



# E-Rate Update

December 5, 2007



# Why are we here?

- ENA is an education focused ISP and telecommunications company
- ENA delivers numerous E-Rate education opportunities to its customers
  - **ENA has a dedicated E-Rate staff as well as access to outside expertise and is able to stay up to date with rules, processes and unique issues of the E-Rate program**
  - **ENA provides E-Rate assistance at no additional cost to help customers obtain E-Rate funding**



# ENA Background

- Experienced E-Rate team
  - **Participant since beginning of E-Rate program**
  - **Dedicated to proactively supporting our customers and potential customers**
- ENA Companies
  - **Education Networks of America**
  - **ENA Services, LLC**
- Service Provider Leader
  - **Over \$215m in E-Rate funded**
  - **Founding Member – E-Rate Service Providers Assoc**



- E-Rate process is ever changing and quite complex
  - Today's webinar focused on highlights and new information
  - **Seek out experienced assistance**
    - Clerical errors are now easier to correct
    - Other errors are still difficult to correct
      - Contradiction leads to denial
      - Get it right the first time
  - **Q & A**
    - At end of presentation
    - ENA available at your convenience



# ●●● E-Rate Season

- 471 window opens November 7, 2007
- 471 deadline February 7, 2008
  - **SLD has a goal to close the window in mid January**
  - Recommendation – start on E-Rate now
- 470 deadline is 28 days before window closes
  - **January 10, 2008 is deadline**
  - **Don't wait to last minute if needed**
  - **Tech plans must be created prior to filing 470**



# What's New 2007/2008/2009

- Kinder, gentler E-Rate Program?
  - **FCC making SLD reach out**
  - **Bishop Perry and other applicant friendly orders**
  - **Deadlines less hard and fast – but be careful**
  - **Two signature/Two Dates rule removed**
    - Must meet state law on signature requirements
    - Two signatures/dates still a best practice
- FCC trying to focus on the right things/Back to Basics theme
  - **Help applicants with program**
    - HATS program – not an audit?
    - More audit staff/audits
  - **Tech Plan reviews**
    - Anticipated to be a major focus going forward
  - **New On-line Tools – BEAR, 486**
  - **ESL – new eligible items including VOIP in 2007**
    - Very little change in 2008



# E-Rate News

- 2007 – 2008 Processing
  - **Despite improvement, as of 11/30**
    - Over 40% of filed \$ still in process
    - \$1.5 billion of \$3.75 billion filed still pending
      - P2 makes up a sizeable portion of this number
    - Conclusion – E-Rate approval by start of program year is still a long way off
- Latest Appeals
  - FCC just approved 13 appeals of cancelled FRNs
  - Basically, the applicant indicating that they did not mean to cancel the FRN and the FCC said that was a clerical error that could be corrected
- SLD Procedures
  - The annual SLD procedures list has just been released
  - Available on FCC website or at [www.fundsforlearning.com](http://www.fundsforlearning.com)
  - These are generic procedures not the “secret” procedures of PIA



# E-Rate Tips

- Tech Plan/470 – Starting point
  - **Tech plan must be “created” before filing**
    - Can be draft – approval can be pending
    - Make sure lists all services on 471s and has \$ to cover
  - **Check boxes for multiyear and voluntary extensions**
    - When in doubt, check the boxes
  - **Services must be described – even with RFP**
    - Consider listing services under both telco and Internet
    - Flexible but inclusive quantity information can be helpful
  - **Must be available 28 days including RFP**
- Services without a contract
  - **Tariff, Month to Month**
  - **Require a 470 Each Year**



# E-Rate Tips

- **Cost Allocation/Splitting FRNs**
  - **Cost Allocation allows you to share services and still get E-Rate on the eligible portions**
  - **Cost Allocation guidance vague, but SLD typical allows reasonable allocations suggested by the applicant**
  - **30% Rule less likely to be used**
  - **If asked to Split – say Yes**
  - **Appeals**
- **Budgets**
  - **Proof of budget at date of 471 filing is no longer a hard requirement**
    - “Reasonable expectation” requirement
  - **Proof of budget at date of 486 may be required**
    - SLD to work with applicants if budget is reduced
      - Instead of immediate denial



- Record Retention
  - **Records required to be kept for at least 5 years after the end of the funding year**
    - If funds were delayed, consider keeping records for 5 years after funds were received
    - This may be longer than state or local law requires
  - **Tech plans could be focus this year**
    - Tech plans 39% of audit failures – approval letter issues widespread
    - Document “creation date”
    - Make sure tech plan covers entire year and all services on 471s
    - Make sure you get tech plan approval letter before services start
  - **Asset Records for Internal Connections required**
  - **SLD has published a records retention checklist/binder**
    - Recommend creating a binder and/or gather all the listed materials
    - Don’t wait until requested to try to round up old records



# E-Rate Tips

- Appeals
  - **SLD now allows “new” information**
  - **New does not mean newly created information**
  - **Should result in more favorable appeal results at SLD level**
  - **Consider appealing all denials if they have any merit**
    - FCC is funding many things that would have been denied in past
- PIA Questions
  - **PIA will ask you a second time if they are going to deny you**
    - Pay close attention to duplicated questions
    - If you are confused on a question – ask for clarification before you answer
  - **ANSWER ONLY THEIR QUESTION**



# E-Rate Tips

- All services must be in use
  - Duplicative services or failover services not allowed
- Discount Rate and USDA
  - **USDA key to school lunch eligibility**
  - **USDA plans to review its data**
    - Expects to find ineligible applicants
  - **Be alert as could cause E-Rate discount percent to fall**
- Audits expected to increase
  - **Findings to avoid**
    - Filing Form 500s – Optional, but audited
    - Quarterly USAC disbursements reports
      - Keep on file and compare to your vendor invoices



# E-Rate Services

- ENA is available to assist with E-Rate
  - **Free service to ENA customers**
  - **Provide advice, second opinion on filings with other vendors**
  - **Can assist with appeals as needed**
  - **ENA reviews for approaching deadlines on 486s and invoices**
    - Best efforts employed to warn ENA customers of missing forms
  - **New for 2008-2009**
    - ENA encourages districts with high F/R % schools – 80% and 90% to file for Priority Two service
    - ENA available to provide advice and guidance on this process
    - ENA is not a provider for Internal Connections at this time



# Resources

- **Contact ENA – Rex Miller – [rmiller@ena.com](mailto:rmiller@ena.com)**  
Gayle Nelson – [gnelson@ena.com](mailto:gnelson@ena.com)
- **Websites –**
  - **SLD – main E-Rate rule site – training/Web Ex**
  - **2007 Fall Training materials are available and valuable**
  - **([www.sl.universalservice.org](http://www.sl.universalservice.org))**
  - **E-Rate Central – resources/news**  
**([www.e-ratecentral.com](http://www.e-ratecentral.com))**

