Consent Agenda Item (Action Item): Approve the E-Rate agreement between the Floyd County Schools and Step Communications Group

Applicable State or Regulations: KRS 157.655-660, KAR 2:01

Fiscal/Budgetary Impact: KETS FUNDING

History/Background: The district was recently funded through USAC's ERATE program for Category 2 services. The Technology KETS fund will pay district's discounted portion of 15%, the remaining 85% is funded by the ERATE program. Managed Internal Broadband Service (MIBS) is a service vital to the functionality of our infrastructure and provides Network Authentication and Security protocols and by leveraging federal funding through the ERATE program this cost is kept to a minimum.

Recommended Action: Approve as presented

Contact Person(s): Wesley Turner, DTC

Wesley Turner — Tonya H. Williams

DTC — Director — Superintendent

Date: 07/16/2026

CONTRACT FOR SERVICES AND/OR PRODUCTS FOR E-RATE FUNDING YEAR 2026

This agreement is by and between the Floyd County School District and STEP CG, LLC (**"Service Provider"**) for the purchase of eligible equipment and services as described on the attachment to this letter as part of the E-Rate Year 2026 effort. Service Provider was selected based on Service Provider's response to our RFP or on the basis of a qualifying Form 470. We intend to file a Funding Request Form 471 with the Universal Services Administrative Company (USAC), Schools and Libraries Division (SLD) E-Rate Program for eligible equipment and services based upon Service Provider's proposal.

Service Provider agrees to abide by all terms and conditions of the Universal Service Act of 1996 as implemented by the SLD E-Rate Discount Program in the procurement, delivery, invoicing and all other transactions associated with the project. The term of this contract shall commence on July 1, 2026 and shall terminate on June 30, 2027 for non-recurring services.

The contract may be subject to the Owner receiving E-Rate funding in the form of a funding commitment decision letter in the amount requested. Prices must be held firm for the duration of the E-Rate Year fiscal year ending June 30, 2027 or until all work associated with the project(s) are complete (including any SLD approved extensions). The work shall be subject to the following conditions:

A. Service Provider holds a valid Service Provider Identification Number (SPIN) and is not "Red-Light Status" with the FCC.

B. These services may depend on partial funding from the E-Rate program.

C. The District expects Service Provider to make themselves thoroughly familiar with any rules or regulations regarding the E-Rate program.

D. Contract may be contingent upon the specific funding of the FRN at the percentage rate submitted for.

E. The maximum percentage the District will be liable for is the pre-discount amount minus the funded amount as shown on the form 471 Block 5. The Service Provider will be responsible for invoicing the Schools and Libraries Division for the funded amount unless the applicant elects to proceed without receipt of a Funding Commitment Decision letter.

F. No E-Rate USAC billing can take place before July 1, 2026. If District elects to take delivery after April 1, 2026 but prior to Receipt of a Funding Commitment Decision letter then District is liable for all amounts and agrees to pay progress payments and invoice USAC via the Billed Entity Application for Reimbursement (Form 472)

G. No installation work can take place before April 1, 2026.

H. In the event of questions during the E-Rate audit process, Service Provider is expected to reply within 3 days to questions associated with their proposal.

I. All work is subject to the 100% approval of the project or purchase by the FCC under the E-Rate discount program of the Telecommunications Act of 1996 unless otherwise approved by District

J. The Service Provider will be required to send copies of all forms and invoices submitted to SLD prior to invoicing the SLD to the District.

K. Service Provider will be responsible for procuring the discounted amount from the SLD unless District elects otherwise.

L. In addition, District reserves the right to fund, or partially fund (proceed with project or purchase) or not to fund regardless of E-Rate approval.

M. It is understood that, subject to state and local law, this contract is for 1 year - with up to 4 voluntary annual renewals (5 years). This is Year 1 of the contract.

N. District agrees to promptly file Form 486 - Receipt of Service Confirmation upon receipt of a Funding Commitment Decision Letter.

O. The contractor will submit all pricing in the Form 471 Item 21 format found at https://www.usac.org/e-rate/resources/forms/

P. District agrees to promptly respond to Invoicing Service Certification requests. District agrees that a failure on its part to file a Service Certification in a timely manner will result in the loss of funding to the Service Provider and would therefore become liable for any unpaid amounts.

Q. District agrees that progress payments based on percentage of completion and partial delivery of equipment are acceptable. Annual invoicing for Managed Internal Broadband Services in advance is acceptable.

R. A party shall not be held liable for failure of or delay in performing its obligations under this Agreement if such failure or delay is the result of an act of God, such as earthquake, hurricane, tornado, flooding, or other natural disaster, or in the case of war, action of foreign enemies, terrorist activities, labor dispute or strike, government sanction, blockage, embargo, or failure of electrical service. This includes delay or inability to secure products, parts, materials, fuel, supplies, equipment or power at reasonable prices or in sufficient amounts through usual sources of supply due to government action. The non-performing party must make every reasonable attempt to minimize delay of performance. In the event *force majeure* continues longer than 120 days, either party may terminate the Agreement.

Floyd County School District agrees to pay, in conjunction with USAC, the annual contract amount of $53,845.00.

STEP CG, LLC:

SPIN: 143044123

Signature: Sean Hamm

Printed Name: Sean Hamm

Title: CFO

Date: Mar 30 2026

Floyd County School District:

Billed Entity Number:

Signature: ____________________

Print Name: ____________________

Title: ____________________

Date: ____________________

July 16, 2026

Universal Service
Administrative Co.

Funding Commitment Decision Letter

Funding Year 2026

Contact Information:
Wesley Turner
FLOYD COUNTY SCHOOL DISTRICT
442 KY ROUTE 550
Eastern, KY 41622
wesley.turner@floyd.kyschools.us

FCC Form 471: 261036306

BEN: 128928
Wave: 12
Application Nickname: 471_CAT2_MIBS_StepCG_Yr29

Totals

Total Committed	**$44,068.25**

What is in this letter?

Thank you for submitting your application for Funding Year 2026 Schools and Libraries Program (E-rate) funding. Attached to this letter, you will find the funding statuses for the FCC Form(s) 471, Services Ordered and Certification Form, that you submitted and referenced above.

The Universal Service Administrative Company (USAC) is sending this information to both the associated applicant(s) and the service provider(s) so that you can work together to complete the funding process.

Next Steps

1. Work with your service provider(s) to determine if your bills will be discounted or if you will request reimbursement from USAC after paying the full cost for the services you receive.

2. Review the Children's Internet Protection Act (CIPA) requirements and file the FCC Form 486 (Service Confirmation and CIPA Certification Form). **The deadline to submit this form is 120 days from the date of this letter or from the service start date (whichever is later).**

3. Invoice USAC

- **If you (the applicant) are invoicing USAC:** You must pay your service provider(s) the full cost for the services you receive and file the FCC Form 472, the Billed Entity Applicant Reimbursement (BEAR) Form, to invoice USAC for reimbursement of the discounted amount.

- **If your service provider(s) is invoicing USAC:** The service provider(s) must provide services, bill the applicant for the non-discounted share, and file the FCC Form 474, the Service Provider Invoice (SPI) form, to invoice USAC for reimbursement for the discounted portion of costs. Every funding year, service providers must file an FCC Form 473, the Service Provider Annual Certification Form, to be able to submit invoices and to receive disbursements.

- **To receive an invoice deadline extension, the applicant or service** provider must request an extension on or before the last date to invoice. **If you anticipate, for any reason, that invoices cannot be filed on time,** USAC will grant a one-time, 120-day invoice deadline extension if timely requested.

How to Appeal or Request a Waiver of a Decision

You can appeal or request a waiver of a decision in this letter **within 60 calendar days** of the date of this letter. Failure to meet this deadline will result in an automatic dismissal of your appeal or waiver request.

Note: The Federal Communications Commission (FCC) will not accept appeals of USAC decisions that have not first been appealed to USAC. However, if you are seeking a waiver of E-rate program rules, you must submit your request to the FCC and not to USAC. USAC is not able to waive the E-rate program rules.

- **To submit your appeal to USAC,** visit the Appeals section in the E-rate Productivity Center (EPC) and provide the required information. USAC will reply to your appeal submissions to confirm receipt. Visit USAC's website for additional information on submitting an appeal to USAC, including step-by-step instructions.

- **To request a waiver of the FCC's rules,** please submit it to the FCC in proceeding number CC Docket No. 02-6 using the Electronic Comment Filing System (ECFS). Include your contact information, a statement that your filing is a waiver request, identifying information, the FCC rule(s) for which you are seeking a waiver, a full description of the relevant facts that you believe support your waiver request and any related relief, and any supporting documentation.

For appeals to USAC or to the FCC, be sure to keep a copy of your entire appeal, including any correspondence and documentation, and provide a copy to the affected service provider(s).

Obligation to Pay Non-Discount Portion

Applicants are required to pay the non-discount portion of the cost of the eligible products and/or services to their service providers. Service providers are required to bill applicants for the non-discount portion of costs for the eligible products and/or services. The FCC stated that requiring applicants to pay the non-discounted share of costs ensures efficiency and accountability in the program. If using the BEAR invoicing method, the applicant must pay the service provider in full (the non-discount plus discount portion) **before** seeking reimbursement from USAC. If using the SPI invoicing method, the service provider must first bill the applicant **before** invoicing USAC.

Notice on Rules and Funds Availability

The applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program and the FCC's rules. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake to assure that committed funds are being used in accordance with such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction of USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds.

Funding Commitment Decision Overview

Funding Year 2026

Application Comments for FCC Form 471: #261036306

The applicant did not submit any RAL corrections.

Funding Commitment Decision Overview

Funding Request Number (FRN)	Service Provider Name	Amount Requested	Amount Committed	Status
2699053190	STEP CG, LLC	$44,068.25	$44,068.25	Funded

FRN	**Service Type**	**Status**
2699053190	Managed Internal Broadband Services	Funded

Dollars Committed			
Monthly Cost		**One-time Cost**	
Months of Service	12		
Total Eligible Recurring Charges	$0.00	Total Eligible One Time Charges	$51,845.00
Total Pre-discount Charges		$51,845.00	
Discount Rate		**85.00%**	
Committed Amount		**$44,068.25**	

Dates	
Service Start Date	**7/1/2026**
Contract Expiration Date	**6/30/2027**
Contract Award Date	3/30/2026
Service Delivery Deadline	9/30/2027
Expiration Date (All Extensions)	6/30/2031

Service Provider and Contract Information	
Service Provider	STEP CG, LLC
SPIN (498ID)	143044123
Contract Number	
Account Number	
Establishing FCC Form 470	260024414
Invoicing Method	Service Provider - FCC Form 474 (SPI Form)

Consultant Information	
Consultant Name	
Consultant's Employer	
CRN	

Funding Commitment Decision Comments

MR1: Approved as submitted.