



IN E-Rate Update

November 6, 2007



ENA Background

- Participant since Year 1
 - Experienced E-Rate team
- 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
- Customer service and education focus



- 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
 - 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 10/31**
 - Over 50% of filed \$ still in process
 - \$1.9 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
 - 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
 - **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

- Multiple Provider Usage
 - **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
 - **Common Findings even in compliant audits**
 - Filing Form 500s – Optional, but audited
 - Quarterly USAC disbursements reports
 - Keep on file and compare to your vendor invoices



IN Internet Access

- Internet Access – State Consortium available
 - School Corp does not need a 470
 - Can purchase heads and tails from state contract
 - IDOE Files Form 471 for all schools



IN Internet Access

- Information due to IDOE for Schools
 - Tech Plans/Tech Plan updates
 - Letter Of Agency – make sure to list the correct year
 - Form 479 – CIPA compliance
 - Service Checklist – what service requested
 - Website – www.doe.state.in.us/erate
 - Track/verify your request for service



Resources

- **Contact ENA** – Rex Miller – rmiller@ena.com or your IN ASM
- **Contact IDOE** –
 - Mike Huffman (mhuffman@doe.state.in.us) or
 - Marcia Ping (mping@doe.state.in.us)
- **Websites** –
 - IDOE site (www.doe.state.in.us/erate)
 - SLD – main E-Rate rule site – training/Web Ex
 - 2007 Fall Training materials are available and valuable
 - (www.sl.universalservice.org)
 - E-Rate Central – resources/news
(www.e-ratecentral.com)

