

Introduction to E-rate: Program Basics and Getting Ready to File

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WISCONSIN DEPARTMENT OF
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What is E-Rate?

- Discount program to help schools and libraries offset costs of in-building network equipment and connecting to the internet
- Schools and libraries apply individually or as a consortium
 - (E.g., TEACH Wisconsin applies as a consortium for transport via BadgerNet)
- Funding is requested under two categories:
 - Category One: deliver internet to the building
 - Category Two: deliver internet within the building to students, patrons, staff
- Discounts based on level of poverty and urban/rural location
- Discounts range from 20-90% of the cost of eligible services (state ave. = 65%)

E-rate Program Administration

- Under authority of the Federal Communication Commission (FCC)
 - FCC writes program rules and regulations
- Administered by the Universal Service Administrative Company (USAC)
- Applicants use USAC's E-rate Productivity Center (EPC) [One Portal](#) system
 - To update administrative info like: staff contact, enrollment, free/reduced lunch data (provided by DPI)
 - To complete the required application forms
 - To answer questions from USAC's Program Integrity Assurance (PIA) unit which reviews all applications

Terminology - Entity Numbers

- Billed Entity Number (BEN) - Each applicant, like a school district, that receives and pays bills is assigned a BEN.
 - Each school in the dist. also has a (child) School Entity Number that falls under the district's (parent) BEN.

My Entities

Entity	Entity Number	City	State	Zip Code
School District 400153	17361	Washington	DC	20005
School 1 In District 400153	18166	DC	DC	20005
School 2 In District 400153	18165	DC	DC	20005
School 3 In District 400153	18167	DC	DC	20005

Category One and Category Two Funding

1

Guiding rule:

Cost to bring internet to your building

- Transport (data circuits)
- Internet access
- Connection fees
- Maintenance

2

Guiding rule:

In-building cost to bring internet to students, patrons and staff

- Routers, switches
- Wiring
- Access points
- UPS
- Managed Internal Broadband Services
- Basic Maintenance of Internal Connections

[DRAFT FY23 Eligible Services List](#)

Discount Rate

Your E-rate discount rate is based on:

- 1) If your school is urban or rural?
- 2) How economically disadvantaged are your students, based on % free or reduced lunch?

INCOME Measured by % of students eligible for the National School Lunch Program (NSLP)	CATEGORY ONE (C1)		CATEGORY TWO (C2)	
	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

[Urban Rural Lookup Tool](#)

Category Two Budget

- Your district or library has a five-year C2 budget to support in-building networking
- The five year budget cycle began in E-rate FY20 (July 1, 2020 - June 30, 2021)
- The budget amount is \$167/student; \$4.50/library square foot
- The funding minimum is \$25,000 (149 students; 5,556 square feet)
- For schools, budgets are based on districtwide enrollment

Category Two Budget: Example

- Ebenezer School District has 1,000 students
- Its C2 budget = $1,000 \times \$167 = \mathbf{\$167,000}$ for 5 years
- Over this period it can receive E-rate funding for purchases of up to \$167,000 of in-building eligible equipment and services
- The budget amount covers pre-discount costs of equipment or services

Category Two Budget Tracker

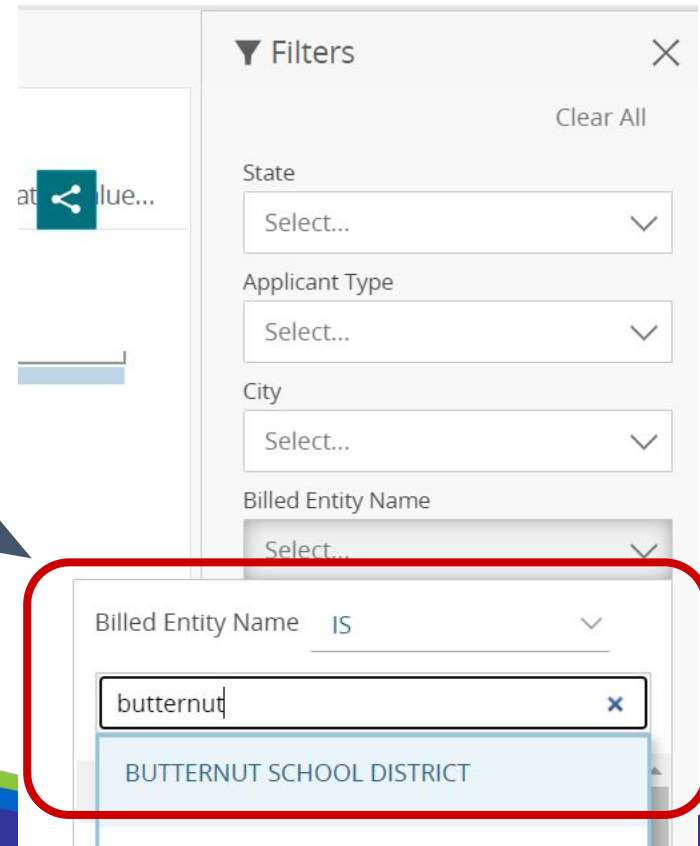
- USAC provides a [Budget Tracker](#) to show the following example:

STEVENS POINT AREA SCHOOL DISTRICT	
■ Available C2 Budget Amount	\$1,062,922.28
<hr/>	
C2 Budget	\$1,195,386.00
Funded C2 Budget Amount	\$104,113.72
Pending C2 Budget Amount	\$28,350.00
Available C2 Budget Amount	\$1,062,922.28

Category 2 Budget Tracker

It's a good tool, but not totally intuitive to use.

1. Look up your district:



The image shows a screenshot of a web application's filter menu. The menu is titled "Filters" and has a "Clear All" button. It contains several dropdown menus for filtering data: "State", "Applicant Type", "City", and "Billed Entity Name". The "Billed Entity Name" dropdown is currently open, showing a search box with the text "butternut" and a list of suggestions, with "BUTTERNUT SCHOOL DISTRICT" selected. A red rounded rectangle highlights the search box and the suggestion list. A blue arrow points from the text "1. Look up your district:" to the search box.

Filters ×

Clear All

State
Select... ▼

Applicant Type
Select... ▼

City
Select... ▼

Billed Entity Name
Select... ▼

Billed Entity Name IS ▼

butternut ×

BUTTERNUT SCHOOL DISTRICT

USAC Category 2 Budget Tracker

2. Scroll down using
outer scrollbar:

3. Click Apply!

Billed Entity Name IS

Search all values

SELECTED VALUES

BUTTERNUT SCHOOL DISTRICT

LABEL A - Z

(No value)

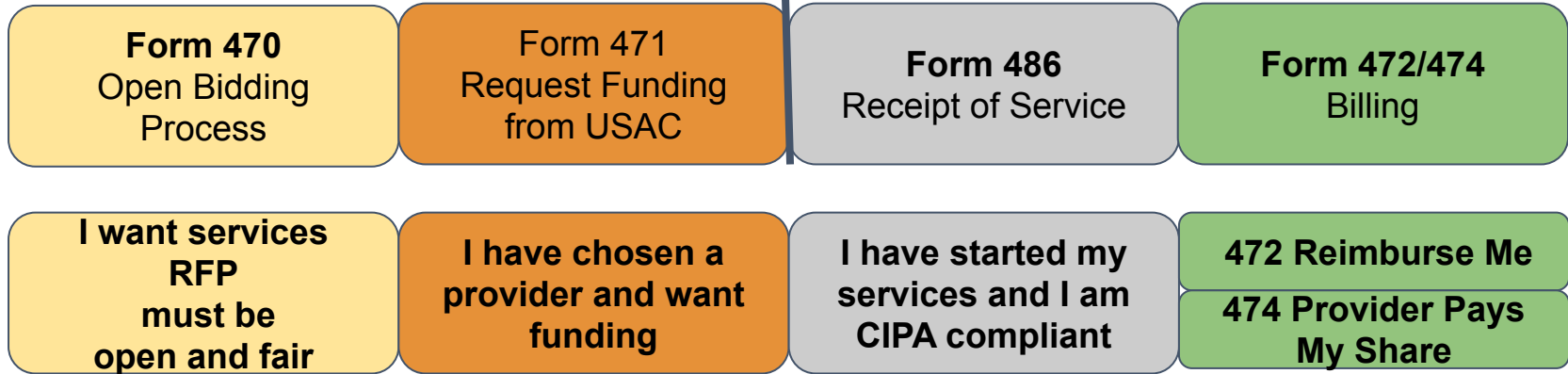
100 ACADEMY OF EXCELLENCE

127722 - MIAMI-DADE COUNTY PUBLIC SCHOOLS

21ST CENTURY CYBER CHARTER SCHOOL

Apply

E-rate - Required Forms



Application Process - Form 470

- Form 470 - a request for services in either Cat 1 or Cat 2
 - Describe/list the eligible services you need; issuing an RFP is optional
 - Form must be “open” for at least 28 days
- Providers review your Form 470 service request and respond
- You evaluate responses and -- using cost as prime factor -- select a provider
- Then file Form 471 which lists the service, the provider, costs, discount, etc.
- **Strongly recommended:** File Form 470 no later than February 1.

Almost all E-rate forms and follow-up processes are done via E-rate's Web portal: E-rate Productivity Center (EPC)

Application Process - Form 470 -- TEACH

- The state has selected AT&T as the provider for the next version of BadgerNet.
- Contract negotiations are currently underway.
- As in the past, TEACH customers will not have to file a Form 470 for their BadgerNet circuit.

Application Process - Form 470 -- TEACH

- The state has also solicited bids for internet service on BadgerNet.
- Still uncertain if TEACH customers must file a Form 470 for internet service.
- DPI will provide guidance for TEACH customers on filing the Form 470 for internet service in our **January 10 webinar, from 1:30 - 2:30.**
- Until then, we advise TEACH customers to wait on filing Form 470s for internet service.
- If information becomes available sooner, we will send it to the E-rate list.

Form 471 Application Review

Program Integrity Assurance (PIA)

- Form 471 - Lists the Cat a or Cat 2 services you want and other details, like costs
- PIA reviews all 471 applications
 - Verifies discount level, eligibility of services
 - Closely reviews details of your request
- Most applicants will be contacted by a PIA reviewer. The reviewer:
 - Provides opportunity to make corrections
 - Often asks for additional information and documentation
 - Complex applications means more PIA questions and often take longer to get approved
- If uncertain how to respond to a PIA request, ask for additional time and contact DPI.
 - **A wrong answer can result in denial of funding**

Application Approval

- USAC issues a Funding Commitment Decision Letter (FCDL)
 - Has details if funding is fully or partly approved, or totally denied
 - If denied, applicants have 60 days from date of FCDL to appeal
- Then file Form 486 which tells USAC that services have started
 - File within 120 days after service starts (often July 1) or within 120 days of the FCDL date, whichever is later
 - Must file form before seeking reimbursement

Receiving the Funds - Forms (472/474)

**Form 472:
USAC, Reimburse me**

**Form 474:
Provider, send me a
discounted bill**

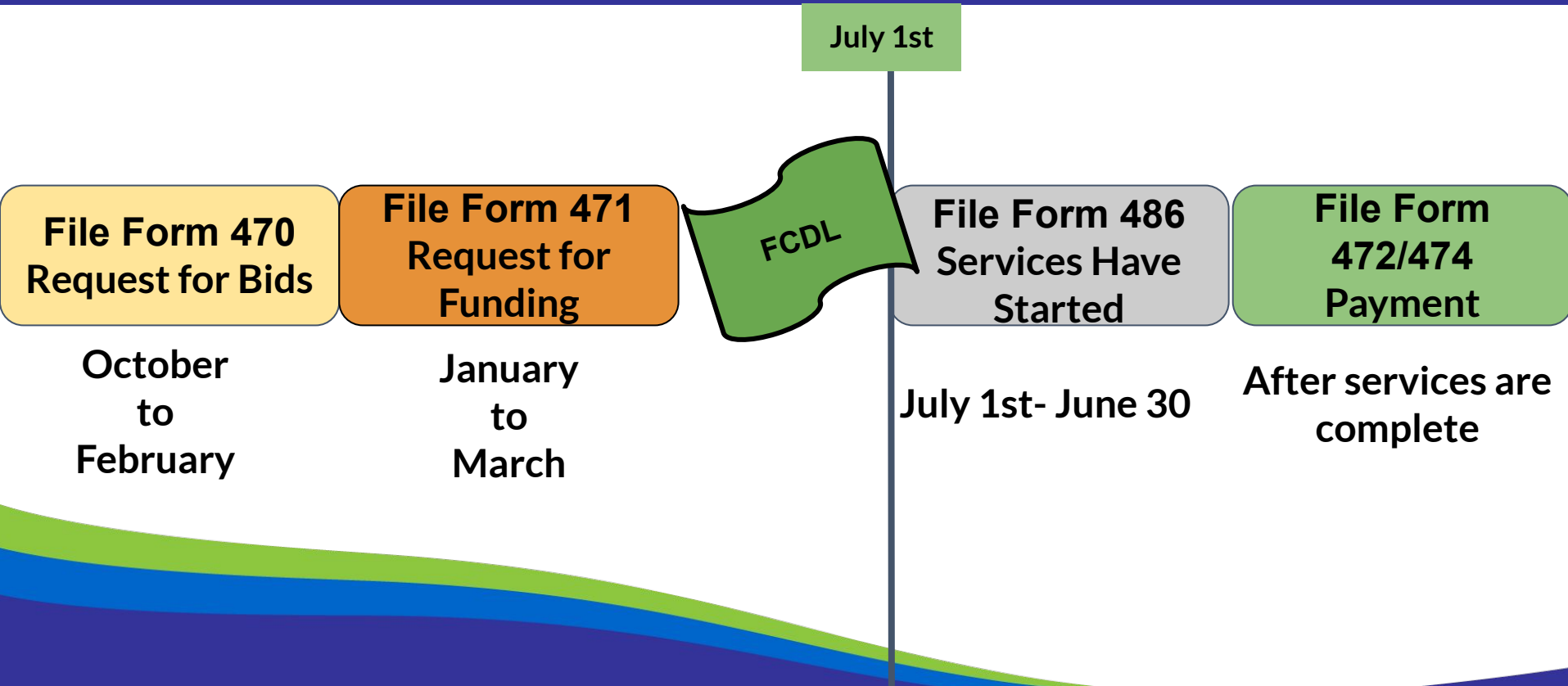
- **472: Commonly referred to as the BEAR* form; means you pay in full and seek reimbursement later from USAC. Also requires a form 498 Bank routing form be filed.
(*Billed Entity Applicant Reimbursement)**
- **474: Commonly referred to as the SPI* form means the service provider bills you with a discounted bill. The service provider gets reimbursed by USAC for the discounted amount.
(*Service Provider Invoice)**

Application Timeline

(Estimated Dates Based on Last Year's Timeline)

- **Now: Review CAT 1 Needs & File Form 470**
 - Recommended: file Form 470 by early February
 - Drop dead filing date is 28 days before Form 471 deadline (mid-Feb.)
- **Now: Lookup CAT 2 Budget, Plan CAT 2 Purchases**
 - Align to district/library budget for coming year
- **Now: Update EPC Profile with F/R lunch and enrollment**
 - Use DPI Provided Data, <https://dpi.wi.gov/erate>
 - Enter data by January 6, 2023 when EPC Profile Window Closes
- **Form 471 Filing Window Opens/Closes** (est. January 9, 2023 - March 17, 2023)

Timeline Overview



Where to Get Help

- USAC Client Services Bureau Phone Number & Online Form
 - SLD website: <http://www.usac.org/sl/>
 - Client Service Bureau: 888-203-8100
- <https://dpi.wi.gov/erate/getting-help>
 - DPI Learning Library mini-videos and recorded webinars
 - USAC Video Training Library
 - DPI E-Rate Listserv
- If you get PIA Review Questions: Provide requested documentation and communicate with the reviewer via the EPC Portal; contact DPI if needed

Upcoming Webinars

DPI Webinars: (<https://dpi.wi.gov/broadband/events/month>)

- W 12/14, 11am - E-rate Category Two Funding
- T 1/10, 1:30pm - Filing the Forms 470 and 471 for Internet Access: TEACH (BadgerNet) Customers

- USAC [Short Video Series](#)

- USAC [School & Library Division Webinar Series](#)

Thank You

<https://dpi.wi.gov/erate>

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