

E-RATE UP-DATES for the FILING YEAR 2009-2010

Wilma Toombs, E-Rate State Coordinator

wilma.toombs@arkansas.gov

Office Number: 501-371-1944

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TOPIC ITEMS

- GETTING YOUR NUMBERS
- NON-INSTRUCTIONAL BUILDING
- SPIN SERVICE PROVIDER ELIGIBILITY
- EVALUATE BID RESPONSE
- COST ALLOCATION
- ON-PREMISE PRIORITY ONE EQUIPMENT
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GETTING YOUR NUMBERS

(REMINDER BILLED ENTITIES FORM 470/471)

- ALL buildings must have ENTITY numbers and NCES codes.
 - **NOTE:** The form does not require the FCC RN, but applicants are required to have at least one FCC RN number per billed entity.
- List ALL eligible buildings in Block 4
- All non-instructional buildings need to have Entity numbers, but not have NCES codes

NOTE:

Obtain Entity numbers: Call the SLD (888) 203-8100



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NCES Search

- Beginning with Year 8 (Funding Year 2005), the SLD is requiring that each entity listed in a Block 4 (the discount calculation section), have an NCES code.
- To search for a school or library's NCES code, go to:

<http://nces.ed.gov/datatools/> -OR-
<http://nces.ed.gov/globallocator/>



HOW DO I APPLY FOR AN FCCRN?

- Before you can obtain an FCC Registration Number you will need your **school or library's Employer Identification Number (EIN) or Tax Identification Number (TIN)**.
- The EIN/TIN is a (9) nine-digit number that the Internal Revenue Service requires of all employers for tax purposes.

NOTE: If you do not have this number, contact your business office or business manager.

To obtain or search for an FCC Registration Number:
Go to the FCC's Website at:

<https://fjallfoss.fcc.gov/coresWeb/publicHome.do>



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CLARIFICATION OF NON-INSTRUCTIONAL BUILDINGS

- **In general, ALL PRIORITY ONE** (Telephone and Internet) services provided to school and library employees located in non-instructional building are eligible for funding.
- However, if the “non-instructional” building has even one classroom that serves eligible students, such as but not limited to a head start program, a technical class, or a computer class, then the “non-instructional” building is now an “instructional” building – or a “school” or “library” for purpose of SLD evaluation.

NOTE: ALL, non-instructional buildings must be counted when filing the Form 470 and must be included on Block 4 of the Form 471.



CLARIFICATION OF NON-INSTRUCTIONAL BUILDINGS

- **PRIORITY II services** (Internal connections)

Non-instructional buildings with classrooms are NOT ELIBIGLE FOR INTERNAL CONNECTION FUNDING UNLESS THE EQUIPMENT IS NECESSARY TO PROVIDE SERVICES TO OTHER ELIBIGLE BUILDING CONNECT THROUGH A WIDE AREA NETWORK (WAN).

Reference: Fifth Order Requirement

http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-190A1.pdf

FCC 2nd Order (FCC 03-101):

http://www.usac.org/_res/documents/sl/pdf/FCC-03-101.pdf



SERVICE PROVIDER ELIGIBILITY

Go the **SPIN Contact Search** feature on the SLD's website at:

1. Go to: www.sl.universalservice.org
2. Select "**SPIN Search**" on left toolbar under the Tools heading.
3. Enter either the first few letters of the service provider's name followed by '%', **OR enter the vendor's 9-digit SPIN** and check to see if there is a "Y" in the Eligible Telecom Provider column.



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EVALUATE BID RESPONSES

- **Price must be the primary consideration** when evaluating E-Rate eligible contracts. The SLD has indicated that E-Rate eligible services must be used when evaluating bids.

For example, if a cellular vendor offers the lowest cost service but the applicant must purchase new phones (ineligible), only the cost of service may be used for evaluation.



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THE SLD provides two example evaluations.

Example 1:

Example 2:

Factor	Weight
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Personnel qualifications	20%
Management capability	15%
Environmental objectives	10%
Total	100%

Factor	Weight
Price of the ELIGIBLE goods and services	30%
Prior experience	25%
Other cost factors (including price of ineligible goods and services, price of changing providers, price for breaking contract, etc)	20%
Management capability	15%
Local Vendor	10%
Total	100%



Cost Allocation

- Some products may contain both eligible and ineligible features.
- In general, funding requests that provide only a single price for both eligible and ineligible features are fully ineligible.
- However, cost allocation may be used to provide separated pricing for the eligible and ineligible components.
- Examples of Cost Allocation:
 - **Web hosting**
 - **E-Mail Service** (such as collaboration tools, and services to ineligible users.)
 - **File Servers** (the exact usage of a file server or other product with multiple uses may be difficult to determine before the product is installed and utilized)
 - **Internet Access with Ineligible Features** (such as specialized content, caching services, and/or filtering services.)
 - **Eligibility of Wireless Access Cards** (i.e. Air Cards; refer to November 7, 2008 USAC News Brief)

Note: Any claims from vendors that a large percentage of their bundle is E-Rate eligible should be closely evaluated with the new ESL language.



Web Hosting: Although the SLD has previously funded request for web hosting services from Application Service Providers (such as The Gagger eChalk, Edline, FirstClass, SchoolLine, SchoolWires, TeacherWeb, SchoolNet, SchoolOne, etc..) the revised eligibility list may lead to different results for future requests.

Applicants wishing to apply for basic web hosting services should perform a cost allocation and only apply for the portion of the bundled service that is for basic web hosting – the cost of hosting the school website only.

Only basic hosting is eligible – not password-protected pages, Intranet, or web-base applications.

Examples of ineligible “content features” are:

- Access to specialized content (e.g., need a user name and password)
- Access to software application
- Access to storage features such as a “virtual hard drive”
- Access to content creation/editing features including templates

Examples of eligible web hosting:

- Provision of we site traffic (bandwidth)
- Provision of disk space for storing applicant –provided content
- Providing FTP transfer capacity so that files can be maintained

Eligibility of Wireless Access Cards

Wireless data card service typically used for accessing the Internet is conditionally eligible. The physical card itself, a network interface card also sometimes called an Air Card and generally installed in a laptop, is eligible as Internal Connections (Priority Two). The service to the device is eligible as Internet Access (Priority One) only when used at eligible entities, such as schools and libraries.

In addition, the general prohibition against providing services to a residence prohibits the use of this service from the homes of teachers, staff, and students. If the service is accessed from an ineligible location or from a home, the associated costs must be cost allocated out of any funding request. [Cost allocation](#) can happen in a number of ways but must always be based on tangible criteria and reach a realistic result.

On-Premise Priority 1 Equipment

- Known as the Tennessee Test. It is also known as “On-Premise Equipment for End-to-End Services”
- Equipment that is located at the applicant site is consulted for funding under the eligibility requirements for Internal connections.
- On-Premise Priority 1 permissible conditions must be met:



Tennessee Test Questions (On-Premise Priority 1 Equipment)

1. Is the leased on-premise equipment an integral component of a Telecommunications or Internet Access service? **YES**
2. Will the leased on-premise equipment be provided by the same service provider that provides the associated Telecommunications Service or Internet Access service? **YES**
3. Does responsibility for maintaining the equipment rest with the service provider? **YES**
4. Will ownership of the equipment transfer to the school or library in the future? **NO**

Reference:

For the SLD's full guidance on On-Premise, Priority 1 Equipment, see <http://www.usac.org/sl/applicants/step06/on-premise-priority1-equipment.aspx>.



Tennessee Test Questions (On-Premise Priority 1 Equipment) *cont.*

5. Does the relevant contract or lease include an option for the applicant to purchase the equipment? **NO**

6. Will the leased equipment be used at the applicant site for any purpose other than receipt of the eligible Telecommunications Services or Internet Access of which it is a part? **NO**

7. Will the school's or library's internal communication systems (e.g., LAN, video, phone, or other communication system) continue to work if the component is disconnected? **YES**

8. Are there any contractual, technical, or other limitations between you and the service provider that states that the equipment is exclusively for your use and not to be shared with other customers? **NO**

Reference:

For the SLD's full guidance on On-Premise, Priority 1 Equipment, see <http://www.usac.org/sl/applicants/step06/on-premise-priority1-equipment.aspx>.



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EQUIPMENT PURCHASED WITH E-RATE FUNDS

CANNOT be sold, resold, or transferred for money or any other thing of value.

There are two exceptions to this general rule:

1. If a school or library is closing (either temporarily or permanently)
2. After three years from the date of purchase, equipment purchased with E-Rate funds can be transferred to another eligible entity.



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EQUIPMENT PURCHASED WITH E-RATE FUNDS

- Take into consideration your Two-in-Five rule when transferring equipment (Form 471 Block 5)

Reference: <http://www.usac.org/sl/tools/news-briefs/> (10-24-2008 News Brief - Schools & Libraries – USAC)

- Disposal or trade-in of equipment
- Record retention is required



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CONTACT INFORMATION

- **ADE Resource:**
http://arkansased.org/tech_resources/
- **On the Web:** www.usac.org/sl/
- **Client Service Bureau:** **1-888-203-8100**
- **Via fax:** **888-276-8736**
- **Fax on demand documents:** **800-959-0733**
- **Via e-mail:**
http://www.slforms.universalservice.org/EMailResponse/EMail_Intro.aspx



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