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Funding Status

Wave 43 for FY 2015 will be released on Thursday, March 31st. Funding for FY 2015 is available for both Category 1 and Category 2 services at all discount levels. Cumulative funding for FY 2015 is \$3.16 billion.

Broadband Deficiencies Correction Program (BDCP) Update

In order to provide more timely updates on the BDCP program, we have decided to remove the updates from this newsletter. We will continue to provide updates on BDCP through this listserv, but they will be sent at as information becomes available as opposed to weekly updates.

Updates on USAC's E-Rate Productivity Center

Form 471 Filing Roadblocks:

Last year's online version of the Form 471 was new, but it followed the basic structure of earlier year applications. More data entry was required, but was problematic primarily for only the larger applicants. Most importantly, the filing system worked.

This year's application process is more complex. Ultimately, we expect — or perhaps just hope — that the new EPC portal approach will simplify E-rate. But for now, that is not the case. The EPC system is new and must be learned; it fundamentally changes the way Form 471s are filed; in most cases, it requires more data entry; it hampers the way State E-Rate Coordinators and consultants can work with applicants; and, the system is still under development.

In the most basic sense, the new EPC Form 471 filing system works. Several thousand Form 471s have already been submitted. But other applicants are running into major roadblocks, including many who cannot even start their applications. Applicants waiting until the end of the application window, as many have historically done, are in for unpleasant surprises. Here are the most significant problems:

1. Before starting a Form 471, an applicant must make sure that its applicant type is correct. There are several potential problems, namely:
 - a. USAC initialized the EPC system using data uploaded from earlier year applications, but applicant type did not always carry forward correctly. Corrections must be made through the Client Service Bureau (“CSB”).
 - b. The new EPC system enforces strict parent-child relationships, often in conflict with common naming conventions. (See, for example, our discussion on [“Library vs. Library System”](#) in our last newsletter.)
 - c. USAC is about to introduce a new applicant type “ESA without schools.”
2. Before filing a Form 471, an applicant (other than consortia) must complete three separate sections of its EPC profile. In particular:
 - a. Entity data for each of an applicant’s schools or libraries must be reviewed, corrected, and/or updated. Note:
 - i. The entity profile requires entity type and discount rate data.
 - ii. An “Entity Profile Bulk Upload” template is available within EPC, but not all users are having success uploading data this way. Be sure to use the newest 16.2 template version (and see the next article on the treatment of part-time students).
 - b. Connectivity data is required for each entity. There is no upload template available to enter this data (although USAC will help applicants with 50 or more entities — see update below).
 - c. Pre-specified data is required for any contract referenced in an FRN. Copies of actual contracts can be uploaded into an applicant’s contract profile for ease of future PIA use. Contract data can be edited, and contracts uploaded, only before this information is submitted into the contract profile.
3. Each funding request (“FRN”) in a Form 471 requires one or more line items detailing the services requested and listing, with cost allocations (if needed), the entities affected. When the Form 471 was first made available, templates were provided to upload line item detail. Those templates were removed from the system early last week. They are scheduled to be replaced later this week by new templates for uploading both line item and managed entity data (see last Friday’s News Brief referenced below). Note that the line item tab on the new templates uses a different column structure than the earlier templates. This means that an applicant who had prepared a detailed list of items — particularly important for Category 2 requests — cannot blindly cut-and-paste from an old template into a new template.

4. A library, library system, or consortium applicant cannot even begin a Form 471 unless all the entity data for the school districts upon which the applicant's discount rate depends is complete. This is causing major problems, particularly in the case of school districts not normally filing their own E-rate applications and with no other incentive to log into EPC and update their entity data.
5. An applicant, having already submitted a Form 471, may be told to cancel and refile its application if entity type corrections are subsequently made either to its own entities or to related entities (e.g., consortium member entities).

As we have been warning all along, this is a difficult year for E-rate. Do not wait until the end of the window to update EPC profiles and begin a Form 471.

Treatment of Part-Time Students:

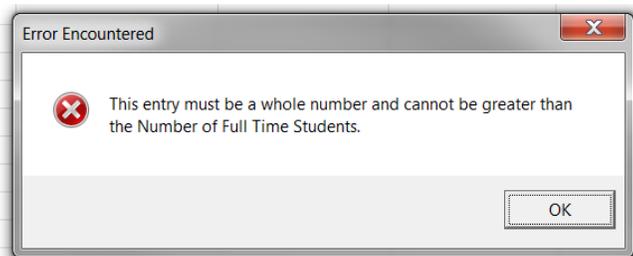
USAC released a [Special Edition News Brief](#) last week describing the correct procedure for reporting students for discount rate and Category 2 budget purposes in schools used only for part-time students. The new guidance is designed to circumvent definitional and mathematical problems built into a school's EPC entity profile (and comparable problems in the Entity Profile Bulk Upload template) if the number of "Full Time" and/or "Part-Time" students are not properly classified.

A casual EPC user might assume the following relationships applied to the entity profile fields:

$$\text{Eligible student percentage} = \frac{\text{Total Number of Students Eligible for National School Lunch (NSLP)}}{\text{Number of Full Time Students} + \text{Total Number of Part-Time Students}}$$

$$\text{No. Students for C2 Budget} = \text{Number of Full Time Students} + \text{Peak Number of Part-Time Students}$$

Unfortunately, the eligible student percentage does not calculate correctly within EPC if there are no full time students or if there is a large number of eligible part-time students. In either case, when attempting to enter the number of eligible students, a user will or may get an error message stating "**Cannot exceed the number of Full-Time Students.**" The comparable message in the entity upload template is:



At this stage in the application cycle, certain programming changes within EPC are difficult to make. Essentially, USAC's solution to the discount rate calculation problem is to interpret "Full Time" students as "Fully Enrolled" students.

USAC's new guidance addresses the following three types of schools having only part-time students:

1. A school within a school district that serves only part-time students who are already enrolled elsewhere in the district (e.g., a district's own vocational school).
2. An independent school, typically run by an ESA, that serves only part-time students coming from other districts (e.g., a regional vocational school).
3. A school with its own enrollment providing services to separate sets of part-time students (e.g., half-day kindergarten (or pre-K, if eligible) classes morning and afternoon.)

The first case is straight-forward. Because the students are already accounted for within the district's other schools, both the full-time and the eligible student count fields for the school should be set to zero. For Category 2 budget purposes, the governing factor will be the peak part-time student count.

The new USAC guidance for the second and third cases is most important — and less intuitive. In both instances, an applicant should report its total part-time student population as the "Number of Full Time Students." As indicated above, the best way to think about this number is as the number of fully-enrolled students. Because these "Full Time" students are already counted for Category 2 budget purposes, the two "Part-Time" student fields should be set to zero to avoid double-counting.

There are two points implicit in the new guidance which are important, but which are not discussed in the Special Edition News Brief.

1. Schools with both full and part-time students should abide by the same general principles. Assuming that the same types of schools listed above also have full-day students, this would mean the following:
 - a. For school type #1, include only the truly full time students (i.e., those not listed as students in any of the district's other schools) in the "Full Time" and NSLP-eligible fields.
 - b. For school types #2 and #3, all students would be considered "Full Time" (i.e., fully enrolled) students.
2. Counting part-time students as "Full Time" students for school types #2 and #3 overstates the peak student count in the schools. This effectively inflates the Category 2 budget for these types of schools. Applicants utilizing the full extent of these higher Category 2 budgets should recognize that the FY 2016 EPC calculations and guidance may change in future years.

E-Rate Updates and Reminders

FY 2016 Application Window is Open:

The Form 471 application window for FY 2016 opened on February 3rd. The window is scheduled to close at 11:59 p.m. EDT on Friday, April 29, 2016. The entire application process for FY 2016 is being handled through USAC's new EPC portal. The learning curve for new users is steep. Please do not wait until later in the window to file Form 470s, update pre-471 EPC applicant profile information (entity, student, connectivity, and contract data), and begin the Form 471.

The last possible day to file a valid Form 470 for FY 2016 is Friday, April 1st. If you wait until then — appropriately, April Fools' Day — you will have to pick your vendors, sign contracts, and complete and submit your Form 471 application on the last day of the window.

File Along with Me Updates:

A USAC blog, "File Along with Me," initiated in early February, provides additional information on the application process. Links to last week's postings are provided below. You can subscribe to the blog by entering your email address on the blog's [home page](#) (under the USAC logo), and confirming the resulting email.

<u>Post No.</u>	<u>Title</u>
22.	Calculate Your E-Rate Discount: Consortium or State
23.	Category Two Budgets: A 5-Year Budget for Each School or Library
24.	Inputs To Your C2 Budget Calculation: Square Footage and Student Counts
25.	C2 Budgets Yearly Recalculations and Changing Student Counts
26.	C2 Budgets for Non-Instructional Facilities and How To Cost-Allocate Your Budget for a NIF

Lifeline and Homework Gap Update:

The FCC will hold an open Commission meeting on Thursday, March 31st, to consider an order to restructure and modernize Lifeline, one of the four Universal Service Fund programs. As discussed in our [newsletter of March 14th](#), there are several aspects of the proposed Lifeline changes which could affect E-rate applicants. The most important one is to provide monthly subsidies to low-income families for either wired or wireless Internet access. As discussed in a recent speech by Commissioner Jessica Rosenworcel, "[Closing the Homework Gap](#)" is one of the key objectives of Lifeline reform.

Large Applicant Connectivity Profile Option Deadline:

Large applicants seeking to take advantage of USAC's offer to data enter EPC connectivity profile information have until April 4th to complete and submit a [Connectivity Questions Worksheet](#). To use this option, an applicant must have 50 or more entities. For additional information, see our [newsletter of March 21st](#) and/or USAC's [Special Edition News Brief of March 15th](#).

Form 486 Deadlines for March-April:

The Form 486 deadline for certifying the start of service (and CIPA compliance, if applicable) is 120 days from the later of the FCDL approval date or the start of service date. The deadlines (adjusted for weekends and holidays) for April and for the remainder of March for approved FY 2015 applications are:

Wave 26	03/21/2016
Wave 27	03/29/2016
Wave 28	04/11/2016
Wave 29	04/15/2016
Wave 30	04/22/2016

Schools and Libraries News Brief Dated March 25 – Three Topics

The [S&L News Brief of March 25, 2016](#), discusses three separate EPC-related topics.

Piggyback Contracts:

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Applicants adding information to their contract profiles are faced with the following two questions:

Can other applicants piggy back off this contract? ⓘ

Was this contract originally created by another applicant, and you then piggy backed off their contract? ⓘ

Piggyback contracts are relatively rare and, as a result, are apparently generating a number of CSB inquiries. For the vast majority of applicants, the answer to both questions is “No.”

In addition to last week’s News Brief, descriptive information regarding these piggyback questions can be found by placing your cursor over the blue-circled “?” symbol at the end of each question. The key point to note in the News Brief is that piggyback contracts are applicant-generated; they are not state master contracts.

FRN Upload Templates:

As noted above, USAC is in the process of updating its set of FRN bulk upload templates. The new templates are expected to be released later this week. The following points should be noted:

1. Templates will be available for use on an FRN-by-FRN basis. An applicant will first have to create an FRN. For each FRN, an applicant will then have an option of entering the line item detail and recipient entity data manually or by upload.
2. Each template — there are different versions for different service types — contains the following three tabs:

- a. Line item detail. Note that the template format used in this tab differs from the preliminary line item template provided on a temporary basis when the Form 471 was initially released in February.
- b. Managed entity list and cost allocation. Cost may be easily allocated equally among all FRN entities, but must otherwise be identified specifically for each entity using the service. Warning: See our article entitled “FRN Cost Allocation: Equal or Not?” in our [newsletter of February 29th](#).
- c. Error tab. Initially, no applicant data is required in this tab. If a template upload fails, the template will be returned to the applicant noting any errors needing correction.

Additional Fiber Discounts with State Matching Funds:

The FCC’s Second E-rate Modernization Order ([FCC 14-189](#)), released in December 2014, provided an additional discount of up to 10% on high-speed broadband (typically fiber) special construction charges if matched by appropriate state funding. What has been unknown, until this News Brief was issued, is precisely which state funding would qualify for E-rate matching purposes. USAC has now added a new [State Matching Provision](#) section to its website describing the matching process and listing the following six state funds currently deemed approved:

1. California Broadband Infrastructure Improvement Grant (“BIIG”) Program
2. Maine Telecommunications Education Access Fund (“MTEAF”)
3. Massachusetts Digital Connections Partnership Schools Grant
4. New Mexico School Connectivity Broadband Deficiencies Fund
5. New York State Smart Schools Bond Act (“SSBA”)
6. North Carolina School Connectivity Fund

More specifically, the following information is provided for New Mexico applicants:

New Mexico School Connectivity Broadband Deficiencies Fund. In New Mexico, “the Public School Capital Outlay Council (PSCOC) is authorized to expend up to \$10.0 million annually from FY14 through FY19 for an education technology infrastructure deficiency correction initiative.

The source of the funding for this program can be found by reviewing the [LESC staff report](#)  and [state legislation](#) .

We expect that USAC will be reviewing the applicability of other state funds in the future. (Inquiries should be directed to statematch@usac.org.) Any applicant seeking to take advantage of the additional matching discount should indicate the source of the state funding in its Form 471 application. References to state funding other than the six funds currently approved may be reviewed during the PIA process.

Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central's own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by the SLD, FCC, or NMPED.

Additional New Mexico specific E-rate information is available through our Web site — <http://www.e-ratecentral.com/us/stateInformation.asp?state=NM>. Note that this site provides easy access to formatted New Mexico applicant E-rate histories via the Billed Entity Number (“BEN”) search mechanism in the upper left-hand corner. Detailed information can be obtained by “drilling down” using the links for specific funding years and individual FRNs.

For further information on E-rate, follow us on Twitter, Facebook, and LinkedIn. 

If you have received this newsletter from a colleague and you would like to receive your own copy of the New Mexico E-Rate Exchange, send an email to subscribe@e-ratecentral.com. Please include your name, organization, telephone, and e-mail address. This email address can also be used to unsubscribe.

E-Rate Central is a nationally recognized E-rate consulting firm providing complete E-rate application and processing services for applicants including a large growing base of school districts and regional education cooperatives in New Mexico (including Albuquerque, Gallup-McKinley County, Las Cruces, Santa Fe, and others).

E-Rate Central's services can be procured through a master bid awarded by REC IX or through the New Mexico Cooperative Educational Services (“CES”). For CES contract information, search for E-Rate Central at <http://www.ces.org/procurement/VendorSearch/>.

