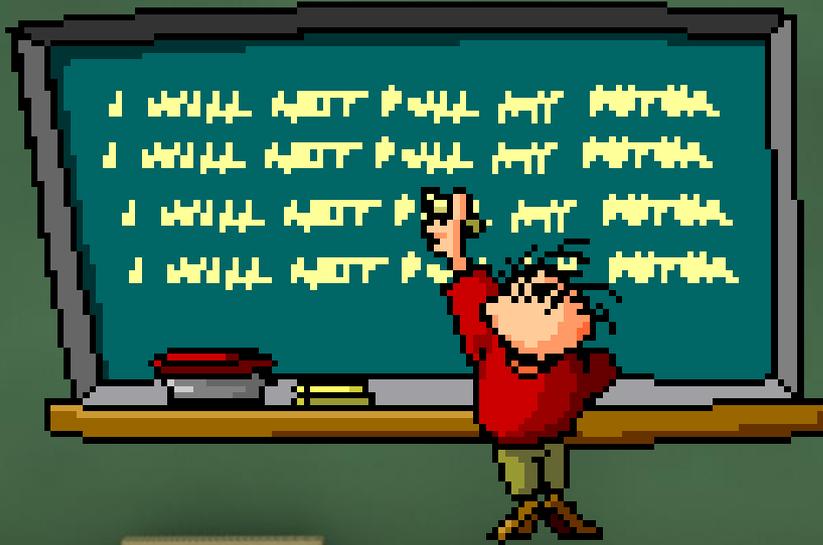


Welcome



E-Rate Beginners Training



Valarie D. Byrd
SC State E-Rate Coordinator



Fall 2014 E-Rate Beginners Training Session

Agenda

Registration

9:30 am-10:00 am

E-Rate Program Overview

10:00 am-11:15 am

Break

11:15 am-11:30 am

Eligible Services

11:30 am-11:45 am

Discount Calculations

11:45 am-12:15 pm

Break

12:15 pm-12:30 pm

CIPA

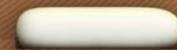
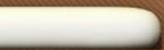
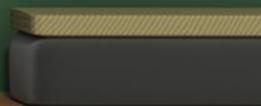
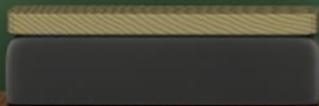
12:30 pm-12:45 pm

Q&A

12:45 pm - 1:30 pm



Explore Information Resources



Information Resources

USAC-Schools & Libraries Division

Website: www.usac.org/sl

The screenshot shows the USAC website homepage for the Schools and Libraries Division. At the top left is the USAC logo with the tagline 'Universal Service Administrative Company'. To the right are links for 'Contributors', 'Service Providers', 'Subscribe', and 'Contact Us'. Below the logo is a search bar with a 'GO' button. A navigation bar contains links for 'E-FILE', 'MAKING PAYMENTS', 'FORMS', and 'TOOLS'. The main content area features a large banner image of a young girl looking at a computer screen in a library. To the left of the banner is a vertical menu with five colored bars: blue for 'ABOUT USAC', green for 'HIGH COST', red for 'LIFELINE', light blue for 'RURAL HEALTH CARE', and purple for 'SCHOOLS AND LIBRARIES'. The banner text reads: 'Providing discounts on telecom, Internet access, and internal connections to eligible schools and libraries' followed by 'SCHOOLS AND LIBRARIES PROGRAM >'. Below the banner are three columns: 'CONTRIBUTORS' with a link to 'GET STARTED >', 'LATEST NEWS' with a 'More News >' link and four news items, and 'QUICK LINKS' with a 'More Links >' link and five links to various resources.

USAC
Universal Service Administrative Company

Contributors | Service Providers | Subscribe | Contact Us

Search GO

Helping Keep Americans Connected

E-FILE | MAKING PAYMENTS | FORMS | TOOLS

ABOUT USAC
HIGH COST
LIFELINE
RURAL HEALTH CARE
SCHOOLS AND LIBRARIES

Providing discounts on telecom, Internet access, and internal connections to eligible schools and libraries

SCHOOLS AND LIBRARIES PROGRAM >

CONTRIBUTORS

Understanding and managing FCC Forms 499-A, 499-Q, billing processes, and payments.

[GET STARTED >](#)

SERVICE PROVIDERS

Understanding and managing SPINs, payments, and disbursements.

[GET STARTED >](#)

LATEST NEWS

[More News >](#)

- Schools and Libraries** : News Brief Issued (1/10/2014)
- Schools and Libraries** : **Special Edition News Brief - FY2014 Window Opens Today (1/9/2014)**
- Lifeline** : Updated Contact Information Available for Lifeline Program Inquiries (1/9/2014)
- USAC** : **Beware of Email and Text Scams Offering Jobs with USAC (1/8/2014)**
- High Cost and Lifeline** : HCLI News Issued (1/7/2014)

QUICK LINKS

[More Links >](#)

- Lifeline** : NLAD Rollout: Group 2 Migration Webinar – Slides Now Available!
- Rural Health Care** : Healthcare Connect Fund (HCF) Program Monthly Webinars – Register Here
- Schools and Libraries** : 2014 Eligible Services List – Now Available!
- High Cost** : FCC Form 690 Mobility Fund Phase I Annual Report Form – Now Available
- Contributors** : Contributor Delinquency – New Interactive Module

Information Resources

FCC

Website: <http://www.fcc.gov/e-rate-update>

The screenshot shows the FCC website's navigation bar with the FCC logo and menu items: The FCC, Our Work, Tools & Data, Business & Licensing, and Bureaus & Offices. Below the navigation bar is a search bar and a 'Take Action' button with sub-links for 'Comment, Complain, Discuss' and a 'Transition.FCC.gov' link. The breadcrumb trail reads: Home / The FCC / FCC Encyclopedia / Universal Service Program for Schools and Libraries (E-Rate). The main content area features a large image of a teacher and students. To the right of the image is a blue box titled 'The E-Rate Program' with the text 'Learn more about expanding digital access for schools and libraries' and a 'CONSUMER GUIDE' button. Below the image is a text block: 'Expanding access to high-capacity Internet in schools and libraries to support innovative digital learning and improve access to information and opportunities'. At the bottom left is a paragraph: 'The FCC's E-rate program connects the nation's schools and libraries to broadband. It is the government's largest educational technology program. When E-rate was established in 1996, only 14 percent of the nation's K-12 classrooms had access to the Internet. Today, virtually all schools and libraries have Internet access.' At the bottom right is a 'Quick Links' section with a link for 'E-Rate Modernization Order, 07/11/14'.

Home / The FCC / FCC Encyclopedia / Universal Service Program for Schools and Libraries (E-Rate)

Modernizing E-Rate

Expanding access to high-capacity Internet in schools and libraries to support innovative digital learning and improve access to information and opportunities

The E-Rate Program

Learn more about expanding digital access for schools and libraries

CONSUMER GUIDE

The FCC's E-rate program connects the nation's schools and libraries to broadband. It is the government's largest educational technology program. When E-rate was established in 1996, only 14 percent of the nation's K-12 classrooms had access to the Internet. Today, virtually all schools and libraries have Internet access.

Quick Links

E-Rate Modernization Order, 07/11/14

Information Resources

SC State E-rate Program

Website: <https://sck12techinit.sc.gov/node>

south carolina k-12 school technology initiative

[Home](#)[News](#)[Publications](#)[E-Rate](#)[About Us](#)[Contact Us](#)[Meetings](#)

Related Links

[E-Rate News](#)[E-Rate Deadlines](#)[E-Rate Info for South Carolina Applicants](#)[E-Rate Program Information](#)[E-Rate Resources](#)

Site Information

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E-Rate Information

[Login](#)

Follow Us



E-RATE INFORMATION & RESOURCES!

The Educational Rate (E-Rate) Program was instituted under the Telecommunications Act of 1996 to expand Internet and telecommunication connectivity for schools and libraries. Funding was capped at \$2,270,250,000 annually and provides discounts of 20 percent to 90 percent of the cost of services, depending on the socioeconomic factors of the population served. The program guarantee discounts on Priority 1 services, and then allocates remaining funds for Priority 2 services to the neediest school districts.

Sources: Federal Communications Commission; Education Week

E-RATE NEWS AND ANNOUNCEMENTS!

Information Resources

SC State E-rate Program

Website: <https://sck12techinit.sc.gov/node>

The screenshot shows the homepage of the South Carolina State Department of Education. At the top left is the department's logo. To the right is a search bar with the text "Search ed.sc.gov" and a "Go" button. Below the search bar are social media icons for Facebook, Twitter, LinkedIn, Instagram, YouTube, and Pinterest. A navigation menu includes "I'm Looking For?", "Agency", "Programs & Services", "Research Portal", "Contact", "Login", and "Help".

The main content area features several key elements:

- A large image of children in a classroom with the caption: "Press Release: S.C. Convenes Taskforce and Releases Drafts of New Standards for Public Review".
- A portrait of the State Superintendent of Education and a "School Directory" link.
- A "From the Desk of Mick Zais: A Weekly Blog" section with an image of the superintendent at a desk.
- A prominent blue box announcing "New ELA/Math Standards for South Carolina Schools".
- A "Tweets" section with a "Follow" button.

Below the main content, there are three columns representing different groups:

- Students:** Ensuring every student acquires an education that provides the knowledge and skills to succeed in careers or college as a contributing member of society.
- Parents:** Providing every parent the opportunity to choose a school with the environment and curriculum that best fits the needs, abilities, and aspirations of his or her child.
- Teachers:** Providing schools that are led by effective principals and effective teachers.

Agenda

What is E-Rate?



E-Rate Program Overview

What is Eligible?



FY 2015 Eligible Service List

How Much %?



Discount Calculations

CIPA?



Child Internet Protection Act

Questions



Questions & Answers

E-Rate Program Overview

E-Rate “**Education Rate**”

FCC

- Independent U.S. government agency
- Established and oversees the E-Rate Program

Federal Communications
Commission (FCC)

USAC

- A not-for-profit company
- Administers the E-Rate Program

Universal Service
Administrative Company
(USAC)

SL

- Division of USAC responsible for the E-Rate Program

Schools and Libraries
Division (SL)

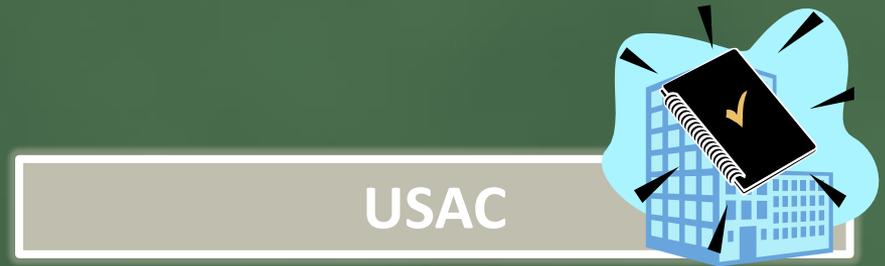
E-Rate Program Overview

Program Rules and Budgets



FCC

- Congress directed the FCC to establish the E-Rate Program in 1996.
- The FCC sets rules and policies through orders
- The FCC capped program funding at \$2.25 billion per year, until 2010 when the FCC began to adjust the cap annually for inflation.
- Unused prior year funds may roll over for use via future funding years, per FCC instruction.



USAC

- USAC develops procedures for specific actions, such as how to process applications.

E-Rate Program Overview

What is the E-Rate Program? Who can Apply?

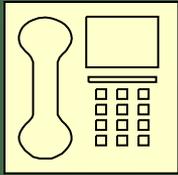
- A federal funding program designed to help ensure schools and libraries can obtain telecommunication and Internet access at affordable rates.
- Eligible entities include public and non-profit schools as well as public and private libraries.
 - Non-traditional facilities (conditionally)
 - Consortia (group of eligible entities)



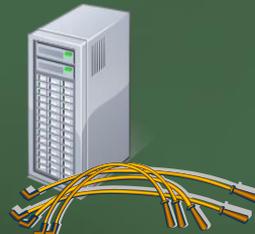
E-Rate Program Overview

What is funding based on?

- Eligible products and services
- Two Categories based on priority
 - Category- 1 Services (20 to 90% E-Rate Discount)



- Category- 2 Services (20 to 85% E-Rate Discount)



E-Rate Program Overview

(CONT.)

- E-Rate Discounts (Funding Percentages) Criteria

- *National School Lunch Program (NSLP) or approved alternative survey methods*



- *Urban or Rural Status (US Census)*



- Commitments are made by funding years (FY)
e.g., **FY 2015** is July 1, 2015 to June 30, 2016

E-Rate Program Overview

What is the funding request process?



1. Preparation

2. Requesting Services

3. Competitive Bidding and Service Provider Selection

4. Applying for Discounts

5. Application Review and Funding Commitments

6. Start Receiving Services

7. Invoicing USAC

E-Rate Program Overview

1. Preparation

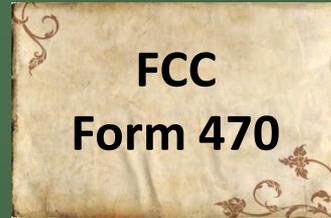


Eligible Services List (ESL)

<http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx>

E-Rate Program Overview

2. Requesting Services



- Opens a competitive bidding process.
- Notifies potential bidders of the types and qualities of services that you need.
- Must be posted on the USAC website at least 28 days before filing the FCC Form 471.

E-Rate Program Overview

3. Competitive Bidding and Service Provider Selection



- No one other than the applicant or an authorized representative of the applicant should prepare, sign or submit the FCC Form 470 or certification.
- The FCC Form 470 must describe products and services with sufficient specificity to enable interested parties to submit bid responses.
- All potential bidders must have access to your FCC Form 470, RFP (or other supplemental documents describing the procurement).
- ❖ All bids should be evaluated fairly and equally



E-Rate Program Overview

3. Competitive Bidding and Service Provider Selection



(CONT.)

Example Bid Evaluation Matrix

Note: The price of the eligible products and services must be the most heavily weighted factor in your evaluation of bids.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	30	15	30	25
Prior experience w/vendor	20	20	0	20
Prices for ineligible services, products and fees	25	20	15	25
Flexible Invoicing: FCC Forms 472 or 474	15	0	15	15
Local or in-state vendor	10	10	8	7
Total	100	65	68	92

E-Rate Program Overview

3. Competitive Bidding and Service Provider Selection



(CONT.)

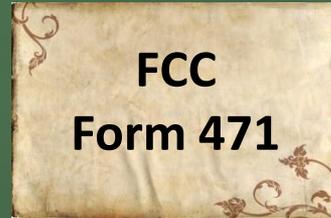
- After the 28-day waiting period closes, on the 29th day, you can:
 1. Evaluate bids received
 2. Choose your service provider(s)
 3. Sign a contract (if applicable)
 4. Submit an FCC Form 471



E-Rate Program Overview

4. Applying for Discounts

4



- Identifies the service providers and eligible services you have chosen on funding requests
- Identifies the eligible schools and libraries that will receive services
- Calculates how much support you seek for the funding year using your discount calculation information

E-Rate Program Overview

5. Application Review and Funding Commitments



Program Integrity Assurance (PIA): The USAC group that reviews and makes funding decisions on program applications, as well as:

- Verifies eligibility of the schools and libraries entities, entity discount levels, and the services requested
- Gives you an opportunity to make allowable corrections to your Form
- In some cases, asks for additional verification of your compliance with program rules



E-Rate Program Overview

5. Application Review and Funding Commitments



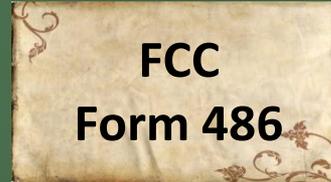
(CONT.)

- **Funding Commitment Decision Letter (FCDL):** Following application review, USAC issues this letter to both the applicant and the service provider. It contains decisions on approved or denied funding requests and next steps
- Option to appeal (USAC and the FCC)



E-Rate Program Overview

6. Start Receiving Services



- Notifies USAC that your eligible services have started or been delivered and invoices for those services can be processed and paid.
- Reports your status of compliance with Children’s Internet Protection Act (CIPA)—a law with specific requirements on Internet safety policies.
- A letter issued by USAC to the applicant and service provider after an FCC Form 486 has been processed.

E-Rate Program Overview

7. Invoicing USAC



Before Invoicing USAC...



- Applicants and service providers receive an FCDL from USAC for the services being invoiced.
- Applicants must file an FCC Form 486 and receive an FCC Form 486 Notification Letter.
- Service providers must file a Service Provider Annual Certification (SPAC) FCC Form 473 each funding year.

E-Rate Program Overview

7. Invoicing USAC



(CONT.)



- **Invoice Methods**

- 1) Billed Entity Applicant Reimbursement (BEAR) FCC Form 472: filed by applicant after services have been paid in full



OR



- 2) Service Provider Invoice (SPI) FCC Form 474: filed by service provider after the applicant has been billed for the non-discount portion of eligible services

E-Rate Program Overview

Important Deadlines

- **FCC Form 470** - Posted at least 28 days before the filing of the FCC Form 471
- **FCC Form 471** - Received or postmarked no later than 11:59 PM ET on the day filing window closes
- **FCC Form 486** - Received or postmarked no later than 120 days after the date of the FCDL or the service start date
- **FCC Form 472/ FCC Form 474** - Received or postmarked no later than 120 days after the date of the FCC Form 486 Notification Letter or the last date that the applicant can receive service from the provider in the funding year at issue, whichever is later
- **Appeals** - Received or postmarked no later than 60 days after the date of USAC's decision letter

Break



Eligible Services

Eligible Services

FY 2015 Eligible Service List

- Final list posted: 10/28/2014 by the FCC
- Release required a minimum of 60 days prior to the filing window
- Indicates USAC authority to open filing no earlier than 12/29/2014
- Provides background information, clarifications, and noted changes
- Changes based on the FCC's E-Rate Modernization Order
- Includes a list of equipment and services eligible FY 2014, not FY2015
- Directs USAC to post an ESL Glossary on its web page

**Category-1
Services**

**Category-2
Services**

Miscellaneous

Eligible Services

Category-1 Services

FY 2015 Eligible Service List

Telecommunications services



Telecommunications



Internet Access



Eligible Services

Category-1 Services

Note: Voice Services Support (20% Phase Down)

Digital transmission services and Internet access services.

Digital transmission services and Internet access services are eligible in Category One. These services include:

- Asynchronous Transfer Mode (ATM)
- Broadband over Power Lines
- Cable Modem
- Digital Subscriber Line (DSL)
- DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Fiber (Lit and Dark)
- Frame Relay
- Integrated Services Digital Network
- Multi-Protocol Label Switching (MPLS)
- OC-1, OC-3, OC-12, OC-n
- Satellite Service
- Switched Multimegabit Data Service
- Telephone dial-up
- Wireless services (e.g., microwave)

Eligible Services

Category-1 Services

Important Notices: Eligibility Limitations

Data plans and air cards for mobile devices are eligible only in instances when the school or library seeking support demonstrates that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices as required in the *E-rate Modernization Order*.

Off-campus use, even if used for an educational purpose, is ineligible for support and must be cost allocated out of any funding request.

Internet access – Eligible Internet access may include features such as basic firewall protection, domain name service, and dynamic host configuration when these features are provided as a standard component of a vendor's Internet access service. Firewall protection may not be provided by a vendor other than the Internet access provider and may not be priced out separately. Examples of items that are ineligible components of Internet access include applications, content, e-mail, and equipment such as computers, laptops, tablets, and all other end-user devices.

Wireless services and wireless Internet access services –Managed internal broadband services, such as managed Wi-Fi, are eligible only for Category Two support.

Eligible voice services.

Eligible voice services are subject to an annual 20 percentage point phase down of E-rate support beginning in funding year 2015, as described in the *E-rate Modernization Order*. The reduced discount rate for voice services will apply to all applicants and all costs for the provision of telephone services and circuit capacity dedicated to providing voice services including:

- Centrex
- Interconnected voice over Internet protocol (VoIP)
- Local, long distance, and 800 service, e.g., a toll-free telephone number for students to contact school regarding questions about homework
- Plain old telephone service (POTS)
- Radio loop
- Satellite telephone service
- Shared telephone service (only the portion of the shared services relating to the eligible use and location may receive discounts)
- Wireless telephone service including cellular voice and excluding data and text messaging

Eligible Services

Category-1 Services

Fiber – E-rate support is available for leased lit and dark fiber as described in the *Schools and Libraries Sixth Report and Order* (FCC 10-175) and the subsequent “Frequently Asked Questions” (DA 10-2356).

- **Leased Lit Fiber** – Monthly charges, special construction, and maintenance charges are eligible. When lit fiber is leased as a Category One service, modulating electronics can be included as a part of that eligible service.
- **Leased Dark Fiber** – Within the eligible entity’s property line, maintenance and special construction costs to connect the fiber to the eligible entity’s facilities are eligible. Beyond the eligible entity’s property line, special construction charges are not eligible, but monthly charges and maintenance provided as a component of leased dark fiber to maintain reliable operation are eligible. Re-routing of fiber is considered construction, not maintenance. If other customers are served by the leased dark fiber, only the pro rata costs of maintenance incurred by the eligible entity will be eligible for E-rate support. The purchase and ownership of modulating electronics associated with lighting dark fiber and modulating electronics on applicant-leased dark fiber leaving the eligible entity’s premises are not eligible.
- **IRUs** – An Indefeasible Rights of Use (IRU) purchase arrangement will be considered a lease of dark fiber for E-rate program purposes. If the IRU contains significant upfront charges, the charges may need to be amortized.

Ineligible Services and Components

Category One (Priority One)

Services and telephone components that were listed as eligible in the former Priority One category:

- 900/976 call blocking
- custom calling services
- direct inward dialing
- directory assistance charges
- email
- inside wire maintenance plans
- paging
- text messaging
- voice mail
- web hosting

Category-2 Services

(20 to 85% E-Rate Discount)

Broadband Internal Connections



Managed Internal Broadband Services



Basic Maintenance



Eligible Services

Category-2 Services

FY 2015 Eligible Service List

Eligible Broadband Internal Connections Components

- Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)
- Antennas, cabling, connectors, and related components used for internal broadband connections
- Caching
- Firewall services and components
- Switches
- Routers
- Racks
- Uninterruptible Power Supply (UPS)/Battery Backup
- Wireless controller systems
- Software supporting each of the components on this list used to distribute high-speed broadband throughout school buildings and libraries

Notes: (1) Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.

(2) A manufacturer's multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.

(3) For funding year 2015, caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for funding.

FY 2015 Eligible Service List

Eligible Managed Internal Broadband Services

- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components are eligible managed internal broadband services (e.g., managed Wi-Fi).
- E-rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries. Eligible expenses include the management and operation of the LAN/WLAN, including installation, activation and initial configuration of eligible components, and on-site training on the use of eligible equipment.
- In some managed services models, the third party manager owns and installs the equipment and school and library applicants lease the equipment as part of the managed services contract. In other cases, the school or library may own the equipment, but have a third party manage it for them.

FY 2015 Eligible Service List

Basic Maintenance of Eligible Broadband Internal Connections Components

E-rate support is available for basic maintenance and technical support appropriate to maintain reliable operation when provided for an eligible broadband internal connections component.

The following basic maintenance services are eligible:

- Repair and upkeep of eligible hardware
- Wire and cable maintenance
- Configuration changes
- Basic technical support including online and telephone based technical support
- Software upgrades and patches including bug fixes and security patches

Eligible Services

Category-2 Services

FY 2015 Eligible Service List

Eligibility limitations for managed internal broadband services - The equipment eligible for support as part of a managed internal broadband service may include only equipment listed as a broadband internal connections component above. Upfront charges that are part of a managed service contract are eligible for E-rate support except to the extent that the upfront charges are for any ineligible internal connections components (e.g., servers other than those that are necessary to provide caching) which, if included in the contract, must be cost allocated out of any funding request.

Eligibility limitations for basic maintenance – Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections components. The agreement or contract must specifically identify the eligible components covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract. Basic maintenance does not include:

- Services that maintain ineligible equipment
- Upfront estimates that cover the full cost of every piece of eligible equipment
- Services that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information
- Network management services, including 24-hour network monitoring
- On-site technical support (i.e., contractor duty station at the applicant site) unless applicants present sufficient evidence of cost-effectiveness
- Unbundled warranties

Ineligible Components

Category Two (Priority Two)

Components included in these former Priority Two entries:

- Circuit Cards/Components
- Data Protection (all except for firewall and uninterruptible power supply/battery back-up)
- Interfaces, Gateways, Antennas (other than as specified in this Order)
- Servers (other than servers necessary for caching)
- Software (other than the software that supports eligible broadband internal connections)
- Storage Devices
- Telephone Components
- Video Components
- Voice/video IP components (that had been listed in the Data Distribution entry)

FY 2015 Eligible Service List

Fees

Fees and charges that are a necessary component of an eligible product or service are eligible including:

- Change fees
- Contingency fees are eligible if they are reasonable and a regular business practice of the service provider. Contingency fees will be reimbursed only if the work is performed.
- Freight assurance
- Lease fees to rent or lease eligible components
- Per diem and/or travel time costs are eligible only if a contract with a vendor for the eligible product or services specifically provides for these costs
- Shipping charges
- Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. This includes customer charges for universal service fees, but does not include additional charges for universal service administration.

Miscellaneous

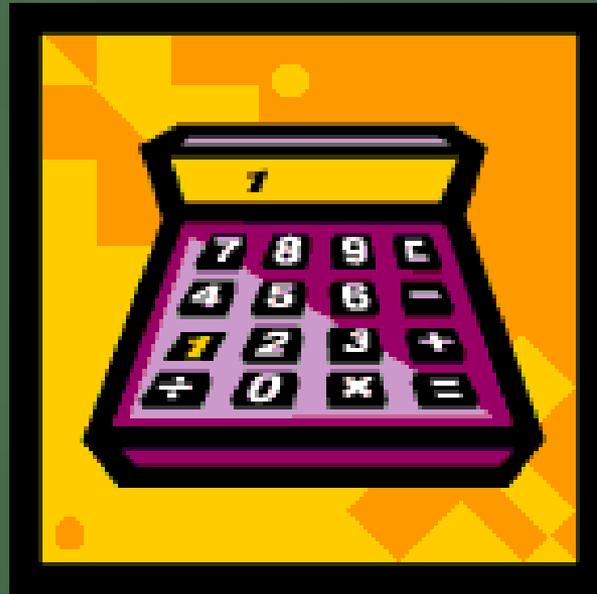
FY 2015 Eligible Service List

Installation, activation, and initial configuration

Installation, activation, and initial configuration of eligible components are eligible. These services may include:

- Basic design and engineering costs if these services are provided as an integral component of the installation of the relevant services
- Basic project management costs if these services are provided as an integral component of the installation of the relevant services
- On-site training is eligible as a part of installation services but only if it is basic instruction on the use of eligible equipment, directly associated with equipment installation, and is part of the contract or agreement for the equipment. Training must occur coincidentally or within a reasonable time after installation.

Discount Calculations



Discount Calculations

New Discount Principles

- Discounts are calculated for the organization as a whole.
- Discount rates do not change based on which entities within a district/system are receiving service.
- Libraries derive their discount from the NSLP eligibility of the district in which the main outlet is located.
- Consortia continue to use simple average of member discounts.
- Rural status is determined at the district/system level and only if more than 50% of schools or libraries are rural.

Discount Calculations

Revised Discount Matrix

	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

Note lower top discount rate for Category Two services.

Discount Calculations

School Districts

All schools in the school district get the same discount.

- Simplifies process by not having to calculate multiple discount rates for different groups of schools.
- When eligible, Non-Instructional Facilities (NIFs) get the same discount as the schools in district.
- Single schools within a district never get their own discount rate, even if they are the only school receiving that service.
- Urban/Rural status based on all of the schools in the district (not including NIFs).

Discount Calculations

Defining “school district”

School districts can be public or non-public

- Schools fall under the control of a central educational agency
- Traditional public school districts
- Charter school “districts”
 - Multiple charter schools that share common board and are not individually responsible for their finances and administration.
- Non-public school “districts”
 - Diocesan schools or other groups of private schools are not individually responsible for their finances and administration.

Discount Calculations

Schools

- All schools in the school district get the district discount, even if they apply individually or are the only recipient of service.
- Independent schools, not part of a district, calculate their discounts based on their own student population.
- Independent schools, not part of a district, determine urban/rural status based on their own physical address.

Discount Calculations

Libraries and Library Systems

- Libraries get their discount based on the percentage of student eligible for the NSLP in the school district in which the main outlet is located.
 - No longer calculate discount based on all districts in which library system has outlets.
- Libraries calculate their own urban/rural status based on their own outlets. Therefore, the library system's discount may not match the school district's discount rate.
 - Bookmobile and kiosks count as library outlets.

Discount Calculations

Non-Instructional Facilities (NIFs)

- By definition, NIFs are neither schools nor libraries.
- NIFs get the discount of the school district or library system, regardless of the entities they serve.
- NIFs with classrooms, like all other entities in the school district or library system, get the same district-wide discount.
- NIFs don't get an urban/rural status
 - NIFs get their discount from the district/system, regardless of their physical location and are not counted in the urban/rural determination.

Discount Calculations

Consortia

- Consortia calculate their discount based on the simple average of their consortia members. However, all consortia members now are listed at their district-wide discount rate, even if only some schools in the district participate in the consortium.
 - Only consortia entities can get a discount that doesn't come straight from the discount matrix.
- All FRNs, regardless of the entities served, get the same consortia-wide discount rate.

Discount Calculations

Urban/Rural Status Changes

- Urban/rural status is based on 2010 U.S. Census data.
- Urban/rural status is now determined for the entire school district or library system, instead of for individual schools or libraries.
- More than 50% of the entities in a district/system must be rural for district/system to be classified as rural.
- Non-instructional facilities do not get an urban/rural status and are not counted in the determination of whether more than 50% of the entities are rural.

Discount Calculations

Is My Entity Rural?

Schools/School Districts	Libraries/Library Systems
More than 50% of all schools are in rural areas.	More than 50% of all library outlets are in rural areas.
Do not include NIFs in the determination.	Do not include NIFs in the determination.
If there are six schools in district, and three are rural, district is urban.	If there are six libraries in district, and four are rural, library system is rural.

Discount Calculations

School District Discount Example

School District A (10 schools)

- Total student population 3,000 students
- Total students eligible for NSLP = 1,000 students
- All but one of the schools are located in urban areas, so district = urban
- $1,000 \text{ students eligible for NSLP} / 3,000 \text{ students} = 33\%$ eligible

Discount Calculations

School District Discount Example

School District A

	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

Discount Calculations

School District Discount Example

Library System ABC

- Has library outlets in School Districts A, B, and C.
- Main outlet is located in School District A.
 - Calculate NSLP eligibility based only on School District A's population.
- Determine own urban/rural status based on library outlets.
 - Over 50% of library outlets are rural; therefore library system is rural.

Discount Calculations

School District Discount Example

&

Library System ABC

	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

Discount Calculations

Surveys

- Surveys continue to be valid, though you can no longer extrapolate them.
- If you send out a survey to each student, and you only get responses from half, and only half of those are eligible, then you can only report 25% of your students as eligible for NSLP.
- Starting in FY 2015, you can use NSLP applications as your survey instrument, because you can no longer extrapolate the results.

Discount Calculations

Community Eligibility Program (CEP)

- Nationwide program to reduce NSLP paperwork burden.
- Schools must have at least 40% of their students directly certified to qualify for CEP.
- All students eat free, but this does not mean they are counted as eligible for E-rate purposes. Must still determine eligibility percentage.
- Schools apply national multiplier (1.6) to directly certified population to determine NSLP eligible population.
- Schools are capped at 100% NSLP eligible for purposes of determining the E-rate discount.

Discount Calculations

Community Eligibility Program (CEP)

- Single Charter School
 - School population = 1,000 students
 - 50% are direct certified = 500 students
 - 500 students * 1.6 = 800 students eligible for NSLP
 - $800/1000 = 80\%$ of students are eligible

Discount Calculations

Community Eligibility Program (CEP)

Single Charter School Example

	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

At this discount rate, no urban and rural difference.

Discount Calculations

Documentation (Supporting Your Discount Rate)

- Districts report TOTAL student counts
 - Document student counts used to arrive at your total numbers for PIA and audit purposes.
 - Remember how you determined numbers for each school and summed to determine total student counts (School A = CEP, School B = participation for Oct 2014, School C = survey, etc).
 - Optional worksheet in online FCC Form 471 keeps numbers for you.

Discount Calculations

Exceptions to Discount Calculations

- Voice Services Phase Down
 - All voice service (POTS, Centrex, VOIP, cellular voice, etc.) are subject to 20 percentage point reduction per year from your regular discount
 - FY 2015 = Regular discount – 20%
 - FY 2016 = Regular discount – 40% etc.
- Category Two Top Discount
 - Top discount rate = 85% instead of 90%

Discount Calculations

Example

One School; Three Discounts

- ABC Charter High School
 - Total student population = 1,000
 - Total student population eligible for NSLP = 800
 - = 80% students eligible for NSLP
 - Category One Discount = 90%
 - Category One Discount *for Voice* = 70% (90 - 20)
 - Category Two Discount = 85%

Break



Child Internet Protection Act

CIPA

CIPA

What is CIPA?

- A federal law signed on December 21, 2000 for purpose of protecting children while accessing the Internet.

When is CIPA compliance required?

- All applicants receiving support for Internet Access, Internal Connections or Basic Maintenance Services
- Only exception, Telecommunications Services
- School and library authorities must certify that they are enforcing a policy of Internet safety that includes measures to block or filter Internet access for both minors and adults to certain visual depictions.

CIPA

What are the requirements for CIPA?

Internet Safety Policy

Technology Protection Measures

Public Notice and Hearing or Meeting

For Additional Information visit:

<http://www.usac.org/sl/applicants/step06/cipa.aspx>

CIPA

What is CIPA?

➤ Internet Safety Policy (Enforcement)

- Required for Internet Access, Internal Connections, and Basic Maintenance Services
- Must Include:
 - ✓ Access Regulations, Safety, Security, Restrictions
 - ✓ Technology Protection Measures

➤ Child Internet Protection Act (CIPA)

<http://www.usac.org/sl/applicants/step06/cipa.aspx>



Questions?

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