



**Software & Information
Industry Association**
BUILDING THE DIGITAL ECONOMY

Software Publishers Guide to the E-rate

April 26, 2012



Announcements

- This webcast is being recorded. The audio-visual file and presentation slides will be available on the SIIA Education Division home page.
<http://bit.ly/SIIAWebinarsEdTech>
- Participation requires Web and Phone access. Dial 866-740-1260, 7894444#
- Submit questions at any time via Chat feature.
- Software Publishers Guide to E-rate: Report at <https://www.sii.net/estore/> or www.SellingToSchools.com (promo code WBNR426)
- Other SIIA Resources & Events:
 - SIIA Ed Tech Industry Summit, May 6-8, SF – www.sii.net/etis
 - SIIA Vision K20 EDUCATOR Survey <http://www.sii.net/visionk20/survey/>
 - SIIA Market Surveys www.sii.net/education/marketsurvey
 - SIIA Primer on K-20 Education Interoperability <http://bit.ly/A7E7HI>
 - Recent events archived at <http://bit.ly/SIIAWebinarsEdTech>
 - Common Core State Standards: Alignment & Review Criteria
 - Shared Learning Collaborative: Update & Impact
 - SIIA Ed Tech Government Forum: www.sii.net/etgf



Speakers

- Brian Stephens, Senior Technology and Regulatory Analyst, Funds For Learning
- Sheryl Abshire, Chief Technology Officer, Calcasieu Parish Public School System (Lake Charles, LA) and Board Member, Universal Service Administrative Company (USAC)
- Tom Petit, Vice President of Sales, Gaggle
- Moderator: Mark Schneiderman, SIIA



SLIA Guide to the E-rate

Brian Stephens

Senior Technology and Regulatory Analyst

Funds For Learning, LLC



Agenda



- Who is Funds For Learning?
- What is the E-rate program?
 - » E-rate 101
 - » E-rate Product and Service Eligibility
 - » E-rate Process Overview
- The SLIA Guide to the E-rate
- E-rate Information and Resources

About Funds For Learning



- E-rate regulatory compliance firm
- Applicant and vendor clients nationwide
- Since 1998:
 - » Over \$1B requested on behalf of applicants
 - » Denial rate: ~4%
- Creators of E-rate Manager
- Appeals, advocacy, training

About the E-rate



- Largest single source of ed-tech funding in US
- Annual funding cap: approx. \$2.3 billion
 - » Indexed to inflation
 - » Additional funds may “roll over”
- No pre-set spending limits
- Discount program, not a grant
 - » Discounts range from 20% to 90%
 - » Savings can be reinvested in technology

About the E-rate



- Serves K-12 market
 - » Public, private, and charter schools; public libraries
- Significant market influence
 - » Superintendents, CIOs, technology directors
- Universal Service Fund
 - » E-rate is one of four Universal Service programs

About the E-rate



- Yearly program: **July 1 to June 30**
 - » **Fall** - competitive bidding and contracting
 - » **Winter** - E-rate applications submitted
 - » **Spring** - application review and verification
 - » **Summer** - services start and products ship
- Who's in charge?
 - » Federal Communications Commission (**FCC**)
 - » Universal Service Administrative Company (**USAC**)
 - » Schools and Libraries Division (**SLD**)

About the E-rate



- Connectivity and Infrastructure
- Four Discount Categories
 - Telecommunications Services
 - Internet Access
 - Internal Connections
 - Basic Maintenance

Priority 1 Services



- **Telecommunications**
 - » Phone service (traditional, VoIP, and wireless)
 - » Data lines and Wide Area Networks
- **Internet Access**
 - » Internet bandwidth
 - » Hosted services:
 - E-mail, website hosting, VoIP
- **P1: Services only (no hardware or software)**

Priority 2 Services



- Internal Connections
 - » **LAN Infrastructure:** switches, routers, hubs, wireless, cabling
 - » **Telephony Infrastructure:** PBXes, VoIP, call processing, voicemail
 - » **Video Infrastructure:** codecs, MCUs, streaming components

Priority 2 Services



- Internal Connections (continued)
 - » **Servers:** eligible depending on use by applicant. Eligible uses include:
 - DNS/DHCP, e-mail, web, firewall, video distribution, proxy/terminal
 - » **Software:** Operating systems, server application stacks, and most access licensing
 - » **Virtualization:** eligible servers may be virtualized

Priority 2 Services



- **Basic Maintenance of Internal Connections**
 - » Repair and upkeep of eligible components
 - » Basic technical support
 - » Software bug fixes/patches/minor updates
 - » Configuration changes
- **Ineligible Maintenance:**
 - » Extended/upgraded warranties
 - » Advance hardware replacement

Ineligible Products



- **End-user equipment**
 - » Desktops, laptops, netbooks, handhelds, large format displays, projectors, peripherals (cameras, speakers, etc), end-user applications
- **Ineligible server uses**
 - » Document/content storage, print servers, database servers, application servers, virtual desktops
- **Non-critical infrastructure**
 - » Anti-virus, anti-spam, IDS/IPS, content filtering, e-mail archiving, physical security, collaboration applications

Ineligible Products



- **Cloud Services/Cloud Computing**
 - » “Cloud” applications and services ineligible
 - » Exceptions: hosted e-mail, websites, and VoIP
- **Virtual Desktops**
 - » Ineligible in all configurations (hosted or premise)
- **Ineligible Software**
 - » Curriculum, instructional, and end-user apps
 - » Student information/learning management apps

E-rate Process Overview

Applicant Steps



- Determine technology needs
- Conduct a “fair and open” competitive bid:
 - » Receive bids, quotes, proposals
 - » Evaluate and select vendors
 - » Sign contract(s) for goods and services
- Submit funding application for review
- Complete funding request review process
- Begin receipt of service
- Prepare payment paperwork

Vendor Steps



- Search for service requests
 - » Submit bids, quotes, proposals
 - » Sign contract(s) for service
- Support applicant during application review
- Deliver services
- Invoice applicant
- Sign and/or submit E-rate payment paperwork

Payment Process



- **Discounted invoicing**
 - » Applicant pays vendor non-discounted portion
 - » Vendor invoices USAC for discounted portion
- **Reimbursement**
 - » Applicant pays vendor invoices in full
 - » Applicant submits reimbursement paperwork
 - » Discount is remitted to applicant (through vendor)
 - Reimbursement payments may be used for any purpose by the applicant, including purchase of ineligible

Compliance Best Practices



- Know the rules
 - » Competitive bid process heavily scrutinized
- Watch the deadlines
- Be strategic
 - » Demand outpaces supply 2:1
- Retain good records
- Avoid gifts and free services

SIIA Guide to the E-rate



- E-rate in greater detail
 - » Eligibility and processes
 - » Program compliance
 - » Best practices
 - » Facts, statistics, glossary
- Available from SIIA

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Education Division



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Additional Resources



- Funds For Learning
 - » www.fundsforlearning.com
 - » News, analysis, commentary
 - » Upcoming events and trainings
 - » FFL services and E-rate Manager
- Universal Service Administrative Company
 - » www.usac.org/sl

Thank you!

