

# CYBERSECURITY PILOT PROGRAM FREQUENTLY ASKED QUESTIONS

#### **Timing**

#### 1.1 Q: When will the application window open for the FCC's Cybersecurity Pilot Program?

A: The FCC expects to open an application filing window for the Pilot Program this Fall and will announce additional details in a Public Notice. In addition, USAC will share this information with stakeholders that <u>register</u> to receive Pilot-specific information.

### 1.2 Q: Will USAC provide training on how to complete the FCC Form 484? Will prospective applicants be able to view screenshots?

A: Yes, USAC will provide training that is specifically focused on the requirements of the FCC Form 484. USAC will offer training on the Part 1 application requirements in the coming weeks; training regarding the Part 2 requirements will be provided once Pilot participants are selected. USAC and the FCC will make screenshots of the form available as part of the FCC Form 484 trainings for applicant reference.

#### 1.3 Q: How long with the FCC Form 484 Part 1 application window be open?

A: The FCC will announce details regarding the application process, including the length of the application window, in a forthcoming Public Notice. In establishing the application window, the FCC expects to balance stakeholders' desire to expeditiously implement the Pilot Program, with the need to provide sufficient time for applicants to compile the required Part 1 information.

#### 1.4 Q: Will the Pilot Program application cycle align with the E-Rate 2025 funding year?

A: The Pilot Program is completely separate from the E-Rate program, including the application and funding processes. That said, in implementing the Pilot Program, the FCC will take into account the timeframe for the corresponding E-Rate funding year, as well as school breaks, school/library resource limitations and time needed for applicant training.

### 1.5 Q: When will Pilot funding be available to buy cybersecurity equipment and services? Will funds be available beginning July 1, 2025, like in the E-Rate program?

A: Pilot funds will be available as soon as a Pilot participant receives a funding commitment decision letter (FCDL) from USAC and has successfully completed Part 2 of the FCC Form 484 application. Unlike the E-Rate program, the Pilot does not utilize specific funding years, so participants need not wait until a specific date (e.g., July 1, 2025) to purchase cybersecurity equipment and services provided they have otherwise completed the necessary requirements and have received funding commitment decisions. Pilot participants and service providers will be able to request reimbursement after the receipt or delivery of eligible cybersecurity services and/or equipment through the Pilot Program.

#### **Budget**

### 2.1 Q: Are applicants expected to pay a portion of the costs of the equipment and services purchased through the Pilot Program?

A: Yes. Like the E-Rate program, Pilot participants will be required to pay the non-discounted share of the costs of the eligible services and equipment they purchase with Pilot Program funds. The percentage

of the eligible costs that a Pilot participant will be required to pay will be based on the participant's Category 1 discount rate. See 47 CFR § 54.2007(e).

### 2.2 Q: Can I use other funds, including universal service, state, local, federal or Tribal resources, to pay for cybersecurity equipment and services?

A: Participants are not precluded from using other sources of funding to pay for cybersecurity equipment and services. However, to ensure efficient and appropriate use of the limited Pilot funds and avoid duplicative funding, Pilot participants may not receive Pilot funding for the same cybersecurity equipment and services funded through other sources.

### 2.3 Q: Will I receive my Pilot funding in equal amounts each year or can I request funding as I incur expenses?

A: Pilot participants can request reimbursement as eligible expenses are incurred, so long as they do not exceed their overall funding commitment for the three-year term of the Pilot Program. Participants must wait until after the receipt or delivery of Pilot-eligible services and equipment to submit invoices.

### 2.4 Q: Is the per-student funding amount calculated based on a school's total student enrollment or is it limited to those students that qualify as low income?

A: The per-student budget is based on a school's total student enrollment.

## \* 2.5 Q: How should I estimate the cost of the eligible services and equipment of my Pilot project on the FCC Form 484? I won't know exactly what it will cost until I complete the competitive bidding process.

A: Pilot applicants should make a reasonable effort to estimate the costs associated with their Pilot project. The FCC expects to use this information to get a sense of the different sizes and types of projects that are being proposed, in order to ensure a diverse pool of participants. Where available, applicants can use published pricing or reports, past estimates or incurred costs, or other sources of information.

Once applicants have submitted their cost estimates on the FCC Form 484, they will not be able to modify them. As discussed in FAQ 2.6, however, Pilot Program participants will have an opportunity to adjust their projected costs after completing the competitive bidding process and making final decisions about the services and equipment to be purchased.

## \* 2.6 Q: Will a Pilot participant's commitment be limited to the cost estimate provided in its FCC Form 484? If selected for the Pilot Program, can a participant apply for funding greater than their estimated cost, provided it doesn't exceed their maximum budget?

A: A Pilot participant will not be limited to the cost estimate provided in Part 1 of its FCC Form 484. A Pilot participant can apply, and receive funding, for eligible services and equipment up to its maximum budget.

### \* 2.7 Q: Can I apply for the Pilot Program even if I've already received (or intend to apply for) state funding for cybersecurity services and equipment?

A: Yes, but you may not use Pilot funding to cover the same costs that are funded through another source (i.e., no "double dipping" or duplicative funding). Consistent with our E-Rate rules, you may use another source to cover the non-discounted share of your Pilot-funded project or to supplement Pilot funds in order to fully cover the cost of the solution you intend to implement.

### \* 2.8 Q: Is there any chance that entities that have uncommitted Category Two funds can have those redirected to services eligible under the Cybersecurity Pilot?

A: No. E-Rate Category One or Category Two funding may not be used for advanced cybersecurity services and equipment that is eligible in the Pilot Program. The Commission will explore whether and how universal service funds, including E-Rate funds, could be used to support these types of services based on lessons learned from the Pilot Program.

### \* 2.9 Q: Will funding available through the Pilot Program be considered Category One or Category Two?

A: Neither. The Pilot Program is separate from the E-Rate program and, as such, the funding is considered neither Category One nor Category Two funding. As noted in FAQ 2.8, the Commission will explore whether and how universal service funds, including E-Rate funds, could be used to support advanced cybersecurity services and equipment after the conclusion of the Pilot Program.

#### **Eligibility**

**3.1 Q:** Am I eligible to apply to participate in the Pilot if I am already using some advanced cybersecurity equipment and services? Can I apply if I don't have any cybersecurity experience? A: The FCC expects to approve support for a variety of schools, libraries, and consortia, taking into account the varying stages of their cybersecurity experience. Schools, libraries, and consortia are

### 3.2 Q: Can a school district or library collaborate with a nonprofit organization to participate in the Pilot Program?

A: Non-eligible entities, such as state, local, and Tribal government entities, and other not-for-profit organizations may serve as Consortium Leaders. However, these types of Consortium Leaders are ineligible to receive Pilot benefits, discounts, and funding and therefore must pass through the benefits, discounts, and funding to their eligible school and library consortium members. *See* 47 CFR § 54.2002(c)(1) (requiring ineligible entities serving as Consortium Leaders to pass through the full value of the Pilot Program benefits to the eligible Pilot consortium members).

#### 3.3 Q: Can an Educational Service Agency (or ESA) participate in the Pilot Program?

therefore encouraged to apply regardless of their level of cybersecurity experience.

A: Educational Service Agencies (ESAs), also known as Educational Service Units (ESUs), Local Educational Agencies (LEAs), and Board of Cooperative Educational Services (BOCES), are eligible to serve as Consortium Leaders. However, as noted above in question 3.2, non-eligible entities serving as Consortium Leaders are ineligible to receive Pilot benefits and must therefore pass them through to their eligible members. If a state recognizes an ESA as an eligible school under its state law, the ESA may apply as an applicant and seek support for its eligible members as it is currently allowed to in the E-Rate

program. As with consortia applicants, an individual school may not participate as part of an ESA application and as an individual applicant, and must decide how it would like to participate in the Pilot Program.

**3.4 Q:** Can I apply and participate in the Pilot Program individually, as well as part of a consortium? A: No. Given limited funding for the Pilot Program and the FCC's objective to select as many participants as possible, schools and libraries may apply and participate only once as an individual school or library participant, or as part of a consortium.

### 3.5 Q: What does "E-Rate eligible" mean in terms of determining eligibility for the Pilot Program? Do I need to be a current participant in the E-Rate program to be eligible?

A: To evaluate Pilot Program eligibility, the FCC adopted the same definitions of elementary school, secondary school, library, and library consortium that it uses for the E-Rate program. Therefore, entities that are eligible to participate in the E-Rate program are also eligible to apply for the Pilot Program. A school, library, or consortium does not need to be an E-Rate applicant in order to apply for the Pilot Program.

#### **Eligible Services and Equipment**

### 4.1 Q: Can I purchase cybersecurity services and equipment from more than one of the four categories that the FCC has identified as eligible?

A: Yes. Equipment and/or services are eligible if they "constitute a protection designed to improve or enhance the cybersecurity of a K-12 school, library, or consortia." The four categories identified by the Commission are examples of eligible equipment and services, but are not the only ones. Other equipment and/or services are eligible if they meet the Commission's broad eligibility criteria.

### 4.2 Q: Can funds be used to pay for cybersecurity services and equipment (including renewal licenses) that I'm already receiving?

A: It depends. Pilot funding may be used to pay for existing cybersecurity services and equipment to the extent such services or equipment are not being paid for through another funding source and were awarded consistent with the competitive bidding exemption adopted in the Order. The exemption applies if the services or equipment were awarded pursuant to a master services agreement (MSA) negotiated by a federal, state, Tribal, or local governmental entity on behalf of a Pilot participant(s); and such MSA(s) were awarded pursuant to the E-Rate program FCC Form 470 process, as well as applicable federal, state, Tribal, or local competitive bidding requirements. The services and equipment are otherwise ineligible for reimbursement through the Pilot Program.

### 4.3 Q: Can funds be used retroactively, to pay for services and equipment that were purchased and used last year?

A: No. Pilot Program funds are intended to be used prospectively, during the course of the three-year funding term.

4.4 Q: Can I receive reimbursement for a new multi-year license, provided it is for eligible services?

A: Yes. Provided they meet all other procurement and competitive bidding requirements, participants are permitted to seek funding for multi-year licenses for eligible recurring services that are longer than three years. However, only services delivered within the Pilot Program time period can be reimbursed through the Program.

#### 4.5 Q: For firewalls, will the Pilot cover high availability pairs or just a single firewall?

A: High availability firewall solutions are eligible as long as all other eligibility and program requirements are met.

#### 4.6 Q: To what extent are consulting services eligible for reimbursement through the Pilot Program?

A: Consulting services tied directly to the actual installation and initial configuration of eligible equipment and services are eligible, provided that all other eligibility and competitive bidding requirements are met. Other consulting services are not eligible for reimbursement through the Pilot Program. See Eligible Services List

#### 4.7 Q: Will the Pilot Program cover staff salaries and other labor expenses?

A: Staff salaries and labor costs are not eligible for reimbursement through the Pilot Program. See Eligible Services List

#### 4.8 Q: Why won't the Pilot Program pay for staffing and cybersecurity training for staff and students?

A: The Pilot has a limited amount of funding available, and the Commission has focused on funding specific technologies rather than staff and training programs. That said, training costs are eligible in some scenarios. For example, training is eligible as part of the installation of equipment and services, if it is basic instruction on the use of the eligible equipment and services, directly associated with equipment and services installation, and part of the contract or agreement for the equipment and services. It must occur concurrently with or within a reasonable time after installation.

We note that vendors are also likely to include basic training at no additional cost as part of their sale of the eligible equipment and services and there are many free and low-cost cybersecurity training resources available through CISA and other federal government partners.

### 4.9 Q: If a service includes both eligible and ineligible components, can I cost-allocate out the ineligible portion?

A: Yes, as is also required in E-Rate, Pilot participants are required to perform a cost-allocation to remove from their Pilot Program funding requests any costs associated with ineligible components or functions of otherwise eligible equipment or services. *See* 47 CFR § 54.2006(c).

### \* 4.10 Q: Can I use Pilot funding to purchase cybersecurity protection for end-user devices, such as tablets, smart phones and laptops?

A: Cybersecurity services used on end-user devices that are owned or leased by a participating school or library are eligible, regardless of whether the services are network-based or locally installed on the end-user device. *See Report & Order*, FCC 24-63, Appendix B, note 4.

### \* 4.11 Q: Can I apply for Pilot Program funds to cover the costs associated with a basic firewall if I don't plan to seek E-Rate funding next year?

A: No. Basic firewalls are not covered by the Pilot Program.

#### **Application/Selection Process**

#### 5.1 Q: How will Pilot Program participants be selected? Is it first come, first served? Lottery?

A: Participants will be selected through the FCC Form 484 application process. In the FCC Form 484 Part 1, applicants will be required to provide general information about the schools and libraries seeking support, as well as information about the proposed Pilot project. If selected to participate in the Pilot Program, participants will be required to provide more detailed information about their cybersecurity experiences in Part 2 of the FCC Form 484 application.

To facilitate the inclusion of a diverse set of Pilot projects and to target Pilot funds to applicants most in need of cybersecurity support, the FCC will award support to a combination of large and small and urban and rural schools, libraries, and consortia, with an emphasis on funding proposed Pilot projects that include low-income and Tribal applicants.

### 5.2 Q: To the extent the FCC is prioritizing applicants with the "greatest need," how is that defined?

A: Need generally will be determined based on an applicant's discount percentage rate. A school's discount percentage rate is determined based on the percentage of its student enrollment that is eligible for a free or reduced price lunch under the National School Lunch Program. The discount percentage rate for libraries and consortia will be calculated based on the percentage of student enrollment that is eligible for the National School Lunch Program in the public school district in which they are located. The discount rate percentage will then be adjusted by geographic location (i.e., urban or rural) in the same manner as it is in the E-Rate program. See 47 CFR § 54.2007.

### 5.3 Q: How will the Commission ensure diversity of stakeholder representation if it is prioritizing applicants with the "greatest need," as defined by an applicant's discount percentage rate?

A: The Commission expects that it will be able to ensure diversity of geography, size and cybersecurity experience, while prioritizing applicants with the greatest need. The selection criteria adopted in the Report and Order provides the flexibility needed to ensure that a wide array of well-defined projects, submitted by a variety of applicant types, will be selected.

#### 5.4 Q: How long will it take for Pilot Program participants to be selected?

A: USAC, together with the FCC, expects to complete review of Part 1 of the applications and select participants as expeditiously as possible. The timing of the selection process will depend on the number and quality of the applications received.

### 5.5 Q: If an applicant is not selected in the first year, can they still apply to participate in future years of the Pilot?

A: Given the level of stakeholder interest in the Pilot Program, we expect to fully commit the available funds in the first year.

#### 5.6 Q: If I am selected to participate in the Pilot Program, do I need to remain in it for all three years?

A: Yes, we expect applicants selected to participate in the Pilot Program will be committed to participating for the entire three-year term of the Pilot. In doing so, we expect it will help participants maximize their benefits and ensure the Commission is able to gather the data it needs to fully evaluate the Pilot. Additionally, we hope participants will be mindful of the opportunity to participate in the program and recognize the many others who, if selected, would be eager to participate for the entire three-year term.

#### 5.7 Q: Will everyone who applies for the Pilot Program be selected?

A: No. While the Commission hopes to select as many applicants as possible to participate in the Pilot, we anticipate that the demand will exceed the available funding.

### 5.8 Q: Given the limited budget and the Commission's focus on schools and libraries at the highest discount percentage level, should I take the time to submit an application?

A: There is no way to know who is going to apply, so we encourage all eligible schools, libraries, and consortia to consider submitting an application for the Pilot Program. The FCC specifically established a streamlined application process to make it easier for prospective participants to submit an application.

### 5.9 Q: How many applicants does the FCC expect to select to participate in the Pilot Program? I've heard that only 50 will be chosen.

A: There is no set number of applicants that the FCC expects to select as Pilot participants. We encourage everyone who is eligible to apply, as we hope to select as many applicants as possible to participate in the Pilot Program.

#### 5.10 Q: Can prospective applicants use a consultant to prepare the FCC Form 484 and other forms?

A: Similar to the E-Rate program, prospective applicants may hire a consultant to help prepare their FCC Form 484, but need to include the consultant's consultant registration number (CRN) on their account profile in the E-Rate Productivity Center (EPC). If needed, consultants may obtain a CRN from USAC. Consultants participating in the Pilot Program application process are subject to the same suspension and debarment rules that apply to universal service programs.

### 5.11 Q: Is special assistance available for smaller schools and libraries to help them complete the application process?

A: Yes. USAC is planning special training for small, less-resourced schools and libraries, as well as schools and libraries that have not participated in the E-Rate program. In addition, USAC will host office hours and offer a help desk for applicants that require additional assistance in filling out the forms needed to apply for, and participate in, the Pilot Program. Schools and libraries are also welcome to email <a href="mailto:cyberpilot@fcc.gov">cyberpilot@fcc.gov</a> if they have questions.

#### **Request for Services**

6.1 Q: Will the FCC Forms 470/471 for the Pilot Program be the same ones that are used for E-Rate?

A: The Pilot FCC Forms 470/471 are modeled on the forms used for the E-Rate program but will be their own distinct forms. There will not be any material difference in the information required.

#### 6.2 Q: Will data from the FCC Forms 470/471 be available through Open Data?

A: Yes. We expect to make the data from the FCC Forms 470/471 available through Open Data.

#### 6.3 Q: Can a participant use multiple vendors?

A: Yes. Pilot participants will be required to conduct a competitive bidding process similar to the E-Rate program and select service provider(s) using the price of the eligible equipment and services as the primary factor. Participants will be able to select multiple service providers as they are able to do in the E-Rate and ECF programs, provided such selection is consistent with the competitive bidding and other program rules for the Pilot Program.

#### \* 6.4 Q: How does the competitive bidding exemption (CBE) work in the Pilot program?

A: Pilot participants are not required to perform a new competitive bidding process when seeking support for equipment/services from a Master Services Agreement (MSA), including a state master contract, awarded pursuant to the E-Rate Form 470 process and applicable federal, state, Tribal, or local competitive bidding requirements *if* the MSA was negotiated by a governmental entity on behalf of the Pilot participant.

### \* 6.5 Q: What qualifies an MSA as having been "negotiated by a governmental entity" as required by the CBE?

A: To qualify, an MSA must have been negotiated by a federal, state, Tribal, or local governmental entity, either directly or through a separate governmental entity created by a federal, state, Tribal, or local government for the purpose of providing services to schools and libraries. Other entities, such as non-governmental corporations and other not-for profit entities that were not created by a state legislature, do not qualify for this exemption.

#### \* 6.6 Q: Am I required to use a mini-bid process if my MSA qualifies under the CBE?

A: Yes, with one exception. When a CBE-qualifying MSA identifies multiple vendors for the same services/equipment, a Pilot participant must perform a mini-bid process, using the price of the eligible equipment and services as the primary factor, to select among multiple-award schedules for the MSA. The mini-bid process is not required, however, if the vendors were ranked by lowest price in the MSA and the Pilot participant selects the lowest-price vendor.

\* 6.7 Q: May Pilot participants convert an existing non-competitively bid contract into Pilot-eligible contract based on the *Kalamazoo Order* from the E-Rate program? That is, can an existing contract, that does not qualify under the CBE, be converted to a qualifying contract if the participant initiates a new bidding process in which it treats the existing contract as a bid received?

A: No, unlike the E-Rate program, the Pilot Program does not allow existing, non-qualifying contracts to be converted into eligible contracts based on the E-Rate program's *Kalamazoo* precedent. Existing contracts only qualify for the Pilot if they fall within the CBE.

#### **Invoicing and Reimbursement**

### 7.1 Q: Will the applicant have the option to select which invoicing method is used or will the service provider be able to decide?

A: Consistent with the E-Rate program, Pilot participants have the option to select which invoicing method they prefer. See 47 CFR § 54.2008(f).

#### 7.2 Q: Will reimbursement be each year? Or at the end of the last year of the Pilot?

A: Requests for reimbursement may be submitted after equipment is received or services are provided. Any requests for reimbursement must be submitted within 90 days after the last date to receive equipment/service as set forth in the first funding commitment decision letter. See 47 CFR §§ 54.2001(c) and 2008(d).

#### 7.3 Q: What are the requirements to be a service provider?

A: USAC's <u>website</u> lays out the process and requirements for becoming a service provider. Consistent with E-Rate program requirements, all service providers will be required to file an FCC Form 498 and obtain a service provider identification number (SPIN) if they do not already have one to be able to participate in the Pilot Program. Note that a prospective service provider does not need a SPIN in order to submit a bid.

### \* 7.4 Q: If an eligible school or library obtains an eligible service from a network provider, but such eligible service is being provided by a third-party vendor, is that still reimbursable under the program?

A: Resale arrangements are reimbursable under the Pilot Program if the applicable eligible cybersecurity services and equipment are received from an eligible service provider (i.e., a service provider that has a valid Service Provider Identification Number (SPIN) and has met all of the other requirements to participate as a service provider in the Pilot Program). The fact that the eligible services and equipment are provided by a third-party vendor to the eligible service provider (who then provides them to the Pilot Participant) does not change their eligibility, as long as the service provider with whom the school or library contracted for the eligible equipment/services is selected through a competitive bidding process that meets all of the Pilot Program's competitive bidding requirements (Pilot Program FCC Form 470) and the other Pilot program rules are met.

#### **Performance Goals and Data Reporting**

### 8.1 Q: Are there special reporting requirements that a Pilot participant would need to satisfy? If so, are such reports due monthly, yearly or only at the end of the Pilot?

A: Applicants that are selected to participate in the Pilot Program will be required to submit periodic reports, consisting of initial, annual, and final reports. Pilot-specific data reporting requirements, including the format for reporting such data and metrics, will be established by the FCC in forthcoming Public Notice(s). Please note that the failure to submit initial, annual, and final reports may result in a referral to the Enforcement Bureau, a hold on future disbursements, a rescission of committed funds, and/or recovery of disbursed funds. See 47 CFR § 54.2004(e).