Slide 1

Slide 2

Program funds broadband connections. Online application process. This is a prequel to a 2d webinar where more information provided on Category 2 funding for internal broadband connections

Slide 3

General information

- Federal Communications Commission (FCC), an independent U.S. government agency, oversees the E-rate program
- Universal Service Administrative Company (USAC), a not-for-profit, administers E-rate along with three other programs
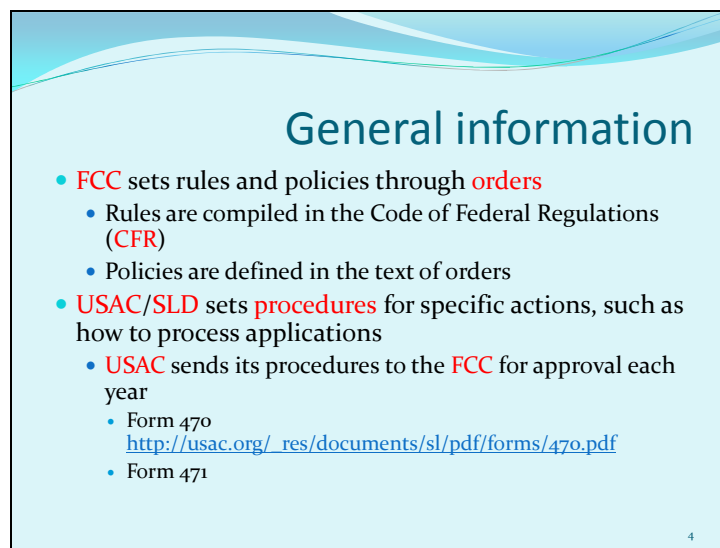- Schools and Libraries Division (SLD) is the part of USAC with responsibility for E-rate
- http://www.usac.org/sl

3

CFR Title 47 Part 54 Universal Service support for low income, school and libraries, and health care providers

Slide 4

General information

- FCC sets rules and policies through orders
  - Rules are compiled in the Code of Federal Regulations (CFR)
  - Policies are defined in the text of orders
- USAC/SLD sets procedures for specific actions, such as how to process applications
  - USAC sends its procedures to the FCC for approval each year
    - Form 470 http://usac.org/_res/documents/sl/pdf/forms/470.pdf
    - Form 471

4

Modernization order, new forms 470 and 471
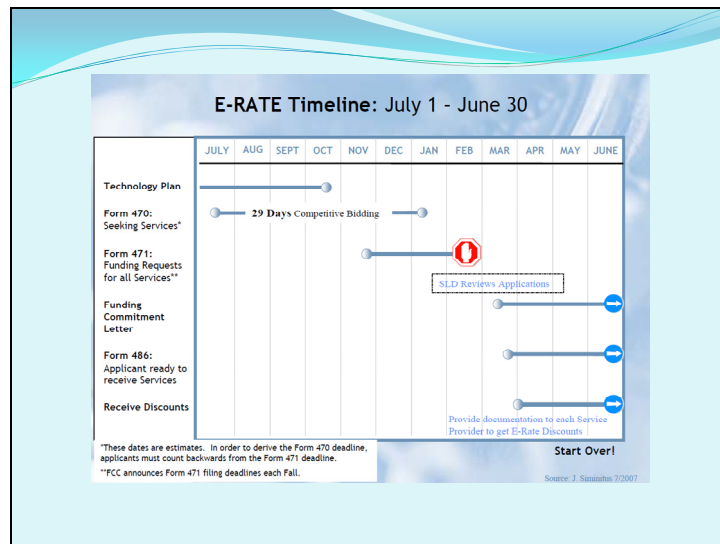
Slide 5

Slide 6

470 Last Date to Post 2/26/15
471 Open on January 7, 2015 and close March 31, 2015
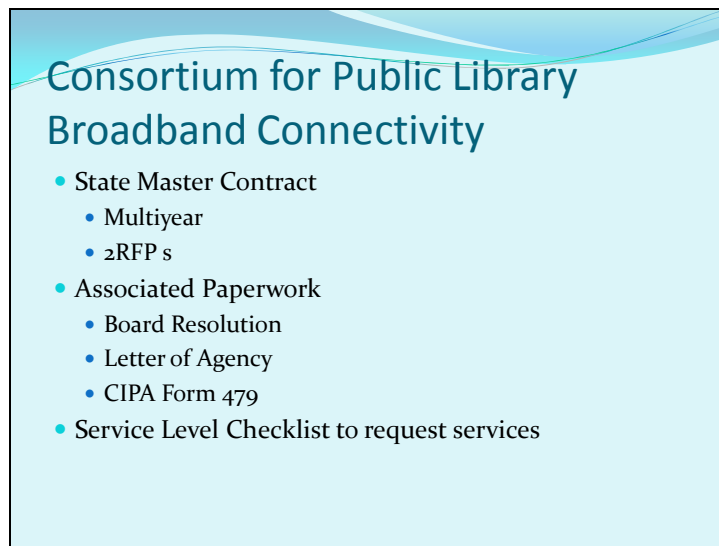
Slide 7

General Information

- Who can apply?
  - Libraries and library systems
    - Eligible for LSTA funds
    - In Indiana public libraries are eligible if they are in standards
  - Schools and school districts
  - Consortia – groups of eligible entities that band together to aggregate demand and negotiate lower prices

Slide 8
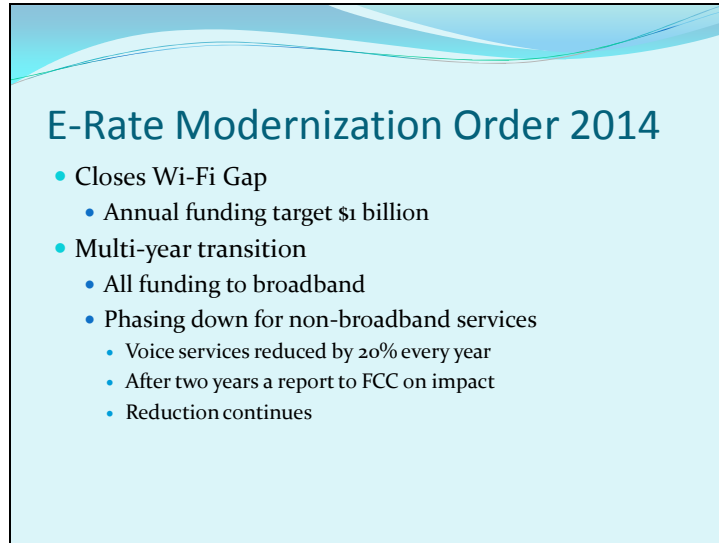
Consortium for Public Library Broadband Connectivity
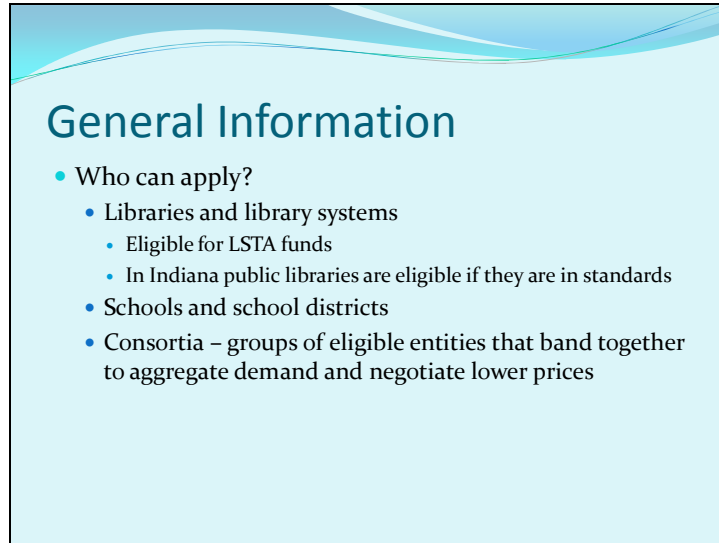
- State Master Contract
  - Multiyear
  - 2RFP s
- Associated Paperwork
  - Board Resolution
  - Letter of Agency
  - CIPA Form 479
- Service Level Checklist to request services

State neotiates two contracts for two services: broadband service in category 1 not category 2, and the other is for an eRate consultant to file online funding applications. Bid through dual process: federal 470 and Indiana RFP procurement rules.

Slide 9
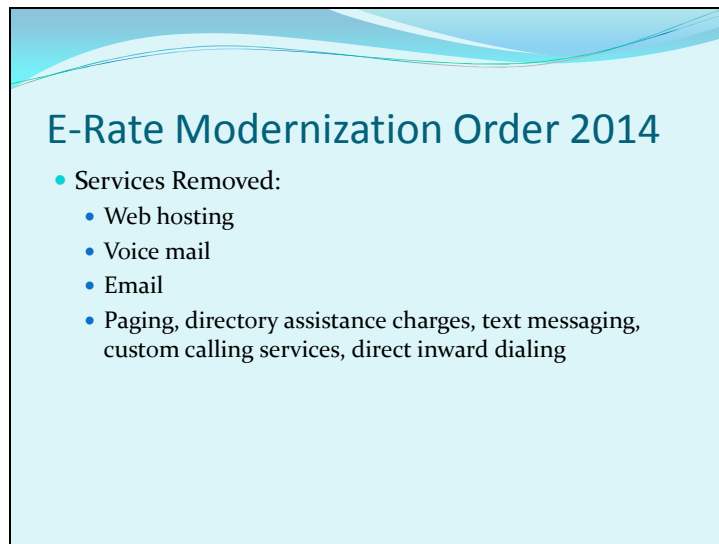
E-Rate Modernization Order 2014

- Closes Wi-Fi Gap
  - Annual funding target $1 billion
- Multi-year transition
  - All funding to broadband
  - Phasing down for non-broadband services
    - Voice services reduced by 20% every year
    - After two years a report to FCC on impact
    - Reduction continues

Two year trial period. Will impact your phone bill if you receive eRate funding for it.

Slide 10

E-Rate Modernization Order 2014

- Services Removed:
  - Web hosting
  - Voice mail
  - Email
  - Paging, directory assistance charges, text messaging, custom calling services, direct inward dialing

By 2016 you will pay for most of the costs for telecommunications.

Slide 11
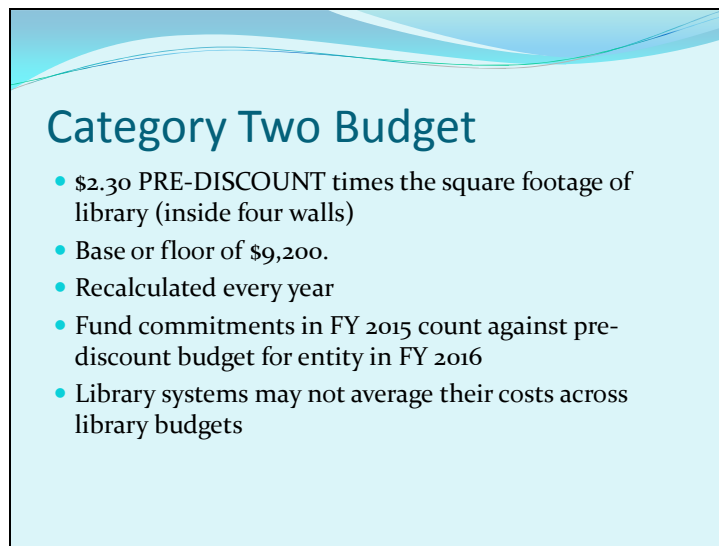
Category Two Funding

- Demand for internal broadband and connections exceeds available
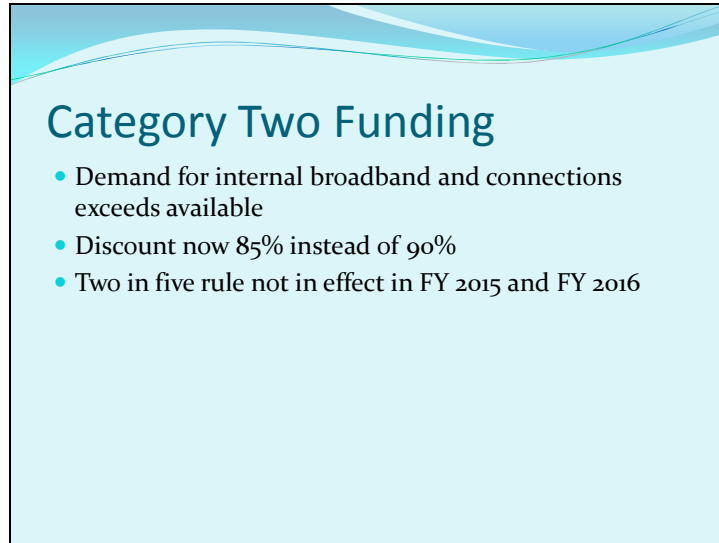- Discount now 85% instead of 90%
- Two in five rule not in effect in FY 2015 and FY 2016

Discount is lower so more schools and libraries will apply for category 2 funding. Suggest 80% library go ahead and apply for Category 2.

Slide 12

Category Two Budget

- $2.30 PRE-DISCOUNT times the square footage of library (inside four walls)
- Base or floor of $9,200.
- Recalculated every year
- Fund commitments in FY 2015 count against pre-discount budget for entity in FY 2016
- Library systems may not average their costs across library budgets

Slide 13

New Discount Principles

- Rural/Urban
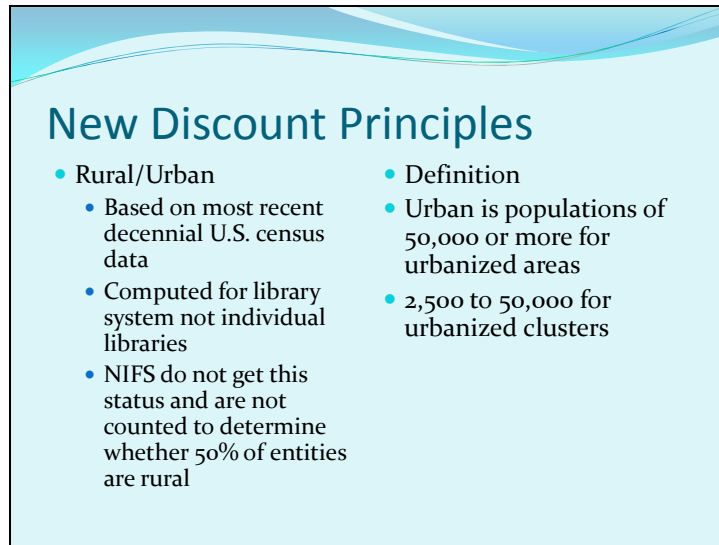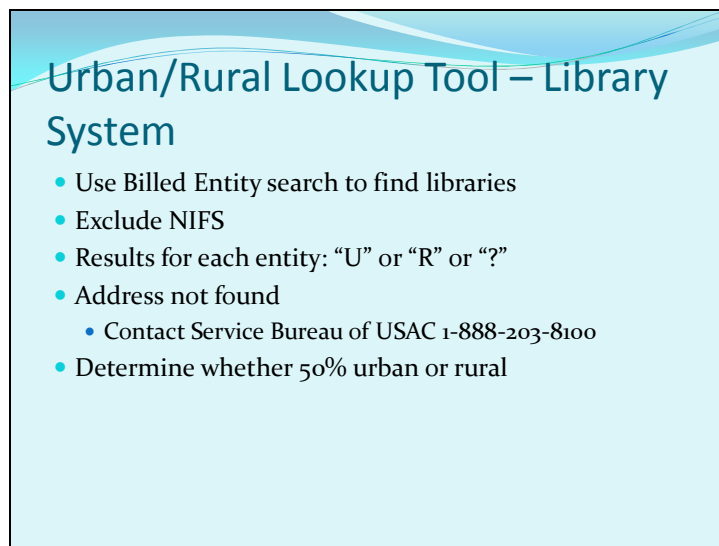 - Based on most recent decennial U.S. census data
  - Computed for library system not individual libraries
  - NIFS do not get this status and are not counted to determine whether 50% of entities are rural
- Definition
  - Urban is populations of 50,000 or more for urbanized areas
  - 2,500 to 50,000 for urbanized clusters

Rural urban issue has not been finalized. There are still comments on this part.
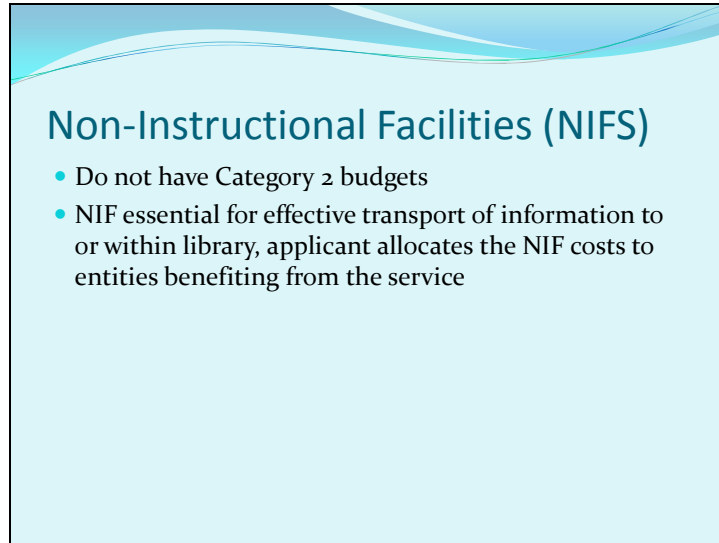
Slide 14

Urban/Rural Lookup Tool – Library System

- Use Billed Entity search to find libraries
- Exclude NIFS
- Results for each entity: "U" or "R" or "?"
- Address not found
  - Contact Service Bureau of USAC 1-888-203-8100
- Determine whether 50% urban or rural

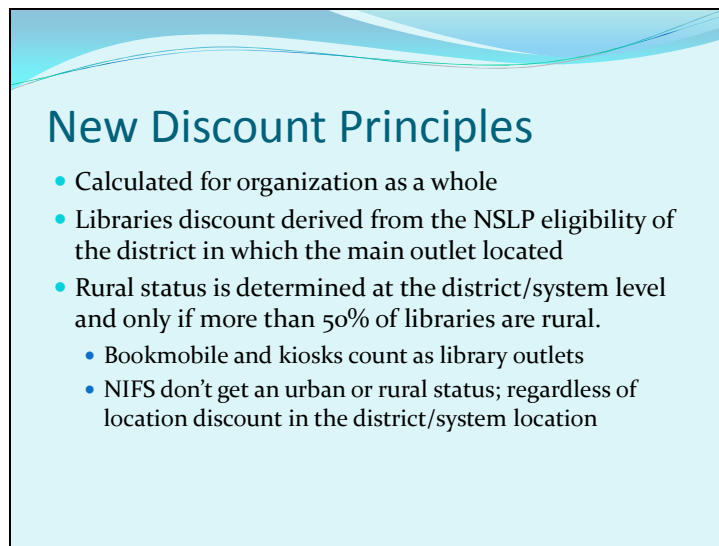Since rural/urban part not finalized the tool is not yet available.

Slide 15

Non-Instructional Facilities (NIFS)

- Do not have Category 2 budgets
- NIF essential for effective transport of information to or within library, applicant allocates the NIF costs to entities benefiting from the service

Slide 16

New Discount Principles

- Calculated for organization as a whole
- Libraries discount derived from the NSLP eligibility of the district in which the main outlet located
- Rural status is determined at the district/system level and only if more than 50% of libraries are rural.
  - Bookmobile and kiosks count as library outlets
  - NIFS don't get an urban or rural status; regardless of location discount in the district/system location

Slide 17

Is My Entity Rural?

Libraries/Library Systems
More than 50% of all library outlets are in rural areas.
Do not include NIFS in the determination
If there are six libraries in district, and four are rural, library system is rural

Most of Indiana libraries are one location.

Slide 18

Calculate Your Discount

- How large are the discounts on eligible products and services
  - Discounts: 20% to 90% of eligible costs
  - Discounts for a library depends on:
    - Percentage of K-12 students eligible for **National School Lunch Program** (NSLP) in the school district where library is located – cannot include PreK
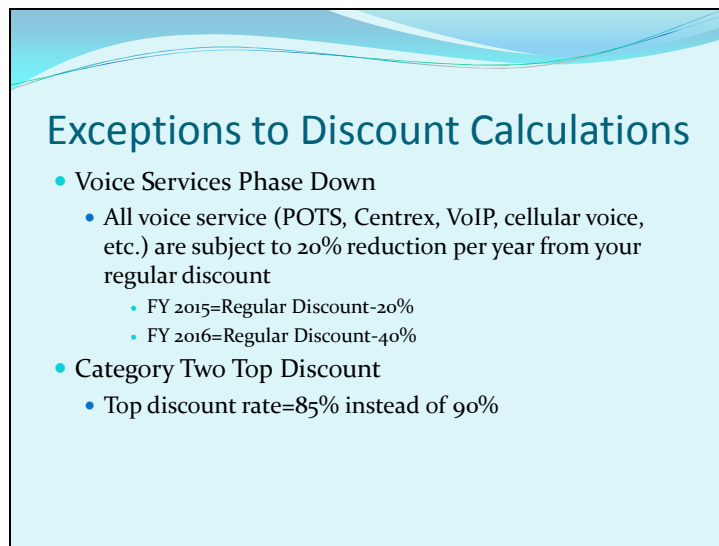   - Urban or rural location

Slide 19

Calculate Your Discount

- Check your NSLP data on Indiana DOE website: Free and Reduced Price Lunch Counts
- http://www.doe.in.gov/elearning/e-rate-information

Slide 20

Exceptions to Discount Calculations

- Voice Services Phase Down
  - All voice service (POTS, Centrex, VoIP, cellular voice, etc.) are subject to 20% reduction per year from your regular discount
    - FY 2015=Regular Discount-20%
    - FY 2016=Regular Discount-40%
- Category Two Top Discount
  - Top discount rate=85% instead of 90%

Increased funding opportunities.
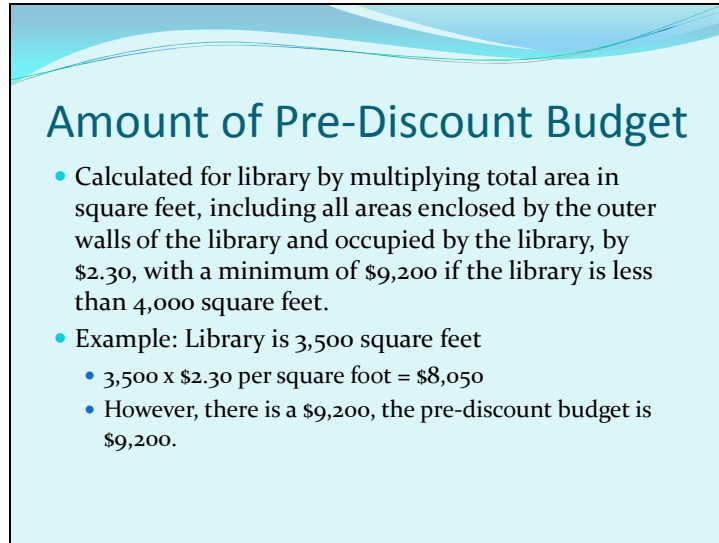
Slide 21

Category Two Budgets

- Two year budget trial beginning FY 2015 and/or 2016
- Libraries that distribute broadband within libraries
  - Products and services include internal connections, managed internal broadband services and basic maintenance of internal connections
  - Products and services ordered in excess of Category 2 budget will not receive eRate discounts
  - There is no budget for category 1 services (connect broadband to schools)

Slide 22

Which entities have category two budget

- Each library outlet or branch has a pre-discount budget
  - May not average costs across library budgets
- NIF does not have pre-discount budgets
  - If NIF essential for effective transport of information within library, the applicant must allocate NIF costs to one or more entities that benefit from service
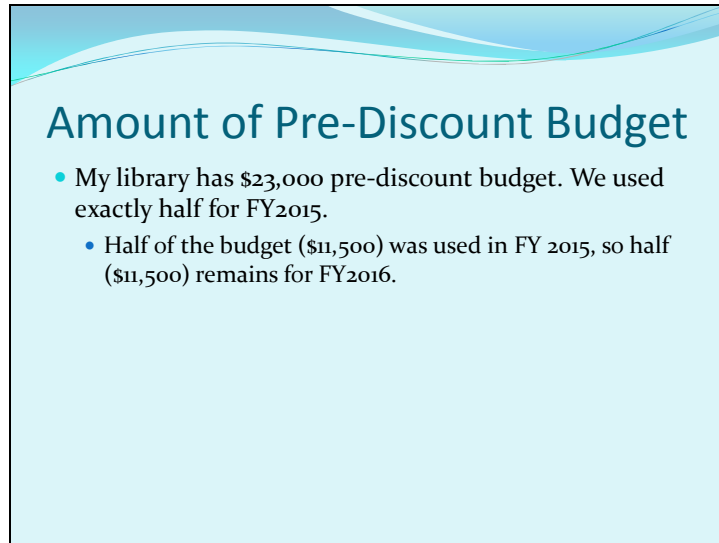
Slide 23

Amount of Pre-Discount Budget

- Calculated for library by multiplying total area in square feet, including all areas enclosed by the outer walls of the library and occupied by the library, by $2.30, with a minimum of $9,200 if the library is less than 4,000 square feet.
- Example: Library is 3,500 square feet
  - 3,500 x $2.30 per square foot = $8,050
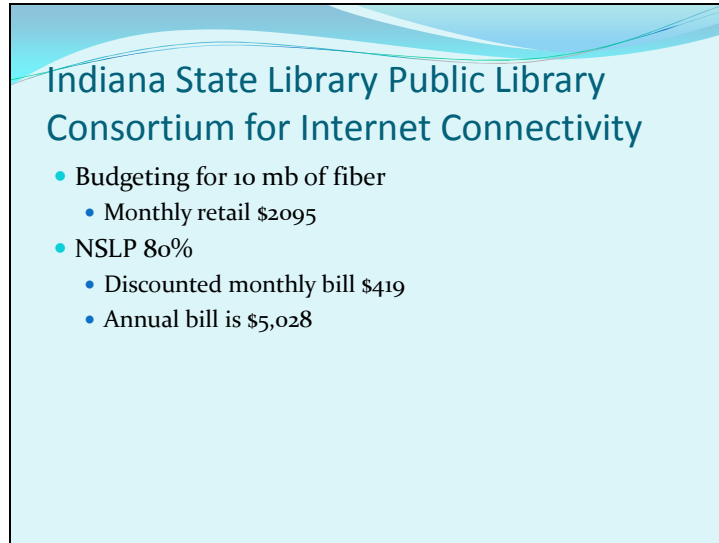 - However, there is a $9,200, the pre-discount budget is $9,200.

Slide 24

Amount of Pre-Discount Budget

- My library has $23,000 pre-discount budget. We used exactly half for FY2015.
  - Half of the budget ($11,500) was used in FY 2015, so half ($11,500) remains for FY2016.
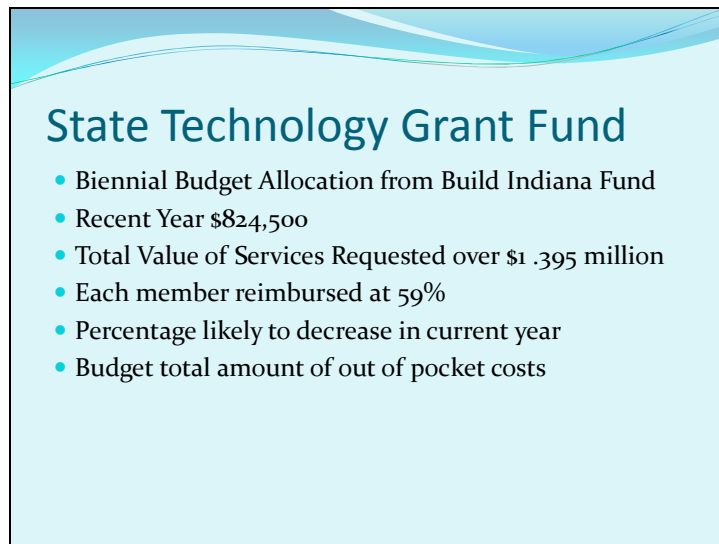
Trial, two year budget.

Slide 25

> ## Indiana State Library Public Library Consortium for Internet Connectivity
>
> - Budgeting for 10 mb of fiber
>   - Monthly retail $2095
> - NSLP 80%
>   - Discounted monthly bill $419
>   - Annual bill is $5,028

In 2015/2016 have to take into account the telephone services no longer covered.

Slide 26

> ## State Technology Grant Fund
>
> - Biennial Budget Allocation from Build Indiana Fund
> - Recent Year $824,500
> - Total Value of Services Requested over $1 .395 million
> - Each member reimbursed at 59%
> - Percentage likely to decrease in current year
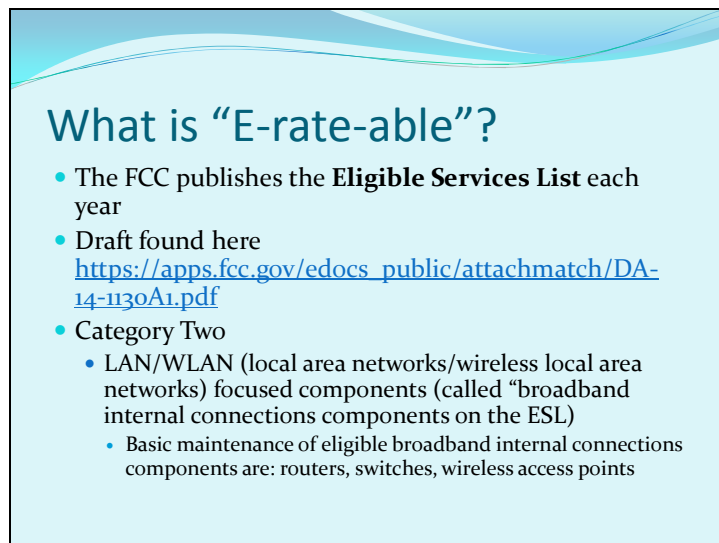> - Budget total amount of out of pocket costs

Slide 27

Reimbursement

- December year for current Funding Year
  - Ex. December 2014 for 2014/2015 Funding Year
- State Technology Grant Fund
  - Receipt
  - Disbursements

Slide 28

What is "E-rate-able"?

- The FCC publishes the **Eligible Services List** each year
- Draft found here https://apps.fcc.gov/edocs_public/attachmatch/DA-14-1130A1.pdf
- Category Two
  - LAN/WLAN (local area networks/wireless local area networks) focused components (called "broadband internal connections components on the ESL)
    - Basic maintenance of eligible broadband internal connections components are: routers, switches, wireless access points

Slide 29

What is "E-rate-able"?

- Antennas, cabling, connectors, and related components used for internal broadband connections; racks; wireless controller systems; firewall services and components; uninterruptible power supply/battery backup; software supporting each of these components; and caching.
- Managed internal broadband services to Category Two to allow applicants to seek services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components.

Slide 30

Technology Planning

- Indiana State Library Standard 3 year Technology Plan
  - Goals and realistic strategy for using telecommunications and information technology.
  - A professional development strategy.
  - An assessment of telecommunication services, hardware, software, and other services needed.
  - An equipment replacement schedule.
  - Financial resources and sustainability.
  - An ongoing annual evaluation process.
  - An automation plan that conforms to national cataloging standards.
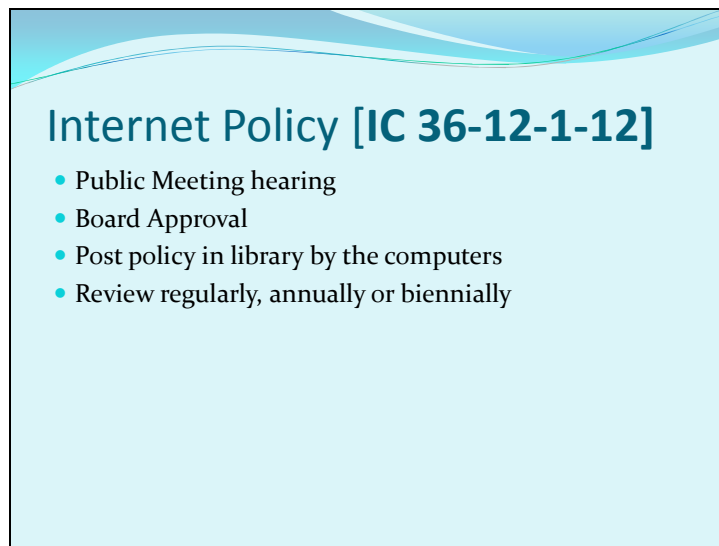
Slide 31

CIPA Compliance

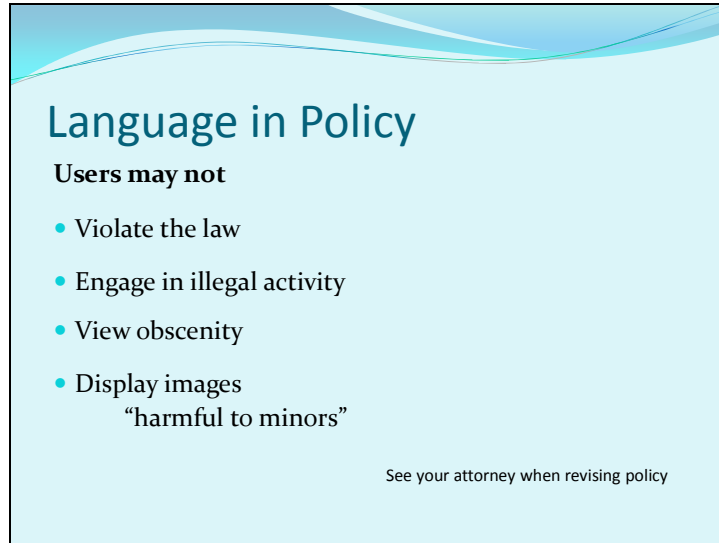- Form 479 for eRate funding
- Filtering

Slide 32

Internet Policy [**IC 36-12-1-12**]

- Public Meeting hearing
- Board Approval
- Post policy in library by the computers
- Review regularly, annually or biennially
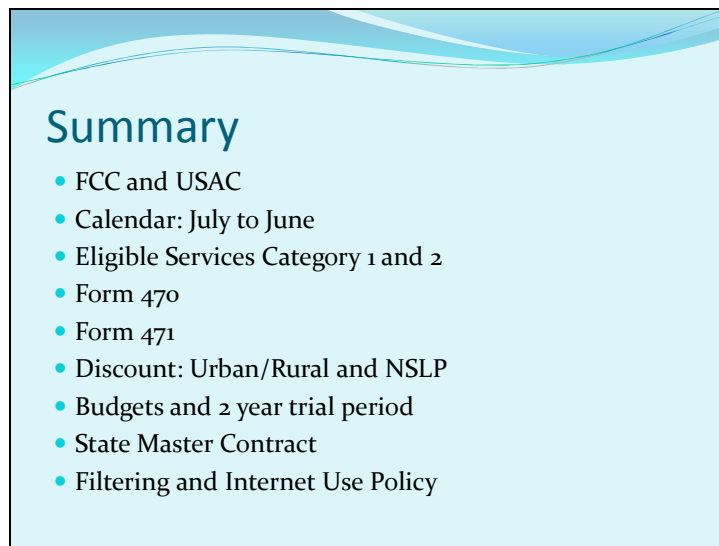
Slide 33

Language in Policy

Users may not

- Violate the law

- Engage in illegal activity

- View obscenity

- Display images
  "harmful to minors"

See your attorney when revising policy

Slide 34

Summary

- FCC and USAC
- Calendar: July to June
- Eligible Services Category 1 and 2
- Form 470
- Form 471
- Discount: Urban/Rural and NSLP
- Budgets and 2 year trial period
- State Master Contract
- Filtering and Internet Use Policy

Slide 35

ERate Primer

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