

Kids Link Colorado
State Matching Fund Frequently Asked Questions

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Section 1: Colorado Fiber State Matching Fund

1. What is a state matching fund?

In the Second E-rate Modernization Order, the Federal Communications Commission (FCC) adopted rules providing additional Category One funding to match any appropriated state funding for the one-time, upfront "special construction" costs to connect schools and libraries to high-speed broadband services. The eligible costs include design, engineering, project management and construction costs related to the building of new broadband infrastructure necessary for the E-rate applicant to receive the level of broadband service requested on the applicant's FCC Form 470.

Specifically, these new rules allow the FCC's E-rate Program to provide up to an additional 10% to match of any appropriated state funding for fiber special construction on a one-to-one dollar basis. For example, if a state has a fiber special construction matching fund providing 10% of post-E-rate discount cost, E-rate will match the state's 10%. Thus, an applicant in that state with a 70% E-rate discount would realize a 90% total discount on the special construction costs. However, the applicant *must* have an authorization from the state committing to supplying funding prior to filing the FCC Form 471.

For more information on the FCC E-rate match program please see [Additional Discount to Match State/Tribal Funding for Special Construction](#).

2. How is Colorado's Fiber State Matching Fund structured?

BEST was established in 2008 with the signing of Public School Facilities Act codified at Colo. Rev. Stat. §22-43.7. BEST provides an annual amount of funding in the form of competitive grants to school districts, charter schools, institute charter schools, boards of cooperative educational services, and the Colorado School for the Deaf and the Blind. Funding for BEST is variable each year, but around \$70 million is anticipated each year.

BEST funds can be utilized for the construction of new schools as well as for improvements to existing school facility systems, structures, and broadband infrastructure. BEST is funded through various state trusts, taxes, lottery, and interest on the assistance fund. Funding for BEST can help eligible schools who are planning on participating in the E-Rate Program receive state match funding for special construction to connect eligible schools to high-speed broadband services.

For more information on the BEST program please see [BEST Grant Program](#).

3. Who is eligible for the State Matching Fund?

- Per FCC rules, state matching funds are for eligible Category 1 special construction costs only. These costs are the design, engineering, project management and construction costs related to the building of broadband infrastructure necessary for the E-rate applicant to receive the level of broadband service requested on the applicant's FCC Form 470. The State Matching Funds may not be used for Monthly Recurring Charges.
- Public schools: free schools supported by public taxation [DVF3], and shall include grades prekindergarten through twelve and technology center schools that provide vocational and technical instruction for high school students who attend the technology center school on a tuition-free basis. However private schools, home schools or virtual schools are not eligible.
- Public libraries: A library or library system that is freely open to all persons under identical conditions and which is supported in whole or in part by public funds.

4. What is the period of availability for the Colorado State Matching funds?

BEST was established in 2008 with the signing of Public School Facilities Act codified at Colo. Rev. Stat. §22-43.7. BEST provides an annual amount of funding in the form of competitive grants to school districts, charter schools, institute charter schools, boards of cooperative educational services, and the Colorado School for the Deaf and the Blind. Funding for BEST is variable each year, but around \$70 million is anticipated each year.

5. Which services will be covered under the State Matching Fund?

- Per FCC rules, state matching funds are for eligible special construction costs only. These costs are the design, engineering, project management and construction costs related to the building of new broadband infrastructure necessary for the E-rate applicant to receive the level of broadband service requested on the applicant's FCC Form 470. The full state matching provision from USAC can be accessed [here](#).

6. How does the State Matching Fund cover costs for school districts and libraries?

- The FCC will match the state funds with up to an additional 10% reimbursement -- for a combined total of up to an additional 20% of the special construction costs covered (in addition to an applicant's base E-rate discount percentage). Applicants are responsible for conducting a fair and open competitive bidding process, and specifying cost as the highest-weighted component in your evaluation criteria.
- *Example: District is pursuing a \$100,000 special construction fiber project and is eligible for 70% discount E-rate funding*
 - E-rate will contribute \$70,000 and the local share for the district is \$30,000
 - The state matching will contribute 10% of the project or \$10,000
 - E-rate program will match the 10% **and** contribute \$10,000 towards the local share.
 - The district local share is reduced to \$10,000.
- **RESULT: E-rate will pay 80% (\$80K), the State will pay 10% (\$10K) and the school district only has to pay the remaining 10% (\$10K), saving the district an additional \$20,000.**
- Districts with E-rate discount of 80% to 90% can therefore have their Category 1 fiber project **fully funded, with no out-of-pocket costs for the construction.**

Section 2: Application for the Colorado Fiber State Matching Fund

7. How do I apply for state matching funds?

- i. For information regarding the BEST application, visit <http://www.cde.state.co.us/cdefinance/capconstmain>
- ii. File E-rate forms to request fiber service
- iii. Create your Form 470 with an attached RFP

- [Sample RFP for Procuring Internet/ISP Services](#)
- [Sample Pricing Sheet for Procuring Internet/ISP Services](#)

These are meant to be inserted into your existing RFP boilerplate that specifies local and state procurement requirements. Sample Form 470 narrative language and best practices are available [here](#).

Please note that, per USAC rules, the maximum bandwidth requested on your Form 470/RFP must accommodate the FCC's long-term bandwidth rules, which are 1 Mbps per student for Internet Access connections, and 10 Mbps per student for WAN connections. Projects that do not allow for upgrades to these bandwidth goals will not be eligible for State Matching Funds.

iv. Post your Form 470 (s) with your attached RFP by 3-1-17 on the [E-rate Productivity Center \(EPC\) portal](#).

v. Inform your current/local service providers that your RFP has been posted.

vi. Wait a minimum of 28 days from posting your Form 470 then begin evaluating bids and select the solution that fits your needs with overall cost being the heaviest weighted factor (Execution of contract should be contingent upon funding approval) (Close of 471 window – TBA).

8. Do I need to issue an RFP or just an E-rate Form 470?

Per E-rate rules, you must file an RFP along with your Form 470 if you are seeking leased dark fiber or a self-provisioned solution (you must also request bids for lit fiber if seeking either of these alternatives).

9. What if I am currently under a contract?

Internet Access (i.e. ISP service/bandwidth) and transport (i.e. fiber or microwave connection) may be applied for separately. Each E-rate applicant must review their contract situation and consider expiration date, services covered, early termination fees and state and local laws to determine their status and whether or not it is appropriate to pursue this opportunity this year.

10. Is this funding available to people who already have fiber, but pay a high cost for their current connection?

State matching funds are only available to offset one-time capital construction costs; these funds cannot be used for monthly recurring charges for existing services.

11. Will applying for BEST grant funds for special construction interfere in any way with other BEST grant applications my district has submitted?

No. Applicants that are interested in other BEST priority areas should consult with a BEST [regional manager](#) to determine the best strategy for applying.

12. Am I guaranteed to get state match funding if I apply?

The BEST grant is a highly competitive grant process with 3 priority areas. Although technology is considered in the first priority area, applicants will be competing with schools that may have a higher need for construction and infrastructure upgrades.

13. How and when will funds be dispersed?

The BEST application timeline can be found at <http://www.cde.state.co.us/cdefinance/bestfy18-19timeline>

14. What if I still have questions about the Colorado State Match program or don't know how to get started?

Email Veronica Ramos from EducationSuperHighway at veronica@educationsuperhighway.org and a member of the Kids Link Colorado team will be in touch.