

E-Rate Eligible Services 101: Fund Year (FY) 2024 Update & Question and Answer (Q/A) Session January 18, 2024

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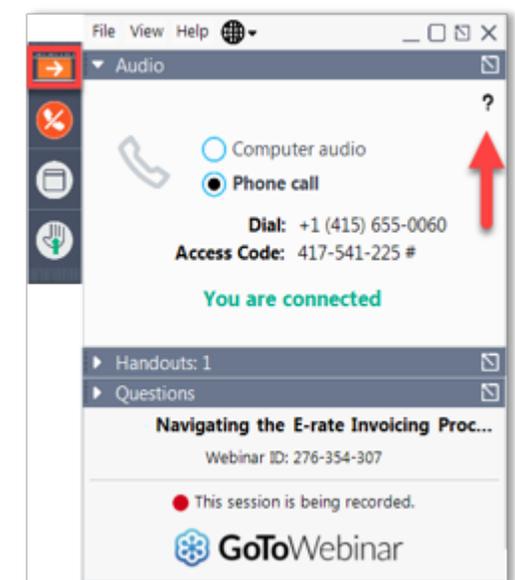
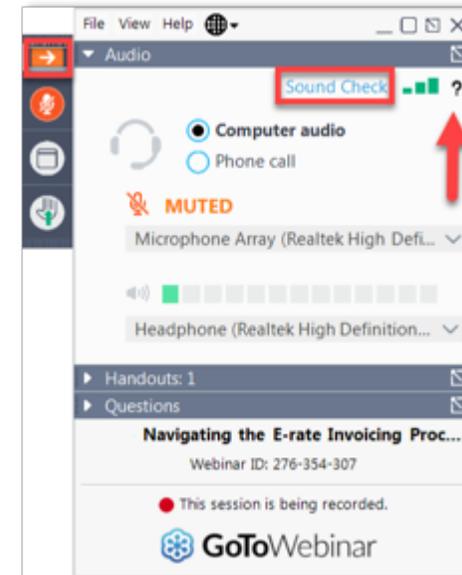
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 - Ask questions related to today's webinar content.

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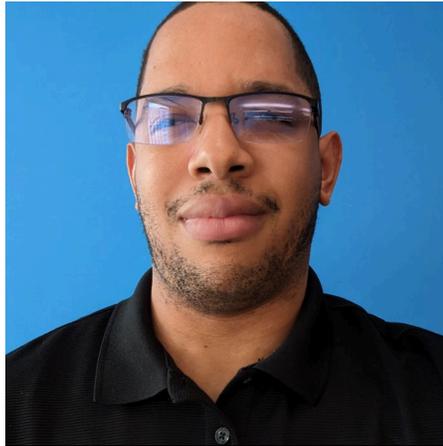
1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on the landing page.

MEET THE TEAM



Bernie Manns

Sr. Director | E-Rate program



Derrick Harrison

Program Analyst | E-Rate Program

AGENDA

- Program Update:
 - Eligible Services List
 - What's New for FY 24
 - Review: Types of Eligible Services and Equipment
- Question & Answer Session

The Eligible Services List (ESL)

- Each year, before the opening of the application filing window, the FCC releases a list containing general guidance on the equipment and services that are E-Rate eligible for the upcoming funding year.



Eligible Services List (ESL)

- The ESL also provides helpful information such as **eligibility conditions** for each category of service for the specified funding year.
- Applicants can only receive funding for eligible equipment and services that are being used **for educational purposes.**



Eligible Services List (ESL)

- The Eligible Services List for Funding Year (FY) 2024 was released on December 15, 2023, and **the Order** is posted on the [Eligible Services List](#) webpage
- **The ESL Order has five sections, with the actual ESL posted last.**
 - Introduction – A preface to the contents of the Order.
 - Background – Discusses the FCC's seeking of comments, and related actions, prior to issuing the Order.
 - Discussion – Detailed discussion of scope of modifications in the FY 2024 ESL.
 - Appendix A– List of Commenters
 - Appendix B – Actual FY 2024 ESL.

What's New: Funding Year (FY) 2024

Eligible Services List (ESL) FY2024: What's New

- Clarifies that software necessary to operate or maintain Category One network equipment, such as Required Right-To-Use software for an edge router needed to make a Category One service function, is **eligible**.
- Clarifies that consulting fees unrelated to installation and configuration, such as services related to application assistance or E-Rate program advice, are **not eligible** for E-Rate.
- Makes equipment and services necessary to provide **connectivity** on **school buses E-Rate eligible** when used for **educational purposes**.

School Buses: Eligibility of Mobile Broadband Connectivity

Mobile broadband connectivity for school buses is eligible as a Category One service

- The Wireless bullet on the ESL was modified to clarify this new eligibility.
 - From: “Wireless (e.g. fixed wireless, microwave)”
 - To: “Wireless (e.g., fixed wireless; microwave; or **mobile service for use on school buses**)”
- Installation Fees and Equipment needed to make this wireless service for school buses functional are also eligible under Category One.
- Separate maintenance and operations services related to mobile broadband connectivity for school buses are **not eligible**.

School Buses: Types Eligible for E-Rate Support

School bus Wi-Fi services are eligible for buses that are school-owned, as well as leased or contracted school buses, provided that the school buses are used primarily to transport students to and from school and school-related activities for educational purposes as defined by FCC rules.

- **Occasionally used chartered buses** (e.g., used for school field trips), municipal, or city buses are **ineligible**.
- Other types of school-owned vehicles (e.g., cars and vans) are also **ineligible**.

School Buses: Restrictions/Limitations on Usage

- Equipment and services must primarily be utilized for **educational purposes** as defined by E-Rate rules.
- There are no new user or CIPA restrictions for Bus Wi-Fi. All restrictions must be consistent with those placed on building-based broadband networks.
- Wi-Fi should **only be active during school bus normal operating hours** (i.e., when students are being transported to and from school or school-related activities) or when there is a **clear educational purpose** for enabling school bus Wi-Fi connections outside of these hours. Bus Wi-Fi service must be disabled outside of these hours and cannot be utilized for community use purposes.

School Buses: Prohibition on Redundant/Duplicative Services

Clarification of prohibition on redundant or duplicative services for school bus wireless services.

- Schools may **situationally enter into agreements with multiple providers** such as when some buses are served by one provider, and other buses by a different provider.
- Rural applicants may select a solution that allows a bus to be served by multiple providers. Schools and school districts can check their urban/rural status [here](#).

School Buses: Competitive Bidding

- Applicants are not required to compare costs between a given service plan for providing school bus Wi-Fi and other technological approaches to deliver connectivity to end user devices. Other than the previously noted clarifications, school bus Wi-Fi is subject to all existing E-Rate rules and requirements, including those related to competitive bidding, cost allocation, and discounting rules.
- Applicants who entered into multi-year agreements for Bus Wi-Fi in the Emergency Connectivity Fund (ECF) program are **not exempt** from competitive bidding requirements.
- The competitive bidding exemption for Commercially Available Business Class Internet Option (CABIO) services **does not apply to bus services**. It only applies to services delivered to a school or library building.
- Service provider selection must be consistent with E-Rate program rules including selecting the most cost-effective service offering(s), using **price of the eligible equipment and services as the primary factor** in the evaluation matrix.

School Buses: Additional Highlights

- **Asset Inventories: Applicants own the E-Rate funded equipment** and are required to **maintain accurate asset inventories** including for equipment installed on leased/contracted school buses.
- **Ineligible components are subject to existing cost allocation rules** and must be cost-allocated from a request. However, **ancillary ineligible components need not be cost-allocated**. For the purposes of E-Rate, ineligible components are “ancillary” if:
 - a price for the ineligible component that is separate and independent from the price of the eligible components cannot be determined, **and**
 - the specific package remains the most cost-effective means of receiving the eligible services, without regard to the value of the ineligible functionality.
- Services are reimbursable for the 12 months of the funding year. However, applicants may not warehouse equipment or fail to utilize the service for student use during the funding year.

Categories of Service

- Category One (C1) Services are services needed to support broadband connectivity **to eligible schools, libraries, and/or eligible buses transporting students.**
- Category Two (C2) Services are
 - Services needed for broadband connectivity **within schools and/or libraries**, and
 - Services needed to bring broadband **into** and provide it **throughout** schools and libraries.

Products and services **may be fully or only partially eligible.**

Review: Types of Eligible Services

Categories of Service

- C1 Services include:
 - Internet Access
 - Data Transmission
 - Wireless mobile broadband for school buses (equipment and services)
- There is no budget limit on (C1) services.
- C2 services have a five-year budget, based on student count (schools) or square footage (libraries). The current five-year budget cycle runs from FY 2021 to FY 2025.
- C2 Services include:
 - Internal Connections
 - Basic Maintenance of Internal Connections
 - Managed Internal Broadband Services

Category One Services – Service to the Entity - Examples

- Leased lit fiber or leased dark fiber
- Internet access
- Satellite service
- DS-1 (T-1), DS-3 (T-3), etc.
- DSL
- Broadband over power lines
- Equipment and Services supporting mobile broadband to eligible school buses

Category One Services – Service to the Entity – Eligible Costs

- Eligible costs associated with C1 services:
 - Monthly charges
 - Special Construction
 - Installation and Activation charges
 - Software
 - Modulating electronics/equipment necessary to make an eligible C1 broadband service functional.
 - Maintenance and operations charges, including costs of for software needed for the operation of or maintenance of Network Equipment.
 - The FY 2024 ESL clarifies that the software necessary to operate or maintain C1 equipment is eligible.

Types of Category Two (C2) Services

- **Internal Connections (IC)** - The equipment and services used to bring broadband into, and provide it throughout, schools and libraries.
- **Basic Maintenance of Internal Connections (BMIC)** – Basic maintenance and technical support appropriate to maintain reliable operation for eligible broadband **internal connections**.
- **Managed Internal Broadband Services (MIBS)** – Third-party operation, management, and monitoring of eligible broadband internal connections (owned or leased equipment).

C2 services have a five-year budget, based on student count (schools) or square footage (libraries).

The type of C2 service you select must be consistent between your FCC Form 470 and FCC Form 471.

Category Two Service Type Examples

- **Internal Connections**
 - Cabling, routers, switches, and modems
 - Right-to-use software or Client Access Licenses
- **Basic Maintenance of Internal Connections (BMIC)**
 - The **repair and upkeep** of eligible cabling, routers, switches and modems.
 - Multi-year maintenance service subscriptions

Note: Only maintenance services **provided in the applicable funding year** are eligible in that year. (i.e., 1 year of a 3-year subscription should be requested on a current year funding request and invoiced a year at a time, over the 3-year period.)

- **Managed internal broadband services (MIBS)**
 - Managed Wi-Fi agreement

Recurring Services

- **Services that are billed on a monthly basis** – (e.g., broadband internet access service).
- Must be received during the relevant funding year to be eligible for E-Rate funding. For FY 2024, this means that recurring services must be received between July 1, 2024 and June 30, 2025.

Non-Recurring Services

- **One-time charges for equipment and services** that are delivered and installed (e.g., wiring, other cabling or wireless installations and equipment).
- Applicants and service providers have until September 30 following the close of the funding year to deliver and install non-recurring C2 services.
- For FY 2024, this means non-recurring C2 services can be delivered from July 1, 2024 through September 30, 2025.
- This service delivery deadline can be extended under certain circumstances.

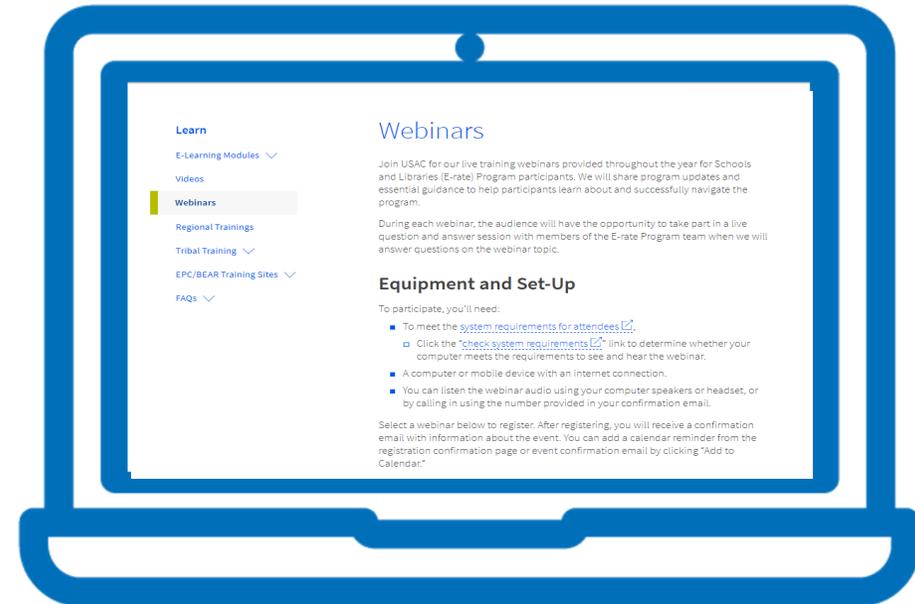
Resources

- [Eligible Services Overview Webpage](#)
- [Eligible Services List](#)
- [Eligible Services List \(ESL\) Glossary](#)
- [Fiber – Summary Overview](#)
- [Fiber Frequently Asked Questions](#)
- [Webinars:](#)
 - [Eligible Services 101 Webinar \(October 12, 2023\)](#)
 - [Category 2 \(C2\) Webinar \(October 17, 2023\)](#)
 - [E-Rate Overview Webinar \(October 4, 2023\)](#)

Question and Answer Session: Overview and Purpose

QUESTION AND ANSWER WEBINARS

- Assist program participants in formulating pertinent questions.
- Provide targeted program information.
- Help program participants.

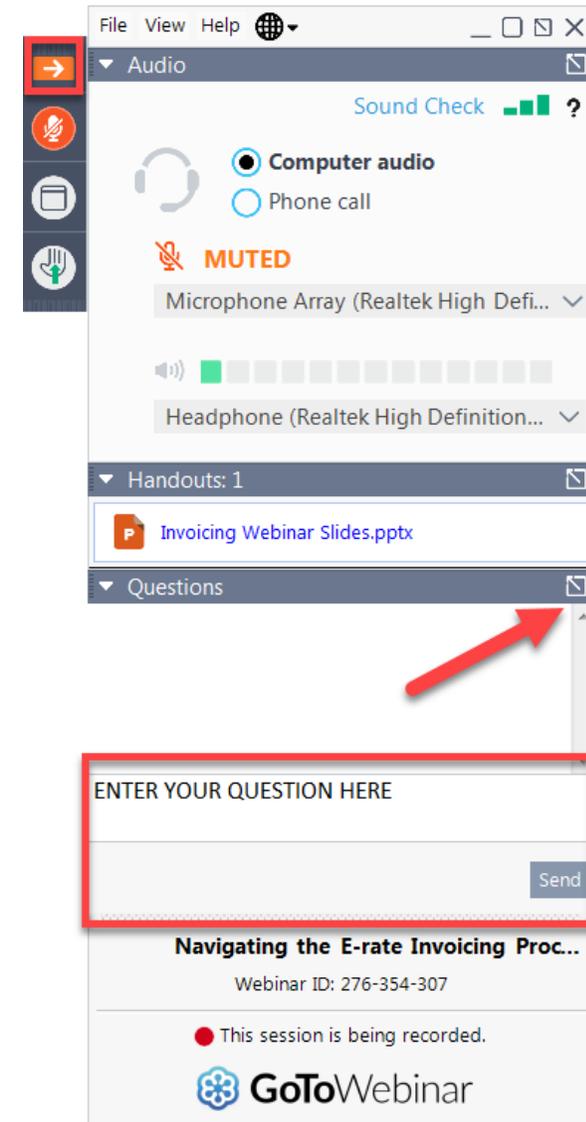


QUESTION AND ANSWER WEBINARS

- Participants should read the assigned materials and watch assigned videos in advanced of the webinar and come prepared to ask questions during the Q&A.
- USAC team members will provide a high-level overview of the materials.
- Questions related to the topics and experience level will be given priority.

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Questions

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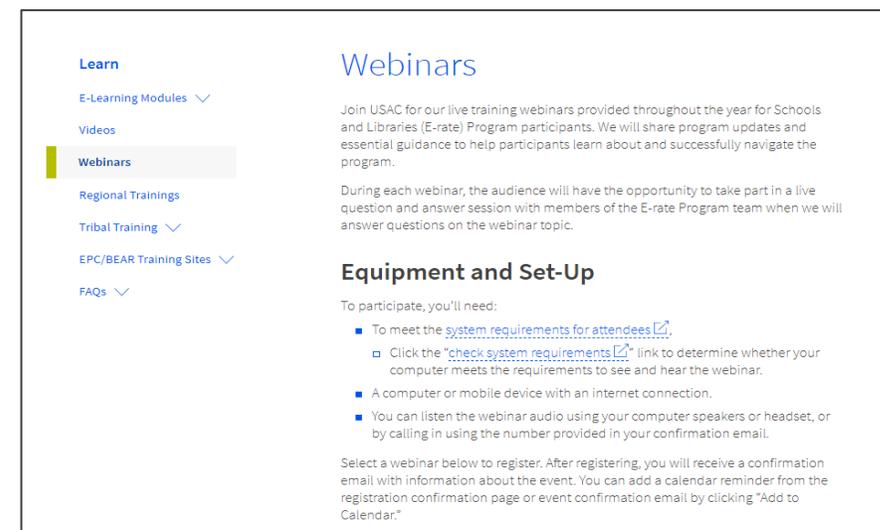
Upcoming Webinars

**Our next webinar is on:
January 23 at 2 p.m. ET**

E-Rate Competitive Bidding Process & FCC Form 470 Question and Answer (Q&A) Session

Recommended for: Applicants and
service providers

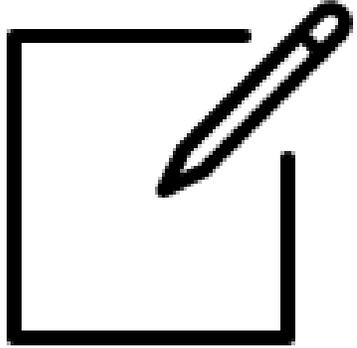
E-Rate Experience Level: All



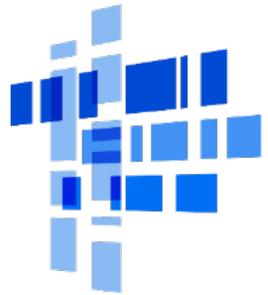
The screenshot shows a webpage with a navigation menu on the left and main content on the right. The navigation menu includes: Learn, E-Learning Modules (with a dropdown arrow), Videos, Webinars (highlighted with a yellow bar), Regional Trainings, Tribal Training (with a dropdown arrow), EPC/BEAR Training Sites (with a dropdown arrow), and FAQs (with a dropdown arrow). The main content area is titled "Webinars" and contains the following text: "Join USAC for our live training webinars provided throughout the year for Schools and Libraries (E-rate) Program participants. We will share program updates and essential guidance to help participants learn about and successfully navigate the program." Below this is a paragraph: "During each webinar, the audience will have the opportunity to take part in a live question and answer session with members of the E-rate Program team when we will answer questions on the webinar topic." A section titled "Equipment and Set-Up" follows, with the text "To participate, you'll need:" and a bulleted list: "■ To meet the [system requirements for attendees](#), □ Click the ["check system requirements"](#) link to determine whether your computer meets the requirements to see and hear the webinar." "■ A computer or mobile device with an internet connection." "■ You can listen the webinar audio using your computer speakers or headset, or by calling in using the number provided in your confirmation email." At the bottom of the main content area, it says: "Select a webinar below to register. After registering, you will receive a confirmation email with information about the event. You can add a calendar reminder from the registration confirmation page or event confirmation email by clicking "Add to Calendar."

Go to the E-Rate **Webinars** page for additional information.

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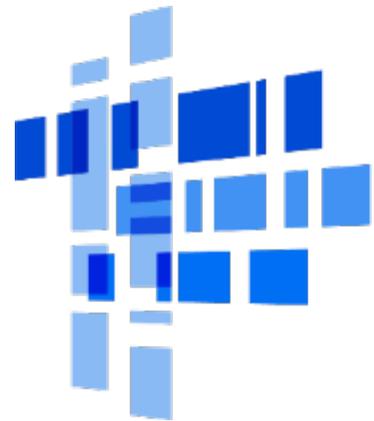
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- A survey will appear on your screen at the end of the webinar.
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- We appreciate your feedback!



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