

# State of Michigan E-Rate Enhancement Special Construction Matching Fund Grant FAQ for E-Rate Funding Year 2020

What is the goal of these funds?

The goal of these grant funds is two-fold:

- Leverage up-to an-additional 10% applicant discount from Universal Service Administrative Company (USAC) with a dollar-for-dollar match from the state of Michigan.
- Improve broadband infrastructure for the unserved and underserved local education agencies (LEAs), libraries, or consortia groupings of those E-Rate eligible entities.

Who is eligible to apply for these funds?

Because these dollars leverage additional E-Rate discount, grant applicants must be eligible E-Rate applicants. If you are unsure if you are an eligible E-Rate entity, you can check the USAC website [HERE](#).

What projects are eligible to receive these grant funds?

These grant funds, through their availability, leverage an additional E-Rate discount from USAC on one-time special construction costs related to a fiber build, but only those one-time costs. Those cost include, but are not necessarily limited to:

- Design
- Engineering
- Project Management
- Digging Trenches
- Laying Fiber

What types of costs are **not** eligible for the extra USAC discount and state matching grant dollars?

- Any recurring Category 1 costs related to an E-Rate filing, including charges related to internet access or transport.
- Any Category 2 related costs.

What factors will be considered when ranking and awarding funds?

Priority will be given to applicants that show:

- Need-based applications
  - Improving connection speeds that do not meet the minimums laid out in [MI RoadMap](#)
  - Applicants with E-Rate high discount percentages and/or serving high concentrations of under-represented student groups
  - Overcoming geographical challenges
    - Limited speed/provider options
  - Applicants currently leasing a connection

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- Opportunity for cost savings over time
  - Inclusion of library entities, where possible
  - Connections back to a local ISD for Michigan State Education Network (MiSEN) intranet/internet service

What is the process flow for this grant program, starting with project development through fund disbursement?

An aggressive **sample** timeline through the 471 window is shown below for the upcoming E-Rate Funding Year 2020. It will help put the processes for the Matching Fund into perspective. These projects can take a minimum of nine to 18 months or more to plan, bid, vet and choose a vendor. It is important to plan accordingly.

2019	2019	2019	2019	2019	2019	2020	2020	2020
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Identify needs/questions and develop RFI	Continue RFI development.	Post RFI and begin drafting RFP using template	Vendor meetings early Oct and open RFIs late Oct.	Develop RFP with RFI input	470 and RFP posted- vendor meetings held	Bids accepted late January	Evaluation and selection	471 window closes Mid- March

The basic process applicants will navigate to receive state match and additional E-Rate discount in Funding Year 20 is as follows:

1. Applicant begins planning the project
2. Applicant certifies Form 470 and RFP (Form 470 Window OPENS on July 1<sup>st</sup> each year)
3. Applicant chooses a vendor and signs a contract
4. Applicant completes application for state matching funds
  - a. Tentative Matching Fund Application Deadline: March 15<sup>th</sup>, 2020
5. Applicant receives notice of conditional approval from MDE
6. Applicant certifies Form 471 in window
  - a. Applicant selects YES on matching fund question
  - b. Applicant includes notice of conditional approval with other submitted documents
7. Applicant completes Program Integrity Assurance (PIA) review and receives the additional USAC discount (up to 10%)
8. Contracted vendor begins project
9. At completion of the project, when service has begun, applicant provides proof of service to USAC and MDE
10. MDE completes internal processes to release funds to applicant through CMS and SIGMA.

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How and when will granted funds be disbursed?

Disbursement of funds on approved grant applications that are also approved for funding and additional discount by USAC will occur upon completion of the project. The grantee will provide proof of project completion and proof of service. USAC requires the same documentation.

Awarded applicant entities must ensure that they are entered in SIGMA to receive payouts.

How long must an awarded applicant keep documents related to the project and grant award?

Per E-Rate rule, all documents related to the project must be kept for a MINIMUM of 10 years past the last date of service. Applicants should maintain records all records for at least 10 years from the close of the project and receipt of funding from USAC and the state of Michigan.

How does MDE define a Signing Authority?

The signing authority at your applicant entity must be empowered by the organization to enter that entity into legally binding agreements. District or ISD/RESA Superintendents and library directors would fit this description.

If you have questions, please contact Joe Polasek, E-Rate State Coordinator at

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