E-Rate and Michigan:
Funding Year 2020 Primer and Update

2019 Library Training
Delta Township District Library

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E-Rate and Michigan: A Funding Year 2020 Primer and Update

- I'm BACK!
- What the Heck is E-Rate?
- The E-Rate Process
- Michigan Funding Trends
- Audit Preparation
- E-Rate Funding Year 2020 Updates
- Michigan State Education Network (MiSEN)
- E-Rate Enhancement Matching Grant

- Questions

Your State E-Rate State Coordinator In His Natural Habitat

What the heck is E-Rate?

A Far-Too-Brief Discussion of the Structure and History of the E-Rate Program

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"Help ensure that schools and libraries can obtain high-speed internet access and telecommunications at affordable rates and keep students and library patrons connected to broadband by providing a discount on eligible services."

Mission Statement: Schools and Libraries Program

E-Rate Administration: The Hierarchy

CONGRESS   FCC   USAC

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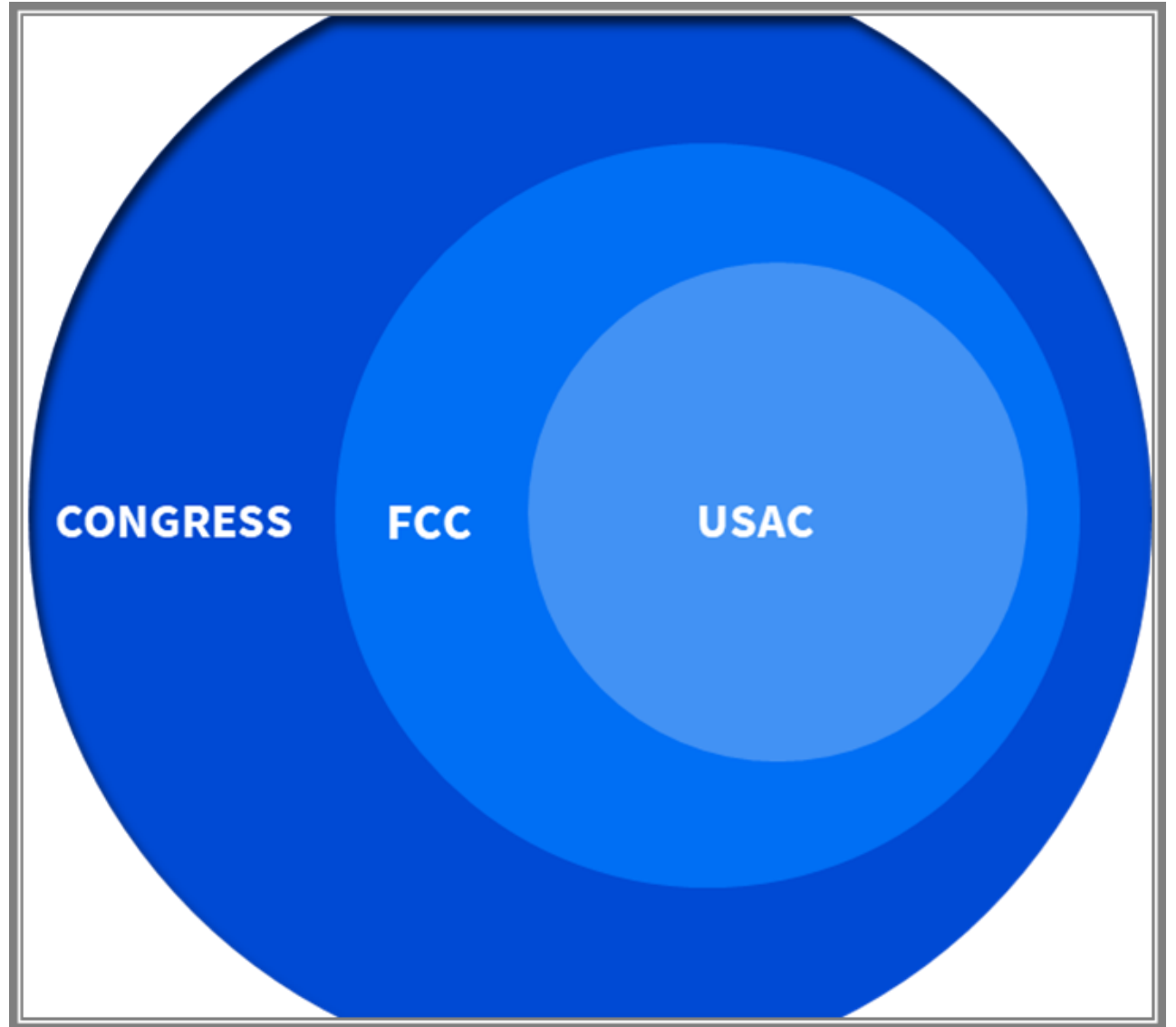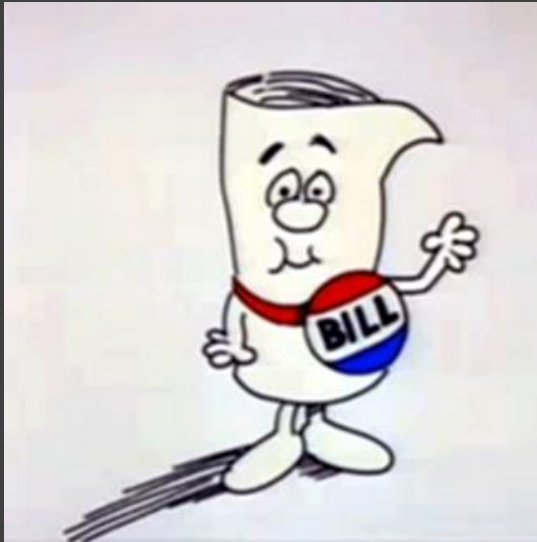
E-Rate and Libraries: LSTA Eligibility in Michigan

- One or More Paid Library Staff
- Regularly Scheduled Library Hours
- A Dedicated Facility for Library Purposes
- An Annual Budget with Funds for Library Materials/Services
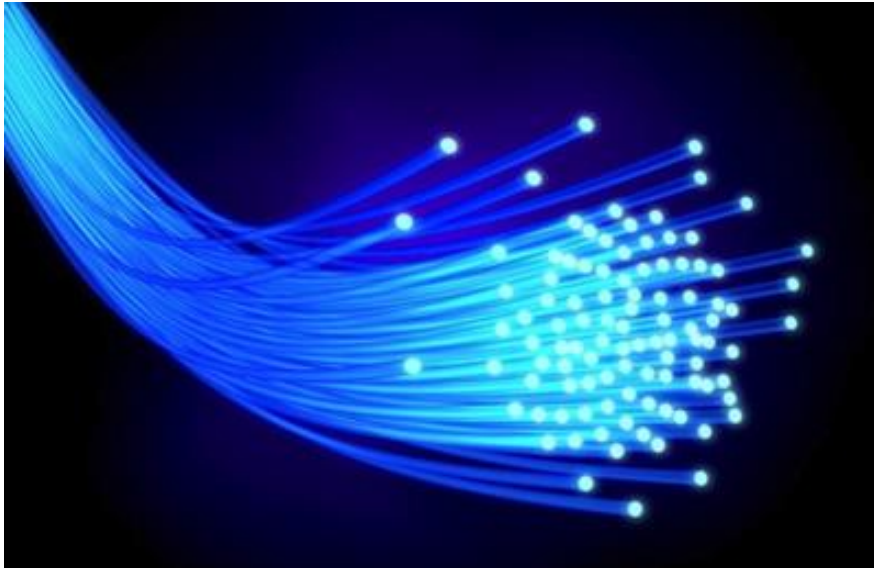- A Record of Multi-Type Library Cooperation
- Lawfully Established under State Aid to Public Libraries Act
- Budget is Not Co-Mingled with an Educational Institution

E-Rate Categories of Service

The E-Rate Process

It's all about the process...

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Discussion Topic: FY 2019 E-rate Annual Calendar

Funding Year 2019*

| | 2018 | 2019 | 2020 | 2021 |

Pre-commitment

FY 2019 Form 470 Available (7/1) — (2/20)

Last Day to Post FCC Form 470 and be in window ⭐ (2/20)

Administrative Window for Profile Updates (10/1) — (1/7)

FCC Form 471 Application Window (1/10) — (3/20)

FY 2019 FCDLs issued (4/19) — (9/1)

Post-commitment

FY 2019 Post-Commitment Functions Available in EPC (4/19) ⭐

File Post-Commitment Change Requests[1] (4/19) — (1/28)*

Deliver recurring services and Special Construction FRNs (7/1) — (6/30)*

Deliver non-recurring services (generally) (7/1) — (9/30)*

FY 2019 invoicing begins ⭐ (7/1)*

Invoicing for recurring services[2] (7/1) — (10/28)*

Invoicing for non-recurring services[2] (7/1) — (1/28)*

[1] Deadline for appeals is 60 days after date of decision letter; other change requests must be filed by appropriate invoice deadline.
[2] The invoice deadline may deviate from the standard date if the FRN is subject to a service delivery or invoice extension.

* Indicates FCC driven date

EVERYBODY GETS A FORM!!!

E-Rate: It's All About the Process

Seek Bids	Form 470
Apply for Discounts	Form 471
Start Service	Form 486
Invoice	Form 472 **OR** Form 474
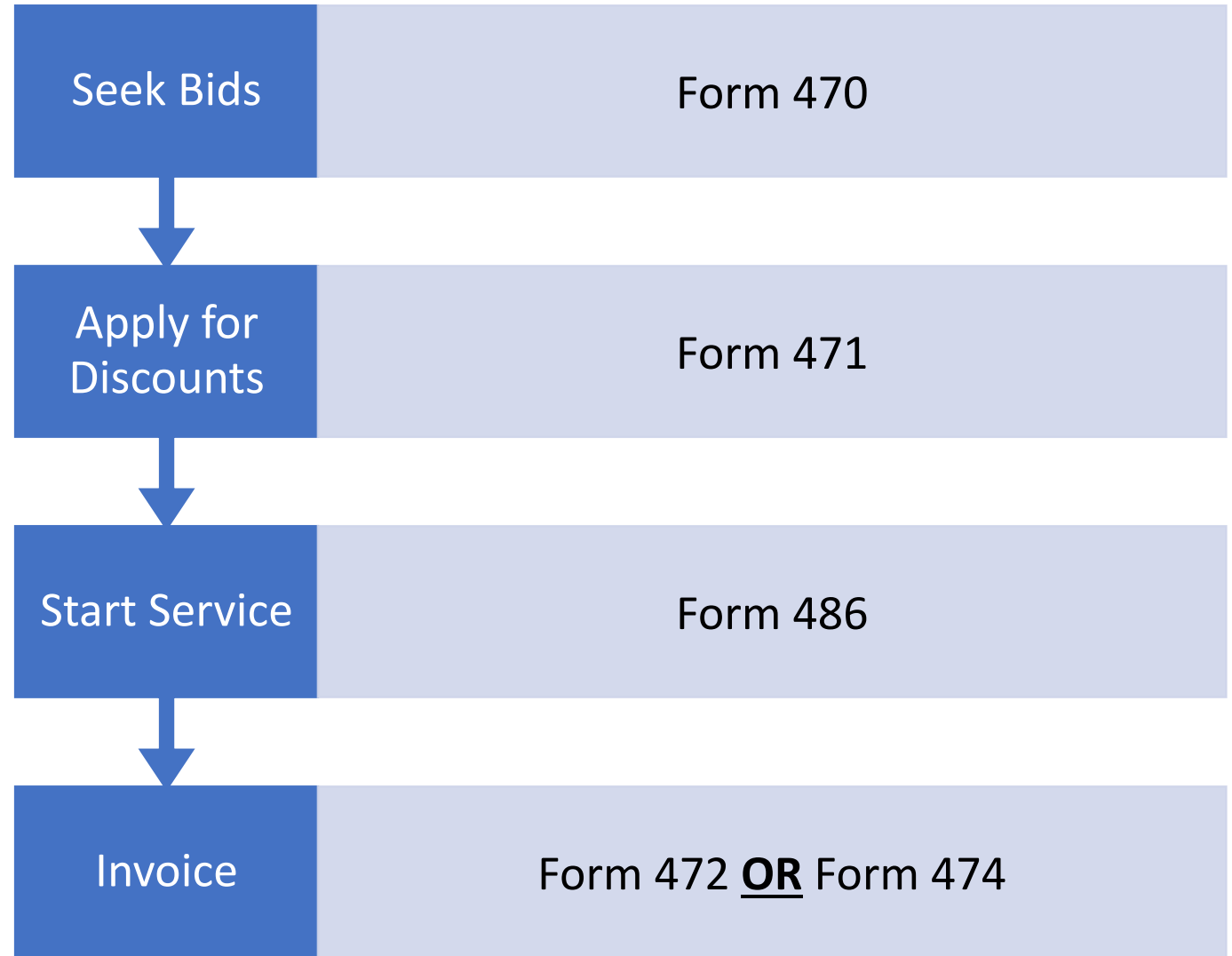
Competitive Bidding

Open and Fair Process

Follow your local competitive bidding rules

Bid Window

Minimum 28 Days

Longer is OK

Evaluate Bids

Price **MUST** be the primary factor

Program Integrity Assurance Review (PIA)

- Eligibility of...
  - Entities (buildings)
  - Services
- Discount Calculations
  - NSLP and CEP
- Contracts
- Bidding Process

FCDL Received and Generated

Service Delivery has begun

Applicant is receiving services as indicated on the Form 471

Submit the Form 486

Notifies USAC of service delivery

Certifies CIPA Compliance

Applicant can now invoice!

Starting Services: Form 486

CIPA Compliance: Meeting the Mandate

Do you have…

- Internet Safety Policy

- Technology Protection Measure
  - Images, not text
  - May be turned on/off at patron request
  - Keep record of these for E-Rate audit

- Public Notice of Hearing Meeting to discuss
  - Internet Safety Policy
  - Technology Protection Measure

https://www.usac.org/sl/applicants/step05/cipa.aspx
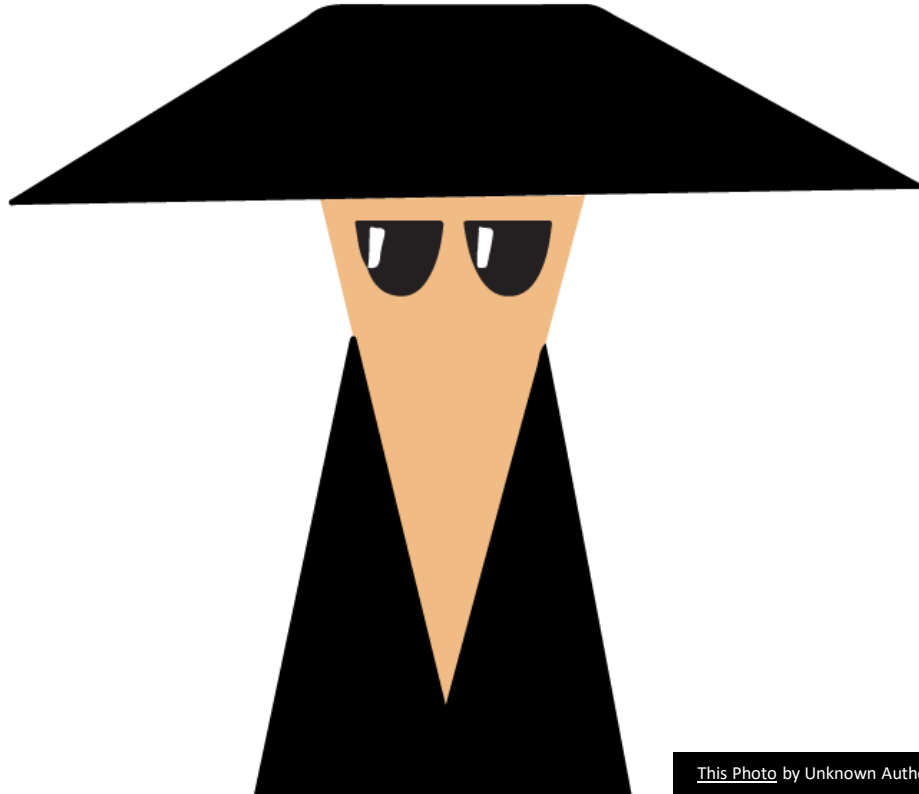
Invoicing: SHOW ME THE MONEY!

Service Provider Invoice (SPI) Billing

- **Applicant pays the DISCOUNTED customer bill**

- **Service Provider invoices USAC for the discounted portion**

Invoicing:
SHOW ME THE MONEY!

Billed Entity Applicant Reimbursement (BEAR) Billing

- **Certify Banking Info with USAC**
  - Form 498
  - Entity Type
  - Must have a PIN to complete BEAR
- **Pay your customer bill IN FULL**
- **File BEAR for reimbursement of discounted portion**

Making A Change: Form 500

Adjust

Adjust your award

- Reduce or cancel a Funding Request Number (FRN)

Modify

Modify a previously reported date

- Change a service start or contract expiration date
- Request a service delivery extension for non-recurring services

Notify

Notify USAC

- Equipment Transfers (eligible location to eligible location) due to site closure
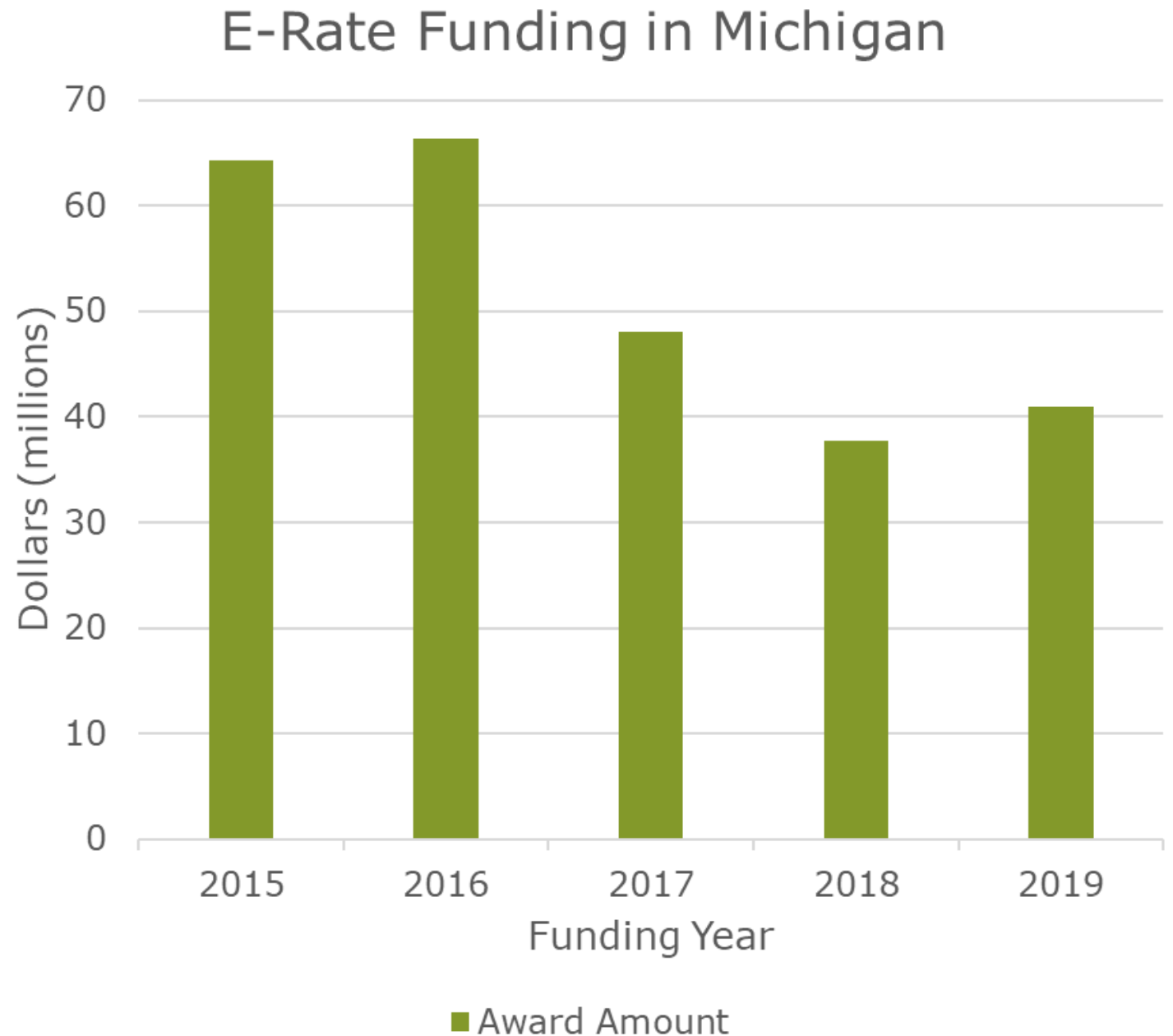
Michigan Funding Trends

Michigan's E-Rate Awards and Fund Usage

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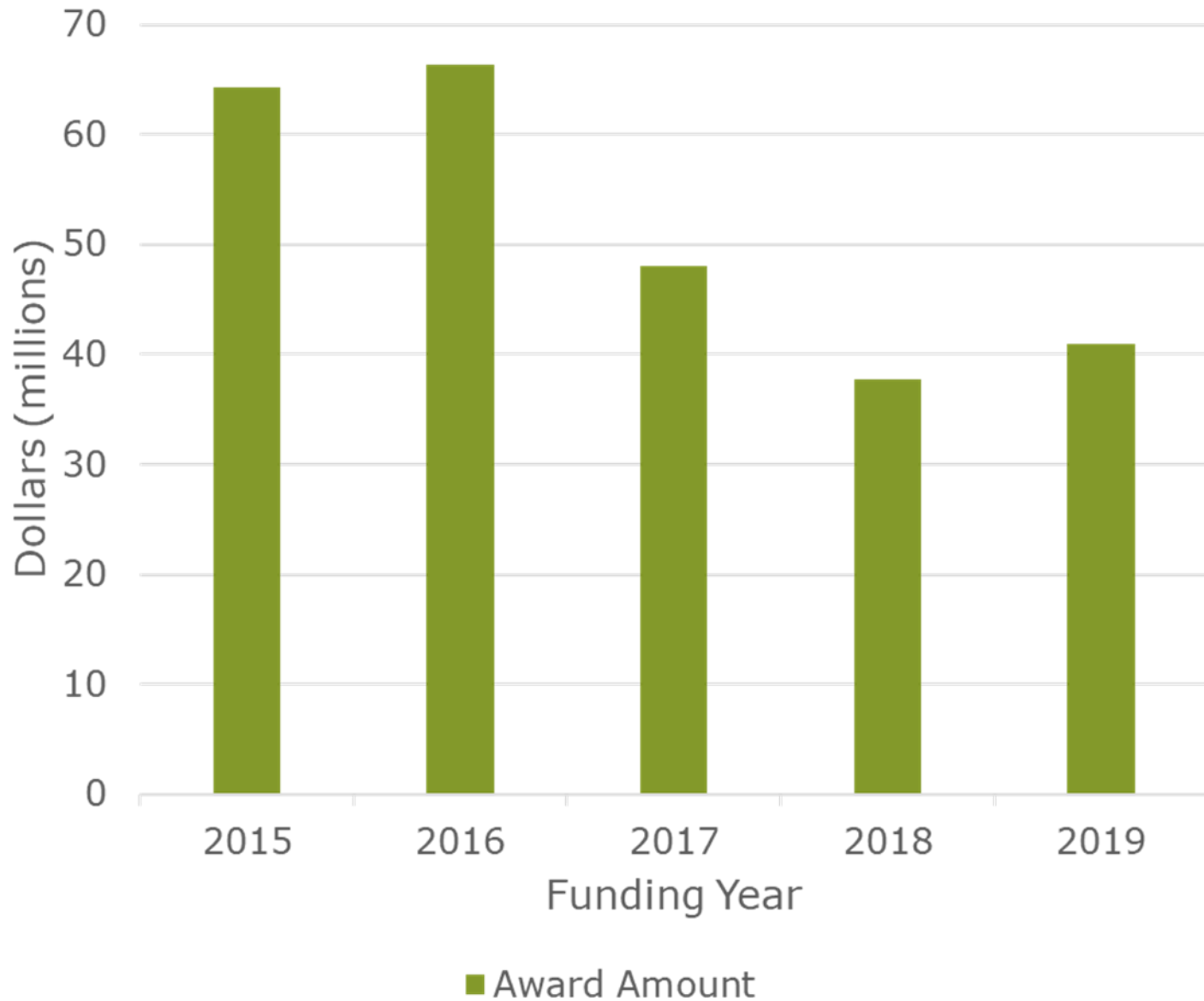Education

TRENDING:
Analyzing Michigan's
E-Rate Award Data

THINK LOCAL

Turn and talk time!

What do you see?

How do you explain the data trends?

E-Rate Funding in Michigan

E-Rate Funding in Michigan

Award Amount
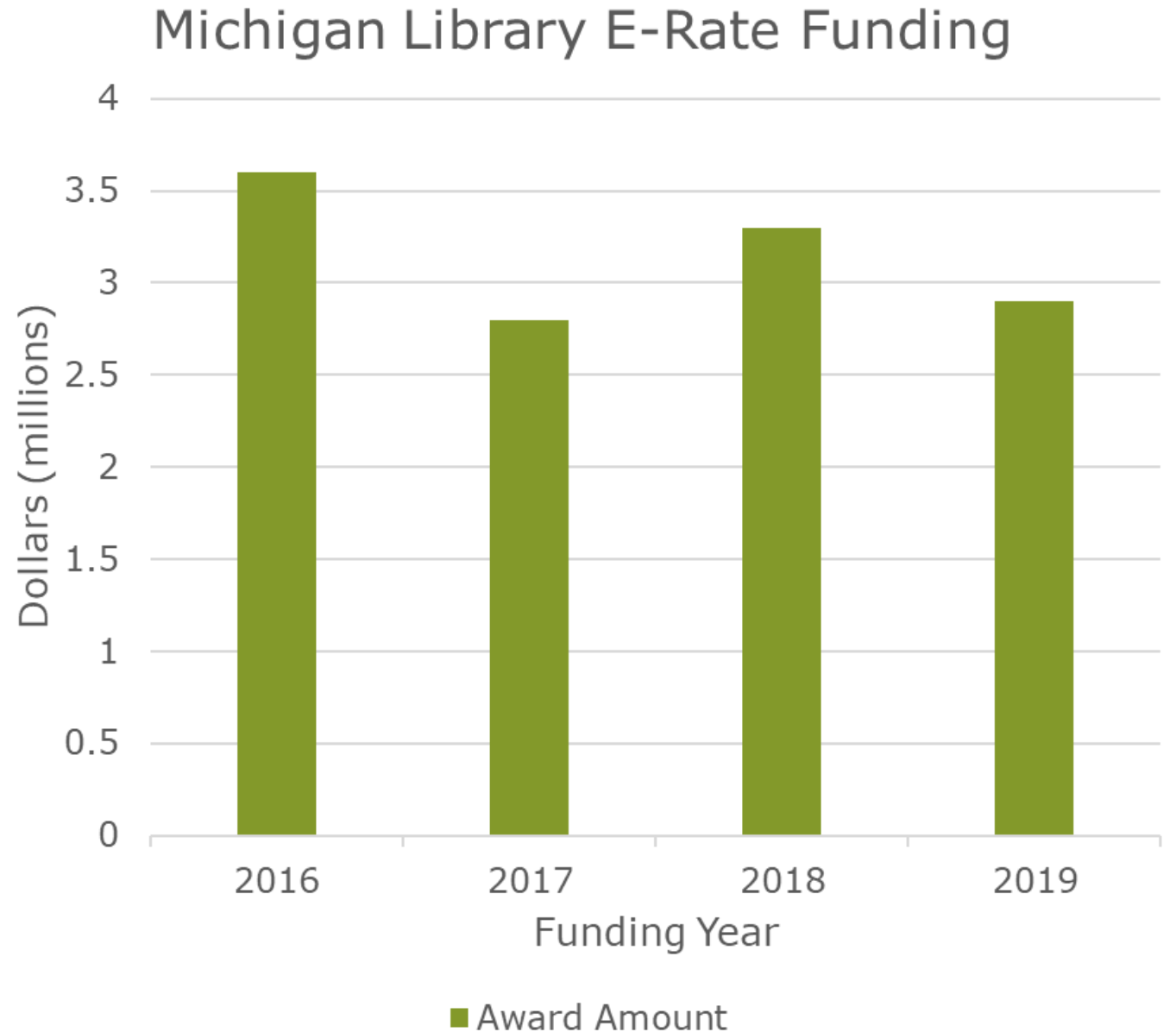
TRENDING:
Analyzing Michigan's E-Rate Award Data

- Trends
  - Spike in 2015, 2016
  - Sharp Drop in 2017, 2018
  - Rebounding in 2019

- Reasons
  - Category 2
  - Voice Moratorium
  - Lower IA costs
    - Thanks, MiSEN!
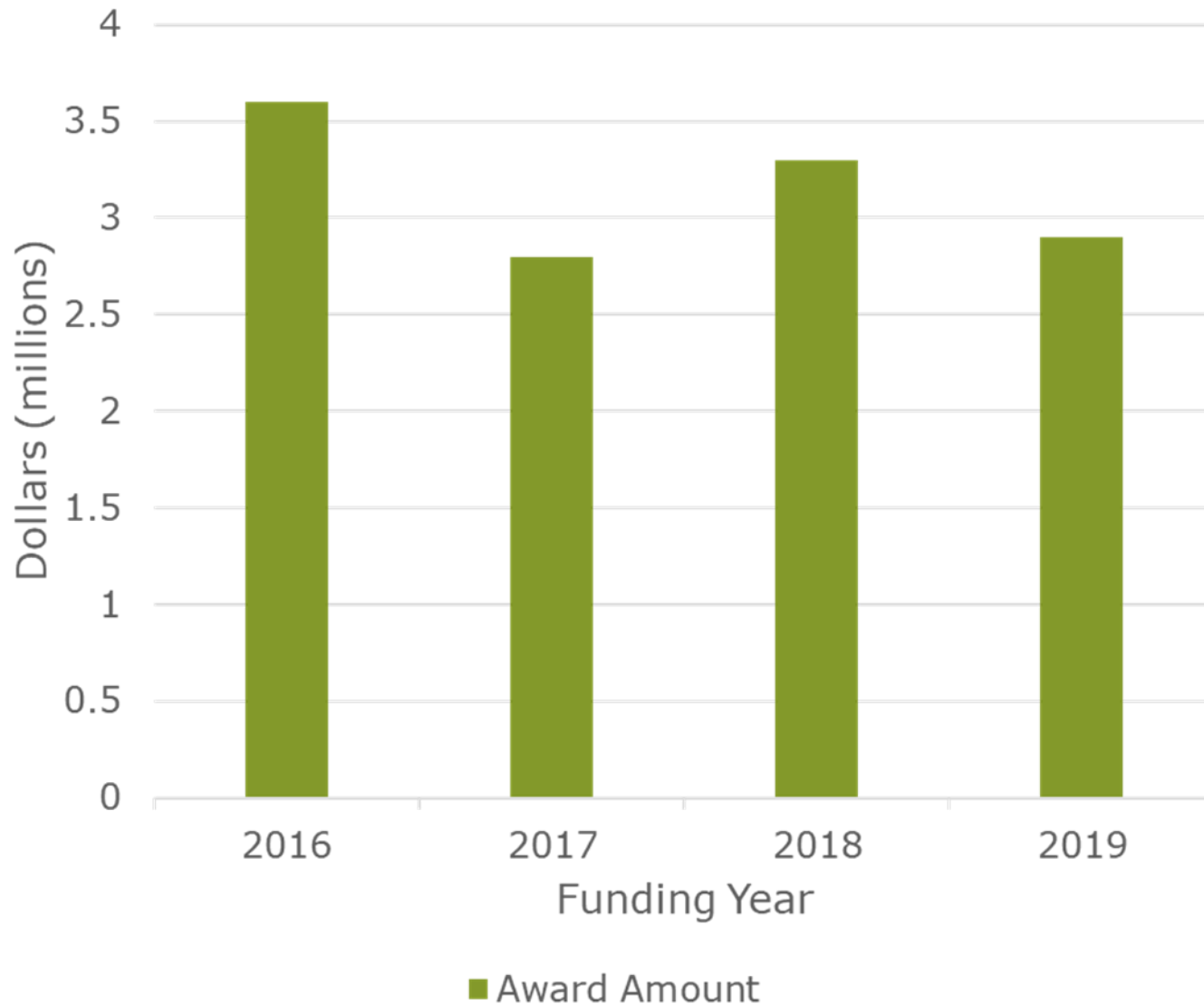
Audit Preparation

What to keep (everything) and

for how long (forever?)

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E-Rate Audit Survival

JUST
KEEP
EVERYTHING

Audit Prep:
What to keep

- All FCC forms and documents and correspondence related to...
  - Filing Process
  - Competitive Bidding Process
  - Program Integrity Assurance (PIA)
  - Service delivery and maintenance of related service and equipment
  - Billing, Invoicing, and Payments
  - CIPA Compliance
  - Change Requests and Appeals

Keep these records a minimum of 10 years past the last day of service*

E-Rate
Funding Year 2020

Changes and Updates*

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E-Rate Funding Year 2020 Updates

- FCC Waives Amortization Requirement*

- Category Two Continues*

- Pre-K Eligibility*

- FCC Seeking 470 Drop-Down Comments
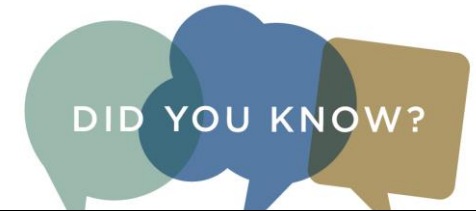 - Again…

- Petition for Comment on "Overbuilding"

SOME THING NEW

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E-Rate Funding Year 2020 Updates

E-Rate Eligible Entities can use REMC catalog pricing when fielding bids on Category 2 eligible equipment!!

See Michigan.gov/ERATE for more info

Michigan State Education Network (MiSEN)

MiSEN has connected 55 of 56 ISDs in the state of Michigan on a fiber backbone with connection up the Straits of Mackinac with resiliency to the western Upper Peninsula through Wisconsin.

misen
Michigan Statewide Educational Network

From this…

…to this!

Before MiSEN

After MiSEN

E-Rate Enhancement Special Construction Matching Fund

Sometimes, there just aren't acronyms to be had…

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Special Construction Matching Fund Grant

- MDE Grant Information :
  - www.Michigan.gov/erate

- USAC Information on State Match
  - https://bit.ly/2GT3GAj

- **State of Michigan E-Rate Enhancement Special Construction Matching Fund**

The Michigan Department of Education (MDE) is pleased to announce the allocation of $5 million for the purposes of leveraging additional dollars through the federal E-Rate program for special construction builds upgrading district, intermediate school district (ISD), public school academy (PSA), and library broadband connections. Using these funds, eligible applicants and consortia groups could leverage up to an additional 10% in E-Rate discount award with a dollar-for-dollar match in state funding on approved special construction builds. As a reminder, the extra discount and state dollars would only be applied to the one-time special construction related charges associated with the application, including:

- Design
- Engineering
- Project Management
- Digging Trenches
- Laying Fiber

Grant Information:

- Grant Application
- Application Instructions
- Grant FAQ
- Grant Criteria

Special Construction Matching Fund Grant

––––

- 16 Applications from 15 Applicants

- 13 USAC approved applications
  - Over $293k awarded

- Two applications still pending with USAC

Special Construction Matching Fund Grant

As of this presentation, the Matching Fund grant has not been granted Work Project status...

E-Rate Funding Year 2020 Matching Grant Process*

PROCUREMENT:
File 470 soliciting bids from providers

APPLY:
Applicant completes application for Matching Fund grant

PRE-APPROVAL:
"Award not to exceed…" "Contingent upon project approval…"

CERTIFY:
Applicant certifies Form 471 for discounted service

USAC APPROVAL:
Applicant survives PIA review and receives FCDL from USAC

PROJECT COMPLETION:
Contracted vendor completes and "lights" connection

PROOF:
Applicant provides proof of completion

PAYMENT:
Applicant receives payment through CMS

Making the Connection: MiSEN and MDE

Services MiSEN is offering to Applicants

- Technical Assistance
    - Procurement
    - Project Design
    - Engineering

- Fillable RFP Template

MDE and the LoM Are Here to Help!

Seriously!

Resources

- Program Information

- Data (informative and/or actionable)

- Questions and Answers

QUESTIONS?

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"There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know. "

Donald Rumsfeld
Former U.S. Secretary of Defense