

**Welcome**

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# **E-Rate Introduction and Update**

**New Jersey State Library Training  
February 2011**

# Agenda

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➤ **Objective**

- Expand broadband access to JerseyConnect
- Further reduce broadband expenses with E-rate
- Encourage additional use of E-rate for NJ libraries

➤ **Overview of the E-Rate Process**

- Overview of program
- Basic application and funding cycle
- Simplified E-rate process for JerseyConnect broadband
- New for FY 2011

➤ **E-Rate Form 471 Templates and Support**

# Overview

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- **Largest federal technology funding program**
  - **Initiated in 1998 under auspices of FCC**
  - **One of 4 Universal Service Fund programs**
  - **Supports technology infrastructures for schools and libraries**
    - Telecommunications
    - Internet access
    - Intra-building network equipment and maintenance
  - **Discounts range from 20-90% on eligible products and services**
  - **\$2.25 billion per year (plus inflation and roll-overs)**

## Discount Matrix

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Percent of Eligible Students*	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% - 74%	80%	80%
75% - 100%	90%	90%

\* In local school district

# Eligible Services

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## Priority 1 (funded first)

- **Telecommunications Services**
  - Local and long distance
  - Wireline or wireless
  - Voice/data/video
  
- **Internet Access**
  - “Basic conduit access” to the Internet
  - E-Mail
  - Web hosting

## Eligible Services

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**Priority 2** (funded beginning with neediest applicants first)



➤ **Internal Connections**

- Infrastructure: Switches, hubs, routers, wiring, cable, telephone systems, etc.
- End-user equipment not eligible
- Site funding subject to "2-in-5 Rule"

➤ **Basic Maintenance**

- "Basic" break-fix only of eligible equipment
- Exempt from "2-in-5 Rule"

## Overview

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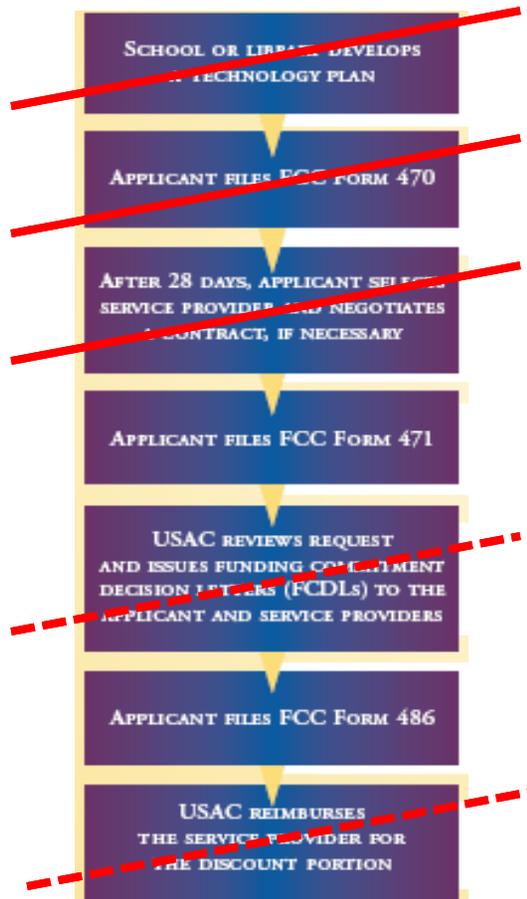
- **Important source of technology funding (FY 1998 – 2010)**
  - \$29 billion nationwide
  - \$683 million for New Jersey
  - \$16 million for New Jersey libraries
  
- **Time-consuming, bureaucratic, and confusing program**
  - Forms 470, 471, 472, 479, 486, and 500
  - Service eligibility and discount rate issues
  - Long lead time and competitive bidding procedures
  - Strict application review process
  - Audits and retroactive refund exposure

# General E-Rate Application Process



1. Create Technology Plan
2. File Form 470 (quasi-RFP)
3. Wait 28 days (vendor selection period)
4. File Form 471 (application)
5. PIA review and FCDL
6. File Form 486 (confirmation)
7. Submit invoices to USAC

# JerseyConnect E-Rate Application Process



1. No tech plan (or CIPA) required
2. NJSL filed Form 470
3. NJSL contracted with Verizon
4. File Form 471 (with template)
5. PIA review (with E-Rate Central support)
6. File Form 486 (easy for telecom)
7. Invoice (Verizon will discount, if desired)

## ~~Tech Plan~~

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- **Technology plan required only for Priority 2**
  - Must be written by the start of the application cycle
  - Must be approved by the start of the funding year
  
- **Plan must contain four components**
  - Assessment of current technology/services
  - Technology goals and strategies
  - Professional development
  - Evaluation process

- **E-rate procurement initiated with Form 470**
  - **Filed by applicants to define desired services**
    - Telecommunications
    - Internet Access
    - Internal Connections
    - Basic Maintenance of Internal Connections
  - **Form 470 request must be based on the technology plan**
  - **Posted on the USAC website for at least 28 days before selecting service provider and/or signing a contract**
  - **Annual posting requirement, except for multi-year contracts**
  - **Requests For Proposals (RFP), if used, must also be available for at least 28 days before making a vendor selection**

➤ **Block 2: Summary description of services requested, cont.**

- Required for each category of service
- RFP (Yes/No) — critical
- Service request descriptions

- Service or function
- Quantity and/or capacity
- Examples:

Local and LD telephone	100 lines
Cellular voice/data	25 lines
Fiber optic Gigabit WAN	5 buildings
Internet access	5 buildings @ 10 Mbps
Network cabling and WAPs	1 building
LAN maintenance	5 buildings

# ~~Procurement~~

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## Competitive Bidding:

- **Applicant must conduct a fair and open bidding process**
  - All bidders must be treated the same
  - All bidders must have equal access to information
  - Vendors cannot be involved in Form 470/RFP development
  
- **Bid assessment is critical**
  - Applicant must choose the most cost-effective offering
  - Price of eligible product or service must be the primary factor
  - Bid responses and assessments must be documented

# ~~Procurement~~

## Bid Assessment Matrix:

No	Factors	Total Points Available	Vendor 1 143xxxxxx ABC Inc.	Vendor 2 143xxxxxx DEF Inc.	Vendor 3 143xxxxxx GHI Inc.	Vendor 4 143xxxxxx JKL Inc.
1	<i>Cost of the Eligible Goods and Services</i>	40 *	38	25	38	0
2	<i>Experience</i>	20	18	17	20	0
3	<i>Availability</i>	10	10	8	7	0
4	<i>Minority Business Status</i>	10	6	9	9	0
5	<i>In State Preference</i>	10	3	7	10	
6	<i>Cost of the Ineligible products</i>	5	4	1	5	
7	<i>Project Management Expertises</i>	5	2	1	5	
<b>Total Points</b>		100	81	68	94	0

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

**Winning Bidder:**

Vendor 3 (GHI, Inc.) is the winning bidder because it has the highest total points.

# Form 471

(template available)

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## Funding Application:

- **Must be filed each year within the application window**
- **Contains specific information on services ordered, quantities, vendor, and price**
- **Shows entities receiving services and discount rate calculations**
- **Certifies compliance with rules and verifies access to resources to make effective use of discounted services**

# Form 471

(template available)

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## ➤ **Block 1: Applicant identification and contact**

- **Similar to Form 470**
- **Applicant contact**
  - **Primary contact individual to interface with PIA reviewers**
  - **Optional contact information**
  - **Consultant information, if applicable**

## ➤ **Block 2: Impact of services ordered**

- **Lines/speeds/buildings/computers**
- **Used to be Block 3 for libraries**

# Form 471

(template available)

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## ➤ Block 4: Discount rate calculation

- Schools and libraries can receive discounts ranging from 20% - 90% on eligible products and services
- Note: Discounts, not grants
- Discounts are based on:
  - Percentage of students eligible for the National School Lunch Program (NSLP)
  - Library uses discount based on total student eligibility of local district
  - NJ information for 2009-2010 available at:  
[www.nj.gov/education/data/enr/enr10/district.htm](http://www.nj.gov/education/data/enr/enr10/district.htm)

# Form 471

(template available)

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- **Block 5: Discount funding requests (“FRN”)**
  - **Requires at least one FRN per service/vendor/contract**
  - **Designates service provider and contract**
  - **References Form 470 and Allowable Contract Dates**
  - **Calculates funding request**
    - **Pre-discount recurring and non-recurring charges**
    - **Less ineligible charges**
    - **Times discount rate**
  - **Linked to “Item 21 attachment”**
    - **Online or on paper**
    - **Filed with application**

## **Form 471 RAL**

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### **Receipt Acknowledgment Letter:**

- **Issued by USAC to applicant and service providers after Form 471 is certified**
- **Confirms the filing of the Form 471 and provides summary information on all funding requests**
- **Offers an opportunity to make certain corrections**

# PIA Review

(assistance available)

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## Program Integrity Assurance:

- **Checks for compliance with:**
  - Program rules
  - Eligibility of entities and services
  - Verification of service prices and types
  
- **Responding to PIA:**
  - Provide complete and prompt responses to PIA inquiries
  - Ask for clarification if unsure (or talk with manager)
  - Service providers can help on questions about services, but not about bidding

## Funding Commitments

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- **Funding Commitment Decision Letter (“FCDL”) issued to applicant and service provider(s) after PIA review**
  - Funding issued in weekly waves
- **Funding status provided by FRN:**
  - **Funded** (with or without modification)
  - **Not funded**
  - **As Yet Unfunded**
  - **Canceled**
- **Funds approved for specific services, from specific service providers, at the applicant’s approved discount rate**

# Form 486

(assistance available)

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## Service Confirmation:

- Notifies USAC that services have started and that invoices can be paid
- ~~➤ Certifies that applicant's technology plan meets program requirements~~
- ~~➤ Certifies that applicant is in compliance with the Children's Internet Protection Act ("CIPA")~~

# Discount Invoicing

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- **Two applicant options:**
  - **Discounted bills: Service provider files Form 474 (“SPI”)**
  - **Discount reimbursement: Applicant files Form 472 (“BEAR”)**
  - **Invoice deadline for both: 120 days after last date to receive service**
  
- **Critical point: Applicant must pay non-discounted share**

## Form 472 ("BEAR")

(Verizon will discount, if requested)

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### Billed Entity Applicant Reimbursement:

- Filed if applicant paid for services in full
- Filing requirements
  - One or more per year and per vendor
  - Must be acknowledged by vendor
- Reimbursement is processed through the service provider
- Service provider must reimburse (or credit) applicant within 20 days of receipt of funds

## New for 2011

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- **The Good**
  - Relaxed technology plan requirements
  - Simpler new forms
  - Fiber optic eligibility
  - Revised audit procedures
  - Wireless Internet pilot program
  - Other (less applicable to libraries)
    - Equipment disposal permitted
    - Community school usage
    - Residential school eligibility
  
- **The Bad .... or the unknown**
  - Procurement and gift rules
  - Unbundled warranties ineligible
  - SPIN change restrictions

# Form 471 Template

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- **Block 1, page 1**
  - Basic library information – update as necessary
  - FCC Registration Number – may need to apply
  
- **Block 1, page 2**
  - PIA contact information
  - Can use E-Rate Central as contact and consultant
  
- **Block 2, page 3** (equivalent to old Block 3)
  - Number of patrons
  - Telephone lines, Internet drops, computers
  - Internet bandwidth – greater than 100 Mbps/library

# Form 471 Template

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- **Block 4, page 4**
  - Library discount and related school district BEN
  - Additional rows for branches served, if applicable
  
- **Block 5, page 5**
  - Form 470, contract, and pricing as per NJSL contract
  - Discount rate (from Block 4) and funding request amount
  - Separate Item 21 Attachment
  
- **Block 6, pages 6-8**
  - Item 25 a-c (from Block 5) + Item 25 d technology budget
  - Signature and date
  - Authorized signer information

# **E-Rate Central Support**

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- **Telephone helpline for any questions**
  - Including non-NJSL E-rate applications
  
- **Form 471 completion**
  - Complete Form 471 or partial PDF type-in version
  - PIA contact support, if desired
  - Separate Item 21 Attachment
  
- **Post-Form 471 support**
  - Form 486 template
  - Verizon discount coordination
  - Form 472 (BEAR) template, if applicable

## Additional Resources

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➤ **New Jersey E-Rate**

- NJSL:** [www.njstatelib.org/LDB/E-Rate/index.php](http://www.njstatelib.org/LDB/E-Rate/index.php)  
**NJDOE:** [www.state.nj.us/education/techno/teleact/](http://www.state.nj.us/education/techno/teleact/)  
**NSLP:** [www.nj.gov/education/data/enr/enr10/district.htm](http://www.nj.gov/education/data/enr/enr10/district.htm)

➤ **E-Rate Central**

- General:** [www.e-ratecentral.com](http://www.e-ratecentral.com)  
**New Jersey:** [www.e-ratecentral.com/us/stateInformation.asp?state=NJ](http://www.e-ratecentral.com/us/stateInformation.asp?state=NJ)  
**Weekly news:** [www.e-ratecentral.com/subscribe.asp](http://www.e-ratecentral.com/subscribe.asp)  
**Support:** Shaneka Bratton  
516-801-7806  
[sbratton@e-ratecentral.com](mailto:sbratton@e-ratecentral.com)

E-Rate Central: State E-Rate Information:

## E-RATE CENTRAL

Dedicated to Simplifying  
the E-rate Program for  
Schools and Libraries

- Home
- Services
- Application Tips
- Forms Rack
- State Information
- E-Rate Forum
- Resources & Archives
- Contact Us

Monday, February 07, 2011

State Information

### Funding Quick Search:

Billed Entity Number  SPIN


### Search Our Site

ANY word

Entire Site

Sort by:

- date  
 relevancy

[Help](#)

### In This Section

#### Tech Plan Reviewers

#### E-rate Coordinators

- Schools
- Libraries
- All

#### Links

- E-rate
- Dept of Ed
- Library
- NSLP
- All
- Educational Service Agencies
- Non-traditional Elementary and Secondary Education

### In The Loop

Receive the  
E-rate Weekly  
Newsletter



### Funding Commitment Overview:

Funding Year	State Total	National Total	% Nat. Total	SLD Reports
2011	\$0.00	\$0.00	0.0%	None available
2010	\$54,856,216.77	\$2,157,973,586.84	2.5%	<a href="#">Wave 36</a>
2009	\$72,472,934.00	\$2,785,918,986.16	2.6%	<a href="#">Wave 79</a>
2008	\$54,787,151.97	\$2,492,208,825.21	2.2%	<a href="#">Wave 80</a>
2007	\$51,626,600.10	\$2,416,158,687.91	2.1%	<a href="#">Wave 80</a>
2006	\$43,837,402.25	\$1,963,558,301.30	2.2%	<a href="#">Wave 61</a>
2005	\$52,820,241.35	\$2,056,897,080.97	2.6%	<a href="#">Wave 66</a>
2004	\$49,328,922.01	\$2,222,874,549.50	2.2%	<a href="#">All Waves</a>
2003	\$54,859,215.25	\$2,705,619,294.56	2.0%	<a href="#">All Waves</a>
2002	\$47,064,845.62	\$2,227,080,106.87	2.1%	<a href="#">All Waves</a>
2001	\$51,780,828.88	\$2,178,803,817.06	2.4%	<a href="#">All Waves</a>
2000	\$41,794,831.70	\$2,070,429,659.11	2.0%	<a href="#">All Waves</a>
1999	\$45,408,221.28	\$2,137,545,203.55	2.1%	<a href="#">All Waves</a>
1998	\$62,700,208.79	\$1,695,391,432.92	3.7%	<a href="#">All Waves</a>

[Last Update: 02/07/2011]

### State Coordinators:

#### Schools:

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#### Libraries:

Kathleen Moeller-Peiffer  
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 Fax: (609) 633-3963  
 E-Mail: [kpeiffer@njstatelib.org](mailto:kpeiffer@njstatelib.org)

### Resources:

- » [New Jersey Department of Education E-Rate](#)
- » [New Jersey Department of Agriculture, National School Lunch Program Fact Sheet](#)
- » [New Jersey Department of Education](#)