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	1. Log No. ACF-IM-HS-06-07	2. Issuance Date: 12/08/2006
	3. Originating Office: Office of Head Start	
	4. Key Word: E-Rate Discounts Available in Select States– Apply Now!	

INFORMATION MEMORANDUM [See Attachments]

TO: All Head Start Grantees

SUBJECT: Discounted Telecommunication and Internet Access: E-Rate

INFORMATION:

The Federal Communications Commission (FCC) has established a Schools and Libraries Universal Service Program to bring schools and libraries in America into the information age. This program, commonly known as the E-Rate, was established as part of the Telecommunications Act of 1996 and provides affordable telecommunications services for all eligible schools and libraries, especially those in rural and economically disadvantaged areas. Funding is capped at \$2.25 billion annually. The Universal Service Administrative Company (USAC) administers the program for the FCC.

The E-Rate supports connectivity—the conduit for communications using telecommunications services and/or the Internet. Applicants may request funds under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. **Applications must be filed annually and the deadline for filing is January 10, 2007.**

Discounts for support depend on the level of poverty and the urban/rural status of the population served. Discounts range from 20 percent to 90 percent of the costs of eligible services. Head Start programs in the states listed below are eligible for the higher discount rates. In real dollars saved, at the 90 percent rate, a monthly telecommunications bill of \$1000 would be \$100, for an annual savings of \$10,800.

In order for a Head Start program to be eligible, there must be language in their state statutes that authorizes education services and funding for preschools. Presently, grantees are eligible in the following states:

- 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.

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

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

E-Rate funds two types of services:

Priority 1 Services

- Telecommunication Services includes local, long distance, wireless and voicemail (does not require a technology plan)

- Internet Access (requires a technology plan)

Head Start programs should explore filing E-rate applications for Priority 1—telecommunication services. The cost saving is substantial, a technology plan is not required and the closing date is January 10, 2007. All priority one eligible applications are funded before priority 2 services.

Those programs with technology plans in place may consider also applying for **Priority 2. Priority 2 Services (requires a technology plan)**

- Internal Connections
- Basic maintenance of internalconnections

Application Process

The application process for telecommunication services (**Priority 1**) includes the following steps:

- Determine Eligibility
- Open a Competitive Bidding Process by submitting a Description of Services Requested **on-line** at <http://www.sl.universalservice.org/menu.asp> --- Form 470 (sample attached)
- Select a Service Provider
- Submit a Funding Request through Services Ordered and Certification Form 471 (sample attached)
- Undergo Application review by USAC
- Receive Funding Decision
- Begin Receipt of Services / Form 486
- Invoice USAC / Form 472 or Form 474

A more detailed explanation of the E-rate application process is attached or you can access the site at: http://www.universalservice.org/_res/documents/sl/pdf/els_archive/2007-eligible-services-list.pdf. This is a user friendly site established by the FCC, and programs are encouraged to access it directly.

Important Timelines

To obtain discounts for the July 1, 2007 – June 30, 2008 program year, Head Start programs must file **on-line** a description of services requested, **Form 470, by January 10, 2007**. Attached is a sample Form 470. Form 470 must be posted for 28 days to allow vendors the opportunity to bid on the services requested. Applicants may then select a vendor and submit a Services Ordered and Certification Form 471. **Form 471 must be submitted by 11:59 PM ET on Wednesday, February 7, 2007**. A sample Form 471 is also attached.

Head Start programs may contact the Head Start Knowledge and Information Management Services (HSKIMS) at (866) 763- 6481 for general information about E-Rate applications. To ensure swift service, please have the following information ready when you call:

- Legal name of agency
- Physical address (no P.O. Box)
- Mailing address (if different) City, State, Zip
- Telephone number and fax number
- Agency E-rate point of contact and e-mail address
- Type of organization (public, private, or religious)
- County or parish name
- E-mail address for the organization (not a personal e-mail address). If there is no e-mail address for the organization state "no e-mail address for the organization".
- Name, e-mail and contact information for the person making this request

Information Services staff members at HSKIMS will forward your information to the E-Rate consultant who will contact you directly.

Eligible Services

Only certain products and services, used in certain ways, are eligible for E-Rate. Eligibility is based on criteria established by statute and FCC rules. The Eligible Services List is one of the key documents that indicate the products and services that can receive E-Rate funding and the acceptable uses for those products and services.

The Office of Head Start will sponsor information webinars in 2007 for grantees to hear more about E-Rate for the 2008 funding period. The Office of Head Start has been advised that service providers and consultants may approach Head Start programs with offers to get E-Rate funding, some of which are not in the best interest of Head Start.

In 2007, The Office of Head Start will encourage all eligible Head Start programs to participate in **Priority 2 Services** – for the July 1, 2008 – June 30, 2009 E-rate program year. The FCC requires that Technology Plans be approved for reimbursement for many eligible services. Webinars, cluster trainings are being considered in 2007 and a tool kit is under development to support Head Start programs in applying.

The tool kit will be available on the Early Childhood Learning and Knowledge Center (ECLKC) at <http://eclkc.ohs.acf.hhs.gov/hslc>.

Sincerely,

Director
Office of Head Start

Attachments:

[E-Rate Process](#)

[Download Form 470](#)

[Download Form 471](#)

E-Rate Process for Internet Access in Priority 1 and Priority 2

Step	Activity	Details	Timeline and Comments	Link
Step 1	Determine Eligibility	<p>Federal and state laws determine eligibility.</p> <p>Apply for Entity Number and PIN</p>	Now	For more Information, go to: http://www.usac.org/sl/applicants/step01/
Step 2	Develop Technology Plan	<p>Tech Plan must be approved.</p> <p>Approved Plan not required for telecommunication services only.</p>	E-rate is three-year cycle. Technology Plan is developed prior to submitting Form 471.	For more Information, go to: http://www.usac.org/sl/applicants/step02/
Step 3	Open a Competitive Bidding Process	<p>Complete Form 470 and attachments</p> <p>Prepare an RFP for services at each Head Start Center</p> <p>Do NOT ask service providers for assistance with RFP or Form 470.</p>	<p>Deadline is January 10, 2007 for funding year 2007–2008</p> <p>November to January each year.</p> <p>Time is based on filing window for Form 471.</p>	For more Information, go to: http://www.usac.org/sl/applicants/step03/
Step 4	Select a Service Provider	<p>Follow local purchasing law, rule and procedures.</p> <p>Select most cost effective provider.</p>	November to January. Occurs no less than 28 days after filing Form 470.	For more Information, go to: http://www.usac.org/sl/applicants/step04/
Step 5	Calculate the Discount Level	<p>Complete Form 471 and attachments</p> <p>Form 471</p> <p>Item 21 Attachments.</p> <p>It is permissible to obtain assistance from service</p>	<p>Deadline is February 7, 2007 for funding year 2007–2008.</p> <p>Form 471 is completed no less than 28 days after Form 470.</p> <p>USAC sends the applicant a Receipt</p>	For more Information, go to: http://www.usac.org/sl/applicants/step05/
Step 6	Determine Your Eligible Services			For more Information, go to: http://www.usac.org/sl/applicants/step06/
Step 7	Submit Application for Program Support			For more Information, go to: http://www.usac.org/sl/applicants/step07/

Step	Activity	Details	Timeline and Comments	Link
		<p>providers for Item 21 attachments.</p> <p>Form 471 Receipt Acknowledgement Letter (RAL)</p>	<p>Acknowledgement Letter (RAL) when the Form 471 has been successfully data entered.</p>	
Step 8	Undergo Application Review	<p>USAC reviews all the Form 471 documents to verify the accuracy of discount percentages and ensure that support is committed only for eligible products and services.</p>	<p>Applicants should carefully review the Form 471 RAL and must notify USAC of any data entry errors within three weeks of the postmark date of the RAL.</p>	<p>For more Information, go to: http://www.usac.org/sl/applicants/step08/</p>
Step 9	Receive Funding Decision	<p>USAC issues one or more Funding Commitment Decision Letters (FCDLs) to both the applicant and the service provider(s).</p>	<p>Program funding commitment decisions are issued in "waves," or regular cycles. Generally, the funding year commitment waves will run on a regular bi-weekly schedule until such time that the only remaining applications are those held for heightened scrutiny.</p> <p>Priority One—all eligible telecommunications and Internet access services are fully funded first</p> <p>Priority Two—eligible requests for internal connections and basic</p>	<p>For more Information, go to: http://www.usac.org/sl/applicants/step09/</p>

Step	Activity	Details	Timeline and Comments	Link
			maintenance of internal connections from applicants with highest discount levels receive next priority	
Step 10	Begin Receipt of Services	<p>Complete FORM 486</p> <p>Before USAC can pay invoices, the billed entity must confirm: the start date of services, approval of the technology plan, and compliance with the Children’s Internet Protection Act (CIPA).</p> <p>USAC will issue a Receipt of Service Confirmation Form (Form 486) Notification Letter to both the applicant and the service provider(s) upon successful data entry of the form.</p>	<p>Form 486 cannot be filed before receipt of a Funding Commitment Decision Letter (FCDL) from USAC. The Form 486 must be postmarked no later than:</p> <p style="padding-left: 40px;">120 days after the Service Start Date featured on the Form 486, or</p> <p style="padding-left: 40px;">Commitment Decision Letter, whichever is later.</p>	<p>For more Information, go to: http://www.usac.org/sl/applicants/step10/</p>
Step 11	Invoice USA	<p>Form 474 and Form 472</p> <p>After eligible services have been delivered, service providers and school and library applicants may submit invoices for Universal Service Fund (USF) support.</p>	<p>Service Provider Invoice (SPI) (Form 474)</p> <p>Service providers may submit Form 474 to USAC seeking payment for services:</p> <p style="padding-left: 40px;">After the service provider provides the services or equipment to the applicant</p> <p style="padding-left: 40px;">After the</p>	<p>For more Information, go to: http://www.usac.org/sl/applicants/step11/</p>

Step	Activity	Details	Timeline and Comments	Link
		<p>FCC rules require USAC to pay universal service support to service providers and not directly to applicants. However, two invoice methods and program forms exist:</p>	<p>billed entity submits the Receipt of Service Confirmation Form (Form 486) verifying the service start date</p> <p>After the service provider has provided a discounted bill to the billed entity</p> <p><i>Billed Entity Applicant Reimbursement (BEAR) Form (Form 472)</i></p> <p>The billed entity and the service provider must jointly submit the BEAR form:</p> <p>Following the receipt of discounted eligible services</p> <p>After the billed entity submits the Form 486</p> <p>After the billed entity has paid the total amount (including the applicant's non-discount share and the amount of USF support to be paid by USAC) to the service provider</p>	