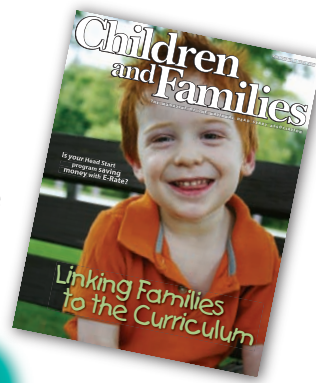


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E-Rate

Is your Head Start program saving up to 90% on telecommunications?



Have you heard of E-Rate? If not, your Head Start program may be missing out on some significant savings — up to 90 percent of your program's telecommunication expenses.

E-Rate, officially known as Universal Service Funding for Schools and Libraries, was established by the Federal Communications Commission (FCC) as part of the Telecommunications Act of 1996 and was designed to provide affordable telecommunications services to all eligible schools and libraries — especially those in rural and economically disadvantaged areas. E-rate is the largest, most reliable source of technology funding for education programs in the United States. Presently, \$2.25 billion is budgeted for the E-Rate program.

In order to be eligible for E-Rate funding, Head Start programs must be located in a state that includes pre-K education within its legal definition of elementary education. (Refer to the state eligibility sidebar to see which states are currently eligible.) Head Start programs that are eligible can apply for E-Rate funds through the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC), which distributes the funds under the direction of the FCC. (Visit www.sl.universalservice.org for detailed program information.)

E Rate Solutions Group

Joseph Weiss

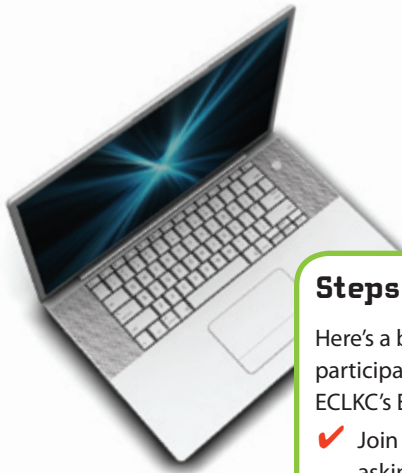
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The Power of Knowledge



What's covered?

The types of services and products eligible for E-Rate discounts fall into the following categories:

1. Telecommunication services
2. Internet access
3. Internal connections
4. Basic maintenance

E-Rate Discounts range from 20 to 90 percent of the costs of eligible services, depending on the level of poverty and the urban/rural status of the population served.

The four categories of services eligible for discounts fall into either a primary or secondary priority level. Priority One services include telecommunications (such as basic telephone service and cellular service) and Internet access (including Web hosting and e-mail services), while Priority Two services include internal connections (such as network cabling, routers, hubs, and network servers) and their maintenance. In general, Priority One services are funded for all applicants who successfully comply with program rules. Priority Two service discounts are given to applicants until the remaining federal funds are depleted. Applicants can apply for funding for internal connections two out of every five years.

Applying for E-Rate

Here is a quick summary of the four-step process involved in applying for and receiving E-rate discounts. ➡

Steps for Head Start E-Rate applicant

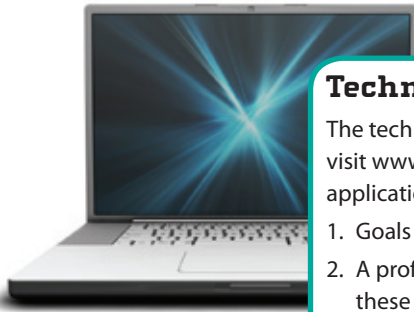
Here's a brief list of steps Head Start programs should take in order to prepare for their participation in the E-Rate program. For a complete list of steps and explanations, refer to ECLKC's E-Rate Toolkit.

- ✓ Join the Head Start E-Rate Listserv. Simply send an e-mail to erate@headstartinfo.org asking to join the Head Start E-Rate Listserv.
- ✓ Start an E-Rate Filing system in order to keep track of important documentation.
- ✓ Update your grantee profile, which can be used to help verify your E-Rate eligibility.
- ✓ Register with the Federal Communications Commission (FCC) if you have not already done so. (Programs can register online at <https://svartifoss2.fcc.gov/coresWeb/publicHome.do>.)
- ✓ Collect and consolidate bills for eligible services.
- ✓ Audit telecommunications and Internet services.
- ✓ Locate Service Provider Identification Number (SPIN), which will help you determine whether or not your Service Provider is participating in E-Rate. (Go to www.sl.universalservice.org.)
- ✓ Review your application type such as school, school district, or consortium. (Most Head Start grantees operate more than one center and should apply as a school district.)
- ✓ Obtain Entity Numbers and Billed Entity Number(s) for each location where services are provided. (Head Start grantees who have not participated in E-Rate in previous years need to request an entity number from USAC.)
- ✓ Allocate necessary resources, which may involve selecting an E-Rate contact person for your organization or hiring an E-Rate consultant.
- ✓ Begin a new Technology Plan or review an existing plan.

Source: ECLKC's E-Rate Toolkit (which can be viewed online by going to www.eclkc.ohs.acf.hhs.gov and doing a quick search for E-Rate Toolkit, or can be requested by sending an e-mail to erate@headstartinfo.org).

Note: If your program decides to enlist the aid of a consultant, be sure the consultant is independent and knowledgeable about programs like yours. And be sure to ask for — as well as to check — references. USAC requires a Letter of Agency authorizing a consultant (or staff member) to represent your agency.

Note: Enrolled programs that want to continue receiving E-Rate support must apply to USAC for the E-Rate program on a yearly basis.



Technology Plan

The technology plan (which must be approved by a certified Technology Plan Approver, visit www.sl.universalservice.org for more details) submitted as part of the E-Rate application must contain the following five elements:

1. Goals and a realistic strategy for using telecommunications and information technology.
2. A professional development strategy to ensure that staff members know how to use these new technologies to improve education services.
3. An assessment of telecommunication services, hardware, software, and other services needed.
4. Budget resources
5. An ongoing evaluation process

Note: A technology plan is not required if a Head Start program is only seeking reimbursement for basic telephone service.

Step 1: Open a competitive process for the services desired by preparing for and completing the FCC Form 470.

Once a Head Start program has assessed its technology needs and written a technology plan, the applicant must submit a Description of Services Requested and Certification Form (Form 470) to USAC's School and Libraries Division. Applicants must wait at least 28 days after the Form 470 is posted to USAC's Web site and all bids are considered before selecting the service provider to provide the services desired. Applicants are required to conduct an open and fair competitive process and select the most cost-effective provider of the desired services. Once Form 470 has been successfully submitted, applicants receive a receipt of notification from USAC. Applicants should save all competing bids in order to be able to show that the bid that was chosen was the most cost-effective one. As with all related documents that may be requested as part of an audit or other inquiry, these bids should be saved for at least five years.

Step 2: Complete Form 471 seeking funding for eligible services that have been competitively bid.

After selecting the most cost-effective service providers, the applicant is ready to complete Form 471, the Services Ordered and Certification Form, which is the actual listing of the individual requests for funding. FCC rules outline a specific window of time during which all Forms 471 that are filed are treated as if simultaneously received. This filing window usually opens in November and closes in early February for the upcoming funding year (which starts on July 1 and ends on June 30). Form 471 is also used to calculate the discount percentage for which

applicants are eligible. In general, the E-Rate discount is based on the percent of the school's population eligible for the National School Lunch Program. Schools in which more than 75 percent of students qualify for either free or reduced lunches fall into the 90-percent discount level.

Once Form 470 and Form 471 have been reviewed, USAC may request additional information (which the applicant must provide within 15 days) and then it will issue one or more Funding Commitment Decision Letters to both the applicant and the individual service provider, listing its decisions for each funding request. If an

applicant believes any of its funding requests have been incorrectly reduced or denied, the applicant can appeal USAC's decision(s), either to USAC or directly to the FCC. Appeals must be received or postmarked no later than 60 days after the date of the Funding Commitment Decision Letter.

Step 3: Complete Form 486, which tells USAC that delivery of services has begun.

Form 486, the Receipt of Service Confirmation Form, lists each separate funded request for which the delivery of services

State eligibility

Head Start programs in the following states are eligible for E-Rate support:

- California
- Colorado
- Connecticut
- Florida
- Hawaii
- Illinois
- Iowa
- Louisiana
- Maryland
- Minnesota
- Mississippi
- New Jersey
- New York
- Oklahoma
- Pennsylvania
- Rhode Island
- Texas
- Virginia
- Washington
- West Virginia
- Wisconsin

Also, the following states are eligible if they are located in a public school facility:

- Kansas
- Maine
- Missouri
- North Carolina
- South Dakota
- Utah

Note: E-Rate applicants must maintain their records for at least five years to be able to comply with audits and other inquiries or investigations. (This includes tracking reimbursements.)



has begun. Form 486 also lets USAC know that the applicant's technology plan has been approved prior to the commencement of services and that the applicant is in compliance with the Children's Internet Protection Act.

Step 4: Submit invoices (Form 472 or Form 474) for the services that have been delivered.

After eligible services have been received, the applicant must submit invoices to USAC in order to get E-Rate support. USAC does not send payment to the applicants; universal service support payments are instead sent directly to the service providers. If applicants receive bills from their ➡

CIPA

All applicants who are requesting funds for Internet access or internal connections are required to comply with the Children's Internet Protection Act (CIPA), a federal law enacted by Congress in December 2000 to address concerns about access to offensive content over the Internet on school and library computers.

CIPA requirements:

- Schools and libraries subject to CIPA may not receive the discounts offered by the E-Rate program unless they certify that they have an Internet safety policy and technology protection measures in place. An Internet safety policy must include technology protection measures to block or filter Internet access to pictures that are obscene, are child pornography, or are harmful to minors, for computers that are accessed by minors.
- Schools subject to CIPA are required to adopt and enforce a policy to monitor online activities of minors.
- Schools and libraries subject to CIPA are required to adopt and implement a policy addressing 1) access by minors to inappropriate matter on the Internet; 2) the safety and security of minors when using e-mail, chat rooms, and other forms of direct electronic communications; 3) unauthorized access, including so-called "hacking," and other unlawful activities by minors online; 4) unauthorized disclosure, use, and dissemination of personal information regarding minors; and 5) restricting minors' access to materials harmful to them.

For more information, visit www.sl.universalservice.org or call (888) 203-8100.

E-rate timetable and deadlines

Form or task	Deadline and timelines
Funding Year	July 1 through the following June 30 non-recurring services through the following September 30)
Form 470	Posted at least 28 days before the filing of the Form 471, keeping in mind 1) the timeframe for compliance with all competitive bidding requirements and 2) the Form 471 application filing window opening and closing dates.
Form 471 filing window	Early November to early February preceding the start of the Funding Year (exact dates for each funding year will be posted at www.sl.universalservice.org).
Form 471	Received or postmarked no later than 11:59 PM EST on the day of the close of the Form 471 application filing window (exact date will be posted on USAC's Web site).
Form 486	Received by or postmarked no later than 120 days after the date of the Funding Commitment Decision Letter or 120 days after the Service Start Date, whichever is later.
Form 472/Form 474	Received or postmarked no later than 120 days after the date of the Form 486 Notification Letter or 120 days after the last date to receive service, whichever is later.
Appeals	Must be received or postmarked no later than 60 days after the date of the USAC's decision letter.

For more information on E-Rate or to apply...

Additional information (including the forms mentioned in this article) regarding the E-Rate program can be found at www.sl.universalservice.org or by calling (888) 203-8100.

Head Start programs can also view ECLKC's E-Rate Toolkit online at no charge by going to www.eclkc.ohs.acf.hhs.gov and typing E-Rate Toolkit in the quick search section. Programs may also request an E-Rate Tool Kit by e-mailing requests to erate@headstartinfo.org or calling (866) 763-6481.

How Can E Rate Solutions Group Help?


E Rate Solutions Group can manage the entire process, from start to finish. We will handle all Federal compliance issues in a timely and efficient manner, while meeting all calendar deadlines.

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service providers with only the discounted amount, the service providers must submit the Service Provider Invoice Form (Form 474) to receive payment for the discounts they've provided. If applicants decide to request reimbursement for services for which they have already paid in full, they must submit a Billed Entity Applicant Reimbursement Form (Form 472). The delivery of services and invoices for those services must be submitted within a certain time period (which is based on when the applicant received the Funding Commitment Decision Letter).

A final word

The E-Rate program is a terrific resource that can save Head Start programs a significant amount of money. In order to maximize savings and ensure compliance, however, programs must be willing to allocate either internal or external resources needed for successful participation. And all programs should view their participation in this program as an ongoing process and a great opportunity for self-assessment. 

Joseph Weiss is partner in the E-Rate Solutions Group, a consulting company that specializes in helping special needs schools and Head Start agencies file for the E-Rate program. Weiss, a former director of Business Development for a New Jersey CAP & Head Start Agency, has more than 20 years of telecommunications experience, including all aspects of network engineering, operations, regulation, and network/business planning. To contact Weiss, call (888) 429-4932 or e-mail info@erategroup.com.

Katherine Weiss is a partner in the consulting firm E-Rate Solutions Group specializing in the appeals process. She is also an attorney with more than 12 years of experience in all aspects of litigation. Weiss has had proven success with government agencies and private firms with extensive trial experience in federal and state Court. From 2000 through 2007, Weiss a Deputy Attorney General for the state of New Jersey. For more information, visit www.erategroup.com.

E-Rate tips and strategies for success

E-Rate is a year-long process, not a grant application. Many applicants fail to adhere to program rules because they do not dedicate resources to the E-Rate process. Some programs find that hiring a consultant or having a dedicated staff member is the most efficient method of complying with the E-Rate program.

- Pay attention to the timelines for all forms and USAC inquiries. Many applicants do not implement an adequate tracking system and, as a result, end up missing deadlines and having their funding requests denied or having approved funding not being disbursed.
- The E-Rate program is an ever changing process that occurs throughout the year. Therefore, applicants need to closely monitor the program for changes to program rules, revision of forms, and FCC orders.
- The E-Rate program is a compilation of policies, procedures, timelines, and certifications. The certifications provide a summary of the major compliance issues requiring documentation.
- E-Rate funding is based upon specific funding requests for eligible services to eligible entities. Questionable items should be submitted as a separate funding request using a different Funding Request Number.
- The filing of all forms and certifications online is the best way to meet USAC's minimum processing standards. If your program does submit paper forms, be sure that you are using the most current forms because prior forms will automatically be rejected.
- Think of E-Rate as a technology planning and strategic process. Even though technology plans do not have to be approved until the start of services, program rules require that a written plan must exist to cover all funding requests prior to the posting of Form 470 for all non-basic telephone service requests. In addition, the early development of a technology plan can help an applicant take full advantage of the program instead of just reacting to form deadlines.

Common E-Rate pitfalls

- Submitting funding requests that contain 30 percent or more ineligible items not corrected during the review process. This results in automatic denials.
- Failing to certify as well as submit forms within program timelines.
- Forgetting to sign and date contracts required for funding requests that are not month-to-month or tariff services.
- Signing contracts less than 28 days after form 470 is certified (not after it's posted) or after form 471 is submitted. (Remember: There are many dates that need to be kept track of such as the allowable contract date, contract award date, application submission date, application certification date.)
- Not listing the entity numbers for all locations on Form 471.
- Submitting a funding request that does not correspond to a certified Form 470.
- Failing to respond to Program Integrity Assurance (PIA) Review inquiries within the timelines given.
- Not conducting a "free and open competitive bidding process" by receiving assistance from a vendor in completing Form 470.
- Insufficient budget resources to support either your share of the expense or other required hardware, software, or support services needed to make effective use of the funding.
- Requesting telecom services from a vendor that is not listed as an eligible Telecom provider on USAC's School and Libraries Web site (see www.sl.universalservice.org).