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E-RATE PROGRAM OVERVIEW

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State E-rate Coordinator

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PROGRAM BASICS

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PROGRAM OVERVIEW

Overview of E-rate Program

The Universal Service Schools and Libraries Program, commonly known as “E-rate,” helps ensure that schools and libraries can obtain telecommunications and Internet access at affordable rates.

From [USAC Schools & Libraries Website](#)

Program Overview

When it began...	Who is eligible?
<ul style="list-style-type: none">• Congress directed the FCC to establish the E-rate Program in 1996.• Program Began January 1998.• The FCC sets rules and policies through orders.• USAC develops procedures for specific actions, such as how to process applications.	<ul style="list-style-type: none">• K-12 schools and school districts.• Non-traditional educational entities (differs by state).• Libraries and Library systems.• School and Library Consortia.



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DISCOUNTS

Discounts

Goal

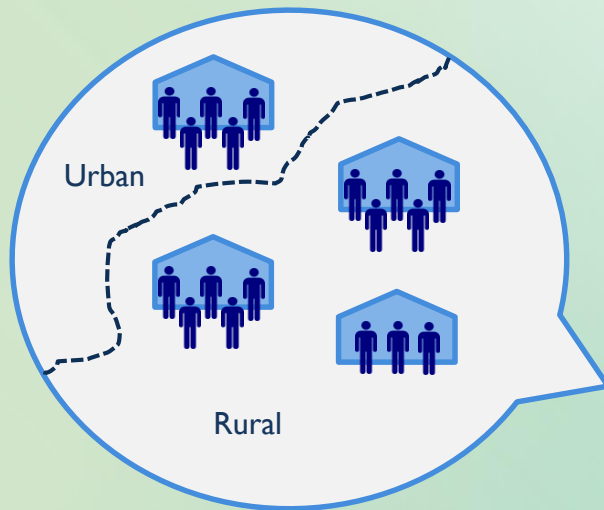
E-rate applicants apply for discounts on their Internet Access, Voice, and Telecommunication services.

How?

Discounts are based on the percentage of students eligible for the National School Lunch Program (NSLP).

Discounts

- Discount:** the percentage of eligible costs that may be discounted or reimbursed to an eligible entity.



Percent of students eligible for National School Lunch Program	Category One schools and libraries discount matrix		Category Two schools and libraries discount matrix	
	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

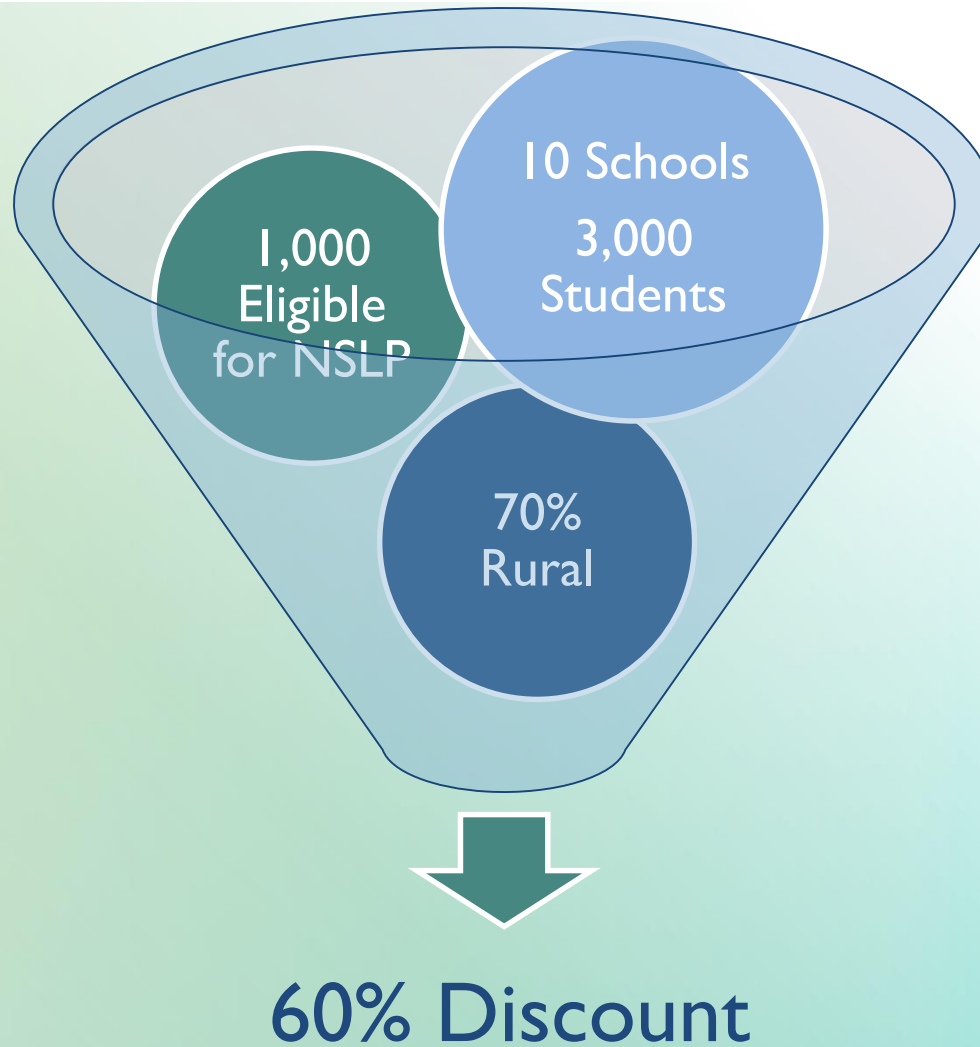
Internet Access Bill
 \$50.00 Ineligible Cost
 \$120.00 Eligible Cost
(\$84.00) 70% Discount
 \$86.00 Total Due

or

7/1/15
 10001
 Pay to Order of District
 \$84.00
 Eighty-four dollars _____
 Memo E-rate _____ Provider Inc.

- Based on: Poverty, Category of Service, and Rurality**

Discounts



Discounts

Discount Calculation Example:

School District (10 schools)

- Total student population of all schools = 3,000 students
- Total students eligible for NSLP = 1,000 students
- 1,000 students eligible for NSLP/ 3,000 students
= 33% eligible.
- 70% of district is rural; district receives rural discount rate.

District would receive a 60% discount rate

Discounts

	Category one schools and libraries discount matrix	
	Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount
< 1.....	20	25
1-19.....	40	50
20-34.....	50	60
35-49.....	60	70
50-74.....	80	80
75-100.....	90	90

Discounts

	Category one schools and libraries discount matrix	
	Discount level	
% of students eligible for National School Lunch Program	Urban discount	Rural discount
< 1.....	20	25
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20-34.....	50	60
35-49.....	60	70
50-74.....	80	80
75-100.....	90	90



Discounts

E-rate applicants apply for discounts on their Internet Access, Voice, and Telecommunication services.

Example:

School District with a 70% discount applies for a 1,000 mbps Internet Access at \$82,000 total annual cost.

$$70\% \times \$82,000 = \$57,400$$

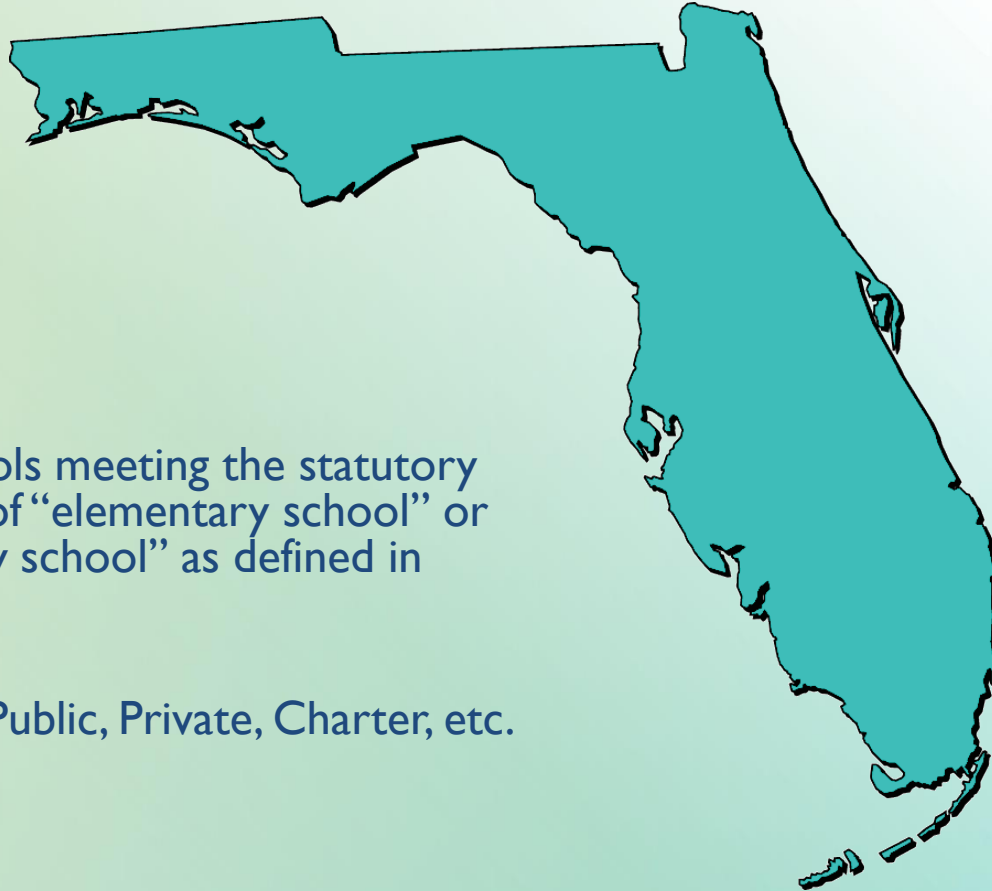
Customer would be “reimbursed” in the amount of \$57,400 at funding year’s end (June 30th).

*BEAR billing method

Who is eligible to receive discounts in Florida?



Who is eligible to receive discounts in Florida?



Schools:

Only schools meeting the statutory definition of “elementary school” or “secondary school” as defined in §54.500

Example: Public, Private, Charter, etc.

Discounts

Consortia calculate their discount based on the simple average of their consortia members.

- All consortia members now are listed at their district-wide discount rate, even if only some schools in the district participate in the consortium.
- Only consortia entities can get a discount that doesn't come straight from the discount matrix.

All funding request numbers (FRN), regardless of the entities served, get the same consortia-wide discount rate.

Non-Instructional Facilities

- A non-instructional facility (NIF) is a
 - School building without classrooms
 - School building with both classrooms and non-instructional administrative facilities
 - Library building without public areas
- NIFs with or without classrooms or public area
 - Have no category two budget.
 - Are not eligible for category two funding.
 - Exception: service or equipment within an administrative facility that is vital to deploying service to educational entities. Budget impact should be allocated among eligible entity bens.

Discounts

Discount Mechanisms:

1. National School Lunch Program (NSLP).
2. Community Eligibility Program (CEP).
3. Survey.
4. Alternative Methods.

Discounts

Discount Mechanisms

I. National School Lunch Program (NSLP)

The national school lunch program determines students' eligibility for free or reduced-price lunches based on family income,

A school may use either:

- **An actual count of students eligible** for the national school lunch program or;
- **Federally-approved alternative mechanisms** to determine the level of poverty for purposes of the universal service discount program.

Discounts

2. Community Eligibility Provision (CEP)

- Schools utilizing the CEP shall calculate their student eligibility for free or reduced priced lunches by multiplying the percentage of **directly certified students** by the CEP national multiplier.
- To compensate for low income families not reflected in the direct certification data, schools apply a standard, national multiplier, currently set at 1.6.
- If, during the **four-year cycle**, a school's percentage of identified students **increases**, the school may use the higher percentage in determining USDA reimbursement. If the percentage of identified students **decreases**, the school may continue to use the original percentage for the remainder of the four-year eligibility period.

NSLP & CEP

- E-rate Worksheets on state agency website:
 - [DOE](#)
 - [DOS DLIS](#)
 - [DMS](#)
- [Community Eligibility Provision \(CEP\) Annual Notification of Local Educational Agencies \(LEA\)](#)
- DOE EIAS reports (e.g. Surveys, ADA/AMA Report)
- Reimbursement Claim Form/ printout from the [Florida Automated Nutrition System \(FANS\)](#) portal signed (preferably by the Principal, Vice-Principal, Superintendent or Director of Food Services) of a that the school submits to the state each month as part of their participation in the program.

Discounts

3. Alternative Methods

- Surveys
- Existing Sources
 - e.g. need-based tuition assistance
- State Valid File
- DOE Survey 3
- District Food Service Director (with official signatures)
- Department of State, Division of Library and Information Services- Libraries only



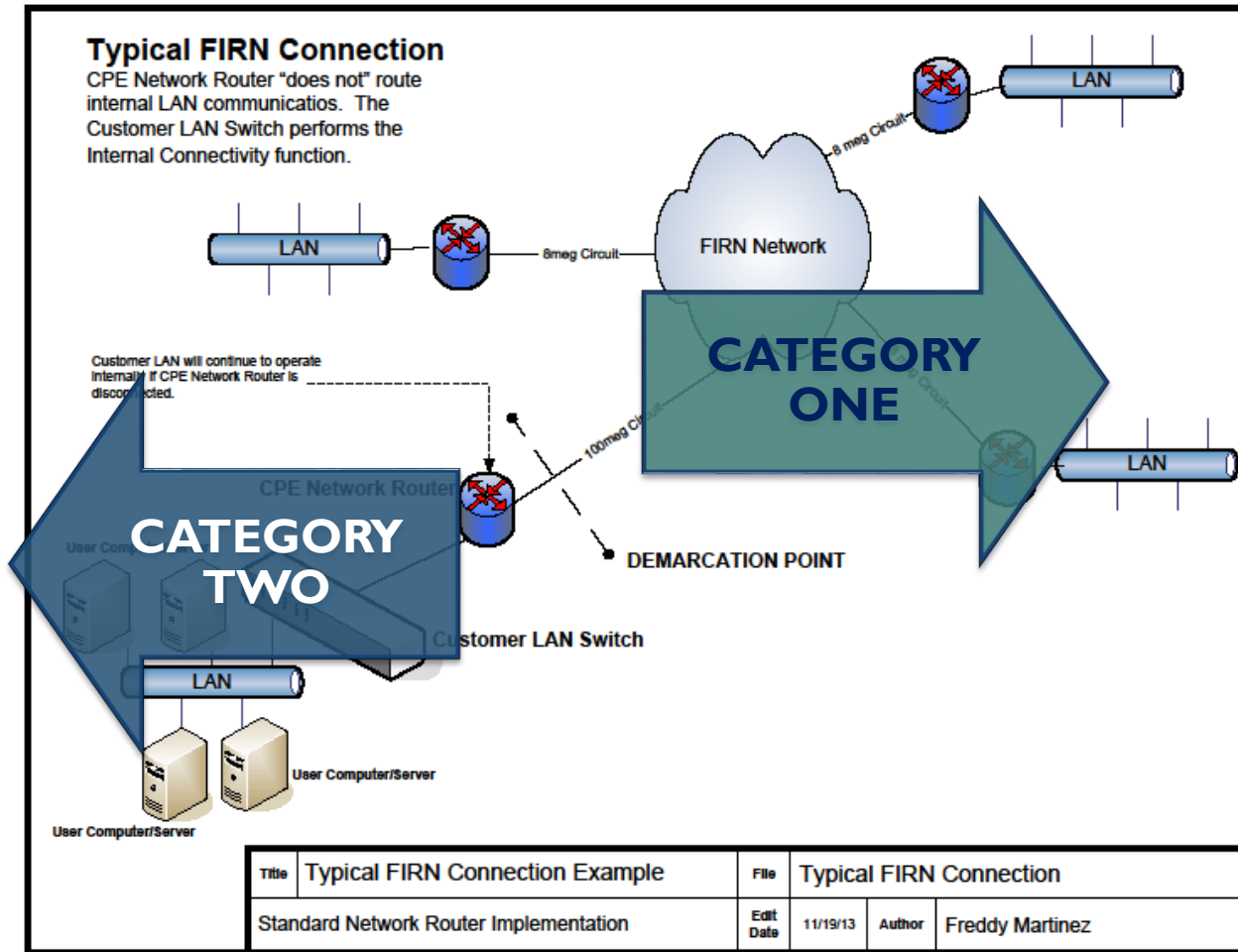
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CATEGORIES OF SERVICE

Categories of Service





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ELIGIBLE SERVICES

Eligible Services

Category One

Data Transmission and Internet Access

- Fiber (Lit and Dark)
- OC-1, OC-3, OC-12, OC-n
- Wireless Service (e.g. microwave)
- Satellite Services
- DS-1, DS-2, DS-3
- Ethernet
- T-1, T-3, Fractional T-1
- Leased Lit Fiber
- Dark Fiber
- Frame Relay
- SMDS
- Cable Modem
- DSL
- ATM
- Telephone Dialup
- Broadband over Power Lines
- Switched Multimegabit Data Service

Eligible Services

Category One Voice Services

- Centrex
- Integrated Services Digital Network (ISDN)
- Interconnected voice over Internet protocol (VoIP)
- Local, long distance, and 800 (toll-free) service
- Plain old telephone service (POTS)
- Radio loop
- Satellite telephone service
- Shared telephone service (only the portion of the shared services relating to the eligible use and location may receive discounts)
- Wireless telephone service including cellular voice and excluding data and text messaging

Eligible Services

Category Two: Internal Connections

- Access points
 - Cabling
 - Caching
 - Firewalls
 - Switches
 - Routers
 - Racks
 - UPS
 - Wireless LAN Controllers
- Improvements, upgrades and software necessary to support eligible broadband internal connections components
 - Functionalities listed here that can be virtualized in the cloud, and equipment that combines eligible functionalities are also eligible.

Eligible Services

Category Two

Managed Internal Broadband Services
(MIBS)
e.g. Managed Wi-Fi

Services provided by a third party for the operation, management, and/or monitoring of eligible broadband internal connections components.

Basic Maintenance of Internal
Connections (BMIC)

Basic maintenance of internal connections ensures the necessary and continued operation of eligible internal connection components at eligible locations.



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APPLICANT E-RATE PROCESS

Applicant E-rate Process

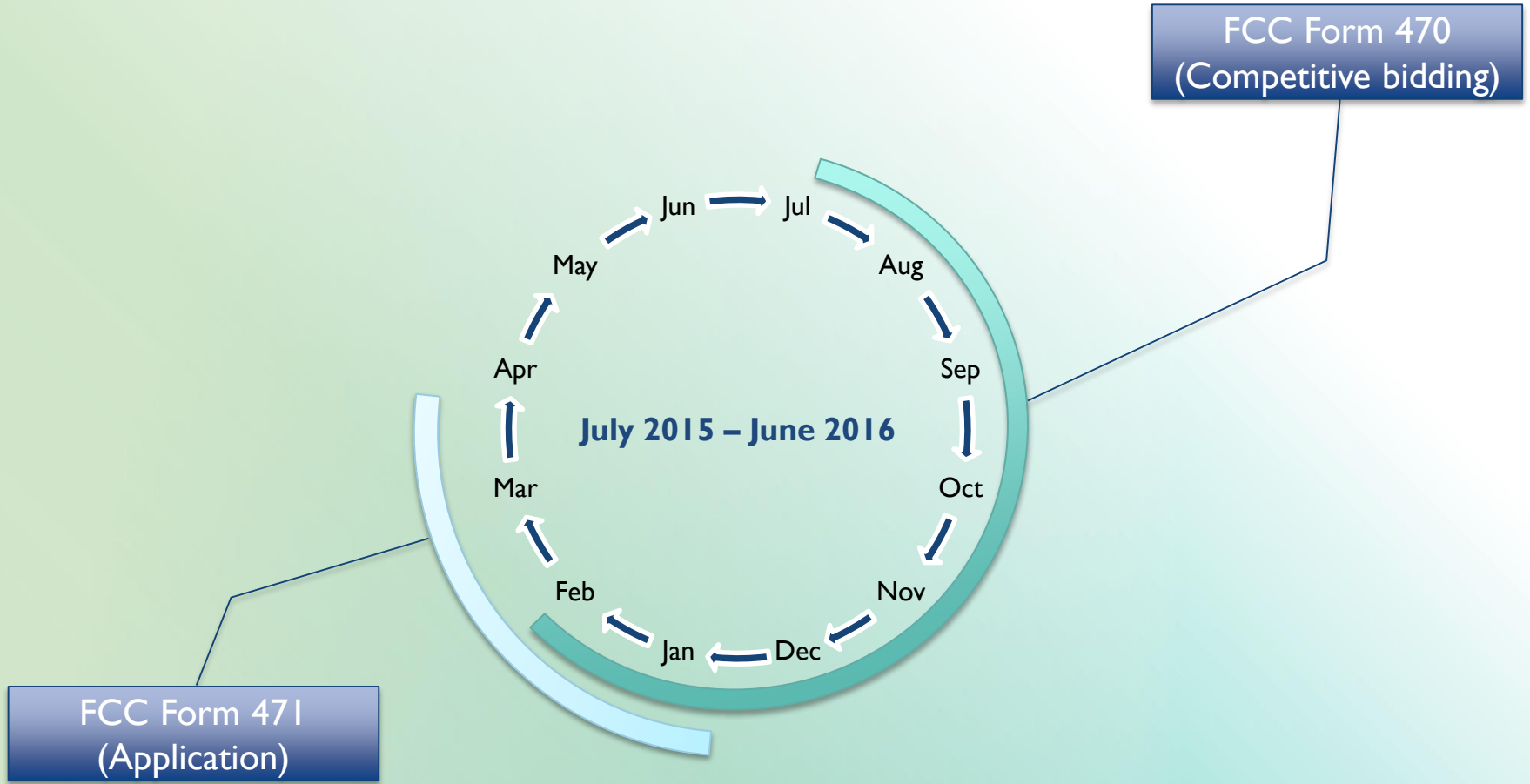
1. Competitive Bidding (Form 470)
 2. Selecting Service Providers
 3. Applying for Discounts (Form 471)
 4. Application Review
 5. Starting Services (Form 486)
 6. Invoicing (Form 472 or 474)
- Note: For Department of Management Services (DMS) billed SUNCOM users the E-rate Team will file and certify FCC Forms 471, 486, 500, and relevant invoicing forms.

The E-rate Year

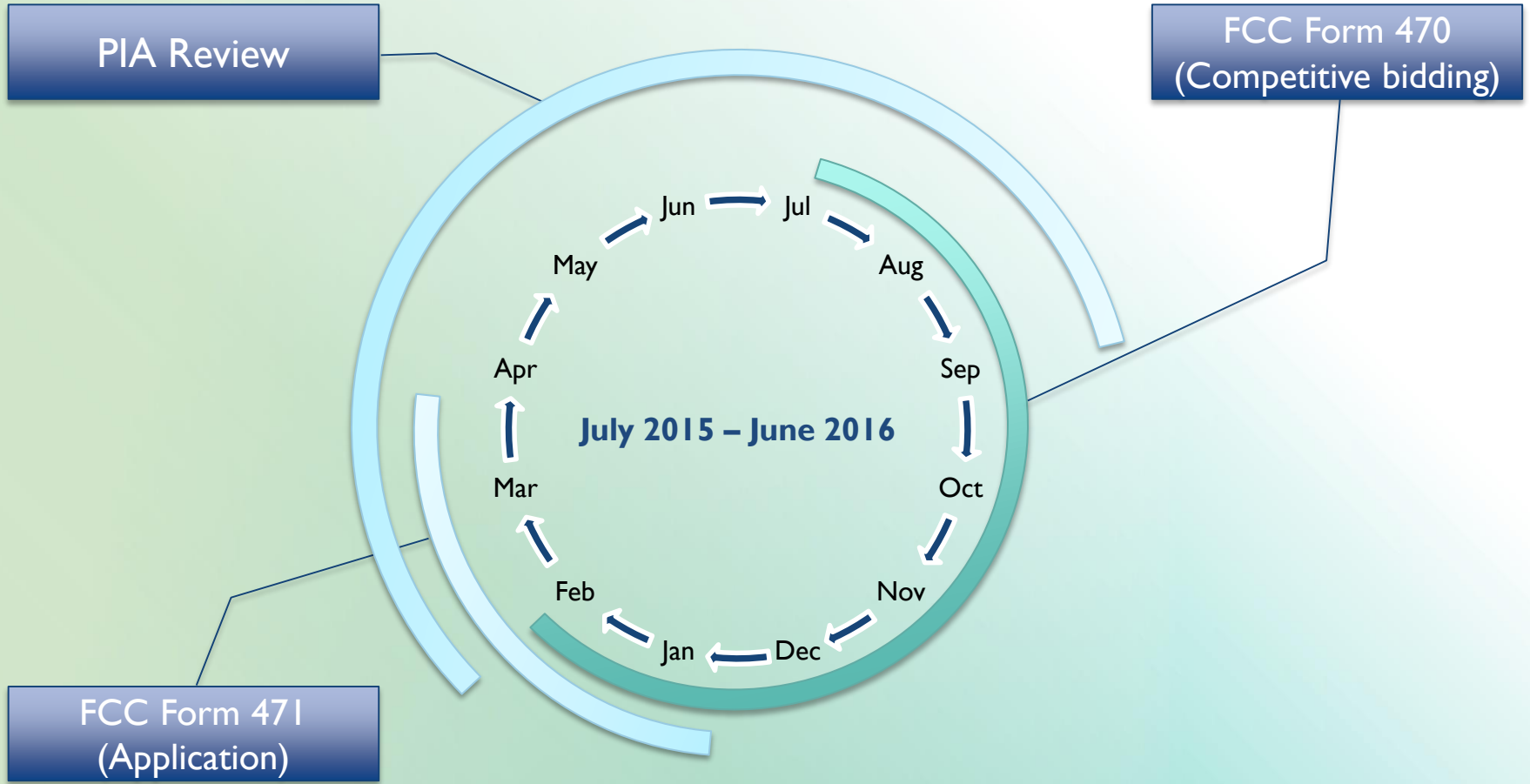
FCC Form 470
(Competitive bidding)



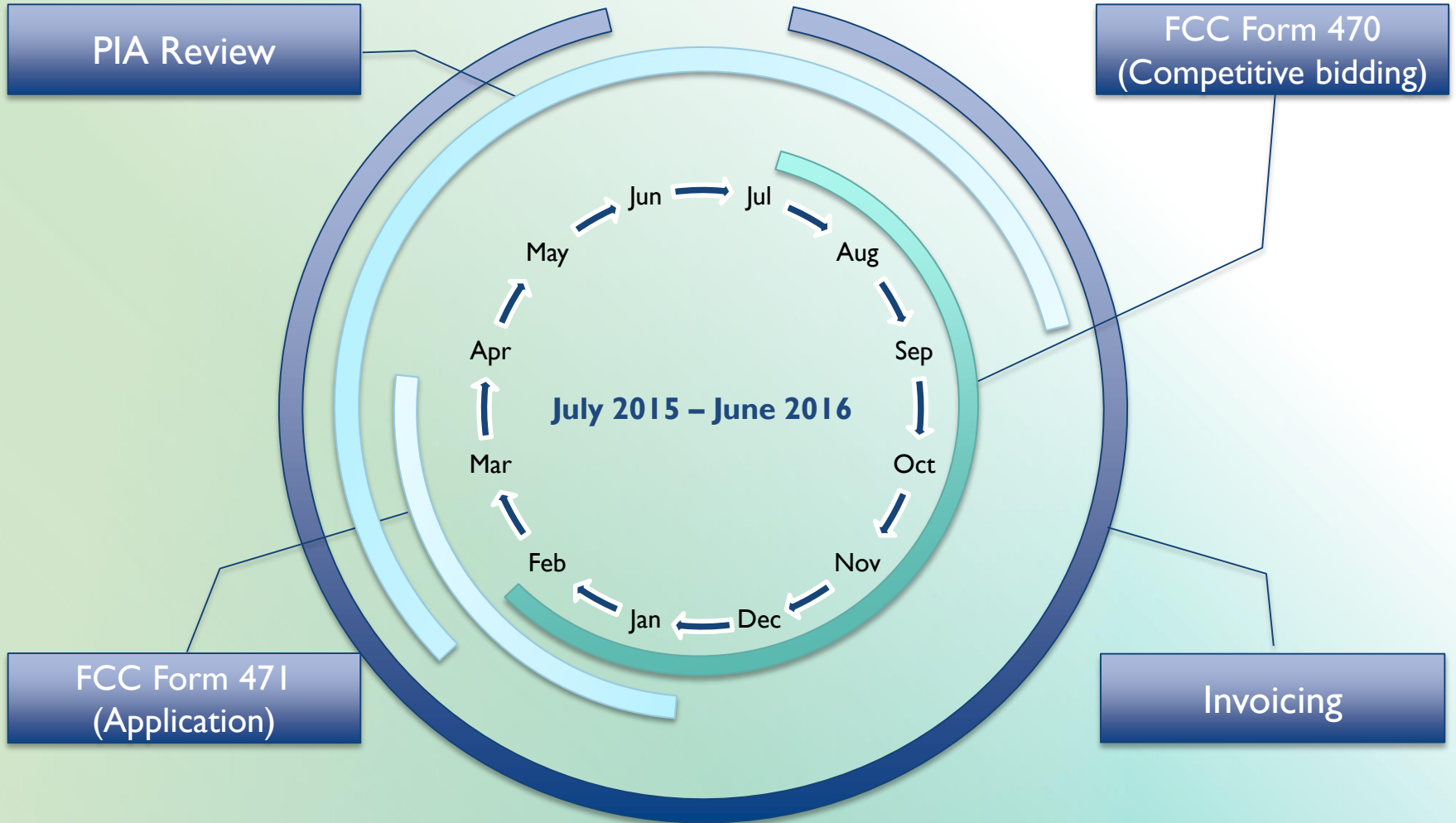
The E-rate Year



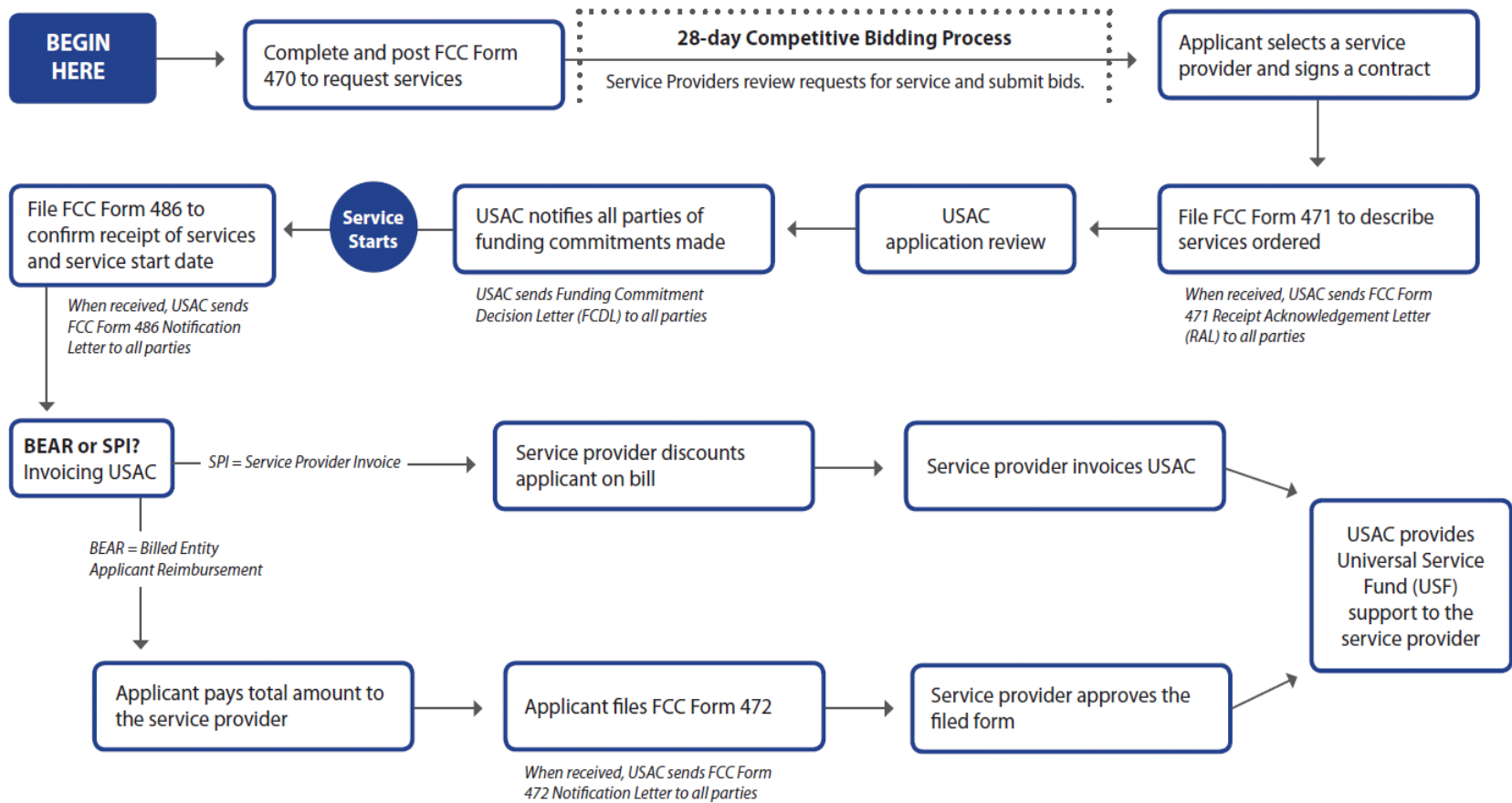
The E-rate Year



The E-rate Year



Schools & Libraries (E-Rate) Process | FOR APPLICANTS



Applicant E-rate Process

Invoicing Methods

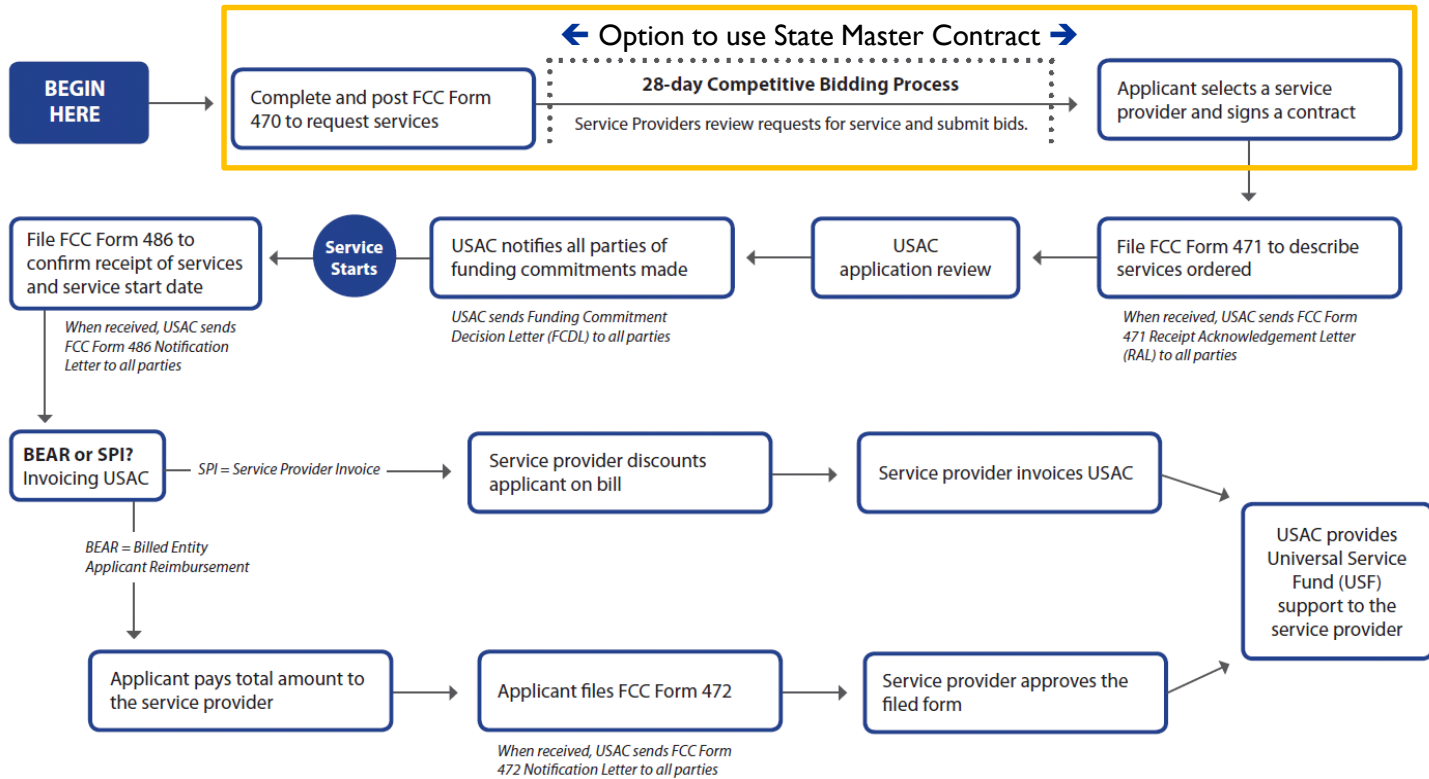
- I. **Form 472: Billed Entity Applicant Reimbursement (BEAR)**
Filed by applicant for discounted portion after services have been paid in full.

- I. **Form 474: Service Provider Invoice (SPI)**
Filed by service provider after the applicant has been billed for the non-discounted portion of eligible services.

* Invoicing method offered depends on contract with service provider.

State Master Contract Filing Procedure

Schools & Libraries (E-Rate) Process | FOR APPLICANTS





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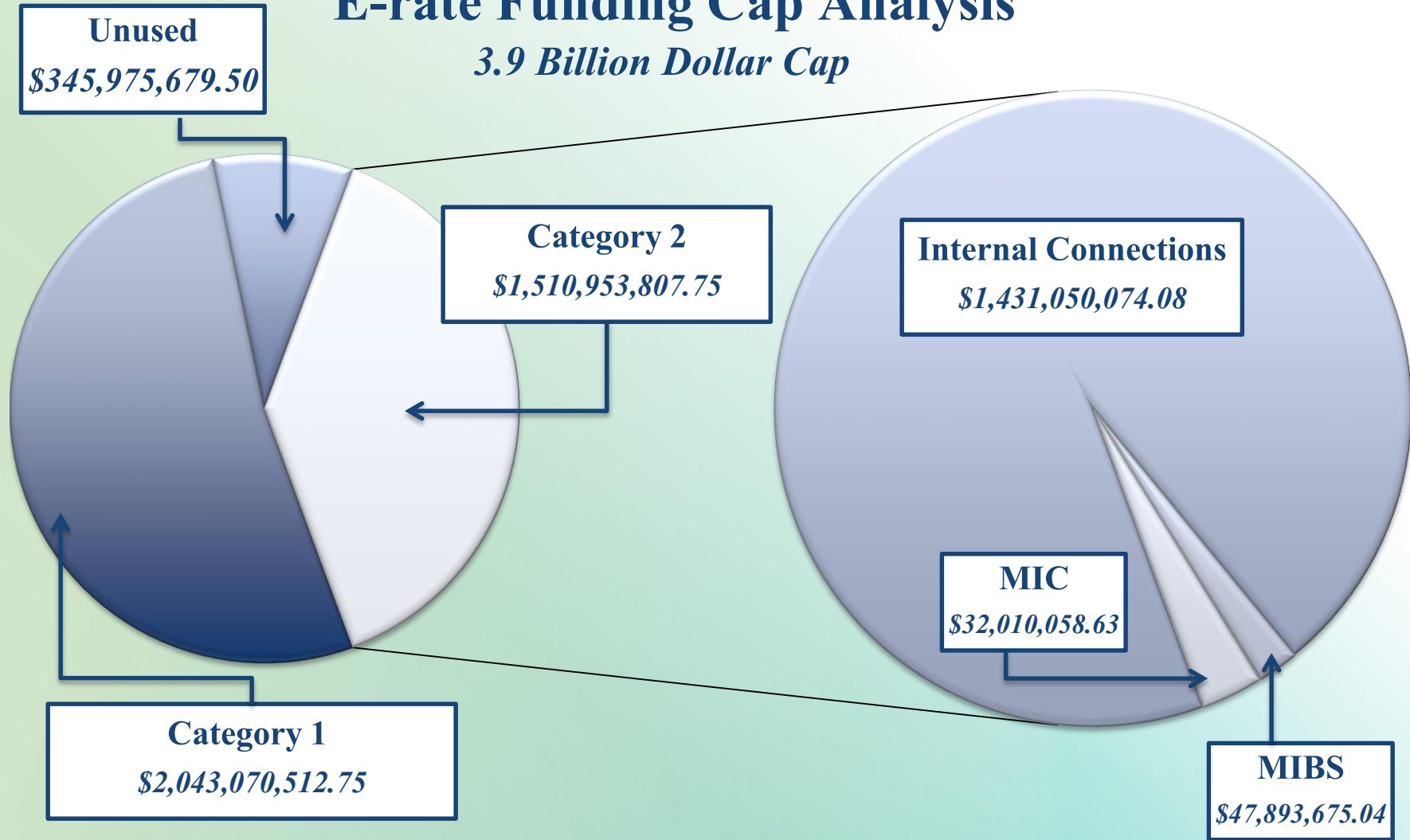
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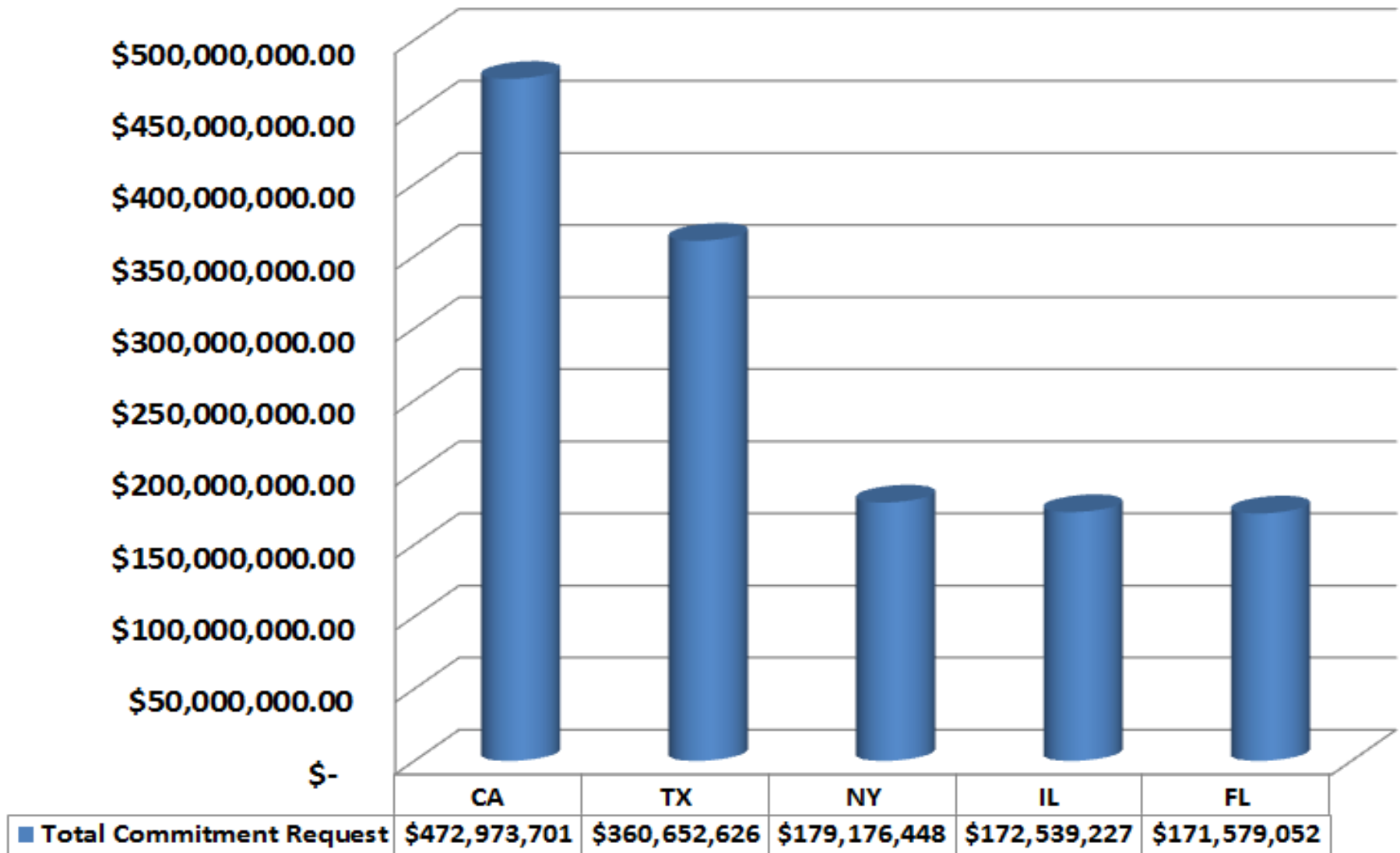
Maximizing E-rate Funding and Category Two Budgets

E-rate Funding Cap Analysis

3.9 Billion Dollar Cap



Florida Funding Analysis



Category Two Budgets

One billion dollars per year set for FY 2016 – 2020

- No funding guaranteed after 2020.
- Five year budget based on year funded.

School	Total F+PT Students	5-Year C2 Budget	Maximum 5-Year Reimbursement
School A	500 x \$150	\$75,000.00 x 70%	\$52,500.00
School B	700 x \$150	\$105,000.00 x 70%	\$735,000.00
School C	500 x \$150	\$75,000.00 x 70%	\$52,500.00
School D	50 x \$150	<u>\$9,200.00</u> x 70%	\$6,440.00

Category Two Budgets

- Each individual school has a Category Two “budget”.
 - \$150 per student (school)
 - No budget for Non-instructional facilities (NIFs) – including school NIFs with classrooms and administrative buildings.
- Districts may not average their costs across multiple school or library budgets.

Category Two Budget

- Applied at recipient BEN level in a funding request
- No sharing budgets between BENs or with NIFs
- Input data:
 - Student population saturation/attendance (schools) or
 - Facility sq. ft., rurality, and service population (libraries)
- Budget cap is locked in starting the first year C2 funding is committed on a FRN where a school or library BEN is recipient of service
- May increase/ decrease in certain circumstances

Category Two Budgets

5-Year C2 Budget \$75,000

Billed Eligible Cost \$48,000

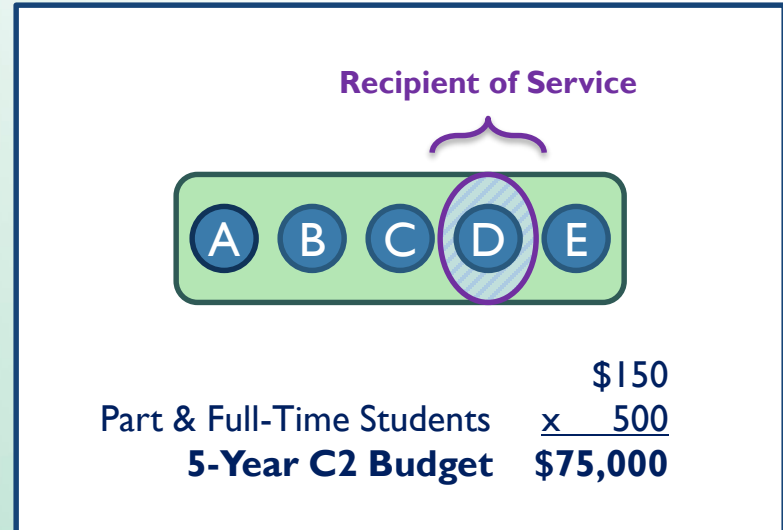
District Discount \times 70%

Reimbursed Amount \$33,600

5-Year C2 Budget \$75,000

Billed Eligible Cost $-$ \$48,000




Remaining 5-Year C2 Budget \$27,000



Pre-discount budget each year is decreased based on the invoiced funding associated with an entity

Category Two Budget Allocation

FRN with \$54,000.00 in Pre-Discount Eligible Costs

Devices on Network		Original Budget	Straight-line	Proportional	Specific
A	600 	\$90,000	<u>-\$18,000</u> \$72,000	<u>-\$18,000</u> \$72,000	<u>-\$29,000</u> \$61,000
B	500 	\$75,000	<u>-\$18,000</u> \$57,000	<u>-\$15,000</u> \$60,000	<u>-\$25,000</u> \$50,000
C	700 	\$105,000	<u>-\$18,000</u> \$87,000	<u>-\$21,000</u> \$84,000	<u>- \$0</u> \$105,000
		\$270,000	<u>-\$54,000</u> \$216,000	<u>-\$54,000</u> \$216,000	<u>-\$54,000</u> \$216,000

*Budget can be used over a 5 year period or used all in the first year.

Estimated District Budget

Category 2 Pre-Discount

Total Students = 8,422
 Sites @ \$9,200 Budget Floor = 0
 Total Estimated Budget = \$1,263,300

Category 2 Cap

Based on Prior-year discount percentage
 Students Qualifying for Free/Reduced Price Meals = 6,602 (78%)
 Discount Rate = 85%
 Total Estimated Discount Budget = \$1,073,805

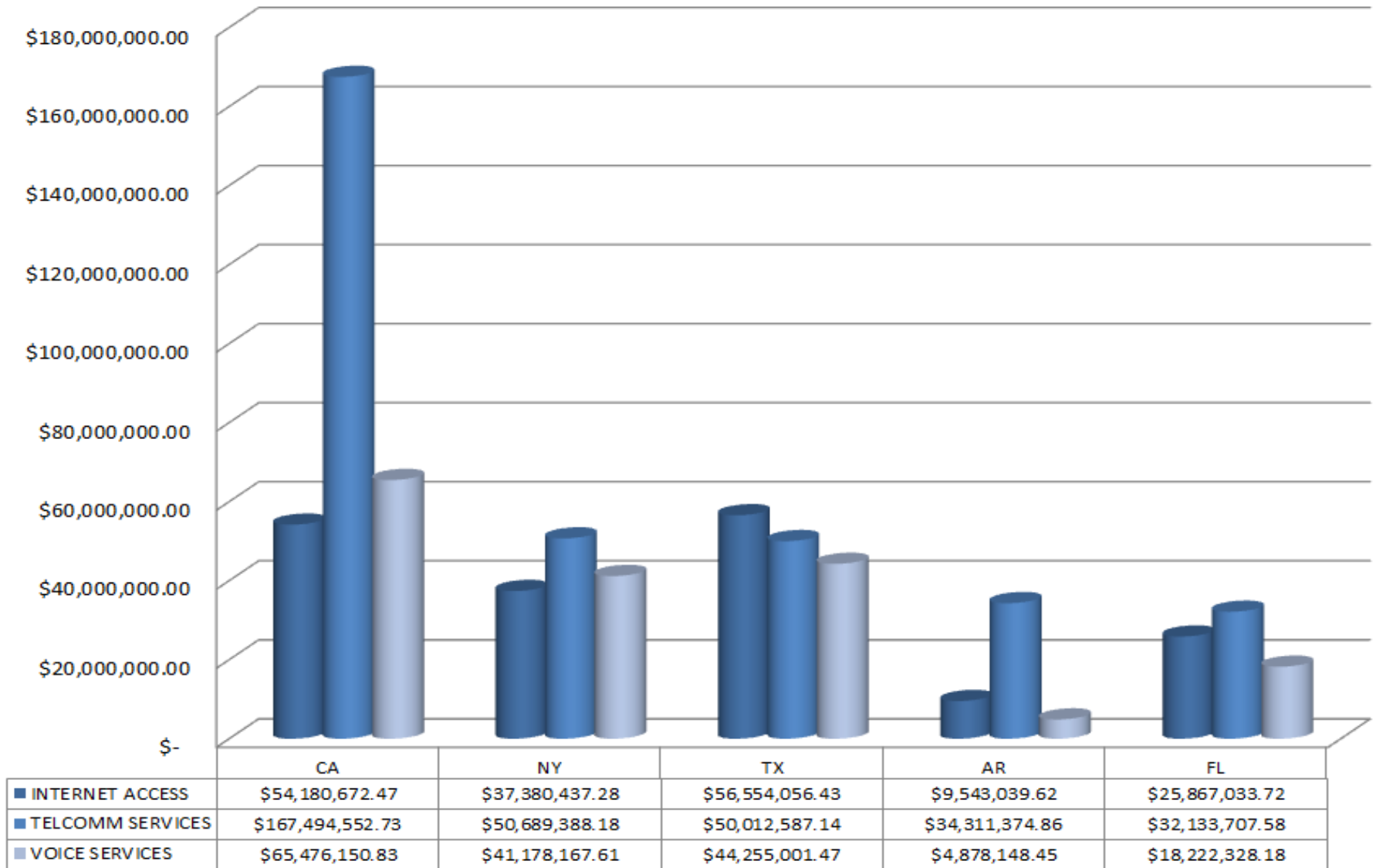
Switch School site location:* Urban Rural

[Back](#)

Estimated Funding Cap Per Site

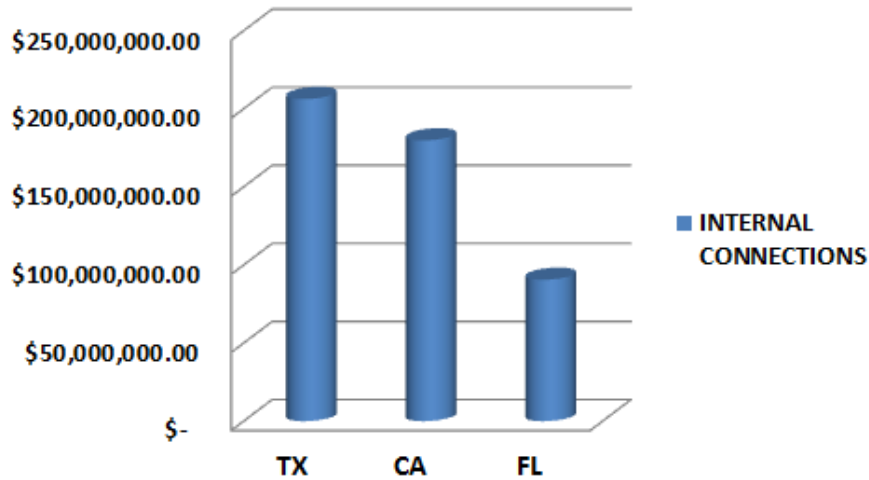
Site Name	BEN	Rural / Urban ▲	Enrollment	NSLP	Pre-Discount Amount	Discount Amount
CHESTNUT RIDGE JR HIGH SCHOOL	11327	Urban	497	400	\$74,550.00	\$63,367.50
CORNERSTONE CHRISTIAN SCHOOL	11289	Urban	119	22	\$17,850.00	\$15,172.50
ELDORADO ELEMENTARY SCHOOL	11341	Urban	389	322	\$58,350.00	\$49,597.50
ELMWOOD ELEMENTARY SCHOOL	11276	Urban	430	357	\$64,500.00	\$54,825.00
FLEETWOOD ELEMENTARY SCHOOL	11342	Urban	492	415	\$73,800.00	\$62,730.00
GRANDVIEW ELEMENTARY SCHOOL	11266	Urban	433	387	\$64,950.00	\$55,207.50
HEMPSTEAD ELEMENTARY SCHOOL	11329	Urban	495	381	\$74,250.00	\$63,112.50
KAKIAT JR HIGH SCHOOL	11334	Urban	1,048	876	\$157,200.00	\$133,620.00
LIME KILN ELEMENTARY SCHOOL	11188	Urban	385	332	\$57,750.00	\$49,087.50
MARGETTS ELEMENTARY SCHOOL	11278	Urban	538	486	\$80,700.00	\$68,595.00
POMONA JR HIGH SCHOOL	11187	Urban	664	513	\$99,600.00	\$84,660.00
RAMAPO SR HIGH SCHOOL	11333	Urban	1,354	967	\$203,100.00	\$172,635.00
SPRING VALLEY SR HIGH SCHOOL	11339	Urban	1,143	789	\$171,450.00	\$145,732.50
SUMMIT PARK ELEMENTARY SCHOOL	11287	Urban	435	355	\$65,250.00	\$55,462.50
			8,422	6,602	\$1,263,300.00	\$1,073,805.00

Florida Funding Analysis

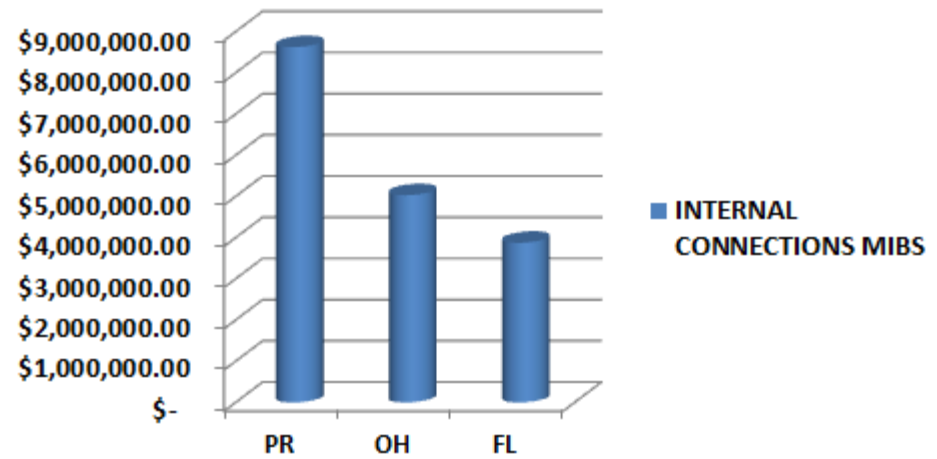


Florida Funding Analysis

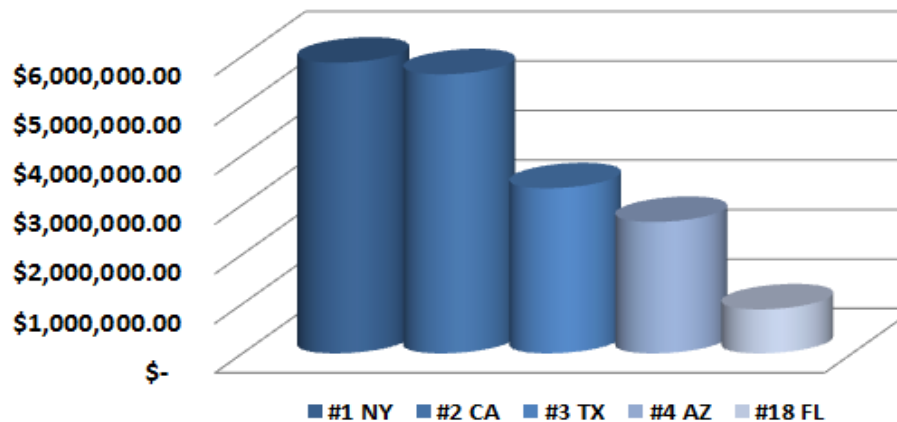
INTERNAL CONNECTIONS



INTERNAL CONNECTIONS MIBS



MANAGEMENT OF INTERNAL CONNECTIONS



Increase your funding success!

1. Have you considered the new Dark and Lit Fiber rules?
 - Owning your fiber over leasing

2. Category Two Budgets?
 - Basic Maintenance of Internal Connections?

3. How accurate is your school data?
 - Do you use the valid file?

4. Accurate/Validated applications = funded applications
 - How do you approach E-rate?

Increase your funding success!

- Plan ahead.
- Document, document, document!
- Use validated or documented data.
- Use data from a “snapshot in time”.
- Avoid estimating, extrapolating or rounding.
- Document changes and exceptions.
- Update data from year to year.