



E-Rate FY 12 2009-2010

A Look Ahead

Presented by:
 Cathey George
 Texas E-Rate Coordinator
 Technology Planning and E-Rate Support Center
www.tpesc.esc12.net

Slide #1 ESC 12 FY 12 E-Rate Update Presentation/September 2008/Finance Services - TPESC



Agenda

- General Reminders
- A walk through E-Rate through auditor eyes
- Eligible Services List (ESL) comments

Slide #2



General Reminders

- Read and follow directions provided in:
 - Form instructions
 - Website guidance
 - Notification letters and other communications
- Provide complete documentation by responding to USAC
- Make sure you retain your documentation
- **Do not wait until the last minute**

Slide #3



Start Now

- **Update Contact Information**
 - Are there staff changes?
 - Did you hire a consultant and need to change the contact information?
 - Do you need a new BEN, change BEN name or address?
- **Technology Plan**
 - Does your technology plan cover the upcoming funding year?
 - Are the services you are requesting addressed in the technology plan?
 - Have you done your annual ePlan update?

Slide #4



Before you do the Tech Plan, complete the STaR Chart Process

Slide #5



STaR Chart


- Two sections to complete:
 - **Teacher STaR Chart**
 - A mandatory survey that is completed by every teacher, every year
 - **Campus STaR Chart**
 - A mandatory survey that must be completed by campus principals prior to submitting the district ePlan for approval or submitting any updates.



Slide #6



Once Completed:

- Once Campus STaR Chart is complete: 
- District can login to the ePlan system and either:
 - submit the Plan for approval, or
 - Complete an update to the current plan.



Slide #7



Campus STaR Chart uploads into ePlan

Section 3 of 4: Demographics

Texas Campus STaR Chart Completion:	
Number of Campuses that are required to complete the Texas Campus STaR Chart	3
Number of Required Campuses that have completed the Texas Campus STaR Chart	3
List of Campuses that have not completed the Texas Campus STaR Chart	
Percentage of Required Campuses that have completed the Texas Campus STaR Chart	100



Slide #8



Content of the Technology Plan

1. Create Technology Plan

Slide #9



- Technology plans support and validate the services requested on the Forms 470 and 471. Specific services requested must be consistent with the applicant's technology plan.



Slide #10



- Technology plans must be **written** before submission of the Form 470.
 - All 5 areas need to reflect what is in the 470:
 - Goals
 - Professional Development
 - Needs Assessment
 - Budget
 - Evaluation



Slide #11



Technology Plans must be **approved before** services start or **submission** of the Form 486.



Slide #12



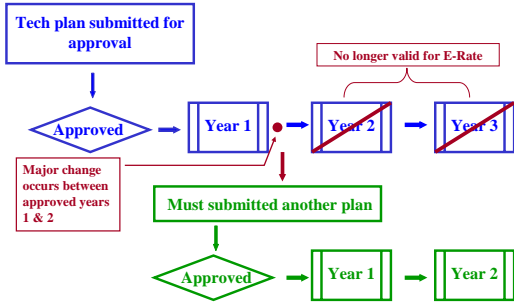
- If you want to order services beyond the scope of the existing plan, you have to prepare and timely submit a **new** plan for approval.



Slide #13



ePlan Process



1. Create Technology Plan

Slide #14



A walk through E-Rate through auditor eyes

Slide #15



Why Conduct Audits?

- Required by Law
 - Inspector General Act of 1978, as amended.
 - Improper Payments Information Act (IPIA)

Slide #16



Improper Payments

- Can be based on inadequate documentation.
- Per OMB, "when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error."

Slide #17



Types of Audits

USAC Internal Audit Division (IAD) Audit

- Performance Audit
 - Targeted based on
 - Specific request from USAC management or FCC.
 - Media report or credible whistleblower complaint.
 - Internal Audit Department risk assessment.

Slide #18



Types of Audits

FCC OIG IPIA Audits

- Attestation Audit
 - Audit firm performs an **examination** and provides an **opinion** as to whether the application process followed applicable program rules.
 - Audit firm provides a **letter** addressing any *non-material non-compliance* (if any).

Slide #19



FCC OIG IPIA Audits

Attestation Audit Outcomes

- Unqualified opinion - "clean".
- Qualified opinion - "except for".
- Adverse opinion - negative opinion.
- Disclaimer - unable to express an opinion.
- Withdrawal from the engagement.

Slide #20



FCC OIG IPIA Audits

- What Happens After the Firm Completes the Examination?
 - Firm will provide auditee's an opportunity to respond to draft findings.
 - Auditee's response will be incorporated into examination report.
 - USAC completes management response (if any).
 - Attestation report and USAC response presented to USAC Board of Directors.
 - After Board review and approval of USAC management response, USAC - IAD will send the report to the auditee.

Slide #21



FCC OIG IPIA Audits

Types of Data Being Collected by OIG

- Rates of Compliance with FCC Rules.
 - Frequency of Non-compliance.
 - Material and non-material non-compliance.
 - Causes for non-compliance.
- Improper Payment Rate.
 - Over-and under-payments considered improper.
 - Disclaimers driven by lack of supporting documentation result in 100% of disbursements being considered improper.

Slide #22



IPIA Round 1 Results

10/2/2007

- Numbers of Audits

▪ High Cost	65
▪ Low Income	61
▪ Schools & Libraries	155
▪ Rural Health Care	89
▪ Contributor Revenue	<u>90</u>
TOTAL	460
- 13 accounting firms were needed to perform the audits.
- 4 firms were needed to provide audit quality assurance.

Slide #23



IPIA Round 1 Results

- OIG Round 1
 - "In general, the audits indicated compliance with the Commission's rules"
 - OIG-reported improper payment ("IPIA") rates by program:
 - High Cost - 16.6%
 - **Schools and Libraries - 12.9%**
 - Low Income - 9.5%
 - Rural Healthcare - 20.6%
 - Contributor Revenue - 5.5%

Slide #24



IPIA Round 1 Results

- Causes of improper payments:
 - Lack of documentation.
 - Most often occurred with respect to invoices supporting reimbursement forms.
 - Also included documentation supporting discount calculation, contracts with service providers and competitive bidding documents.
 - In most cases, the **lack of documentation** resulted from beneficiaries not maintaining files designed specifically to support their E-Rate requests.

Slide #25



IPIA Round 1 Results

- Causes of improper payments cont.:
 - Inadequate asset tracking systems.
 - Beneficiaries did not maintain accurate inventory records, therefore auditors could not account for all funded equipment.

Slide #26



IPIA Round 1 Results

- Causes of improper payments cont.:
 - Discount calculation discrepancies.
 - For 20% of the selected FRNs, the auditors noted differences in the Block 4 numbers when compared to the beneficiaries' supporting documentation.
 - These differences were mainly attributed to beneficiaries not maintaining the actual source date used to complete Block 4. Instead, the beneficiaries provided the auditors with data from the same general time period.

Slide #27



IPIA Audits Round 2

- Number of Audits:
 - Schools & Libraries – substantially more than Round 1.
- Audits were completed by 7/31/08.
- Audit reports must be completed by 9/30/08.
 - Reports will be approved by the USAC Schools and Libraries Committee.
 - Sent to auditee within 1 week of approval.

Slide #28



IPIA Audits Round 2

- Round 2 Challenges
 - Substantially more audits; significantly less time.
 - 5 new audit firms added to meet deadline.
 - Scope based on entity activity vs. single FRN.

Slide #29



IPIA Audits Round 3

- Expect continuing improvement in the audit experience.
 - Firms and USAC gaining valuable experience with each Round.
 - Firms better understand program rules.
 - Quality Assurance firms provide valuable overall feedback and training support.

Slide #30



The Audit Process

- Announcement letter
 - Phone call to answer questions and discuss site visit.
- Documentation requests
 - Documents received within 2 weeks of audit announcement.
 - Documents received at the time of site visit.
- Entrance Conference
 - Formal discussion to introduce audit staff, audit objectives, overview of the process, reporting and timing.

Tell them at this point that you want a daily update on findings.

Slide #31



The Audit Process

- Audit Work
 - Site visits vary in length.
 - Work is performed both at the beneficiary site and at auditor offices.
- Reporting
 - Performance Audit
 - Compliant, Generally Compliant, Not Compliant
 - Detailed Audit Findings (DAFs)
 - Attestation Audit
 - Unqualified, Qualified, Adverse, Disclaimer
 - Audit Findings
 - Management Letter

Slide #32



The Audit Process

- Exit Conference
 - Discuss audit findings in detail.
- Management Responses
 - Beneficiary Response.
 - USAC Management Response.
- Presentation to the Board
 - Reports presented in open session at the Schools and Libraries Committee.
- Final report sent to applicant.

Slide #33



Examples of violations that warrant recovery?

- Insufficient documentation of the competitive bidding process.
- Lack of necessary resources.
- Service substitutions that would not meet criteria established in the rules.
- Receipt of duplicative services.
- Failure to pay non-discounted share.
- Failure to complete service(s) within the funding year.
- Discount calculation violation.
- Services not provided for full funding year.
- Failure to have an approved technology plan.

Slide #34



Navigating Through the Audit Process

Slide #35



How to prepare for an audit?

- Provide documentation in a timely manner.
 - The efficiency of the audit will depend on the availability of your staff and the condition of the documentation made available prior to and/or during the course of the audit.
- Ask questions to ensure you are providing adequate documentation.
- Keep accurate and organized records.
 - E-Rate binder, organized by Funding Year.
- Maintain documents for 5 years after the last date to receive service.
- DOCUMENT everything!

Slide #36



Technology plans

Technology plan best practices

- The five required elements are clearly laid out in the technology plan.
- All technologies that are requested on Form(s) 470 are addressed in the technology plan.
- Technology plans are approved prior to the start of services.
- Technology plan and all updated versions are dated.
- Keep copies of all technology plan documents (draft technology plan, final technology plan and approval letter) in E-Rate binder.

Slide #37



CIPA

Documentation auditors may request

- Internet Acceptable Use Policy or Internet Safety Policy.
 - The Internet safety policy must address the following issues:
 - Access by minors to inappropriate matter on the Internet and World Wide Web.
 - The safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications.
 - Unauthorized access including "hacking" and other unlawful activities by minors online.
 - Unauthorized disclosure, use, and dissemination of personal information regarding minors.
 - Measures designed to restrict minors' access to materials harmful to minors.

Slide #38



CIPA

Documentation auditors may request cont.

- Record of a public hearing or notice.
 - Per the FCC's CIPA Order, there must be reasonable public notice and at least one public hearing or meeting to discuss the proposed Internet safety policy and technology protection measure.
 - Board meeting minutes, advertisements, etc.
- Evidence a technology protection measure was in place during the audited Funding Year.
 - Filter reports.
 - Documentation showing the purchase or renewal of filter equipment, software and/or licenses.
 - Must cover the Funding Year(s) being audited.

Slide #39



CIPA

Common audit findings

- Applicant did not have an Acceptable Use Policy or Internet Safety Policy.
- Applicant's Acceptable Use Policy or Internet Safety Policy does not contain the required five elements.
- Applicant did not conduct a public hearing or notice, or could not produce documentation to show that public hearing or notice occurred.

Slide #40



Discount Calculation

Documentation auditors may request

- Report of NSLP, Survey, Provision I, II, III numbers, etc. used to complete Block 4 of Form(s) 471.
 - Auditors will expect report data matches the data on Block 4.
- NSLP, Provision I, II, or III documentation submitted to TEA.
- If using NSLP numbers – evidence of verification per USDA guidelines.
- Sample of applications or surveys collected.
 - In July 2008, the FCC OIG and USDA reached an agreement that will allow sharing of NSLP information.

Be careful here!

Slide #41



Discount Calculation

Common audit findings

- Applicant can not provide discount calculation data used to complete Block 4 of Form(s) 471. Auditors must be able to perform recalculation of discount using other available data.
 - Possible recommendation of recovery of disbursed funding equal to the difference between the discount calculated by the applicant and the re-calculated discount performed by the auditors.

Slide #42



Discount Calculation

Common audit findings cont.

- Applicant uses ineligible discount calculation method.
- Applicant uses NSLP applications as survey.
 - Possible recommendation of recovery of disbursed funding equal to the difference between the discount calculated by the applicant using the survey method and the re-calculated discount performed by the auditors using the actual NSLP numbers.

Slide #43



Competitive Bidding

Documentation auditors may request

- State and local procurement regulations or policies.
- Request For Proposal (RFP), Request For Quote (RFQ), Public Notice, Advertisement, Emails, etc.
- All vendor responses and bids received (winning and losing).

Slide #44



Competitive Bidding

Documentation auditors may request, cont.

- Bid evaluation criteria, evaluation matrix, bid ratings.
- Memorandums, Board minutes, notes to file pertaining to procurement or bid evaluation process.
- Signed and dated contracts, service agreements, notice of award letters, etc.
- Contract amendments, addendums, extensions, etc.
- State contracts.
- Vendor correspondence.

Slide #45



Competitive Bidding

Common audit findings

- Documentation to support competitive bidding process was not maintained.
- Applicant did not consider all bids received.
- Applicant enters into agreement with a service provider prior to the 28-day waiting period after filing FCC Form(s) 470.

Slide #46



Competitive Bidding

Best practices

- Applicant thoroughly documents the competitive bidding process:
 - Maintains copies of RFPs, RFQs, etc.
 - Maintains copies of all bids received (winning and losing).
 - If no bids received in response to 470 or RFP/RFQ, applicant contacts service providers to solicit bids (this process should be documented/memorialized in a memo or email to the file)
 - Maintains copies of all bid evaluations.
 - Maintains copies of all correspondence with interested vendors.
- Applicant develops bid evaluation matrix.
 - Price is the primary factor.
 - Only relevant factors considered.

Slide #47

Bid Evaluation Matrix (Points Based) SAMPLE

There have been many requests for USAC to provide guidance with respect to what information should be included as you conduct your bidding process. Below is an example of information that may be helpful. In addition, retaining this type of information will be very helpful if USAC requests this information in the future. This example is not mandatory or intended to serve any other purpose than to respond to requests for guidance.

In this example, each factor is worth the same number of points as the weighting percentage. Vendors are rated on how well they met each factor. The entries for all factors are then totaled for each vendor. The winning bidder is the one with the highest number of total points. The cost of the eligible goods and services must be weighted most heavily.

No	Factors	Total Points Available	Vendor 1 143xxxxxx ABC Inc.	Vendor 2 143xxxxxx DEF Inc.	Vendor 3 143xxxxxx GHI Inc.	Vendor 4 143xxxxxx JKL Inc.
1	Cost of the Eligible Goods and Services	50	25	25	25	0
2	Experience	20	18	17	20	0
3	Availability	10	10	8	7	0
4	Minority Business Status	10	8	9	10	0
5	In State Preference	10	3	7	10	0
6	Cost of the Ineligible products	5	4	1	5	0
7	Project Management Expenses	5	4	1	5	0
Total Points		100	81	68	94	0

* This number must be higher than all of the other numbers in this column.

Winning Bidder: Vendor 3 (GHI, Inc.) is the winning bidder because it has the highest total points.

Disqualified Bidders:
Bidder Reason for Disqualification
 JKL, Inc. All interested bidders received two weeks' notice of a required pre-bid conference. JKL, Inc. did not attend this conference and did not provide a reason for its absence.

Revised 3/2008



Service Delivery & Inventory Management

Documentation auditors may request

- Fixed asset listing/Equipment inventory.
- Equipment packing slips.
- Documentation supporting receipt of maintenance services received.
- Documentation supporting applicant receipt of equipment installation (sign-off of work completed).

Slide #49



Service Delivery & Inventory Management

Common audit findings

- Funded equipment is not in use.
- Funded equipment can not be located.
- Ineligible equipment or services purchased with SLD funding.
- Spare equipment is purchased with SLD funding.

Slide #50



Service Delivery & Inventory Management

Common audit findings cont.

- Equipment is installed in ineligible locations.
- Applicant does not maintain documentation to show that maintenance services are received.

Slide #51



Service Delivery & Inventory Management

Best practices

- Applicants maintain equipment inventory with enough detail to locate all equipment funded by SLD.
 - Information to include, Funding Year, 471 number, FRN, Location, Serial number, Make & Model, USAC invoice number, Install Date, Customer Bill Information, Replacement Date, etc.
 - Sample inventory can be located at: http://www.usac.org/res/documents/sl/pdf/2007_training/samples-checklist-inventory-list.pdf

Slide #52



Service Delivery & Inventory Management

Best practices cont.

- Applicants verify work performed and maintain documentation.
 - When equipment or wiring is installed, applicant performs walk through and documents acceptance of work performed.
 - When maintenance is performed, applicant maintains documentation showing date of maintenance and detail of work performed.
- All documentation is maintained in E-Rate binder.

Slide #53



Effective Use

Documentation auditors may request

- Inventory of end user computers located in Block 4 entities.
- Maintenance contract(s) for end user computers.
- Professional development training log/curriculum.
- Sign-in/attendance sheets from training sessions.

Slide #54



Effective Use

Common audit findings

- Applicant does not possess, or has not budgeted for the purchase of, a sufficient number of end user computers.
- Applicant did not adequately train staff on the use of funded technologies.
- Applicant did not have the necessary internal connections to effectively use the supported services.
- Applicant does not have adequate electrical capacity to make use of the supported services.

Slide #55



Effective Use

Best practices

- Applicant documents inventory of end user computers in use.
 - This number does not have to be exact, however, it should at least be a good faith estimate. Auditors may make note of the number of computers in classrooms and administrative offices.
- Applicant maintains:
 - a list of the operating systems and software in use on end user computers.
 - copies of staff training syllabus and sign-in sheets.
 - copies of network diagrams.
- All documentation is maintained in E-Rate binder.

Slide #56



Invoicing, Payments and Reimbursements

Documentation auditors may request

- Customer bills – all pages, not just summaries.
- Reconciliation worksheets.
- Proof of payment of non-discounted amounts.
 - Cancelled checks, front and back
 - Bank statements
- Proof of reimbursement from vendor.

Slide #57

TPESC Invoicing, Payments and Reimbursements

Common audit findings

- Ineligible items or services invoiced to USAC.
- Billing to the cap – applicant seeks reimbursement for full committed amount, even though they were billed less.
- USAC is invoiced for equipment or services that were not provided or not installed.
- Applicant has not paid its non-discounted share of disbursed funds.
- Applicant or service provider does not maintain adequate records to support the amount invoiced to USAC for equipment or services.

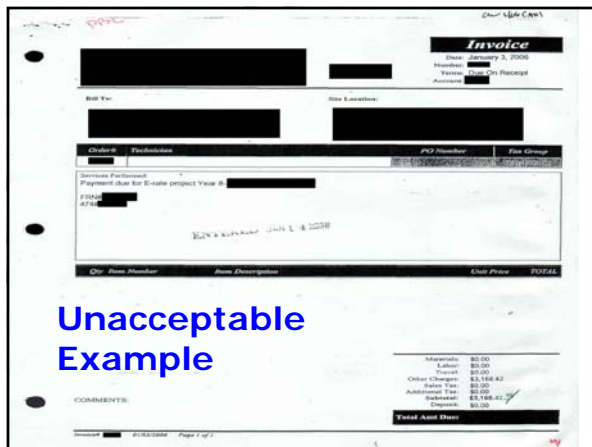
Slide #58

TPESC Invoicing, Payments and Reimbursements

Best practices

- Detailed bills – the bills should provide details pertaining to the equipment or services delivered.

Slide #59



ZFRN

Page 1 of 1

INVOICE	INVOICE NO.	INVOICE DATE	CUSTOMER PURCHASE ORDER
	REFERENCE NO.	PAYMENT TERMS	CONTRACT NO.

BILL TO CUSTOMER > NUMBER: [REDACTED] SHIP TO CUSTOMER > [REDACTED]

LINE	PRODUCT NUMBER	QTY.	UOM	PRICE	TOTAL
PARTS					
1	ATM-AMF128- 2.4 GHz 5.2 GHz Ceiling Omni Ant. w/RP-T	142	Each	99.261972	14,105.20
2	ATM-OMC812100- 1200 FlatFork Console Cable	142	Each	6.17993	877.55
3	FREIGHT FREIGHT CHARGES	1	Each	0.00	0.00

Acceptable Example

FOR QUESTIONS REGARDING YOUR ACCOUNT PLEASE CALL [REDACTED] OR VISIT [REDACTED]

DUPLICATE:	14,930.75
TAX:	2,000.00
20% TOTAL DUE:	17,930.75
2,000.00	2,000.00

TPESC

Invoicing, Payments and Reimbursements

Best practices cont.

- All bills are maintained, not just summary pages.
- Copies of cancelled checks, or other proof of payment of non-discounted portion, is obtained and maintained.
- All bills are paid in a timely manner - ≤ 90 days.

Slide #62

TPESC

Invoicing, Payments and Reimbursements

Best practices cont.

- Applicant performs a reconciliation or verification of all bills received.
 - Shows any ineligible items or services deducted from amount invoiced to USAC.
 - Shows applicant's verification that equipment or services were delivered or installed.
- Applicant maintains copies of reimbursement check(s) from service provider(s).
- All documentation is maintained in E-Rate binder.

Slide #63



Miscellaneous

Other documentation auditors may request

- Copies of all forms and correspondence with USAC.
 - 470
 - 471
 - Item 21 Attachments
 - 472
 - 474
 - 486
 - 500

Slide #64



Miscellaneous

- SPIN change documents
- Appeal documentation
- Service Substitution documentation
- Quarterly Disbursement Reports
- RNL(s), RAL(s), FCDL(s), 486 notification letter, 500 notification letter, BEAR notification letter, etc.
 - While the documentation sent to PIA is provided to the auditors, auditors prefer to view the original documentation.

Slide #65



Helpful Information

- Audit information on SLD's website
 - <http://www.usac.org/sl/about/audits/default.aspx>

<p>About the Schools and Libraries Program</p> <ul style="list-style-type: none"> • Overview of the Program • Overview of the Process • Outreach and Training • Site Visits • Filing Appeals • Understanding Audits <p>Schools and Libraries Tools:</p> <ul style="list-style-type: none"> • Apply Online • Comments • Submit a Question • Label Names • Calculate Reminders • Required Forms • Reference Area • Search Tools • Changes and Corrections • Suspensions and Delinquencies • Program Compliance - Who's Who • Submitting A Complaint 	<p>Understanding Beneficiary Audits</p> <p>The primary purposes of audits are to ensure compliance with FCC rules and program requirements and to assist in the prevention and detection of waste, fraud, and abuse.</p> <p>When selected for an audit, the auditor's designated contact person will be contacted by a member of the USAC Internal Audit Division. In addition, an announcement letter will be sent to the applicant, with copies sent to all affected service providers, detailing the purpose and scope of the audit, making a request for pertinent data, and stating the date upon which the data is due.</p> <p>How beneficiaries can help:</p> <ul style="list-style-type: none"> • Provide requested documentation in a timely manner • Ask questions to ensure that you are providing adequate documentation • Maintain documentation, for five years, for data submitted to USAC 	<p>Understanding Audits</p> <ul style="list-style-type: none"> • Demonstrate Compliance • E-File Sheet • Audit Fact Sheet • Auditor's Observations • RAL • Round 4 • Audit Presentations
---	--	--

Slide #66



Cost Allocation

- Products or services containing ineligible components may be **cost allocated** so USAC funds only the eligible portion
- Must be based on tangible criteria that provide a realistic result

Slide #70



Cost Allocation Method

- Straight Line method:

$$\frac{\text{Number of eligible functions}}{\text{Number of total functions}} = \text{Eligible \%}$$
- Example: A server is being used for:
 1. DHCP (eligible)
 2. DNS (eligible)
 3. Applications (ineligible)
$$\frac{2}{3} = 67\% \text{ Eligible}$$

Slide #71



67% Condition and Amortization

Slide #72



On-Premise Priority One Equipment Reminders

- In certain limited circumstances, Priority Two equipment may be requested in the Priority One category
- The equipment must be leased by the service provider and meet the [On-premise Priority One equipment](#) conditions

Slide #73



67% Rule for On-Premise P1 Equipment

- The Installation and Lease of On-Premise Priority One equipment must be < 67% of the total charges

$$\frac{\text{Lease and install of equipment}}{\text{Total Charges}} = 67\%$$

- Note: Costs for equipment and installation located outside of applicant facilities need not be included

Slide #74



67% Rule Ex. 1

On-Premise Equipment Lease \$7,000	}	\$8,000	= 25.6%
On-Premise Equipment Install \$1,000			
<hr/>			
On-Premise Equipment Lease \$7,000	}	\$31,200	
On-Premise Equipment Install \$1,000			
Off-Site Infrastructure Cabling \$10,000			
Annual Circuits (\$1,000 x 12 mo.) \$12,000			
Annual Maintenance (\$100 x 12 mo.) \$1,200			

On-premise equipment costs are <67%

Slide #75



67% Rule Ex. 2

On-Premise Equipment Lease \$10,000	}	\$35,000	= 79%
On-Premise Equipment Install \$25,000			
<hr/>			
On-Premise Equipment Lease \$10,000	}	\$49,200	
On-Premise Equipment Install \$25,000			
Off-Site Infrastructure Cabling \$1,000			
Annual Circuits (\$1,000 x 12 mo.) \$12,000			
Annual Maintenance (\$100 x 12 mo.) \$1,200			

On-premise equipment costs are >67%
Does not meet the eligibility for
On-Prem. P1

Slide #76



Amortization of Service Provider Capital Investment Costs

- Priority One Services can include service provider equipment costs for capital investments by the service provider
- If the upfront or non-recurring charge of a multi-year contract is \$500,000 or more the total charge must be prorated evenly over a period of at least three years
- Must pass the 67% condition first before amortizing

Slide #77



Amortization Ex. 1

- Example 1:
Three year contract for fiber installation and service. Non-recurring charges (NRC) for this installation is \$900,000
- \$900,000/3 years= \$300,000 NRC/ year

Slide #78



Amortization Ex. 2

- Example 2:
Five year contract for fiber installation and service. Non-recurring charges for this service are also \$900,000.
 - $\$900,000/5 \text{ years} = \$180,000/\text{year}$

Slide #79



Interconnected Voice over Internet Protocol (VoIP)

Slide #80



Interconnected VoIP

- Interconnected VoIP
 - Requires
 - A broadband connection from the user's location
 - Internet protocol-compatible customer premises equipment (CPE)
 - Provides
 - Real-time, two-way voice communications
 - Allows for calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

Slide #81



Interconnected VoIP

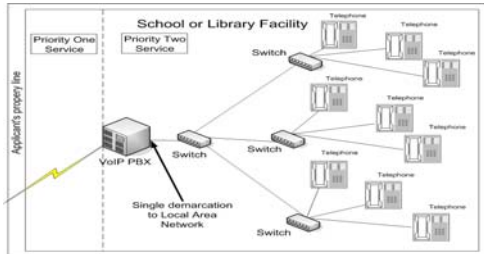
- Priority One Services
 - An eligible telecom provider may provide Interconnected VoIP service
 - USAC highly recommends posting in both Telecom and Internet Access on Form 470
 - May be filed on Form 471 in either category if both categories were checked on Form 470

Slide #82



Interconnected VoIP

- Leased VoIP and PBX equipment are NOT eligible for Priority One funding



- By removing the VoIP PBX equipment, the local voice network will cease to function. This equipment is eligible ONLY as Internal Connections.

Slide #83



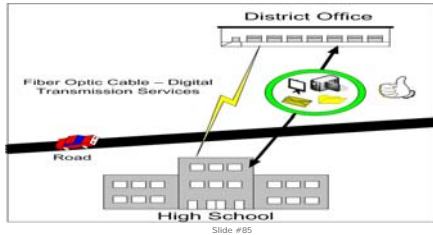
Wide Area Networks Priority One

Slide #84



Telecommunication Wide Area Network

- Digital transmission services used to link Local Area Networks (LANs) into Wide Area Networks (WANs) are eligible as a Telecom service





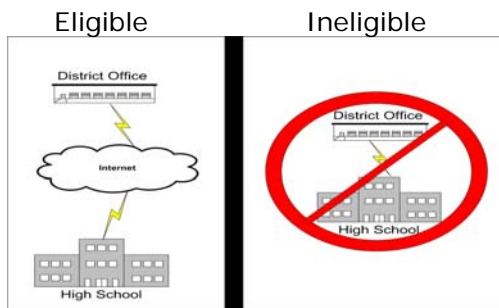
Internet Access Wide Area Network

- Eligible if used ONLY for basic conduit access to the Internet
- Must be the most cost-effective means of accessing the Internet
- May not be used to send video, voice or data across your WAN

Slide #86



Internet Access Wide Area Network





Non-Instructional Facilities (NIF) and Internal Connections

Slide #88



Non-Instructional Facilities

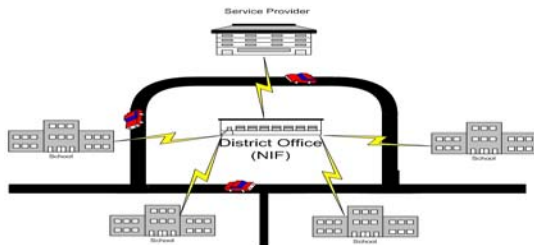
- Eligible for Priority 1 services (Telecommunications Services and Internet Access)
- Eligible for Priority 2 services only if the services are essential for the effective transport of data to classrooms

Slide #89



Non-Instructional Facility (NIF)

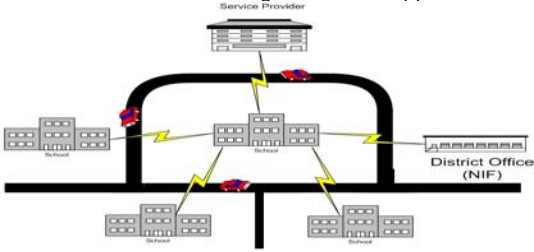
- Scenario One: NIF as a hub. This NIF is essential for the transport of info to the Schools and is eligible for P2 funding



Slide #90

TPESC Ineligible for Priority 2 NIF

- Scenario Two: NIF as an end-point. The schools would maintain service if the NIF were removed, therefore the NIF is ineligible for P2 support



Slide #91

TPESC Eligible Services List ESL

SLD request clarification on the following:

- Ineligible
 - E-mail Archiving
 - Intranet Web Hosting
 - Video-on-Demand Servers
 - Softphones

Slide #92

TPESC Eligible Services List ESL

Comments filed by other organizations:

- Eligible
 - Filtering
 - Text messaging
 - All voice communication services should be 'basic' phone service
- Ineligible
 - Telephone Broadcast messaging
 - Dark fiber

Slide #93



Changes to TPESC Contacts

- **ePlan:** Effective immediately all calls/emails for ePlan go to:
 - Phone: 512-463-9400
 - Email: eplan@tea.state.tx.us
- **STaR Chart:** Effective January 2009 all calls/emails for STaR Chart go to :
 - Phone: 512-463-9400
 - Email: starchart@tea.state.tx.us

Slide #94



Just so you know...

- NCLB Project questions need to be directed to:
edtech@tea.state.tx.us

Slide #95



Questions may be
emailed to:

erate@esc12.net

Thank You!

Slide #96
