E-Rate for Service Providers

Society of Telecommunications Consultants Webinar

Dan Riordan

President

On-Tech Consulting, Inc.

www.on-tech.com

On-Tech

E-Rate Funding—Guaranteed

March 16, 2010

Agenda

- What is the E-Rate?
- Who is eligible?
  - How much funding?
- What is eligible?
- What are my opportunities?
- What are the requirements to participate?
- What pitfalls should I avoid?
- Where can I get more info?

What is the E-Rate?

- $2.25 billion annually in federal funding

- Funded by fee on interstate telecom

- Not competitive: all applicants are funded (if they do the paperwork right)

Who is eligible?

- ## Schools
  - All public elementary and secondary schools
  - Most private schools (non-profit with endowment under $50 million)

- ## Public libraries
  - Not university libraries, private libraries

- ## Not colleges, universities (for now)

How Much Funding?

- Percentage of expenditures on eligible services
  - 20% - 90%
  - Calculated based on percentage of low-income students

- Most school districts are in the 40% - 60% range

- $100 - $tens of millions

Eligible Services: Priority One
All Applicants

- Almost all telecommunications services
  - Local and long distance on land lines
  - Cell phones
  - Digital lines (T-1, MPLS, leased fiber, ATM)
- Internet access
  - Email service
  - Web hosting

Eligible Services: Priority Two High-Discount Schools

- Internal Connections (equipment)
  To transport data, voice or video to classrooms:
  - Data: cabling, switches, routers, firewalls, some servers
  - Voice: cabling, PBX, IP call managers, voicemail
  - Video: cabling, video distribution systems
- Maintenance
- NOT:
  - End user equipment (computers, phones)
  - Storage (except email, voicemail and Web content)
  - Connections between campuses
  - Web filtering

ON-TECH

E-Rate Funding—Guaranteed

November 15, 2007

Opportunities: Bidding

- Search Form 470
    - www.usac.org/sl/providers/step02/
    - The good:
        - Applicants must consider all bids
        - All services must be listed
    - The bad:
        - Applicants may not be interested in switching vendors
        - Applicants do not have to select the lowest price
    - The ugly:
        - The data is difficult to search

On-Tech
E-Rate Funding—Guaranteed

Opportunities: Know the Market

- Search funding commitments
  - www.sl.universalservice.org/funding/opendatasearch
  - Information opportunity:
    - Learn who is providing service at what cost
    - Unfortunately, no way to see what service is being offered
  - Sales opportunity:
    - Applicants can change service providers
      - E-Rate does not require a bid (although state law might)

Opportunities: Discounted Proposals

- Include E-Rate discount in proposals
  - Calculating the discount:
    http://www.universalservice.org/sl/applicants/step05/
  - Sources for NSLP (school lunch) data:
    - Past applications:
      www.sl.universalservice.org/funding/opendatasearch
    - State data:
      http://www.e-ratecentral.com/us/nationalSites.asp?cat=nslp

Dates to Keep in Mind

Funding Year: July 1st to June 30th

Step	Date(s)
Form 470 filed	August-January before FY
Vendors selected / contracts signed	February before FY
Service start / equipment delivery	Not before July 1

ON-TECH
E-Rate Funding—Guaranteed

Requirements for Participation

- Get a Service Provider ID Number (SPIN)
  - File Form 498 (pages 1, 2 and 7)
- File annual certification (Form 473)
- Invoicing
  - File Form 474 (SPI) or
  - Certify Form 472 (BEAR)

Pitfalls to Avoid

- Involvement in the process too early
    - Do not assist with technology plan
    - Do not assist with Form 470 or bidding process
- Free services
- Discounts / grants
- Free gifts
- Delayed invoicing

Further Resources

- USAC (Universal Service Administrative Co.)
  - Program administrator
  - www.usac.org/sl

- E-Rate Central
  - Less official, more informative
  - Listserv for service providers (for a fee)
  - www.e-ratecentral.com

- Funds for Learning
  - Information, services for service providers
  - www.fundsforlearning.com, www.eratemanager.com/tools

ON-TECH

E-Rate Funding—Guaranteed

November 15, 2007

Questions

dan@on-tech.com

Bob Richter: bob@erateproviderservices.com

ON-TECH
E-Rate Funding—Guaranteed

Thank you!

Dan Riordan

On-Tech Consulting, Inc.

www.on-tech.com

November 15, 2007