BEGINNERS: BASIC CONCEPTS

2018 APPLICANT TRAINING

Universal Service Administrative Co.

BASIC CONCEPTS

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

ELIGIBILITY

Who Is Eligible?

ELIGIBILITY - Schools

- 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.

ELIGIBILITY - Libraries

- 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

ELIGIBILITY – Non-instructional Facilities (NIFs)

- 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.

ELIGIBILITY - Consortia

- 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?

ELIGIBILITY - Services

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

ELIGIBILITY - 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).

ELIGIBILITY - Services

Examples of **Category One (C1)** services:

- Leased lit or dark fiber
- Wireless services (e.g. microwave)
- Satellite service
- T-1, T-3, etc.
- DSL

ELIGIBILITY - Services

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)

ELIGIBILITY – Eligible Services List (ESL)

- Each year, the FCC issues a list of services that are eligible for the upcoming funding year.

ELIGIBILITY

ELIGIBILITY – Eligible Purposes

- 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.

FUNDING YEAR

FUNDING YEAR

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.

FUNDING YEAR

Timing of program activities:

- Competitive bidding and applying for discounts happen before the funding year starts.

FUNDING YEAR

Timing of program activities:

- Services generally start at the beginning of the funding year.

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.

FILING WINDOW

FILING WINDOW

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).

IDENTIFYING NUMBERS - BENs

Examples of applicant entities with entity numbers:

- Individual school
- School district
- Individual library branch
- Bookmobile
- Library system
- Consortium
- Educational service agency

IDENTIFYING NUMBERS - SPINs

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.

IDENTIFYING NUMBERS - CRNs

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 - Overview

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

INCOME Measured by percentage of students eligible for NSLP	DISCOUNT	
	URBAN	RURAL
Less than 1%	20	25
1% to 19%	40	50
20% to 34%	50	60
35% to 49%	60	70
50% to 74%	80	80
75% to 100%	90 for C1, 85 for C2	90 for C1, 85 for C2

DISCOUNTS – School District NSLP Calculation

- 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:

  450/1070 = 42%

DISCOUNTS – School District Urban/Rural Determination

- 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.

DISCOUNTS – School District Urban/Rural Determination

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.

DISCOUNTS – Library NSLP Calculation

- 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 Urban/Rural Determination

- 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.

DISCOUNTS –Libraries District Urban/Rural Determination

- 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.

FUNDING REQUEST NUMBER (FRN)

FUNDING REQUEST NUMBER (FRN)

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.

FUNDING REQUEST NUMBER (FRN)

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.

RECAP

Eligibility

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

RECAP

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