

E-Rate
Essentials
FY 2021-22

Presented by:
Riley Harpole
Christina Bailey

9/22/2020



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Today's Agenda

Introduction to Kellogg & Sovereign® Consulting

Resources

Introduction to EPC

KSLLC Processes

Introduction to E-Rate

Category 2 Budgets

Wrap up and final questions



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Introduction to Kellogg & Sovereign[®] Consulting

Your Partners in Funding – E-Rate and RHC



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KSLLC Mission

- To make a positive difference in the quality of lives of others by obtaining funding for advanced telecommunications and information services not otherwise available to schools, libraries, and health care providers.*
- Goals:**
 - Maximize funding opportunities for advanced telecommunications and information services
 - Positively affect entire communities by providing affordable access to information and health services
 - Provide access to educational opportunities for students across the nation regardless of their school size or location



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Kellogg & Sovereign Consulting, LLC

Current Filings

- Erate \$50-100 million annually
- 330 school & library clients
- Rank 8 nationwide in filings by consulting firm
- RHC \$3-6 million annually
- 38 RHC clients
- 18 states
- National Leader- E-mpa board president; SHLB member and presenter

Tools Unique to KSLLC

- Comprehensive services from planning to funding
- Bonfire – E-procurement online
- Sharepoint – custom client portal for document retention
- QueryBob – real time USAC data
- Erate470 – in house custom program for filing prep and analysis
- Servers housed at OneNet backed up online
- Barracuda email archiver



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E-Rate Experienced Professionals

- **Crimson Team:**
 - Deborah Sovereign*, Riley Harpole (E-Rate Director)*, Daniela Yanez, Ashley Dehart
- **Teal Team:**
 - Christina Bailey*, Rachel Botts*, Alex Linam, Danny Christensen
- **Purple Team:**
 - Mandy Wood*, Teagan Vick*, Jennifer Williams*, Nichole Bateman

Camron Large-Account/Finance Adam Godwin-Documentation/Compliance

*Certified E-Rate Management Professional (e-mpa.org)



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Resources

- www.kelloggllc.com
- https://www.kelloggllc.com/account_managers.aspx
(look up your Kellogg & Sovereign account manager)
- www.usac.org/e-rate
- <https://www.usac.org/e-rate/applicant-process/before-you-begin/eligible-services-list/>
- <https://www.usac.org/e-rate/resources/news-brief/> (subscribe)
- <https://www.fcc.gov/general/e-rate-schools-libraries-usf-program>



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Polling Question – Set 1


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2nd Filing Window Open for 2020-21

- July 1, 2020-June 30, 2021
- Application Window closes October 16, 2020
- Internet and WAN bandwidth upgrades needed as a result of the COVID-19 pandemic
- No competitive bidding required IF
- Filed a Form 471 for FY2020 that was funded or pending funding
- Price per megabit (or gigabit) for the new request must not exceed that of original service






Oklahoma Corp Commission has also extended emergency B/W support through 6/30/2021


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Introduction to EPC

E-Rate Productivity Center





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E-rate Productivity Center (EPC)

What is EPC?

- Account and application management portal
- Manage program processes, receive notifications, and contact customer service.

What can you do in EPC?

- File most program forms
- Maintain a list of your related entities
- Update entity information
- **Account Administrators** can add users on their organization's account and assign them rights (permissions) to file program forms.



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EPC Portal Actions

- Administrator – only one per school district or library system
- Add Kellogg & Sovereign as your consultant (16024809 – Oklahoma)
- Remove inactive users and consultants
- Add existing KSLLC users - assign full rights except Form 498
- Review your users – make changes as appropriate
- Check General Contact and Financial Contact
- Update your Form 498
- Certify Forms 470 and 471

Ask your KSLLC account manager for assistance!



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EPC Training – Videos are Best Method to learn

- EPC Videos
- <https://www.usac.org/e-rate/learn/videos/>
- User Guides
- <https://www.usac.org/e-rate/trainings/online-training/training-series-for-applicants/>

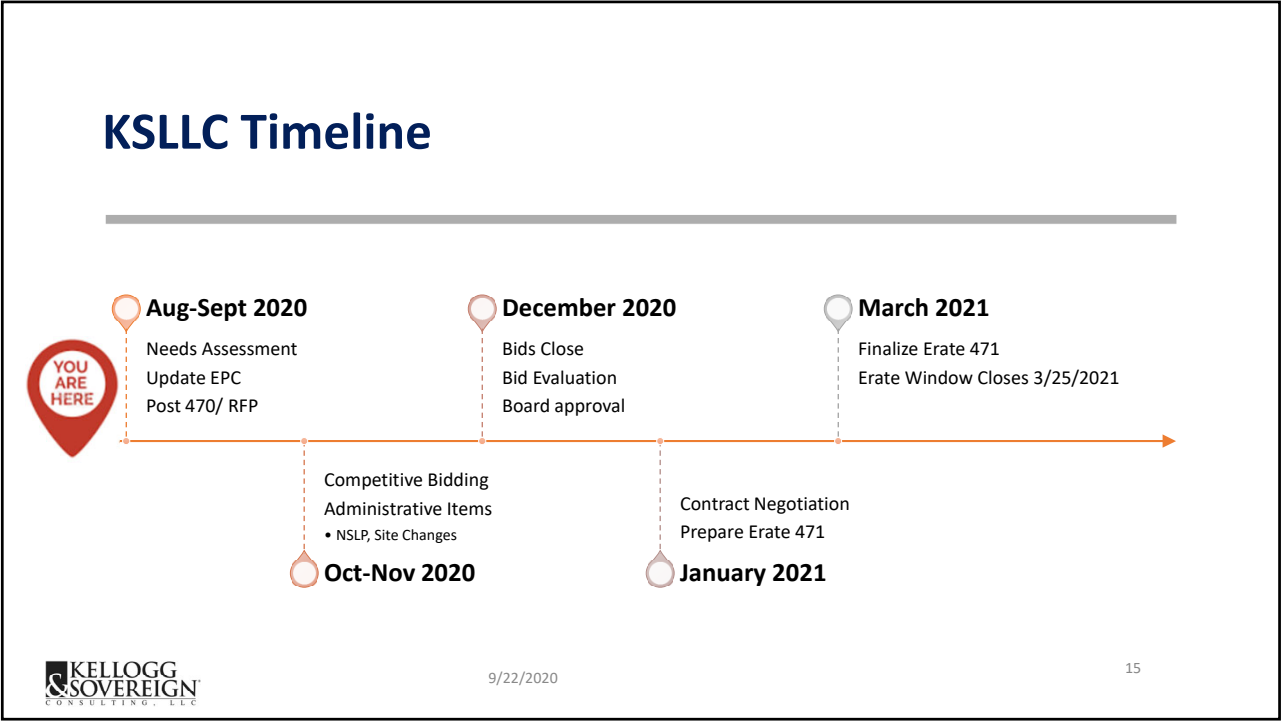


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KSLLC E-Rate Process
for FY2021-22



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Roles	
KSLLC	Applicant
<ul style="list-style-type: none">• Reminders to keep you on track• Prepare and File Form 470• RFP Prep• Manage Competitive Bidding• Vendor Q&A• Bid Packet• Prepare and File Form 471	<ul style="list-style-type: none">• Complete Needs Assessment• Post newspaper notices• Follow local procurement• Review 470/RFP / Certify• Review Bid Packet and complete bid evaluation• Sign and negotiate contracts• Review 471/ Certify

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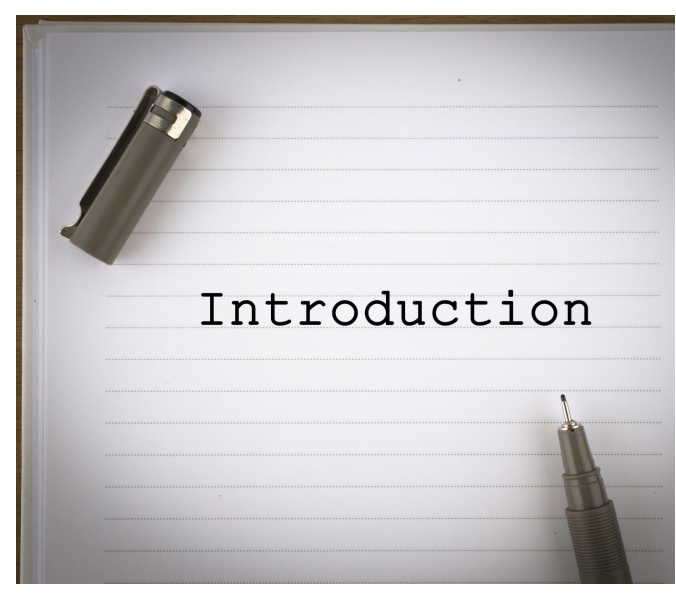
Introduction to E-Rate

- Who is Eligible
- What is Eligible
- How Much is Eligible

Check out our E-Rate Primer for more information

<https://www.kelloggllc.com/docs/app/PrimerJuly2020.pdf>







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Who is Eligible?


SCHOOLS, LIBRARIES, CONSORTIA



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Who is Eligible


SCHOOLS	LIBRARIES
Must provide elementary and/or secondary education, as determined under state law	Must be eligible for assistance from their state library agency under LSTA (Library Services Technology Act)
Cannot have an endowment exceeding \$50 million.	Budget must be separate from any schools
Cannot operate as a for-profit business.	Cannot operate as a for-profit business.



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Who is Eligible

NON-INSTRUCTIONAL FACILITIES	CONSORTIA
School buildings that do not have classrooms	Schools and libraries can join together to form consortia
Library Buildings that do not have public areas	Consortia are not themselves eligible for discounts, but they can run competitive bid processes and/or apply for discounts on behalf of their members
Eligible for some services	



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What is Eligible?

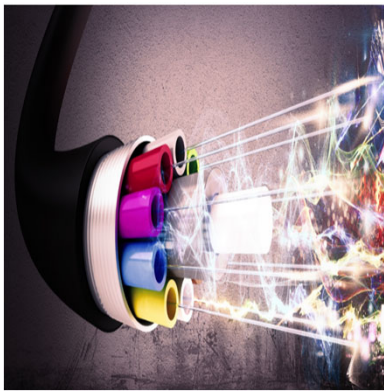
E-Rate Eligible Services List (ESL)

<https://www.usac.org/e-rate/applicant-process/before-you-begin/eligible-services-list/>



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Category One



Services needed to support broadband connectivity to schools and libraries.

Internet Access services and broadband connectivity. Eligible costs include monthly charges, special construction, installation and activation charges, modulating electronics and other equipment necessary to make a Category One service operational.

- Internet Access
- Leased lit or dark fiber
- Wireless services (microwave)
- Satellite Service
- T-1, T-3, etc.
- DSL



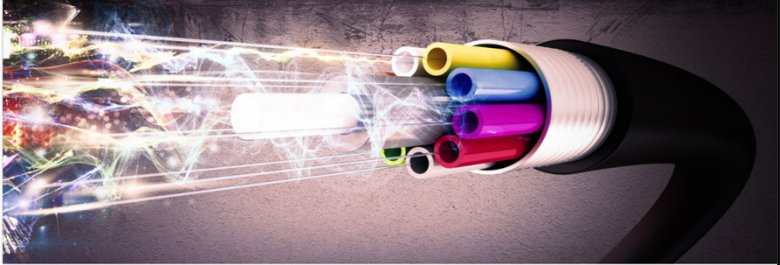
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Category Two

INTERNAL CONNECTIONS
needed for broadband connectivity within schools and libraries.

Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries.

- Antennas, cabling, caching, firewall service, racks, routers, switches, UPS, access points, wireless controller systems, operating software.





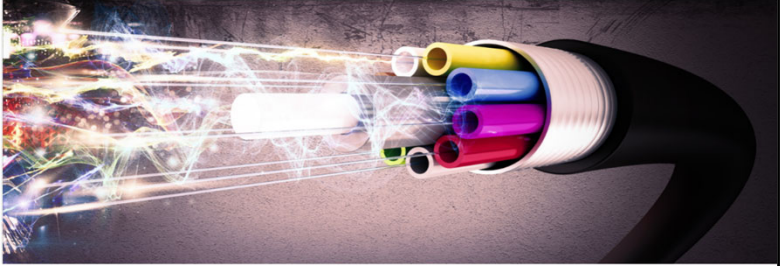
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Category Two

BASIC MAINTENANCE (BMIC)
Maintenance and technical support appropriate to maintain reliable operation of eligible equipment.

- Repair and upkeep
- Wire and cable maintenance
- Configuration changes
- Basic technical support, software upgrades and patches.





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Category Two

MANAGED INTERNAL BROADBAND SERVICES (MIBS)

Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections.

- Management and operation of the LAN/WAN
- Installation, activation and configuration of eligible components
- On-site training on the use of eligible equipment
- Equipment can be owned by applicant or service provider.



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Limitations

CATEGORY ONE

- Services are not limited in cost as long as they are cost-effective

CATEGORY TWO

- Services are limited by a pre-discount budget
- Budget is five years
- Budget is calculated based on number of students (schools) or square footage (libraries)
- Budget can now be used anywhere within the district or library system



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Educational Purpose

- Activities related to education that occur on school property
- Activities related to providing library services to individuals that occur on library property

**Activities that are not on school or library property
are generally NOT eligible for discounts**

Hot spots that are taken off-site are NOT eligible for E-Rate discount



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How Much \$\$\$?

- E-Rate Discount Matrix


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E-Rate Discount Matrix

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%




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School Discount Rate

- Low income % = Total number of students eligible for the National School Lunch Program free or reduced meals divided by the total number of students in the district.
- Example: ABC School District has 1000 students.
400 are eligible for free or reduced meals.
40% Low income.
If rural, discount rate is 70%
If urban discount rate is 60%.
- CEP – Community Eligibility Provision participating schools use 1.6 multiplier to determine total.




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School Urban or Rural

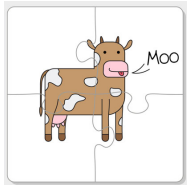
URBAN


- An individual school is urban if it is located in an “Urbanized Area” or “Urban Cluster” with a population of 25,000 or more. Otherwise it is rural



RURAL

- For a school district to be considered rural, more than 50% of its schools must be rural. Otherwise, it is urban. All schools in the school district share the same discount level.






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Library Discount Rate

- Determine the main branch of the library
- Determine the school district in which the main branch of the library is located
- Use the NSLP percentage calculation for that school district


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Library Urban or Rural

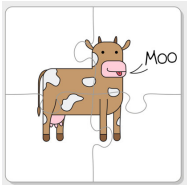
URBAN


- A library is urban if it is located in an “Urbanized Area” or “Urban Cluster” with a population of 25,000 or more. Otherwise it is rural



RURAL

- For a library system to be considered rural, more than 50% of its libraries must be rural. Otherwise, it is urban. All libraries in the library system share the same discount level





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E-Rate Calculation Exercise

- Bridge Elementary is located in a rural area and has 400 full time students with 100 eligible for NSLP.
- Erate application is requesting funding for one Internet connection @ \$2,000/month for total pre-discount cost of \$24,000
- What will E-Rate pay?
- What does the school need to pay?

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E-Rate
Calculation
Answer

- Bridge Elementary is located in a rural area and has 400 full time students with 100 eligible for NSLP.
- $100/400 = 25\%$ low income.
- E-rate Discount for C1: Rural = 60%
- E-rate application is requesting funding for 1 Internet connection @ \$2,000/month for total pre-discount cost of \$24,000.
- What will E-Rate pay? $\$24,000 \times 60\% = \$14,400$
- What does the school need to pay? $\$24,000 \times 40\% = \$9,600$

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E-Rate Applicant Process

- <https://www.usac.org/e-rate/>

APPLICANT PROCESS

Before You Begin

STEP 1 Competitive Bidding

STEP 2 Selecting Service Providers

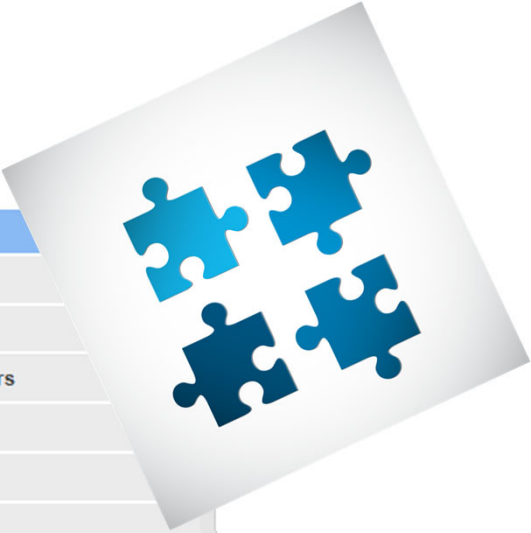
STEP 3 Applying for Discounts


STEP 4 Application Review

STEP 5 Starting Services

STEP 6 Invoicing

Before You're Done



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E-Rate Form 470 and RFP

Competitive Bidding



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FCC Form 470 and RFP

- Applicants post an FCC Form 470 and may issue an RFP (Request for Proposal) to open a competitive bidding process.
- Used to identify and describe desired categories of service and function of the services.
- Process must be open and fair.
- Applicants must wait a minimum of 28 days after the later of the FCC Form 470 certification or RFP posting before selecting a service provider, signing a contract (if applicable).
- Applicant must choose the most cost-effective solution **with the price of the E-Rate eligible products and services as the primary factor** in the evaluation.



E-Rate for Beginners

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Applicants select a Provider

After the close of the competitive bidding process (on or after the Allowable Contract Date), the applicant will:

- 1) Evaluate all bids received
- 2) Select service provider(s)
- 3) Sign a contract, if applicable
- 4) Prepare & submit an FCC Form 471



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Bid Evaluation Matrix - Example

Factor	Points Possible	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE goods and services	30	15	30	25
Prior experience w/ vendor	20	20	0	20
Personnel Qualifications	10	10	5	5
Responsiveness	15	0	15	15
Technical Merit	20	20	10	20
Price-Other Costs	5	5	5	5
Total	100	70	65	90



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Polling Question
– Set 2

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E-Rate Form 471

Applying for Discounts

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FCC Form 471

Applicant

- provides information on the service providers and eligible services chosen
- must identify the eligible sites which will receive services
- calculates and reports how much support they are seeking for the year
- includes discount calculation information
- certifies compliance with program rules



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Application Review

During Application Review, PIA will contact the APPLICANT to:

- Check the eligibility of the schools or libraries and their discount levels
- Verify that the services requested are eligible for discounts
- Give applicant an opportunity to make allowable corrections to applicant's form
- In some cases, ask for additional verification of applicant's compliance with program rules
- Service provider may be contacted by the applicant for additional information about the service provider's bid.



E-Rate for Beginners

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Funding & Disbursements



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Form 486 and Funding Acceptance

- After USAC reviews the application,
- Funding Commitment Decision Letter (FCDL) issued
 - Sent by email and notice in EPC
- Form 486 – Notifies USAC of applicant's decision to accept the funding and certify compliance with the Children's Internet Protection Act (CIPA)
 - <https://www.kelloggllc.com/cipa.aspx>
- *Kellogg & Sovereign will file the Form 486 on your behalf*



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Disbursements - BEAR or SPI

BEAR - REIMBURSEMENT

- Billed Entity Applicant Reimbursement
- Applicant pays 100% of bill
- Applicant files Form 472 for reimbursement
- USAC payment via EFT directly to the applicant

SPI - DISCOUNT ON YOUR BILL


- Service Provider Invoice
- Applicant pays non-discount share
- SP files Form 474 to bill USAC
- USAC payment via EFT directly to the service provider (SP)


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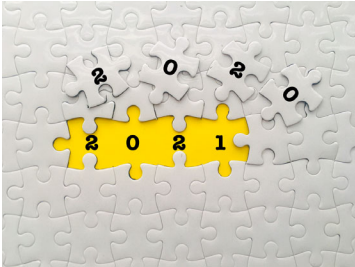
Additional E-Rate Concepts

Funding Year – Filing Window – Identifying Numbers



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A photograph of several interlocking puzzle pieces. Four pieces in the center are highlighted in yellow and arranged to form the year '2021'. The other pieces are white.


Funding Year and Filing Window

FUNDING YEAR

- July 1 to June 30
- USAC uses the beginning year
- FY2021 is 7/1/2021 – 6/30/2022


FILING WINDOW

- Period when applicants can file the E-Rate application for discounts (Form 471)
- FCC announces each year
- Mid-January start
- Mid-March close



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A dark gray arrow pointing to the right, containing the text 'Identifying Numbers' in white.

Billed Entity Number (BEN)

- Administrative authority (who pays the bills)
- School District, Library System, Consortium, Individual School

Entity Number (EN)


- Individual schools or library branches part of a district or system

Service Provider Identification Number (SPIN)

- Number assigned to Service Provider (Vendors)

Consultant Registration Number (CRN)

- Number assigned to consultants



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E-Rate Category 2 Funding



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Applicant Wide Budget

School District-Wide

- Calculated at a district level based off of enrollment.
- Can be used where the applicant decides.
- Can move equipment at any time with no notice to USAC

Library System-Wide

- Calculated at a library system level based off of square feet.



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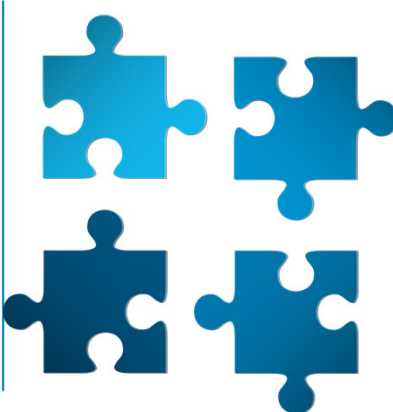
Calculating your C2 Budget FY2021


Library System

- \$4.50/ square foot
- Budget floor of \$25,000
- No disparity between urban and rural libraries
- Report square footage once each 5-year budget cycle
- Budget is Library System-Wide

School District

- \$167/student
- Budget floor of \$25,000
- Report full-time enrollment once each 5-year cycle for budget purposes.
- Budget is District-Wide





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Calculating your Budget

10 sites or less

- Calculate each site’s budget separately.
- Ensure budget floor is included in each site.
- Add all sites together for district budget.

11 site or more

- Total Enrollment X \$167
- Total Square Feet X \$4.50
- Compare to aggregate funding floor of \$25,000 per site.



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Budget Example

5 School Sites

	Enrollment	Per student	Total	Total with minimum
School 1	200	\$ 167	\$ 33,400	\$ 33,400
School 2	200	\$ 167	\$ 33,400	\$ 33,400
School 3	200	\$ 167	\$ 33,400	\$ 33,400
School 4	100	\$ 167	\$ 16,700	\$ 25,000
School 5	100	\$ 167	\$ 16,700	\$ 25,000
			\$ 133,600	\$ 150,200

100 Sites with 10,000 students


		Factor	Total
Standard	10,000	\$ 167	\$ 1,670,000
Aggregate Floor	100 Sites	\$ 25,000	\$ 2,500,000

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Polling Question
– Set 3



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Final Questions & Wrap Up

dsovereign@kelloggllc.com
rharpole@kelloggllc.com
cbailey@kelloggllc.com



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Thank you for Attending

580.332.1444

www.kelloggllc.com
erate@kelloggllc.com



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