



Information and Application Letter for Category 1 Fiber

The Broadband Deficiencies Correction Program (BDCP) has a state matching fund for category 1 special construction cost for fiber build. If your school has an 80% E-rate discount, then if your build cost \$100,000, E-rate would pay \$80,000 and the 20% non-discounted portion would be left to the district. With BDCP funding, the state will pay up to 10% of the non-discounted portion and the FCC or USAC will match the state for the final 10% leaving no cost to the district. The BDCP funding is a reimbursement to the district.

If you look at this link below on the USAC website for state matching, New Mexico is listed. This lets you verify that USAC is working with the state of New Mexico.

<http://www.usac.org/sl/applicants/beforeyoubegin/state-matching-provision.aspx>

For those who are engaged in the E-rate cycle and who have worked so hard to post FCC Form 470s and RFPs for fiber projects, we are pleased to see the progress you have made. To ensure a successful and cost efficient final outcome for your fiber projects, please use the checklist below to prepare for the next steps in the funding process. As always, please do not hesitate to contact us (PSFA or PED) if you have questions or need one-on-one assistance.

- 1. Plan for Transitional Services:** It is highly likely that the fiber projects being procured as part of the Broadband Deficiencies Correction Program (BDCP) will NOT be completed by July 1. Accordingly, you will need to file for E-rate funding for your existing services until the construction can be completed. We suggest you be conservative in your planning and factor in potential delays to ensure you receive the maximum E-rate discount and reduce your out of pocket expense.
Please remember that the continuation of your existing connectivity services must meet all E-rate rules including the competitive bidding requirements. We, therefore, strongly suggest that you file a Form 470 requesting bids for your existing services, if you do not have a contract that will run through the anticipated completion date of the fiber project. Please contact John Chadwick (John.Chadwick@state.nm.us), the State E-rate coordinator if you need assistance with structuring that Form 470. Additionally, if you wish to apply for discounts on other Category 1 or Category 2 services you may need to post for those services on a Form 470 or RFP.
- 2. Letter of Application:** Complete the PSCOC application letter below and send to Ruth Bingham at rbingham@nmopsfa.org.
- 3. RFP Evaluation:** Evaluate RFP responses from vendors and the potential solutions. ESH suggests using their “Fiber Build vs. Buy Model” to run a cost analysis to determine the most cost-effective option proposed (see attached file). A recorded webinar with training on how to use this tool can be found online at <https://cc.readytalk.com/cc/playback/Playback.do?id=2g1c4k>. Please register to access the recording. ESH is happy to provide assistance in the use of the “Fiber Build vs. Buy Model” cost analysis tool. Make sure to include a zip file with all bids received when emailing ESH.

Please provide, if possible, a draft evaluation matrix to PSFA at least five (5) days before the final evaluation will be sent to your Board or approving agency. The PSFA and PED will be reviewing the evaluations with their E-rate consultant, E-Rate Central, to help ensure compliance with E-rate competitive bidding requirements. We are committed to the success of these projects and E-rate compliance is an important component of the project.

- 4. Determine Potential Award Selection:** Finalize vendor selection and the associated offered solution.

5. **Email RFP & Award Documentation to PSFA:** Please submit documents listed on the “BDCP Required Documents” list to Ruth Bingham, rbingham@nmgsfa.org in electronic format for PSFA review and concurrence.
6. **Award(s):** Achieve School Board approval. Include: approval dates (actual or proposed); and, any funding source of any local funding necessary. Please note for eligible special construction charges (i.e. eligible costs associated with construction outside the schools property line) E-rate will pay your approved discount rate, PSFA will reimburse the District up to 10%, and E-rate will match the funding from PSFA. For a 90% district this would mean that in the end, the district would not pay anything for the eligible special construction charges. The chart below shows notional costs to the district assuming various discount levels, a total project cost of \$2,000,000 and five percent of the costs being E-rate ineligible.

E-rate Discount	Total Project Cost	Total E-rate Eligible Project Cost ₁	Total E-rate Ineligible Cost ₂	Potential PSFA Match (On Eligible Charges) ₃	E-rate Match (On Eligible Charges) ₄	Cost to District ₅
70%	\$2,000,000.00	\$2,000,000.00	\$100,000.00	10%	80%	\$ 300,000.00
80%	\$2,000,000.00	\$2,000,000.00	\$100,000.00	10%	90%	\$ 100,000.00
90%	\$2,000,000.00	\$2,000,000.00	\$100,000.00	5%	95%	\$ 100,000.00

₁ Depending on the particular solution not all of the charges may be E-rate eligible.

₂ Ineligible charges could include, for example, costs associated with installing more than 12 strands, ineligible equipment, and/or ineligible head start/pre-k/adult education students.

₃ In order to maintain equity among districts PSFA will contribute a maximum of 10% to the project.

₄ Because the state is providing matching funds USAC will match the contribution of the state up to 10% of the eligible costs.

₅ E-rate rules require the applicant to pay the non-discounted portion within 90-days from being billed. If progress payments are used the applicant is required at the same time USAC is being asked to pay.

7. **Complete Application Documents:** Submit your draft Form 471 and send to PSFA, attention Ruth Bingham at rbingham@nmgsfa.org. E-rate Central, PSFA, and PED will review before you submit the final to try to ensure a positive outcome from USAC.
8. **Submit 471 Application to USAC:** This will be done by the districts.
9. **PSCOC Award:** Following the PSCOC award, an acceptance letter and memorandum of understanding (MOU) will be sent to the District. The District has 30 days to execute the acceptance letter and MOU and return it to PSFA, attention Ruth Bingham at rbingham@nmgsfa.org.



LETTER OF APPLICATION

Application for Broadband Deficiencies Correction Program (BDCP) Award

The undersigned below hereby certifies that an application for a Broadband Deficiencies Correction Program (BDCP) award is submitted for

(Insert School District)

to receive the state match and complete E-rate eligible fiber project(s) under the 2019-2020 E-rate funding year. The district will match any funds as required by the Public School Capital Outlay Council (PSCOC), and any ineligible portions of the work shall be at the sole cost of the district. Any awarded funds will be expended only for the stated purpose.

SIGNATURES:

_____ **DATE:** _____
School Board President

Insert District Name

_____ **DATE:** _____
Superintendent

(Insert District Name)