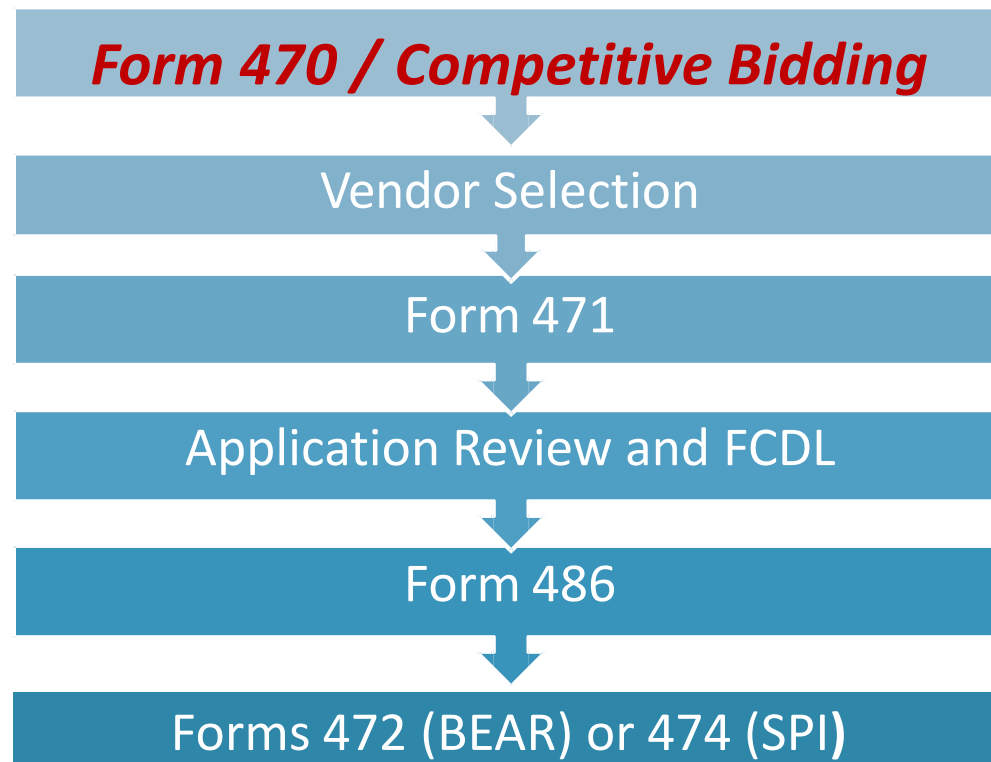
Year-round compliance

Multiple funding years open simultaneously

The E-rate Process



Let's Begin...



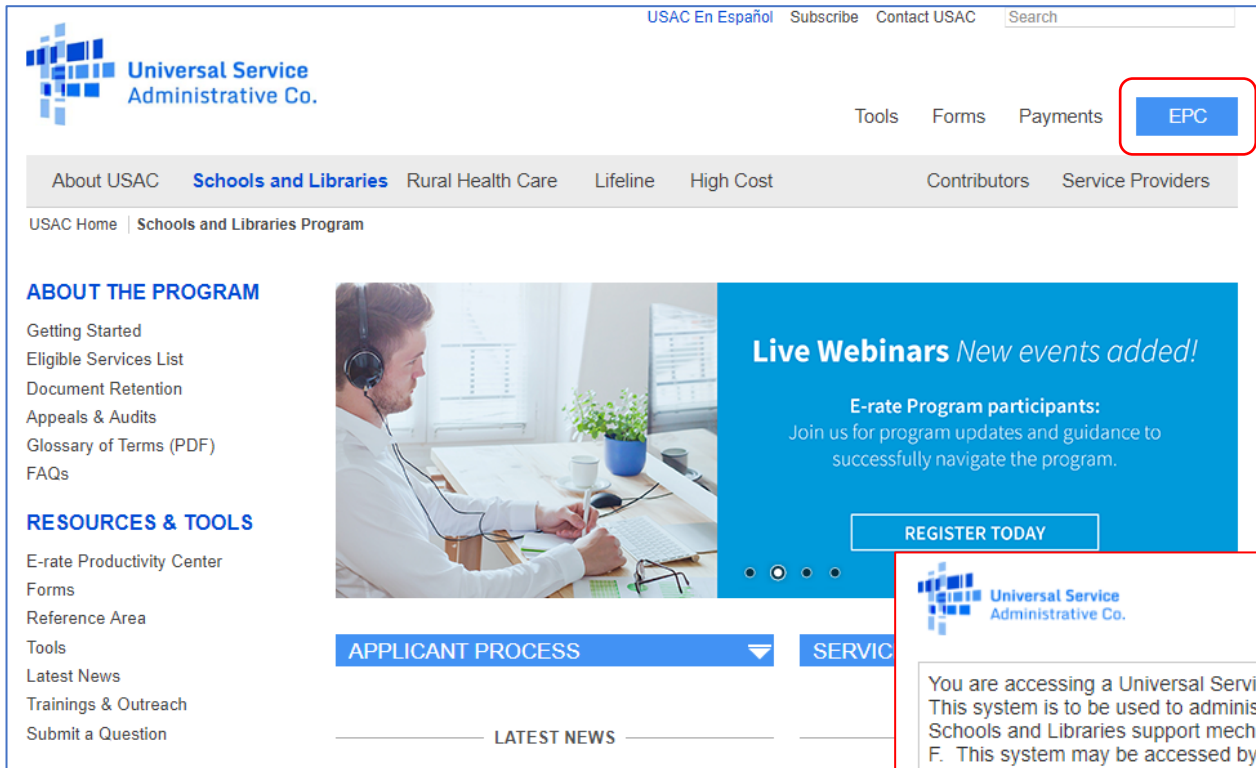
E-rate Productivity Center (EPC)

- Forms must be submitted inside a personalized account portal
- Each district, independent school, library or consortium needs have an EPC account
- FY 2016 was the first year that EPC was introduced
- Call Client Service Bureau at 888-203-8100 if you don't know whether your EPC portal has been set up
- See Tab 6 for detailed EPC portal guide

Multi-Factor Authentication

- USAC is required to implement MFA
 - Must verify identify using your email and a generated code before accessing EPC.
 - Code can be sent to email or by text.
- Email noreply@usac.org
 - Instructions on how to log in
 - Will set up new password
 - 1st verification factor will be your new password.
 - 1st code will be sent via email.
 - Then you can set your preference – email or text to receive future codes.
 - Must use MFA each time you log into EPC or BEAR portal.

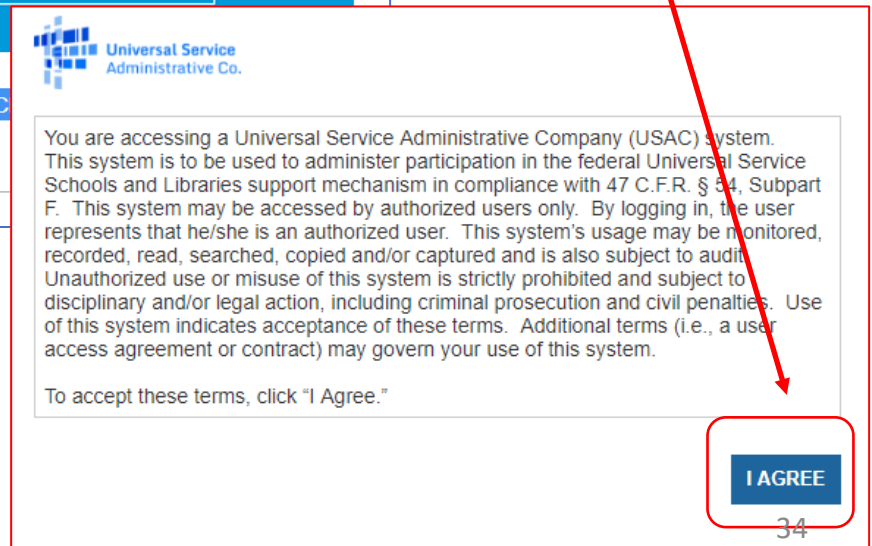
How to Log-In to EPC



The screenshot shows the homepage of the Universal Service Administrative Co. (USAC). At the top right, there are links for "USAC En Español", "Subscribe", "Contact USAC", and a search bar. Below these are navigation links for "Tools", "Forms", "Payments", and a blue button labeled "EPC" which is highlighted with a red box. A secondary navigation bar includes "About USAC", "Schools and Libraries", "Rural Health Care", "Lifeline", "High Cost", "Contributors", and "Service Providers". The main content area features a "Live Webinars" banner with a "REGISTER TODAY" button and a sidebar with "ABOUT THE PROGRAM" and "RESOURCES & TOOLS" sections.

Step 1: Go to www.usac.org/sl and click EPC

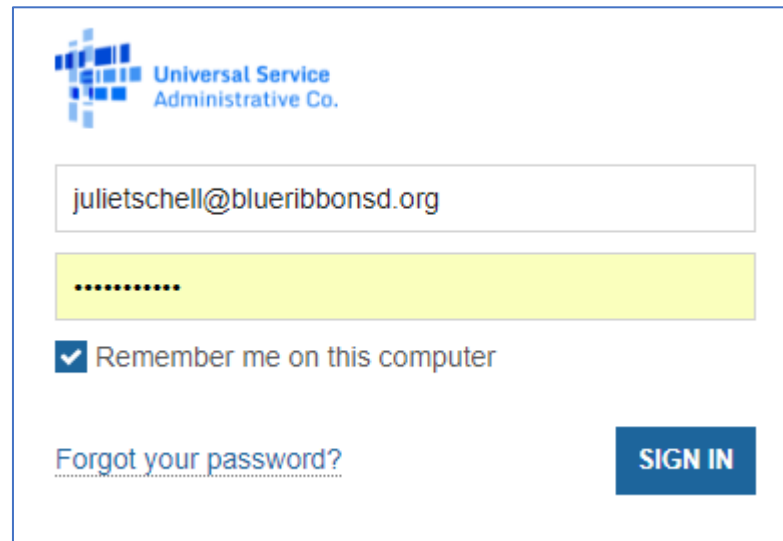
Step 2: Click "I Agree"



The screenshot shows a dialog box with the USAC logo at the top left. The text inside the dialog box reads: "You are accessing a Universal Service Administrative Company (USAC) system. This system is to be used to administer participation in the federal Universal Service Schools and Libraries support mechanism in compliance with 47 C.F.R. § 34, Subpart F. This system may be accessed by authorized users only. By logging in, the user represents that he/she is an authorized user. This system's usage may be monitored, recorded, read, searched, copied and/or captured and is also subject to audit. Unauthorized use or misuse of this system is strictly prohibited and subject to disciplinary and/or legal action, including criminal prosecution and civil penalties. Use of this system indicates acceptance of these terms. Additional terms (i.e., a user access agreement or contract) may govern your use of this system. To accept these terms, click 'I Agree.'" At the bottom right of the dialog box, there is a blue button labeled "I AGREE" which is highlighted with a red box.

How to Log-In to EPC

- The username is the e-mail address of the User and is always lowercase
- Passwords must be changed every 60 days
- If you received this link as a New User, enter your username and click “Forgot your password” to create your password



The screenshot shows the login interface for Universal Service Administrative Co. It features the company logo and name at the top left. Below the logo is a text input field containing the email address 'julietschell@blueribbonsd.org'. Underneath the email field is a password input field with a yellow background and masked characters. A checkbox labeled 'Remember me on this computer' is checked. At the bottom left, there is a link for 'Forgot your password?'. At the bottom right, there is a blue 'SIGN IN' button.

Administrative Filing Window

- Each fall, SLD announces time line for updating each building's profile in EPC
 - Update the enrollment and NSLP numbers
 - Update any other information such as addresses and names
 - Contact Client Service Bureau for broken linkages or creation of new entities

Step I: Form 470 - Services Requested

- Opens the competitive bidding process
- Notifies potential bidders that you are seeking proposals for the listed services and/or equipment
- Descriptions may state manufacturer preference but **MUST** also state “or equivalent”
- Disqualification factors must be listed
- Responses from vendors must be accepted for 28 days from the date of posting of the Form 470 and on the 29th day you can select vendors

Service Requests for Form 470

- Category 1 Services
 - Service purchased on a non-contract, month-to-month basis
 - Services under contract, but contract expires any time prior to 6/30/2020
- Category 2 Service/Equipment
 - All C2 services and equipment must be included on Form 470 except for multi-year MIBS or maintenance contracts
 - May file single or multiple 470s, it's up to you
 - Even if you KNOW you will not receive any responses due to lack of competitive options, you still must post the 470 and wait 28 days
 - Especially for C2 service/equipment requests, you may contact vendors and invite them to submit proposals

Describing Service Requests

- Form 470 has drop down service/equipment menu
- Must specify minimum and maximum bandwidth in Category 1
- C2 - Manufacturer Preference **“or equivalent”**
- May require other manufacturer equipment to be interoperable with existing equipment
- Require vendors to submit documentation to establish their equipment is comparable to your preferred manufacturer’s equipment
- Category 2 quantity does not provide a minimum/maximum quantity so describe the range of quantity in the text box

Internet Choices on Form 470

FCC Form 470 - Funding Year 2021

Ind Library 10071 - South Dakota Library July 20, 2020 Test - Form #210000003

Last Saved: 7/20/2020 10:29 AM EDT

Basic Information

Service Requests

Technical Contact Information

Procurement Information

FCC Form 470 Review

Certifications & Signature

Please select the option below that matches the services for which you are seeking bids.

Visit [our website](#) for more information on how to file the FCC Form 470.

Add New Service Request

Function *

Please select a value

Please select a value

Leased Lit Fiber (with or without Internet Access)

Internet Access and Transport Bundled (Non-Fiber)

Transport Only - No ISP Service Included (Non-Fiber)

Internet Access: ISP Service Only (No Transport Circuit Included)

Leased Dark Fiber and Leased Lit Fiber

Self-Provisioned Network (Applicant Owned and Operated Network) and Services Provided Over Third-Party Networks

Network Equipment

Maintenance & Operations

Cellular Data Plan/Air Card Service

Other

Service Request Narrative

- Category 1
 - Describe service desired.
 - Location of service.
 - How many years of service? 1 or more?
- Category 2
 - Describe equipment desired.
 - Location of equipment.
 - Is vendor to install and configure?
 - Include licenses in quote?

State or Local Procurement Requirements

- Itemize grounds for disqualification – for example –
 - Vendor must be authorized to do business in South Dakota
 - Vendor must have office within x miles of school/district/library
 - Proposal/quote must be submitted no later than the 470 allowable contract date
 - For vendors quoting equipment from a different manufacturer from your stated preference, failure to submit documentation to establish equipment is equivalent
- Other requirements to include on Form 470:
 - Who to contact if they have questions (by email or phone?)
 - Indicate invoice preference – pay in full or discounted bills* (may make this a disqualification factor)
 - Format of proposals (email responses, paper responses, etc.)
 - If vendor does not comply with your requirements you can take this into account in bid evaluation
 - Ask for references from other similarly sized K12/library applicants
 - Ask for Service Provider ID #
 - Ask them to describe E-rate expertise

470 Demonstration in EPC

Training
Universal Service
Administrative Co.

You are accessing a Universal Service Administrative Company (USAC) system. This system is to be used to administer participation in the federal Universal Service Schools and Libraries support mechanism in compliance with 47 C.F.R. § 54, Subpart F. This system may be accessed by authorized users only. By logging in, the user represents that he/she is an authorized user. This system's usage may be monitored, recorded, read, searched, copied and/or captured and is also subject to audit. Unauthorized use or misuse of this system is strictly prohibited and subject to disciplinary and/or legal action, including criminal prosecution and civil penalties. Use of this system indicates acceptance of these terms (i.e., a user access agreement or contract) may govern your use of this system.

I AGREE

Training
Universal Service
Administrative Co.

school.district7.user1@mailinator.com

.....

Remember me on this computer

[Forgot your password?](#)

SIGN IN

News Tasks (3) Records **Reports** Actions  Appia

My Applicant Landing Page

Training
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Welcome, [Lawrence School District!](#)

[Funding Request Report](#) | [FCC Form 470](#) | [FCC Form 471](#) | [FCC Form 486](#) | [Appeal](#) | [FCC Form 500](#) | [SPIN Change](#) | [Service Substitution](#) | [Hurricane Impact Designation](#) | [Manage Users](#) | [Manage Organizations](#) | [USAC Website](#) | [Contact Us](#) | [Help](#)



Questions?

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