

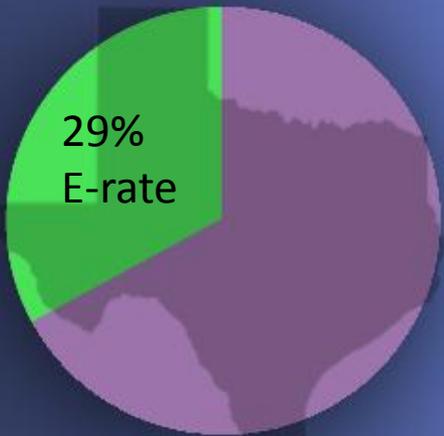
# E-rate Modernization Update

- I. Elevator pitch
- II. Overview
- III. Modernization

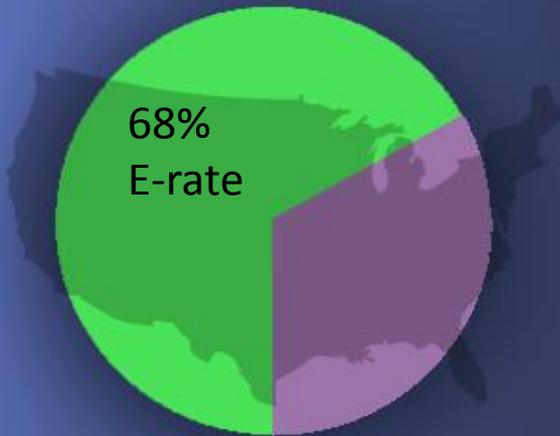
# What is E-rate?

A federal program that provides discounts to assist schools and public libraries in the U.S. to obtain affordable telecommunications and Internet access.

(Note: E-rate = FCC > USAC > SLD)



Texas  
Library Participation

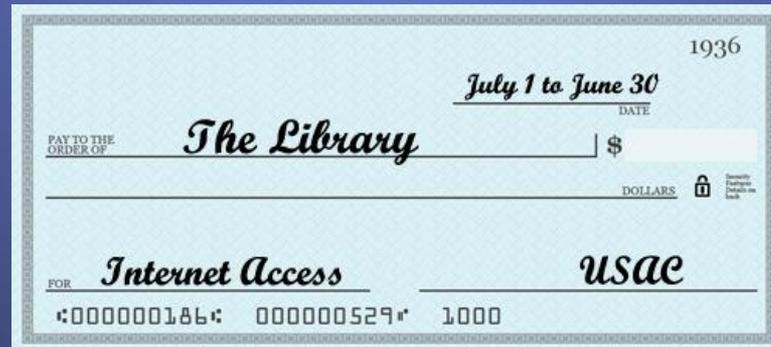


National Average  
Library Participation

#1

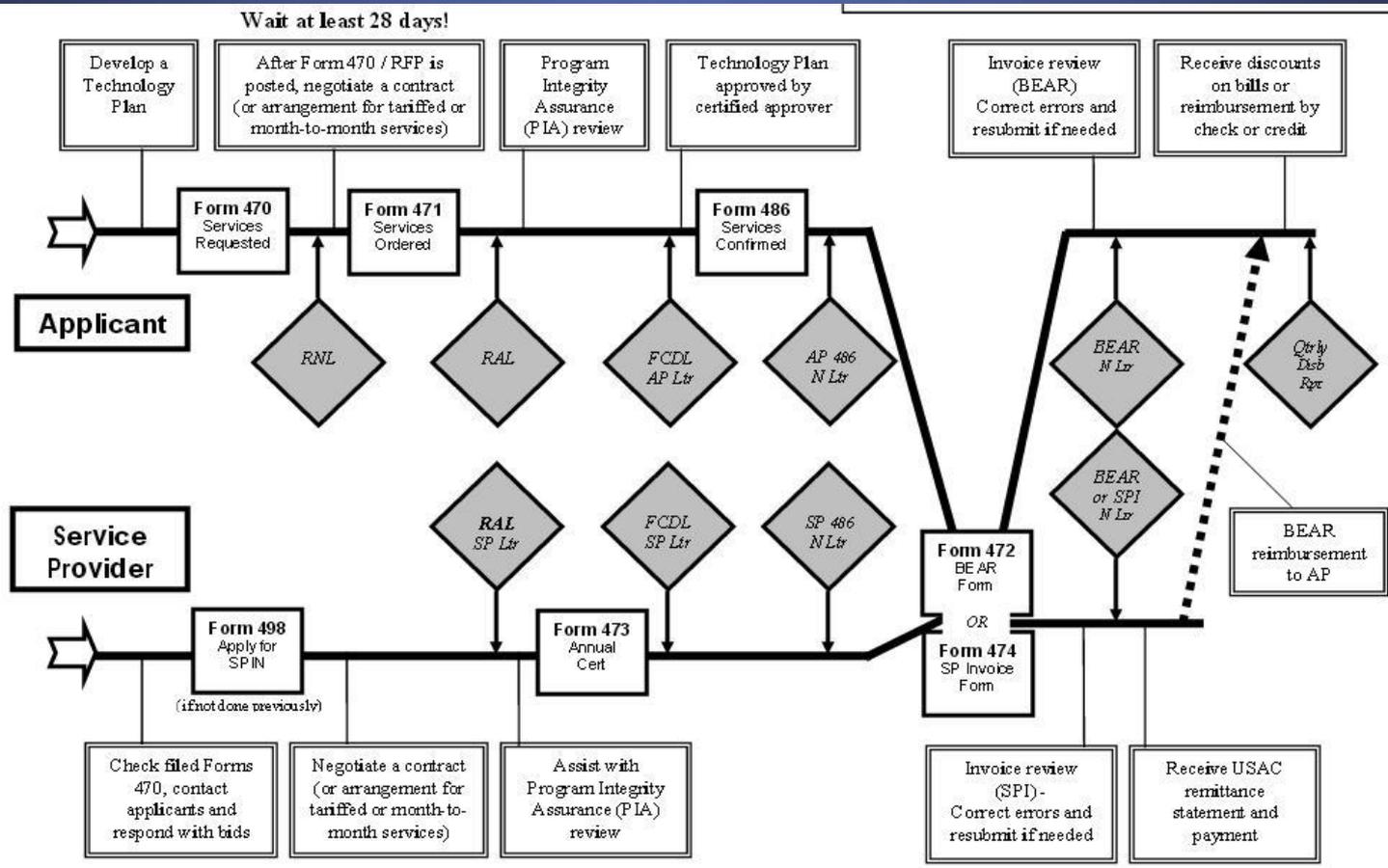
Bottom Line:

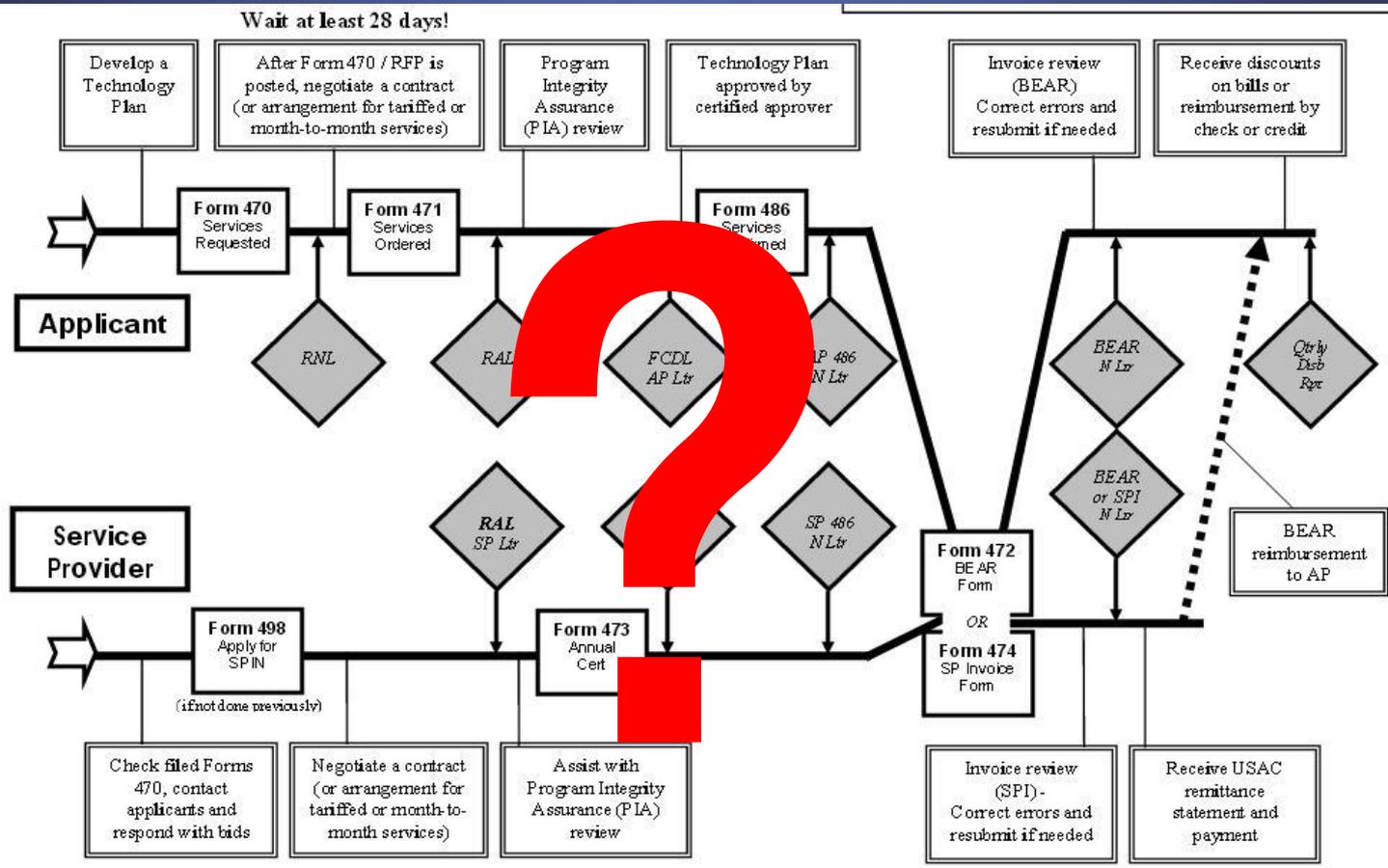
YOU GET A CHECK.



#2

It's Not as Hard  
as You Think.





Three forms.



1



2



3

Fourth form is optional.



1



2



3



4

**Pretty  
EASY**

470



**HARD**

471



**SUPER  
EASY**

486



**EASY**

472



**Pretty  
EASY**

470

**EFFORTFUL?**

~~471~~

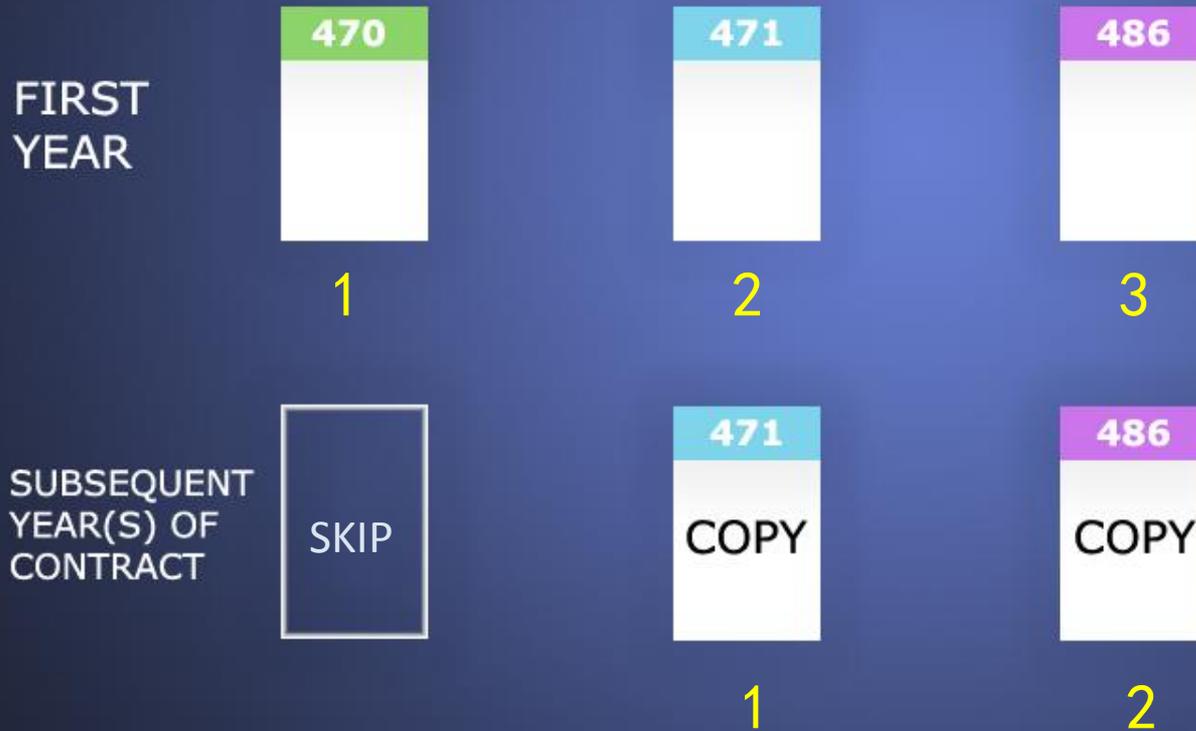
**SUPER  
EASY**

486

**EASY**

472

# Multiyear contracts make it easier.



#3

You Have Help.

#3

You Have Help.



“Hi Henry!”

State E-rate Coordinator

Call: 512-463-6624

Email: [hstokes@tsl.texas.gov](mailto:hstokes@tsl.texas.gov)

TSLAC online course +

Web resources + Mailing list

Ready for an  
E-rate Overview?

# What can you get?

## Category 1

- Telecommunications
- Internet Access

## Category 2 (need 85%+ and “budget” (NEW))

- Internal Connections
  - > Routers, Switches, Access Points, Internal Cabling
- Basic Maintenance of Internal Connections
- Managed Internal Broadband Service (NEW)
  - > For operation, management, monitoring of LAN/WLAN

# What's the discount?

- Ranges from 20% to 90%
- Based on two things:
  - Urban/rural status of library (US Census), plus
  - Percentage of students eligible in school district for National School Lunch Program (NSLP)

**\* Most Texas public libraries  
in the 80–90% discount range \***

# What's the catch?

## Strict bidding and application requirements

- Vendor must be selected using E-rate process
- Bid evaluation with price as primary factor
- Timely form submission

## CIPA [Children's Internet Protection Act]

- Filters on all computers
- Internet Safety Policy
- Public notice and Hearing or Meeting

# What's the catch?

## Documentation retention

Keep for **10 YEARS** from last year to receive invoice (NEW):

- Certification Approval Letter
- All docs used during competitive bidding process
- Bid evaluation worksheets
- Executed contracts
- Purchasing Orders
- Invoices
- All forms
- All letters from SLD

# Application timeline



1



2



3

# Application timeline



1

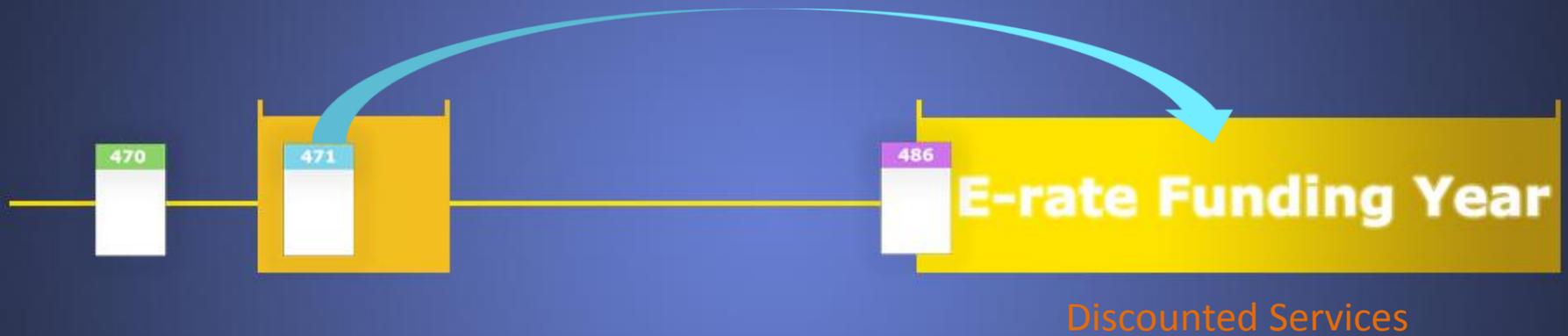


2

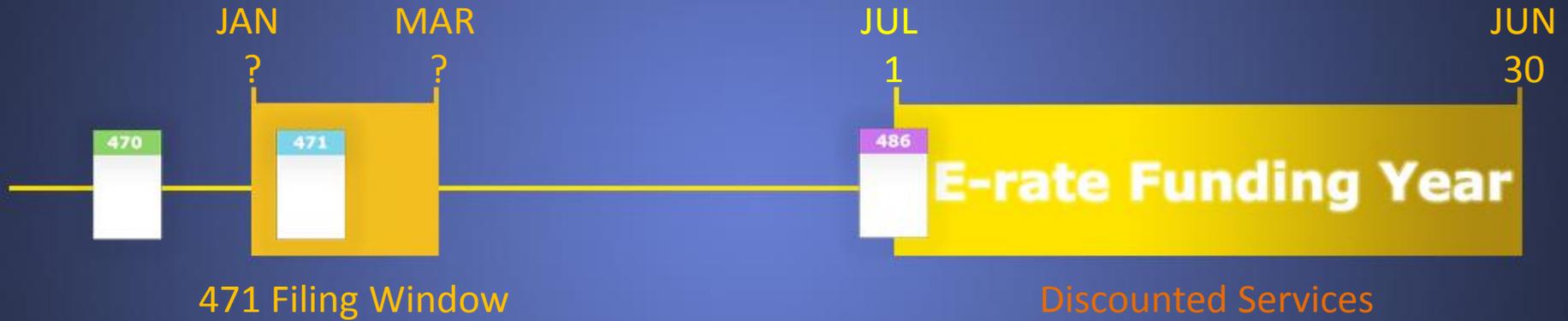


3

# Application timeline



# Application timeline



# Application timeline



# Form 470



“I want...”

- Services Requested
- Acts as an RFP
- Shared with service providers,  
who may respond with bids
- Starts Competitive Bidding Process

# Form 470



- 1 File Form 470
- 2 Do nothing for 28 days
- 3 Evaluate bids
- 4 Select vendor
- 5 Sign contract
- 6 File Form 471

# Competitive Bidding Process



- MUST WAIT AT LEAST 28 DAYS AFTER 470
- Fair and open & fully documented
- Provide no inside info to vendors
- Be careful about gifts
- Make RFPs accessible to ALL
- Evaluate bids
- Use same factors in evaluation with price as primary factor

# Form 471

“I have ordered”

470

471

- Services Ordered
- Quantities
- From whom
- At what price
- Shows discount calculation
- Shows who is receiving service

# Form 471



## After 471:

- PIA Review
- Wait for FCDL  
(Funding Commitment  
Decision Letter)

# Form 486

After Commitment...



“I want...”



“I ordered...”



“Service  
has started...”

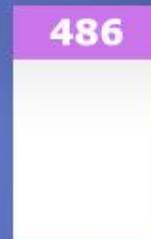
# Form 472 [optional] (BEAR invoicing method)



“I want...”



“I ordered...”



“Service  
has started...”



“Send me  
the money...”

Reimbursement check (s)

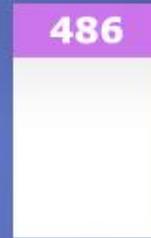
# SPI method



“I want...”



“I ordered...”



“Service  
has started...”



Discounts on your bills

Modernization

So what's new?

# FCC Goals

- Goal 1: Ensuring Affordable Access to High-Speed Broadband in Schools and Libraries
- Goal 2: Maximizing the Cost-Effectiveness of E-rate Spending
- Goal 3: Making the E-rate Application Process and Other E-rate Processes Fast, Simple and Efficient

Focus: Expanding funding for Wi-Fi networks for eligible schools and libraries

# The Good News

- C2 Opportunity
- Application ease
- Additional savings

# C2 Opportunity

## Category 1

- Telecommunications
- Internet Access

## Category 2 (need 85%+ and “budget” (NEW))

- Internal Connections
  - > Routers, Switches, Access Points, Internal Cabling
- Basic Maintenance of Internal Connections
- Managed Internal Broadband Service (NEW)
  - > For operation, management, monitoring of LAN/WLAN

# C2 Opportunity

- Close the Wi-Fi Gap
- \$1B funding target
- 85%, not 90%
- No Two-in-Five Rule
- New Category

Managed Internal Broadband Service

> For operation, management, monitoring of LAN/WLAN

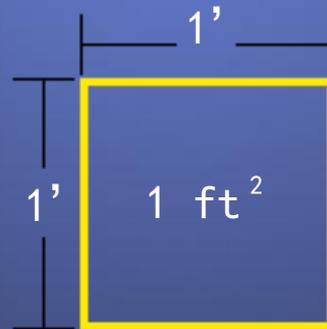
- New: “Budget”



# C2 Opportunity

- **Budget** (Maximum individual outlet/branch can get)

= \$2.30 pre-discount X the square footage of the library



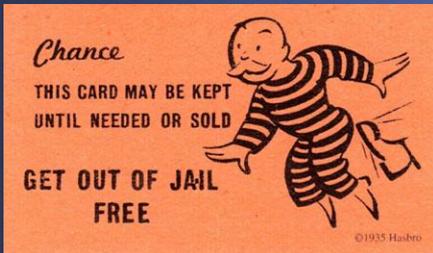
Minimum (floor) is \$9,200

# Application ease

- Form 471 is improved
- More Training from SLD
- Templates
- **No Technology Plan**
- Skip Bidding Opportunity
- “Legally binding agreement”
- Consortia purchasing

# Application ease

## Skip Bidding Opportunity



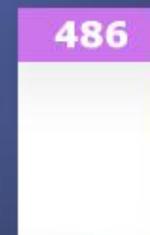
Is this available to you?

- Internet Access: 100 Mbps down | 10 Mbps up
- Pre-discount price: **\$3,600** or less annually (incl. one-time installation & equipment charges)

Yes? Skip the bidding & 470, Go straight to the 471.



1



2

# Application ease



Before 471:

- Signed Contract

\* OR \*

- Other legally binding agreement (NEW)

Evidence of a “legally binding agreement” =

Written offer from provider containing all material terms & conditions plus written acceptance of that offer.

# Application ease

Less barriers for  
consortia purchasing



- Given priority during review process
- No longer need to have authority to purchase for consortium members in order to seek bids on behalf of consortium

# Additional savings

- Public pricing data

Be more informed!

- Lowest Corresponding Price

Provider can't charge higher than lowest price they charge to non-residential customers who are similarly situated to library

# Be Aware

- Services going away
- Embedded Item 21
- New discount calculation
- New documentation retention
- Online forms
- Invoicing & Appeals



# Be Aware

- Services going away

Category 1:

- Web hosting
- Voicemail
- Email
- Texting

Category 2:

- Servers
- Voice/VOIP components
- Circuit cards
- Video components



# Be Aware

- Services going away

Reduction of voice services: Local phone, POTS, 800 service, Centrex  
VoIP, Fax, etc.

FY2015: 20% Discount Reduction

FY2016: Another 20% Discount Reduction

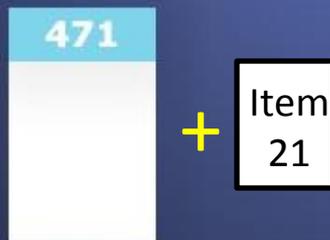
FY2017: Yet Another 20% Discount Reduction

...Etc.

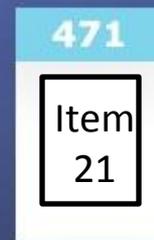


# Be Aware

- Embedded Item 21 in 471
- Must be fully prepared before filling out 471
- Can't do Item 21 afterwards
- SO START EARLY



Before



Now



# Be Aware

- **New discount calculation**

- Only look at main outlet for discount
- Urban/Rural status based on most recent decennial **U.S. Census data**
- Use SLD-provided urban/rural look-up tool

Note: Only rural if 50% or more of system is rural



# Be Aware

- New documentation retention

10 YEARS from last year to receive invoice:

- Certification Approval Letter
- All docs used during competitive bidding process
- Bid evaluation worksheets
- Executed contracts
- Purchasing Orders
- Invoices
- All forms
- All letters from SLD



# Be Aware

- Invoicing
  - BEAR checks will come from USAC
- Appeals
  - File with USAC first
  - Waiver requests go to FCC



## For 2016...

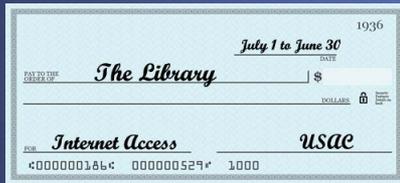
- Preferred master contracts
  - Skip bidding & 470
- Multiyear contracts
  - streamlined application

For 2016...

Let FCC know what you think!



# Remember :



+



+



Thank you!

Questions?

State E-rate Coordinator

Call: 512-463-6624

Email: [hstokes@tsl.texas.gov](mailto:hstokes@tsl.texas.gov)

TSLAC online course +

Web resources + Mailing list