

E-Rate for California

For Intermediate to Advanced Applicants

Presented by :

District, County Office and Consultants



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Application Process

- Eligibility
- Technology Planning
- Competitive bidding / Form 470
- Calculating discounts
- Funding requests / Form 471
- Application review / Funding commitments
- Starting services / Form 486
- Invoicing USAC / Form 472 or Form 474



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Important Reminders

- Print and retain copies of everything
- Keep E-Rate files organized
- Create a timeline of E-Rate deadlines
- Share this information with others at your site



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Eligibility - Schools

- Must meet the statutory definition of elementary or secondary school found in the No Child Left Behind Act of 2001
- Must be non-profit, providing elementary or secondary education, as determined by state law
 - Can include public charter schools, pre-K and Adult Ed



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Eligibility - Libraries

- Must meet the statutory definition of library or library consortium in the Library Services and Technology Act (LSTA) of 1996
- Must be eligible for assistance from a state library administrative agency under LSTA
- Budget must be completely separate from that of any schools
- Must not be operating as for-profit business



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Eligibility - Consortia

- Eligible Schools or Libraries may form a consortia with
 - Other eligible schools and/or libraries
 - Certain health care providers
 - Public sector (governmental) entities
- Only eligible entities can receive discounts



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Eligible Services - Categories

- Priority 1
 - Telecommunications
 - Internet Access
- Priority 2
 - Internal Connections
 - Basic Maintenance on Eligible Internal Connections



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Eligible Services – Basic Concepts

- Key reference: Each year's update of the Eligible Services List -
<http://www.sl.universalservice.org/reference/eligible.asp>
- Services must be used for “Educational Purpose” -
http://www.sl.universalservice.org/reference/educational_purposes.asp
- End-user devices and content generally not eligible
 - PCs Printers
 - Laptops Phones



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Educational Purpose

- Activities that occur on library or school property are presumed to be integral, immediate and proximate to the education of students or the provision of library services to library patrons and therefore qualify as educational purposes.
- Customary work activities of employees of a school or library are presumed to fall under the definition of education purposes.



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Non-Instructional Facilities (NIFs)

- Examples

SCHOOLS:

- Administrative buildings
- School bus barns and garages
- Cafeteria offices
- Facilities associated with athletic activities

LIBRARIES:

- Administrative buildings
- Bookmobile garages
- Interlibrary loan facilities
- Library technology centers



Non-Instructional Facilities (NIFs)

- Are eligible for Priority 1 services, telecommunications and internet access
- Are NOT eligible for Priority 2 services, internal connections, unless they are essential for the effective transport of information to an instructional building of a school or to a non-administrative building of a library



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Technology Planning



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Technology Planning

- Make sure your tech plan includes
 - Eligible services you are seeking discounts on
 - Proper budget information for the Funding Year you are filing for



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Form 470



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Prepare For The Cycle

- Review the Eligible Services List and Technology Plan
 - Outline new services you would like to apply for
 - Verify that these new services are in your tech plan
 - » If not, create an addendum
 - » Be sure to include budget and associated goals and objectives



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Prepare For The Cycle

- Review all existing contracts
 - Date contracts were signed
 - Form 470 posted prior to signing contracts
 - Contract expiration dates
- You must post a new Form 470 for those contracts that expire between July 1, 2006 and June 30, 2007



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Gather Information

- Entity Numbers needed for all sites eligible for E-Rate funds
 - Non-Instructional facilities (NIFs)
 - Pre-K and Adult sites that meet FCC conditions
 - » Verify that these sites are in your tech plan
- Obtain NCES numbers for school sites
<http://nces.ed.gov/>
- FCC Registration Number is required for Billed Entity ONLY



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Form 470 – Contract Issues

- Block 2, Item 7 – Summary Description of Needs or Services Requested
 - Tariffed or Month-to-Month services
 - Services for which a new written contract is sought
 - » Multi-year and/or a contract featuring voluntary extensions
 - » Should also state in Item 13



Form 470

- Block 2, Items 8 – 9
 - Describe services you desire from Eligible Services List
 - » Must fill this area out even if you have an RFP
 - Allows for respondents to decide if they qualify to bid
 - Form 470 could be considered invalid without this information



Post Form 470

- Once the Form 470 is posted you must
 - Certify online using a PIN, or
 - Print the certification page, sign and mail
 - » Mail this form ASAP
 - You can view your form online to get the Allowable Contract Date
 - » Date will also be provided in the Receipt Acknowledgement Letter



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Form 470 Reminders

- Leave adequate time
 - Competitive Bidding – minimum of 28 days
 - Local Procurement
 - Board Approval
 - Signing Contracts
 - »CMAS - Letter of Intent (LOI)
- Understand
 - Your existing services
 - Products and services you will need in the coming year
- Identify E-rate category for each product and service



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Certifications

- Block 5 – Open and Competitive Bidding is key:
 - I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider.
 - I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals.
 - I certify that I will retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the application for, receipt of, and delivery of services receiving school and libraries discounts.



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Procurement Tool - CMAS

- California Multiple Awards Schedule
 - Procurement option
 - Contract prices are ceilings, encouraged to negotiate lower
 - List of approved contractors:
 - » <http://www.dgs.ca.gov/pd> (click on dropdown menu to select CMAS)



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How to Use CMAS

- Specify on Form 470 and/or RFP that only CMAS Vendors will be considered
 - Get bids from multiple vendors
 - Select winning bid based on standard evaluation
 - Use “CMAS” as contract number on Form 471



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CMAS, Cont.

- Send copy of PO to Department of General Services
 - Admin Fee is 2.48%
 - Capped at \$7,500 for commodities and \$35,000 for IT
- Proposed Eligible Service List would make Admin Fees eligible for discount



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Competitive Bidding



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Corner stone of E-Rate

- All expiring and new contracts must be opened for bidding in order to receive E-rate funding
- Form 470 starts the bidding process with a minimum of 28 days to receive bids
- Must respond to ALL vendors
 - If you choose not to, you **MUST** have a good reason



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Competitive Bidding and Program Compliance

- <http://www.sl.universalservice.org/reference/BestPractices.asp>
 - Keep copies of all bids, winning and losing
 - Documentation on the award process and the rationale for the bid award
 - Copies of all related contracts
- Best Practice: use standard evaluation process for all bids. Keep evaluation documentation for each bid.



Program Compliance

- If you get NO bids – document this for audit purposes
 - Same is true if you get only ONE bid
- You may need to be proactive in soliciting bids



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Evaluation Criteria

- Price must be the most heavily weighted factor
- Can choose most responsible bid, but must DOCUMENT the choice and process
- Have District official SIGN and DATE the completed rubric as acknowledgement



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SAMPLE SAMPLE SAMPLE SAMPLE SAMPLE

Selection Criteria	Weight* (%)	ABC Vendor		123 Vendor	
		Raw Score**	Weighted Score***	Raw Score	Weighted Score
Prices/Charges	40%	1	0.4	2	0.8
Understanding of Needs	15%	2	0.3	1	0.15
Prior E-Rate Experience	10%	2	0.2	1	0.1
Prior District/Service Prov experience	10%	2	0.2	1	0.1
Completeness of Response	15%	2	0.3	1	0.15
References	10%	2	0.2	1	0.1
Overall Ranking	100%		1.6		1.4



Form 470 – Multi Year Contracts

- You may not need to file Form 470 every year if:
 - The language on the Form 470/RFP covered all services on the contract and
 - The applicant indicated on the Form 470 that a contract was being sought and
 - The applicant indicated on the Form 470/RFP that he is seeking a multi year contract (perhaps w/voluntary extensions)



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Discount Calculations

- Calculated based on two criteria
 - Percentage of students eligible for National School Lunch Program
 - Urban or Rural status of Entity
- Insert this information into Discount Matrix (<http://www.sl.universalservice.org/reference/dmatrix.asp>) to get E-Rate Discount



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Discount Matrix

% Eligible Students	Urban	Rural
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%



District	Students Enrolled	# Free and Reduced Lunches	% Free and Reduced Lunches	Urban or Rural	% E-Rate Subsidy	Weighted Average for District
Sample School District				Urban		
Sample School 1	19	14	73.68%		80%	15.2
Sample School 2	836	323	38.64%		60%	501.6
Sample School 3	188	54	28.72%		50%	94
Sample School 4	121	65	53.72%		80%	96.8
Sample School 5	158	36	22.78%		50%	79
Sample School 6	1050	204	19.43%		40%	420
TOTALS FOR DISTRICT	2372	696				1206.6
WEIGHTED AVERAGE						50.87%



Discount Calculations

- Instructional Facilities will have a discount that comes straight from Matrix
- Non-Instructional Facilities will use District Weighted Average
- Districts will use Weighted Average



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Form 471



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Purpose

- Provides specific information on services, service providers selected and contracts
- Provides discount calculation information
- Must be filed EACH funding year
- Contains certifications of compliance
- Includes one or more funding requests



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Form 471 Deadline

- Must be filed online or postmarked on or before the close of the Form 471 application filing window.
- Forms 471 filed after the close of the window will be considered after all Forms 471 filed in window.
- Certifications for associated Forms 470 must also be postmarked before the close of the window.



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Form 471 Do's and Don'ts

- WAIT AT LEAST 29 DAYS BEFORE
 - Selecting a service provider
 - Signing a contract
 - Signing and dating the Form 471
 - Submitting the Form 471
- MUST OCCUR IN THIS ORDER
- Both Applicant and Service Provider must sign *and date* all contracts.



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FRN: 1280*** FCDL Date:	
10. Original FRN:	
11. Category of Service: Basic Maintenance of Internal Connections	12. 470 Application Number: 398260000517746
13. SPIN: 143000000	14. Service Provider Name:
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: CMAS
15c. Covered under State Master Contract: Y	15d. FRN from Previous Year:
16a. Billing Account Number:	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 01/06/2005	18. Contract Award Date: 02/15/2005
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: USDMaintY8	22. Block 4 Worksheet No.: 662127
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: \$64,620.79	23g. Ineligible non-recurring amt.: \$.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$64,620.79	
23i. Total program year pre-discount amount (23e + 23h): \$64,620.79	
23j. % discount (from Block 4): 88	
23k. Funding Commitment Request (23i x 23j): \$56,866.30	



Item 21 Attachments

- Used to prove your request
 - Substantiating documentation that proves the pre-discount cost of services or products
 - Should be clear and concise



Item 21 Attachment

- Samples available on USAC website
 - <http://www.sl.universalservice.org/reference/Form471item21Attachments.asp>
- Remove ineligible costs – be careful
 - 30% rule – if 30% or more of the dollar value is for ineligible products and services, the entire request will be denied
- Work with service provider(s) to create your Item 21 attachment(s)



Recurring vs Non Recurring Costs

- Enter recurring and non-recurring costs carefully in the cost summary of each Funding Request
 - Recurring costs must ALWAYS be received by June 30
 - Non-recurring costs must be received by September 30 following the Funding year (deadline can be extended for certain circumstances)



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Application Review/Funding Commitment



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Program Integrity Assurance (PIA)

- Applications are reviewed for compliance with program rules concerning areas such as:
 - Competitive bidding process
 - Contracts
 - Discount calculation
 - Sufficient budget
 - Establishing Form 470
 - Technology plan
 - CIPA



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Be Responsive

- Respond promptly, be sure to answer question in its entirety
- Ask for more time if you need it
 - Be advised that if you ask for more time the Reviewer will move on to another application
- Don't assume that Reviewer has all of the information you sent in as part of your Item 21 attachment.



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PIA Tips

- You have 7 days from the time the PIA Reviewer makes contact with you
- If you don't understand what the PIA Reviewer is looking for ask for clarification



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What Happens After PIA Review

- A Decision – FCDL (Funding Commitment Decision Letter)
 - Funded
 - Not Funded
 - As Yet Unfunded (Priority 2 requests)
 - Cancelled
 - »IMPORTANT – Check all entries in the FCDL carefully to make sure there are not data entry errors.



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Funding Commitment Decision Letter

- Otherwise known as FCDL
- Should be your “trigger” to file subsequent forms
- Starts deadline clock for appeal on denial(s)
- FRN can be
 - Approved (Funded)
 - Reduced
 - Denied (Not Funded or Cancelled)
 - As yet Unfunded



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Form 486 Starting Services



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Purpose of 486

- Notifies USAC that services have started and invoices can be paid
- Certifies that Tech Plan meets program requirements
- Certifies the status under Children's Internet Protection Act (CIPA)



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When To File

- Filed AFTER receipt of FCDL.
 - Form 486 must be filed online or postmarked no later than
 - »120 days after the Service Start Date OR
 - »120 days after the date of the FCDL
 - »Whichever is later



Adjusted Service Start Date

- If the Form 486 is late your Service Start Date will be adjusted to 120 days prior to the online submission or 120 days prior to the postmark.
- Affects telecommunications and internet access
 - Funding will more than likely be reduced
- May affect internal connections



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Adjusted Service Start Date

- Other Reasons
 - USAC may adjust the Service Start Date in order to comply with program rules:
 - » Form 486 filed after deadline
 - » Technology plan approval issue
 - » CIPA compliance issues
 - » Conflict with Form 470 allowable contract date



Adjusted Service Start Date, Cont

- The adjusted date is the earliest date that discounted services may be provided.
- Invoices for services provided before that date will not be paid.



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Form 486 Specifics Block 4

- 📄 Tech plan HAS BEEN APPROVED. Give name of approving agency
- 📄 Services have been/will be provided. Contracts are in place, unless MTM or Tariff
- 📄 Discount level for shared services is conditional – most disadvantaged must receive appropriate share of benefits



Block 4 Continued

CIPA Certification

- Items a – c are for Billed Entity who is the Administrative Authority
 - » Certify that you are CIPA compliant
- Items d – e are for the Billed Entity who represents one or more Administrative Authority



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Form 486 Notification Letter (486NL)

- Letter received after filing of Form 486
 - Verify that ALL FRNs are on letter
 - Verify service start dates for each FRN
- USAC is now ready to begin receiving invoices for payment on these FRNs
 - Form 472 – filed by Applicant OR
 - Form 474 – filed by Service Provider



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**Form 472 – BEAR
and
Form 474 - SPI**



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Receipt of Funds

- One of two ways:
 - Applicant pays entire bill up-front and gets reimbursed
 - » Form 472, or BEAR – filed by Applicant
 - Service Provider applies discounts to bills and applies to USAC for reimbursement
 - » Form 474, or SPI – filed by Service Provider



Form 472

- Once form is filled out it must be signed by
 - Applicant
 - Service Provider
- Form is then mailed to SLD
 - SLD reviews the form
 - BEAR Notification is sent to both Applicant and Service Provider
 - » From the date Service Provider receives funds from USAC he has 20 days to pay Applicant.



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Form 474 - SPI

- Used by Service Providers
 - Puts discount on the bill
 - Applicant pays only their non-discounted portion
 - » This method is easiest for applicants, but
 - » Can be more difficult to track refunds



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Special Note on Form 472

- Note – Form 472 cannot be filed if Applicant is also receiving the California Teleconnect Fund discount.
- Resolution T-16763, effective May 27, 2004
 - Carriers can use the Billed Entity Applicant Reimbursement (BEAR) funding process for E-rate customers **until 7/1/06**.
 - »Applies only to Telecommunications



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