BASIC CONCEPTS

• Eligibility – entities, services, locations
• Funding Year
• Filing Window
• Identifying Numbers (BEN, SPIN, CRN)
• Discounts
• Funding Request Numbers (FRNs)
ELIGIBILITY

Who Is Eligible?
Must provide elementary and/or secondary education, as determined under state law.

Cannot have an endowment exceeding $50 million.

Cannot operate as a for-profit business.
• Must be eligible for assistance from their state library agency under LSTA*.

• Budget must be separate from any schools.

• Cannot operate as a for-profit business.

* LSTA = Library Services and Technology Act
• Non-instructional facilities (NIFs) are eligible for discounts on some services. NIFs are:
  • School buildings that don’t have classrooms.
  • Library buildings that don’t have public areas.
• Schools and libraries can join together to form consortia.

• Consortia are not themselves eligible for discounts, but they can run competitive bid processes and/or apply for discounts on behalf of their members.
ELIGIBILITY
What Services Are Eligible?
Category One includes services from the service provider to the schools and/or libraries (demarcation point).

- One service type –
  - Data Transmission and/or Internet Access

Voice services are completely phased out in FY2019.
ELIGIBILITY - Services

**Category Two** includes services and equipment needed for broadband connectivity within schools and libraries.

• Three service types –
  • Internal Connections
  • Basic Maintenance of Internal Connections
  • Managed Internal Broadband Services
Category One (C1) services are not limited in cost as long as they are cost-effective.

Category Two (C2) services are limited by a pre-discount budget.

- Budget period is five years.
- Budget is calculated based on number of students (schools) or square footage (libraries).
Examples of **Category One (C1)** services:

- Leased lit or dark fiber
- Wireless services (e.g. microwave)
- Satellite service
- T-1, T-3, etc.
- DSL
Examples of **Category Two (C2) services:**

- Routers & switches
- Cabling, wireless access points
- Basic maintenance of eligible internal connections
- Managed internal broadband services (managed wi-fi)
• Each year, the FCC issues a list of services that are eligible for the upcoming funding year.
ELIGIBILITY
• 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 considered eligible for discounts.
A Funding Year (FY) starts on July 1 and ends the following June 30.

• For example, FY2019 starts on July 1, 2019, and ends on June 30, 2020.
Timing of program activities:

• Competitive bidding and applying for discounts happen before the funding year starts.
Timing of program activities:
• Services generally start at the beginning of the funding year.
Timing of program activities:

• Invoicing can occur during the funding year and is generally completed after the funding year ends.
FUNDING YEAR – Delivery and installation of services

• **Recurring services** (e.g., monthly internet access) must be delivered during the funding year.

• **Non-recurring services** (e.g., equipment installations) can generally be installed through September 30 following the close of the funding year.
  
  • The September 30 deadline can sometimes be extended, either automatically or by request.
  
  • Delivery and installation can sometimes start before the funding year.
All FCC Forms 471 are filed during a specific period of time – the FCC Form 471 application filing window.

- The filing window generally opens in mid-January and closes in mid-March in advance of the start of the funding year.

*Applications (FCC Forms 471) filed outside of the filing window are not considered for funding.*
IDENTIFYING NUMBERS
IDENTIFYING NUMBERS - BENs

Each applicant entity is assigned an “entity number” in the system.

• Each entity that receives and pays bills is assigned a Billed Entity Number (BEN).
Examples of applicant entities with entity numbers:

• Individual school
• School district
• Individual library branch
• Bookmobile
• Library system
• Consortium
• Educational service agency
A Service Provider Identification Number (SPIN) is assigned to providers participating in E-rate.

- Service providers may have more than one SPIN due to:
  - Different business units or service areas.
  - Mergers and acquisitions.
Each consultant is assigned a Consultant Registration Number (CRN) in the system.

• A consultant may be a single individual or a consulting firm with multiple employees.
DISCOUNTS
Discounts depend on two pieces of information:

• The level of poverty (the percentage of NSLP* eligibility) in the school district.

• The urban or rural status of the school district or library system.

* NSLP = National School Lunch Program
## DISCOUNT MATRIX

<table>
<thead>
<tr>
<th>INCOME</th>
<th>Measured by percentage of students eligible for NSLP</th>
<th>DISCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>URBAN</td>
</tr>
<tr>
<td>Less than 1%</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>1% to 19%</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>20% to 34%</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>35% to 49%</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>50% to 74%</td>
<td></td>
<td>80</td>
</tr>
<tr>
<td>75% to 100%</td>
<td></td>
<td>90 for C1, 85 for C2</td>
</tr>
</tbody>
</table>
• Determine the total number of students eligible for NSLP in the school district.
• Determine the total number of students in the school district.
• Divide the first number by the second number.
DISCOUNTS – School District NSLP Calculation

EXAMPLE:

• Orange School District has 1,070 students. Of those 1,070 students, 450 are eligible for NSLP.
• The percentage of the student population eligible for NSLP:
  \[
  \frac{450}{1070} = 42\%
  \]
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.
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.

You can use the Urban/Rural Lookup tool on the USAC website to find urban or rural status.
• 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.

DISCOUNTS – Library NSLP Calculation
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.
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.

You can use the Urban/Rural Lookup tool on the USAC website to find the urban or rural status.
Applying for discounts

• You list the services and identify the costs for those services on the FCC Form 471.
• Each of these funding requests is assigned a number – an FRN.
• You can have one or many FRNs on your form.
FRNs are specific to:

- A category of service
- A service type
- A service provider (SPIN)
- A contract, if you have one

An FRN can have one or many services, as long as the services have all the above in common.
Eligibility

- Entities
- Services
- Educational purposes
- Funding year
- Filing window
Identifying numbers

- Entity numbers and Billed Entity Numbers (BENs)
- Service Provider Identification Numbers (SPINs)
- Consultant Registration Numbers (CRNs)
- Discounts
- Funding Request Numbers (FRNs)