



**E-Rate Funding—Guaranteed**

On-Tech Consulting, Inc.  
53 Elm Place  
Red Bank, NJ 07701  
Voice: (732) 530-5435  
Fax: (732) 530-0606  
www.on-tech.com  
info@on-tech.com

# E-Rate for Monmouth County ASBO

**Dan Riordan**

**President**

**On-Tech Consulting, Inc.**

**dan@on-tech.com**

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## What is the E-Rate?

The Universal Service Fund was created by the Telecommunications Act of 1996, and began distributing funding in 1998. Telecommunications carriers pay into a fund which is then used to subsidize telecommunications and data communications for districts. The program has provided roughly \$2.25 billion to schools and libraries annually since 1998.

Subsidies (called “discounts”) are a percentage of a district’s expenditures on telecommunications and Internet access. The level of discount ranges from 20% to 90%, and is calculated based on the percentage of students eligible for the National School Lunch Program. For districts with multiple schools, the discounts for individual schools can be combined, or schools can apply individually.

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## The Application Process

Here are some dates to remember for the 2008-2009 funding year:

April 2007	SLD began accepting Form 470.
November 7, 2007	The first day on which the Form 471 can be filed. The 471 must be filed at least 28 days after the 470 is filed.
January 10, 2007	Last possible day to file the Form 470. The Form 470 must be completed 28 days before the close of the filing window. <b>Warning:</b> If you wait this long, you will have one day to select vendors, sign contracts, and file the 471 all in one day.
February 7, 2008	The deadline to file the Form 471.
April 2008 and beyond	Funding commitment decision received.
July 1, 2008	Discounted services begin. File Form 486 within 120 days.
July 2008 – June 2009	Receive funding, either as discounts on service provider bills or reimbursements. In order to receive reimbursements, you will need to file the Form 472 (BEAR).

## ***The Forms***

Here is a brief introduction to the forms for the E-Rate funding.

### **Technology Plan**

OK, it's not really a form, but it is the necessary first step. If you plan to request anything beyond basic telephone service, you will need to have a technology plan.

### **Form 470: Request for Bids**

The Form 470 provides an opportunity for service providers to see what services you will be requesting E-Rate funding for, so that competition will bring you lower prices. There is no deadline for this form, but it must be submitted at least 28 days before the Form 471. File it as soon as you can, and definitely before January 10<sup>th</sup>. File it online.

### **Form 471: Description of Contract**

This form describes the services for which you are receiving funding. This form is the most difficult part of the process, so leave plenty of time to complete it. The deadline for this form is February 7<sup>th</sup>. File this form online.

### **Form 486: Start of Service**

This is the simplest form, but often forgotten. All the information you need for this form is on the Funding Commitment Decision Letter. This form should generally be filed within 120 days of July 1<sup>st</sup>. File this form online.

### **Form 472 (BEAR): Request for Reimbursement**

You can avoid this form by having your service provider discount bills. This form must be filed by October 28, 2009. This form can be filed online, but be sure your service provider is set up to certify the form online.

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## **Eligible Services**

The program is intended to reduce the cost of voice and data communications for schools and libraries. As a general rule, almost all telephone services (local service, toll calls and long distance), Internet access, and digital lines (ISDN, T-1, frame relay, ATM) are eligible. For some districts, equipment necessary to transmit voice, video and data is also eligible.

More information on eligible services is available at:  
[www.usac.org/sl/applicants/step06/](http://www.usac.org/sl/applicants/step06/)

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## Recent Changes in the E-Rate Program

### ***FCC Changes Approach***

Since the end of 2005, the FCC has released a string of decisions that relax the application process a great deal. For example, if an applicant misses the deadline for a Form 471 certification or Form 486 submittal, the SLD is required to notify the applicant of the missed deadline, and the applicant will have 15 days to submit the missing certification or form.

### ***Eligible Services Changes***

- Interconnected VoIP Eligible
- Mobile Internet Eligible
- Firewall Service Ineligible
- Web Hosting Restricted
- Centrex is now “basic telephone service”

### ***New Jersey State Law Mandates E-Rate***

A new state law (called A5 and S4) was signed into law in March 2007. The law states:

1. As a condition of receiving State aid, a school district shall:  
...  
b. take steps to maximize the district’s participation in the federal Universal Service Program (E-rate);

In addition, the E-Rate is included in the new Quality Single Accountability Continuum (QSAC), in Section E.1 (Efficiency) of the District Performance Review (DPR) for Fiscal Management.

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## More Resources

### **On-Tech**

[www.on-tech.com/erate](http://www.on-tech.com/erate)

This handout and other E-Rate information and links are available at our Web site.

If you have specific questions, contact us.

Email: [info@on-tech.com](mailto:info@on-tech.com)

Phone: 732-530-5435

### **Schools & Libraries Division (SLD)**

[www.usac.org/sl](http://www.usac.org/sl)

This Web site is a wealth of information, and the information is official. Start by pointing at the light blue “Schools and Library Applicants” button, and selecting the relevant step.

### **NJDOE**

E-Rate Information: [www.nj.gov/njded/techno/teleact/index.html](http://www.nj.gov/njded/techno/teleact/index.html)