

April 9, 2016

### Special Update for Educational Service Agencies

Educational Service Agencies (ESAs) are school entities that provide general and/or special education service for school districts. In many states, ESAs play key roles in the provision of a wide range of direct and indirect educational services to their member school districts. ESAs are known by a variety of names, including Educational Service Units (ESUs), County Offices of Education (COEs), Intermediate Units (IUs), and Boards of Cooperative Educational Services (BOCES). For simplicity, USAC refers to all of the organizations as ESAs, though we recognize that not all ESAs provide services to their members in the same manner, nor do the states recognize them all in the same way.

To determine whether an ESA is eligible to receive E-rate support, USAC must verify that the ESA is eligible as determined under state law. FCC rules do not specifically define or address ESAs. To that end, USAC asks states and territories to describe the programs served by ESAs and whether ESAs provides elementary or secondary education. The [Eligibility Table for Educational Service Agencies](#) includes the most recent information provided by the states and territories.

In the E-rate Productivity Center (EPC), ESAs may act as schools, school districts, or consortia. To facilitate the application filing process, it is important to understand the various ways in which ESAs can appear in the system. The information below will help you determine how your ESA should be classified and therefore how your discounts are calculated.

#### ESAs as School Districts that have their own schools and file for their own services

An ESA may operate its own schools, which are in turn recognized by the state as either elementary or secondary schools (not just programs that are run by the ESA). Often, these schools will offer specialized services such as Vocational or Special Education. These schools are not jointly provided by any other school district. The ESA procures, receives, and pays for services delivered to the ESA's schools and any associated non-instructional facilities (NIFs), such as an ESA regional office.

This type of ESA should be classified as a **school district** in EPC. The ESA is responsible for maintaining the associated entity profiles and filing E-rate forms on behalf of its schools.

- The ESA schools that belong to these ESA school districts should select the "ESA School" option in the School Information section of the entity profile.
- The discount rate for the ESA school district is calculated in the same manner as any other school district.
- Like all other schools, schools and NIFs within this school district are both eligible for Category One funding, and the schools within the ESA school district are eligible for Category Two funding, based on the individual schools' student populations.

#### ESAs as School Districts comprised entirely of Non-Instructional Facilities

Sometimes the state may recognize the ESA as an eligible entity, but the ESA does not operate any schools itself. This type of ESA may have a number of NIFs from which its staff is based, and those staff members provide services to the ESA's member school districts. In some cases, the ESA runs programs but those locations are not recognized as either elementary or secondary schools by the state. For example, the ESA may run a secondary education program in a juvenile justice facility, but since that facility is not considered a school by the state, it is a NIF.

We have created a new entity type in EPC to cover this situation — **ESA School District with No Schools** – which recognizes the unique characteristics of this type of ESA. This designation allows these ESAs to properly calculate a discount rate. However, this type of ESA is not eligible for Category Two

funding, since these ESAs are comprised entirely of NIFs.

If you believe that your entity matches this designation, contact the Client Service Bureau at (888) 203-8100 to update your entity type to ESA School District with No Schools.

This type of ESA should enter in student counts totals for all of its member school districts in the appropriate fields for full-time, part-time, and NSLP-eligible students. This will likely result in very large student counts, which we expect. These three pieces of information will be used to calculate the ESA's discount.

If your ESA has multiple NIFs, use your main facility as your "independent school" and add the other locations as additional NIFs. Like any other NIF, you do not need to enter any student counts for these locations.

Like any other school district, this ESA can now update its own profile and file E-rate applications for services delivered to the ESA and its NIFs. Letters of Agency or similar documentation are not required from schools in the ESA's service territory. Further, the member school districts should not be listed in the ESA's EPC profile. If they are, call the Client Service Bureau to have them removed.

### **ESAs as Consortium Leaders that deliver services to their members**

An ESA may act as a consortium leader, aggregating demand and assisting in bulk purchases on behalf of some or all of the school districts and/or libraries in its service area. If the ESA is also a eligible school, it must have a separate BEN and EPC profile for the consortium leader and a separate BEN for the eligible ESA school member (as described in the first scenario above). Like other consortia, unless participation in the consortium is required by state law or regulation, the ESA consortium must be able to provide proof of knowingness that the consortium member has agreed to be included on the consortium application (such as a contract, program agreement, Letter of Agency or similar document). In some cases, the ESA consortium may only be responsible for the bidding process. Depending on the nature of the consortium relationship, the consortium may also file other E-rate forms, including the FCC Form 471, on behalf of its members.

An ESA in this situation should be classified as an **ESA Consortium** in EPC. Like all other consortia, the consortium members (not the consortium lead) are responsible for updating the information in their school profiles. This information, including the discount data, is automatically brought over into the consortium's applications. The consortium leader is not able to enter consortium member EPC profile information into the FCC Form 471 itself.

Consortia are free to group their members on their FCC Forms 471 in the way that makes most sense for them. For each FCC Form 471 filed by the ESA Consortium, the discount rate is the simple average of the discounts of the school districts identified as receiving services on that form. Like all other consortia, the consortium leader may feature different subsets of its members on separate applications, and the applications themselves may have different discount rates.

For more assistance with any of the information listed above, contact USAC's Client Service Bureau at (888) 203-8100; we would be happy to assist you.

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