E-rate 2026 Workshop 1: E-rate Update and Procurement

MA Board of Library Commissioners
September 24, 2025

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Before We Start…

- Experimenting with shorter but more frequent trainings
- Slides/Updates:
  - Accurate to the best of our knowledge as of 9/18/2025) but…expect more changes
- Most updates are in SLD's News Brief issued *monthly*
  - Subscribe or view online on SLD web site (https://www.usac.org/e-rate/learn/news-brief/)
- Basic training videos, webinar links, and more available online at in USAC's Learn page at https://www.usac.org/e-rate/learn/

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Before We Start…

- Questions are welcome!
  - Goal to is make session as useful as possible to you
  - Please save your questions until after the presentation
  - Please try to note slide #'s if you have a question about them
  - Q&A at end of session for as long as you need it

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Quick Webinar Preview

- What We're Not Covering
- What's New in E-rate
- Intro to E-rate
- Review of E-rate Eligible Services
- Procurement Guidelines and Process
- Q&A

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What We're Not Covering

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What We're Not Covering

- FY2024 Invoicing
- FY2025 Form 486

- We're not covering them because all participating MA libraries have already filed FY2024 invoices and FY2025 Forms 486!

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What's New in E-rate

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What's New in E-rate

- *Consumer's Union v. FCC* resolved
- Likely changes to eligible services
  - Removal of hotspot lending services and school bus wi-fi
    - Should not impact bookmobile wi-fi
- USF Reform
  - Primarily around contributions, but could impact programs/services
- Calls for new Telecom Act

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Intro to E-rate

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Origin of E-rate and Available Funding

- Comes out of Telecom Act of 1996
  - Most subsequent changes the result of Federal Communications Commission (FCC) action, rather than Congressional action
- Discount Program on Eligible Services
- E-rate does not reach its funding cap – funding is available

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MA Libraries and E-rate

- FY2024: Libraries approved for $944k, have invoiced for $891k
- FY2025: Libraries already approved for $1.57M, with almost $200k still under review

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Application Process Overview

- Procurement: Form 470 and (optional) RFP
  - Bid Evaluation and Contract Award
- Application for Funding: Form 471
  - PIA review and award of funding (FCDL)
- Notification of Services Starting: Form 486
  - Receipt of services and compliance with CIPA
- Invoicing: BEAR (Form 472) or SPI (Form 474)
- Post-Invoicing: Audits, reviews, etc.

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FY2026 Expanded Timeline

- *All dates are estimates*
- Funding Year: July 1, 2026 – June 30, 2027
- Procurement/Form 470: July 2025 – December 2025
- Admin Window: mid October 2025 – mid January 2026
- Bid Evaluation and Contracting: November 2025 – February 2026
- Form 471: mid January 2026 – late March 2026

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FY2026 Expanded Timeline

- PIA Review and FCDL: April 2026 – July 2026
- Form 486: May 2026 – September 2026
- Last date for recurring services: June 30, 2027
- Last date for non-recurring services: September 30, 2027
- Invoicing BEAR (Form 472) or SPI (Form 474): July 2026 – October 2027/January 2028

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Review of E-rate Eligible Services

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Review of Eligible Services

- Eligible services divided into two categories:
  - Category 1 (Data and Internet) Services
  - Category 2 (Internal connections, Basic Maintenance of Internal Connections, Managed Internal Broadband Services)
- Eligible services list revised each year
  - ESL draft for FY2026 has not yet been released
  - Anticipate ESL will remove Wi-Fi hotspots, school bus Wi-Fi

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Review of Eligible Services: C1

- Category 1 (Data and Internet) Services to Library Facilities
  - Traditional Connectivity Services to Library Facilities
    - Ethernet Service
    - T-1, T-3, OC-1, OC-3, etc.
    - Cable modem, DSL
    - Satellite

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Review of Eligible Services: C1 (cont'd)

- Category 1 (Data and Internet) Services to Library Facilities
  - Fiber Services
    - Leased Dark Fiber
    - Leased Lit Fiber
    - Self Provisioned Broadband Networks*
  - Wireless Data Services to Bookmobiles*
  - Some terminating network equipment

* Requires RFP

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Review of Eligible Services: C2

- Category 2 Services and Equipment
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services

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Review of Eligible Services: C2

- Internal Connections (IC)
  - Hardware
    - Routers
    - Switches
    - Firewalls
    - Wireless Access Points
    - Wireless Controllers
  - Some licenses
    - Client Access Licenses
    - Right of Use Licenses

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Review of Eligible Services: C2

- Basic Maintenance of Internal Connections (BMIC)
  - Limited to eligible internal connections
  - "In Person Services"
    - Time and materials or otherwise contracted services
  - "Remote Services"
    - Basic support
    - Software upgrades
  - Some licenses ("maintenance")
    - Software updates and upgrades
    - Security updates and upgrades

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Review of Eligible Services: C2

- Managed Internal Broadband Services (MIBS)
  - Limited to eligible internal connections
  - Remote management/administration of internal connections components
    - Firewall management
    - Wireless network management
    - Network monitoring
  - Leased, managed equipment
- Lines between MIBS and IC/BMIC can become fuzzy but are critically important

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Conditional Eligibility

- Services are only eligible to the extend they are used by eligible entities at eligible locations for eligible purposes
- Conditional eligibility when
  - Mixed eligible and ineligible components (e.g. firewalls, licenses)
  - Eligible and ineligible locations (e.g. library sharing services with town hall)
  - Eligible and ineligible uses (e.g. library is multiuse facility)
- Conditional eligibility "cured" by cost allocation using tangible criteria to achieve a reasonable result

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Conditional Eligibility Example

- Library and Town Hall share Internet connection which costs $1,000/mo.
- Library has 8 computers and Town Hall has 2 computers
- Library is eligible for a 60% discount
- Library uses number of computers for cost allocation.
- Monthly reimbursement/discount is: $1000 * 80% (for computers) * 60% (for discount) = $480

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New C2 Budget

- Category 2 requests are constrained by a budget based on square footage for libraries
- FY2026 is the first year of a new C2 budget cycle – new budgets are ~20% higher than previous cycle
- Data will be available at opendata.usac.org and in EPC after mid-October
  - Remember, C2 budget applies to *pre-discount* cost – i.e. your discount is applied against that C2 budget
    - E.g. if your C2 budget is $100,000, and your discount rate is 60%, you can order up to $100,000 of eligible equipment and receive discounts or reimbursements worth up to $60,000.

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New C2 Budget

- Will need to validate data first time you apply during the new cycle
- Online tool will list C2 budgets as "Forecast," "Preliminary," or "Confirmed"
  - Forecast is USAC's estimate
  - Preliminary is based on library application that hasn't yet been funded
  - Confirmed is based on funded library application
- Online tool with automatically calculate budget for you (available after mid-October)

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C2 Budget Examples

- Libraries/library systems funded at $5.43/sq. ft.
- Funding floor for any entity is $30,175
- Any individual library under 5,557 sq. ft. would be at the funding floor ($30,175)
- 12,000 sq. ft. library would have a prediscount C2 budget of $65,160 (12,000 * 5.43)
- Remember, online system will do calculations automatically

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CIPA

- CIPA applies to all E-rate applications that include Internet Access or any Category 2 services
- CIPA requires internet safety policy, technology protection measure, public notice and a public meeting
  - Make sure you have the documentation in your files

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Procurement: Guidelines and Process

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Procurement Guidelines

- Procurement process must be "fair and open"
  - Fair: every vendor evaluated fairly and equally
  - Open: same information available to all potential vendors
  - Bottom line: all vendors must be treated the same, fairly, and equally
  - No preferential relationships with service providers
    - No ownership stakes in service providers
- Gift rules exist to help preserve fair and open
  - No gifts over $20 value, no more than $50/yr.
  - Advice: DO NOT ACCEPT GIFTS

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Procurement Guidelines

- Procurement is the most critical part of the E-rate process
  - Difficult to remedy errors
  - Remediation usually involves starting over – which is a problem since you normally only find out about problems after it's too late to start over
- Vendor involvement with the procurement process (e.g. needs assessment) can/will taint the procurement process
  DO NOT GET VENDOR ASSISTANCE WITH PROCUREMENT

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Procurement Process

- Identify needs
- Determine procurement options that work best for you
- Draft procurement (470/RFP) based on needs
- Release RFP and Form 470 (as applicable)
- Wait at least 28 days
- Evaluate bids and select service provider

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Identify Needs

- Determine current status of services
  - Current services and specifications
  - Contract Status
  - Whether current service meets current/future needs for upcoming funding years

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Determine Procurement Options

- Option 1: Just file a 470 (no RFP)
- Option 2: File a 470 and RFP
- Option 3: Use State Contract (ITT72)
- Option 4: Use CABIO or Tribal Libraries Exception

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Draft Procurement: 470/RFP

- Identify the services of interest
- 470 includes services and quantities you are seeking
- Can include links to outside regulations and related documents
- Can include RFP if RFP exists for some or all services

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Draft Procurement: 470/RFP

- RFP is optional (unless required under state/local regulations) except for bookmobiles
  - RFP is any document that provides information about the services sought or the bidding process
  - If RFP exists, it must be attached to the Form 470
    - Any modifications/addenda must also be attached
    - Can reset 28 day clock
- RFP can be simple or complicated based on your needs

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Draft Procurement: 470/RFP

- If you want to prepare an RFP, talk with us
  - Hundreds of RFPs available online and through EPC
  - Some sample RFPs available via MBLC
- New sample bookmobile RFP coming soon
- More detail in the Fall 2024 presentations

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Release Form 470/RFP

- Form 470 and RFP must be released at same time
- Once Form 470 and RFP are released you can solicit bids
  - Do so neutrally and widely
  - Do not provide inside information
  - Recommend direction to the Form 470/RFP for information

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Wait at least 28 days

- After the Form 470 is released, applicant must wait at least 28 days before closing the bidding
  - Can wait longer
  - Allowable Contract Date (ACD) on 470 Notification Letter is the earliest date bidding can be closed
  - 28 day waiting period is restarted if there are significant changes posted to your application (e.g. addenda/amendments to RFP)

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Evaluate Bids/Select Winning Service Provider

- Must evaluate all bids using an evaluation matrix
- Price of eligible goods and services must be most highly weighted factor
- Will cover in much more detail later this Fall

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Alternatives to Traditional E-rate Procurement: State Contract

- State Contract (ITT72) exists that allows libraries to bypass the Form 470 process
- Must still conduct a mini-bid process comparing the various vendors awarded under ITT72
- Guide for applying using state master contract at https://mblc.state.ma.us/programs-and-support/e-rate/state-contracts.php
  - Includes instructions, attachments, etc.

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Alternatives to Traditional E-rate Procurement: CABIO and Tribal Libraries

- Commercially Available Broadband Internet Offering (CABIO) – at least 100 Mbps down/10 Mbps up, commercially available, $3,600/yr. or less
- Tribal Libraries Exception – Category 2 services costing less than $3,600 per library can be purchased without a Form 470

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Final Thoughts

- October 1 training will cover filing the Form 470
- More on bid evaluation, vendor selection, Form 471, PIA review, 486, and invoicing in future trainings
- Don't be afraid to ask questions!
  - Ask us on MBLC's e-rate mailing list (e-rate@mblc.state.ma.us)
  - CSB: 888-203-8100 or in EPC (under Actions "select", "Contact Us" to get answers from USAC)
- Take advantage of E-rate if it can help you!
- Let us know if there are other topics you'd like to see covered (and what you think of the shorter, more frequent trainings)

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Questions?

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