

A library's guide to getting the most out of E-rate



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Libraries play a pivotal part in their communities. They serve as hubs of learning and exploration, and they also connect patrons who lack computers or home internet access with essential digital resources. As a result, having reliable and cost-effective connectivity is a top priority for libraries.

The federal E-rate program has offered financial support to libraries to establish and maintain internet access for their communities for more than two decades. With funds to enhance their IT infrastructures, libraries can better serve their communities and be more relevant by offering emerging STEM technologies like 3D printers, robotics programs and coding platforms, as well as dependable WiFi service throughout their buildings.

To get the most out of the E-rate program, libraries need to plan in advance. This guide is designed to help libraries understand the program and how to maximize funding to support their growth strategies to meet community needs.

A brief explanation of E-rate

E-rate is the nation's largest technology program designed to expand and improve broadband internet access for libraries and K-12 schools. It does this by offering subsidies that make connectivity services more affordable. With funding from the Universal Service Fund, E-rate provides discounts on internet access and internal network connections, including managed internal broadband services (MIBS), to eligible libraries and schools.



E-rate eligibility rules for libraries:

- Your library must be eligible for assistance from your state library administrative agency under the federal Library Services Technology Act (LSTA).
- Your budget must be separate from that of a school or district. (e.g., K-12 libraries would not apply for E-rate funding; instead, their school or district would apply).
- Your library cannot operate as a for-profit business.

In general, public libraries are eligible for E-rate support, but most academic libraries are not. Contact your state library system or the Universal Service Administrative Company (USAC), the entity that oversees E-rate, if you have questions about your eligibility.

There are two categories of services funded by E-rate. Category 1 includes internet access and Category 2 includes internal connections, basic maintenance and MIBS. Each eligible library system can obtain discounts of up to 90 percent of the cost of Category 1 services and up to 85 percent of the cost of Category 2 services, depending on the financial need of the communities they serve and whether they are considered urban or rural.

Libraries are limited in the amount of Category 2 services they can seek discounts on based on the square footage of their facilities. This funding cap is \$4.50 per square foot on the pre-discount cost of Category 2 services over five years, with a minimum funding floor of \$25,000. That means a library with 10,000 square feet of space would be eligible to apply for E-rate support on up to \$45,000 in Category 2 services over a five-year period (10,000 x \$4.50), but a library with only 5,000 square feet of space could apply for discounts on up to \$25,000 worth of Category 2 services (because 5,000 x \$4.50, or \$22,500, is less than \$25,000).

E-rate also supports special construction projects to bring fiber networks to eligible applicants if service is not already available. The Federal Communications Commission (FCC) defines special construction as “one-time costs of physically building new or upgrading network facilities and the services required to complete the deployment.” This helps libraries and schools more easily upgrade their connectivity services.

Planning for success

Planning for E-rate takes considerable effort. The Schools and Libraries Program of the Universal Service Administrative Company (USAC) manages E-rate for the FCC. There are many moving pieces in this process — with some being essential for receiving your funding. The application process can become challenging to navigate fairly quickly, and larger libraries often have dedicated personnel to manage it. Here's a look at the typical process over the course of a fiscal year.



E-rate at-a-glance — Activities by season



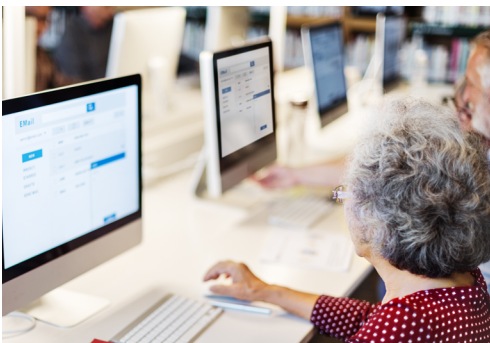
Fall:

- Review E-rate rules.
- Check eligible services list.
- Determine E-rate needs for the next funding year (which begins each July 1).
- Check available funding.
- Publish RFPs.
- File Form 470 to request services (typically in October/November), opening the 28-day competitive-bidding process.



Winter:

- Evaluate all bids.
- Present proposals and contracts to board for approval.
- Sign contracts with service providers following the mandatory 28-day bidding period.
- Determine E-rate discount for the new funding year.
- File Form 471 with USAC before the specified deadline (typically mid-March).
- Prepare to certify online in the E-rate Productivity Center (EPC) program portal.



Spring:

- USAC Program Integrity Assurance (PIA) staff reviews all applications.
- Funding decision letters sent.
- Appeals must be sent within 60 days.
- Submit cancellation notifications to providers in writing within 60 days of end of service.
- Prepare to begin new service on July 1.



Summer:

- Funding year begins July 1.
- Confirm start of services and CIPA compliance by filing Form 486.
- File reimbursement requests (Forms 472/474).
- Determine if there is any unused funding from the previous year.
- Consider if there is a need for a service delivery extension.

All forms, rules, regulations and yearly deadlines can be accessed on the [USAC website](#).

Key E-rate process milestones

There are many steps to the E-rate process that all applicants must attend to. Here are the key milestones that libraries should be aware of to apply successfully. It is important to note that libraries follow the same process as schools when applying. All forms, rules, regulations and yearly deadlines can be accessed on the [USAC website](#).

1. Form 470: This form opens the competitive-bidding process. Applicants use it to describe the products and services they are seeking. It must be filed for applicants to solicit bids.

2. 28-day waiting period: Once Form 470 has been filed and approved, libraries must wait 28 days before reviewing bids. Applicants then must choose the most cost-effective bid that provides product integrity and works best with their existing infrastructure.

3. Form 471: After service providers are selected and contracts are signed, libraries must submit Form 471. This form requires information about the services for which you are seeking discounts, including costs, details and location of deployment.

4. Application review: USAC will check all applications through a process called Program Integrity Assurance (PIA). If there are any questions on the application, the applicant must respond in 15 days. If no response is submitted during the PIA process, USAC can deny funds.

5. Funding decision: Once the application is reviewed, USAC will issue a funding commitment letter. If the project is approved, libraries must submit Form 486 before USAC makes payments.

6. Form 486: In this form, libraries must confirm the start date of services and that they comply with the Children's Internet Protection Act (CIPA).

7. Invoicing: Invoicing can occur in two different ways. If the library pays its service provider for the full cost of services, the library can be reimbursed directly from USAC. The library will have to file Form 498 to provide banking information and then must file Form 472 to request reimbursement. The second option is for the service provider to handle the reimbursement process with USAC. Under this option, the library pays the discounted price to the service provider, and the service provider invoices the USAC for the difference.

An E-rate success checklist:



Determine your point person.



Collect your resources.



Make a schedule of due dates.



Take an inventory of connectivity needs.



Find trusted partners.



Be prepared for success

Developing a strategic plan that addresses your long-term needs will help you focus on the application process. Be sure to take advantage of the complimentary training and materials offered by USAC.

Being successful in the E-rate process is all about planning. Starting early and planning several years in advance can help you get ahead of the bidding process.

Spectrum Enterprise solutions available through E-rate:

Fiber Internet Access, Ethernet Services, Managed SD-WAN, Managed WiFi, Managed Router Service and Managed Security Service.

Learn more

About Spectrum Enterprise

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