

NUSF-117 E-Rate Special Construction Matching Program

Frequently Asked Questions (FAQ)

A. Who is eligible to apply for NUSF-117 funds?

Because the NUSF-117 program is intended to leverage additional federal E-Rate funding, applicants for NUSF-117 must also apply and be found eligible for E-Rate special construction matching funds on the federal level. More information about E-Rate eligibility can be found on the Universal Service Administrative Company (USAC) website [HERE](#).

B. What projects are eligible for the state matching funds?

As the NUSF-117 dollars are intended to leverage additional federal E-Rate discounts, only the one-time non-recurring special construction costs related to a new fiber build for an eligible entity will be considered. Entities with existing fiber connections will not be considered for NUSF-117 funding.

State support is contingent upon receipt of federal support. See <https://www.usac.org/e-rate/applicant-process/before-you-begin/fiber-summaryoverview/additional-discount-to-match-state-tribal-funding-for-special-construction/> for more information about federal E-Rate special construction matching support.

Examples of eligible costs include Category 1 costs related to special construction such as: construction of network facilities, design and engineering costs, and project management costs. Examples of ineligible costs include but are not limited to: Category 2 related costs, and Category 1 costs related to internet access or transport, charges for Network Equipment, or costs related to an E-Rate filing.

C. What are special construction charges?

For the purposes of the federal E-Rate program, special construction charges are the upfront, non-recurring costs of deploying new fiber or upgrading facilities of E-Rate eligible entities such as schools and libraries. Special construction consists of three components: (1) construction of network facilities; (2) design and engineering; and (3) project management. Special construction does not include charges for network equipment. Monthly recurring costs and construction costs that are included in recurring fees may not be covered by the matching grant. For the purposes of the state E-Rate special construction matching funds, the program is intended to provide matching support for new fiber special construction builds to connect E-Rate eligible entities where there is no existing fiber connection.

D. What resources are available to assist entities with the application process?

The Nebraska Library Commission (NLC) is available to provide training and resources to libraries to inform them about the opportunity and guide them through the application process. Other possible resources include:

1. Nebraska E-Rate Resources:

- [Nebraska E-Rate Special Construction Matching Fund Program \(NUSF-117\)](#)
- [Nebraska Library Commission E-Rate Page](#)
- [Nebraska Department of Education E-Rate Page](#)
- [Network Nebraska](#)

2. Federal E-Rate Resources:

- [USAC E-Rate Website](#)
- [USAC E-Rate – Before you begin – Additional Discount for State Funding for Special Construction](#)
- [USAC E-Rate Resources](#)
- [Eligible Applicants List](#)
- [Eligible Services List](#)

3. NUSF-117 Orders

- [NUSF-117 PO NO 1 Order Entered October 11, 2023](#)
- [NUSF-117 Order Entered May 19, 2020](#)
- [NUSF-117 Order Entered March 3, 2020](#)

E. Where can an applicant find their federal C1 discount amount?

The Category 1 (C1) discount rate is used to calculate the percentage of funding that a school or library can receive for their special construction project and is calculated based on the percentage of students eligible for NSLP, among other factors. The higher the NSLP percentage, the greater the E-Rate discount, and consequently, the higher the C1 discount for special construction. E-Rate applicants can use the discount matrix available on the [Calculating Discounts page](#) to determine the correct discount level for a school district or library system. To receive discounts on eligible equipment and services, an applicant must calculate the percentage discount that it (and the entities it represents) is eligible to receive. Applicants may also find the assigned C1 discount rate within the USAC E-rate Productivity Center (EPC).

USAC Discount Matrix

INCOME Measured by % of students eligible for the National School Lunch Program (NS LP)	CATEGORY ONE (C1)		CATEGORY TWO (C2)	
	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

Source: <https://www.usac.org/e-rate/applicant-process/applying-for-discounts/calculating-discounts/>

F. What is the state match percentage?

During funding year 2021, 2022, and 2023, the maximum state discount percentage was 10% of total eligible costs.

Effective in funding year 2024, the amount an applicant can request in NUSF-117 state matching funds depends upon their E-rate Category 1 (C1) discount, as follows:

E-rate Program Category One (C1) Discount Rate	NUSF-117 Nebraska State Match % for Non-Discounted Charges	Additional USAC E-Rate Match for Fiber Special Construction Projects
90%	5%	Up to an additional 5%
80%	10%	Up to an additional 10%
70%	20%	Up to an additional 10%
60%	30%	Up to an additional 10%
50%	40%	Up to an additional 10%
40%	50%	Up to an additional 10%
25%	65%	Up to an additional 10%
20%	70%	Up to an additional 10%

NOTE: The total support from the FCC's E-Rate Special Construction program combined with the support provided through Nebraska's NUSF-117 program may not exceed 100% of eligible special construction costs.

Example: Library A qualifies for a 50% C1 discount rate. After applying the C1 discount rate, the library has 50% of the costs remaining. Using the chart above, the library may apply for up to 40% of the costs as a state match. The remaining 10% should be requested from USAC by indicating state match on the FCC Form 471 filed with USAC.

G. Where is the application located?

The application can be found on the Nebraska Public Service Commission's website at <https://psc.nebraska.gov/telecommunications/erate>. It is recommended that you download the application, then open the file in Acrobat Reader or Professional, rather than accessing the form through an internet browser.

H. How do I submit the application?

The completed and signed application forms can be sent via e-mail to psc.nusf@nebraska.gov, mailed, or hand-delivered to the Nebraska Public Service Commission so that it is received no later than 5:00 PM on December 31st, in order to facilitate applicants filing in the USAC E-Rate filing window. Late applications will only be considered if funding is remaining, and time permits.

I. When is the NUSF-117 Nebraska E-Rate Special Construction Matching Program application due?

The application window for the NUSF-117 Nebraska E-Rate Special Construction Matching Program opens in November and closes the last day of December for the subsequent E-Rate support year. The completed and signed application forms and any supporting documentation for the upcoming funding year should be received at the Nebraska Public Service Commission (NPSC) by 5:00 PM, on December 31st. Priority will be given to applications received prior to this date. Late applications may be considered if funding is still available and time permits.

Note: Federal E-Rate program rules permit applications to request E-Rate discounts for special construction charges incurred up to six months prior to the July 1st start of the funding year (i.e. on or after January 1), provided that certain criteria are met, including: (1) Construction begins after selection of a service provider pursuant to a valid competitive bidding process; (2) A Category One recurring service depends on the installation of the infrastructure; and (3) The service start date is on or after the start of the funding year.

J. When will a decision regarding funding through the Nebraska E-Rate matching program be communicated?

In mid-January, the NPSC will provide notice to applicants that applied on or before December 31st, indicating whether their NUSF-117 application has been approved. A letter accompanying the order will be sent to the applicants regarding funding decisions. This information can be used by applicants in their FCC filings to indicate approval for state matching.

K. Will the application approval process involve a priority determination? If so, what factors will be considered?

If applications that we receive exceed the available support, the NPSC will prioritize applications based on a needs-based assessment. The priority determination will be based on the amount of an entity's E-Rate discount, with a greater priority weight to entities receiving higher E-Rate discounts. The priority assessment reasoning is based on the idea that the lower the E-Rate discount, the more able the library is to pay the cost itself.

L. How will the final grant funds be disbursed?

Reimbursement of the eligible state portion of the special construction costs would occur once the carrier has submitted proof of project completion, documentation that the applicant has either paid their bill in full or has been invoiced for the construction costs. The carrier bidding on and providing services to participating entities is required to place the final amount authorized for state support as a credit on the participating entity's account and provide a copy of the invoice reflecting the credit has been applied to the Commission prior to reimbursement.

Once the state support credits have been placed onto the participating entity's account, a copy of the invoice showing the credits should be provided to the Commission to request payment of the support amounts to the service provider. The NPSC will reimburse the carrier directly for the eligible portion of the state-matched cost of construction.

If you have additional questions, please contact us via e-mail to psc.nusf@nebraska.gov.