How the New E-Rate Rules Affect My School!

Presented by Learningtech.org

Mark L. Miller, Ph.D.
Executive Director

Eileen Miller
VP, E-Rate & Tech Plans

Josh Chisom
Educational Technology Consultant

E-Rate 2.0: Agenda

• Brief E-Rate Primer
• E-Rate Modernization Order content
  – Detail most important
  – Focus most timely
  – Skim nuances
• Interpreting ramifications for various scenarios
  – Take away strategies
  – Know what to do this afternoon
  – Know what to tell your Board at next meeting
• “TMI” pauses for questions
• Dropbox link to handouts, templates, resources
E-Rate 2.0: Quick Poll

Have you applied for E-Rate Discounts in the past?

E-Rate 2.0: Primer

What is E-Rate?

E-Rate is a Federal Communications Commission [FCC] discount program for technology for schools and libraries

Administered by
  – Universal Service Administrative Company [USAC]
  – Schools and Libraries Division [SLD]

• Discounts
  – On Eligible Services List [ESL]
  – From 20% - 90% (85% for Category 2)
  – Based on NSLP FRL eligibility

• $3.9 Billion/year (increased from $2.4 Billion this year)
  – Annually since 1998
  – Indexed to inflation since 2010

• Filing Deadline EXTENDED to April 16, 2015, 9 PM PDT

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E-Rate 2.0: Primer

E-Rate Cycle

- Form 486 (Oct-Jan)
- CIPA
- FCDL (Jul-Nov)
- PIA (Apr-Aug)
- DGIR (Aug)
- Form 470 (Oct-Dec)
- Competitive Bidding Process
- 471 Window Opens (Jan)
- Form 471 (Jan-Feb)
- 471 Window Closes (Mar)

Planning

For what services do I want funding? (Aug-Sep)

E-Rate Modernization Order

- Focuses on expanding and/or upgrading Wi-Fi networks with continued support for broadband connectivity
- USAC website has section devoted to Order
- All changes go into effect for Funding Year 2015 (July 1, 2015 – June 30, 2016) unless otherwise noted
  - Some details of implementation are still pending

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E-Rate 2.0: Nomenclature

“Priorities” are now “Categories”

- Category 1 [C1]
  - EXTERNAL Connections – connectivity between sites

- Category 2 [C2]
  - INTERNAL Connections – connectivity within sites

E-Rate 2.0: Tech Plans

- Technology Plans no longer required
  - 1998 – 2011 required for all applications
  - 2011 – 2014 required for Priority 2 applications
  - 2015 forward, not required

- Technology Plans still have value
  - Build stakeholder consensus
  - Guide budget compromises
  - Document status and progress
  - Strongly recommended by Learningtech.org
  - “Y18 Planning Document” standard for Learningtech.org clients

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E-Rate 2.0: Discounts

“Simplified” Discount Calculations (for reference)

- Independent Schools/Charters: NSLP percentage based on own student population
- Districts: weighted average site discounts replaced by district-wide discount
- Libraries: use district-wide discount of district where main facility is located
- Consortia: continue to use simple average of all members’ discounts, but must use each member’s district-wide discount
- “Rural” aligned with U.S. Census Bureau and prevails if majority of entities are rural
- Schools utilizing Community Eligibility Provision [CEP] calculate student eligibility for FRL by multiplying percentage of directly certified students by CEP national multiplier

E-Rate 2.0: Discounts

Discount Calculations: Example 1, District

Instead of Weighted Product for Calculating Shared Discount

<table>
<thead>
<tr>
<th>School/Location</th>
<th>Students</th>
<th>EL, Mented%</th>
<th>Income Level</th>
<th>Kindergarten</th>
<th>1st - 3rd</th>
<th>4th - 6th</th>
<th>7th - 8th</th>
<th>9th - 12th</th>
<th>Total Eligible Students</th>
<th>Discount %</th>
</tr>
</thead>
<tbody>
<tr>
<td>School 1</td>
<td>1000</td>
<td>48%</td>
<td>Low Income</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>480</td>
<td>48%</td>
</tr>
<tr>
<td>School 2</td>
<td>1200</td>
<td>52%</td>
<td>Moderate Income</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>520</td>
<td>52%</td>
</tr>
<tr>
<td>School 3</td>
<td>1500</td>
<td>55%</td>
<td>High Income</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>525</td>
<td>52%</td>
</tr>
</tbody>
</table>

48% in 2014
### E-Rate 2.0: Discounts

#### Discount Calculations: Example 1, District

All NSLP Eligible Students Divided by All Enrolled Students

Look up in E-Rate Discount Matrix yielding round discount amount

<table>
<thead>
<tr>
<th>E-Rate Discount Matrix</th>
<th>NSLP%</th>
<th>Urban Discount</th>
<th>Rural Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1%</td>
<td>20%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>1% to 19%</td>
<td>40%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>20% to 34%</td>
<td>50%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>35% to 49%</td>
<td>60%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>50% to 74%</td>
<td>80%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>75% to 100%</td>
<td>90%</td>
<td>90%</td>
<td></td>
</tr>
</tbody>
</table>

**NSLP Eligible**: 122

**Total Students**: 477

= **25.5%**

**50% in 2015**

---

#### E-Rate 2.0: Discounts

#### Discount Calculations: Example 2, Charter

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Total Students</th>
<th>NSLP Eligible</th>
<th>NSLP %</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter School</td>
<td>350</td>
<td>330</td>
<td>94.29%</td>
<td>90.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-Rate Discount Matrix</th>
<th>NSLP%</th>
<th>Urban Discount</th>
<th>Rural Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1%</td>
<td>20%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>1% to 19%</td>
<td>40%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>20% to 34%</td>
<td>50%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>35% to 49%</td>
<td>60%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>50% to 74%</td>
<td>80%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>75% to 100%</td>
<td>90%</td>
<td>90%</td>
<td></td>
</tr>
</tbody>
</table>

**2014** 90%  
**2015** 90%
Discount Calculations: Example 3, District

### E-Rate 2.0: Discounts

Discount Calculations: Example 3, District

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Total Students</th>
<th>NSLP Eligible</th>
<th>NSLP %</th>
<th>Discount</th>
<th>Weighted Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School</td>
<td>746</td>
<td>408</td>
<td>54.55%</td>
<td>80.00%</td>
<td>59840</td>
</tr>
<tr>
<td>Middle School</td>
<td>714</td>
<td>530</td>
<td>74.23%</td>
<td>80.00%</td>
<td>57120</td>
</tr>
<tr>
<td>High School</td>
<td>689</td>
<td>297</td>
<td>43.11%</td>
<td>50.00%</td>
<td>41340</td>
</tr>
<tr>
<td>Mt. Eden School</td>
<td>591</td>
<td>49</td>
<td>8.19%</td>
<td>40.00%</td>
<td>23640</td>
</tr>
<tr>
<td>Elementary School</td>
<td>586</td>
<td>354</td>
<td>60.41%</td>
<td>80.00%</td>
<td>46880</td>
</tr>
<tr>
<td>J Elementary School</td>
<td>577</td>
<td>429</td>
<td>74.15%</td>
<td>80.00%</td>
<td>46160</td>
</tr>
<tr>
<td>J Middle School</td>
<td>886</td>
<td>530</td>
<td>59.22%</td>
<td>80.00%</td>
<td>70880</td>
</tr>
<tr>
<td>ML Elementary Sch</td>
<td>599</td>
<td>70</td>
<td>11.69%</td>
<td>40.00%</td>
<td>23960</td>
</tr>
<tr>
<td>ML Elementary School</td>
<td>513</td>
<td>350</td>
<td>70.73%</td>
<td>90.00%</td>
<td>60330</td>
</tr>
<tr>
<td>Bus Yard</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>20.00%</td>
<td>0</td>
</tr>
<tr>
<td>District Admin Office</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>20.00%</td>
<td>0</td>
</tr>
<tr>
<td>Elementary School</td>
<td>507</td>
<td>465</td>
<td>91.72%</td>
<td>90.00%</td>
<td>45630</td>
</tr>
</tbody>
</table>

**2014: 67%**

**2015: 60%**

E-Rate 2.0: Discounts

Discount Calculations: Consortia (for reference)

- Consortia applications continue to use simple average of all members’ discounts for overall consortium discount, but will now use each member’s district-wide discount

- **QUESTIONS:**
  - Is a Charter Management Organization always a Consortium? ("average of entities" calculation)
  - Is a Charter Management Organization always a District? ("all eligible vs. enrolled" calculation)
  - What defines a CMO as a Consortium vs. a District?

- **FCC and SLD Guidance on CMOs still unclear**
  - Historically, CMOs filed as Consortiums
  - Until clear, calculate both methods and use best for you
  - Budget for possible reduction in Program Integrity Assurance [PIA]

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## E-Rate 2.0: Discounts

### Discount Calculations: Example 4, Consortium

#### Average Entities OR All Students
(like 2014 Consortia) (like 2015 districts)

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Total Students</th>
<th>NSLP Eligible</th>
<th>NSLP % Discount</th>
<th>Total Students</th>
<th>NSLP Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA School</td>
<td>50</td>
<td>34</td>
<td>68.00%</td>
<td>50</td>
<td>34</td>
</tr>
<tr>
<td>SJ School</td>
<td>58</td>
<td>28</td>
<td>48.28%</td>
<td>58</td>
<td>28</td>
</tr>
<tr>
<td>Admin Office</td>
<td>0</td>
<td>0</td>
<td>70.00%</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### E-Rate 2.0: Discounts

#### Discount Calculations: Example 5, CMO

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Total Students</th>
<th>FRL Eligible</th>
<th>NSLP%</th>
<th>E-Rate Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIAJ</td>
<td>580</td>
<td>197</td>
<td>34.0%</td>
<td>50%</td>
</tr>
<tr>
<td>INTERNATIONAL</td>
<td>402</td>
<td>161</td>
<td>40.0%</td>
<td>60%</td>
</tr>
<tr>
<td>MEDIA ARTS</td>
<td>402</td>
<td>169</td>
<td>42.0%</td>
<td>60%</td>
</tr>
<tr>
<td>NC HS</td>
<td>579</td>
<td>123</td>
<td>21.2%</td>
<td>50%</td>
</tr>
<tr>
<td>CV HS</td>
<td>608</td>
<td>113</td>
<td>18.5%</td>
<td>80%</td>
</tr>
<tr>
<td>CV MIDDLE</td>
<td>328</td>
<td>178</td>
<td>54.3%</td>
<td>80%</td>
</tr>
<tr>
<td>MIDDLE MEDIA ARTS</td>
<td>324</td>
<td>118</td>
<td>36.4%</td>
<td>60%</td>
</tr>
<tr>
<td>EX ELEMENTARY</td>
<td>356</td>
<td>101</td>
<td>28.4%</td>
<td>50%</td>
</tr>
<tr>
<td>NC MIDDLE</td>
<td>331</td>
<td>123</td>
<td>37.2%</td>
<td>60%</td>
</tr>
<tr>
<td>CV ELEMENTARY</td>
<td>420</td>
<td>234</td>
<td>55.7%</td>
<td>80%</td>
</tr>
<tr>
<td>HT MIDDLE</td>
<td>332</td>
<td>143</td>
<td>43.1%</td>
<td>60%</td>
</tr>
<tr>
<td>NC ELEMENTARY</td>
<td>267</td>
<td>126</td>
<td>47.2%</td>
<td>60%</td>
</tr>
<tr>
<td>CENTRAL SUPPORT OFFICE</td>
<td>0</td>
<td>0</td>
<td>62.5%</td>
<td>80%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Students</th>
<th>NSLP Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>4929</td>
<td>1986</td>
</tr>
</tbody>
</table>

NSLP %: 2014 64% 2015 60%
E-Rate 2.0: Discounts

Discount Calculations: Examples Recapped

<table>
<thead>
<tr>
<th>Example</th>
<th>Entity</th>
<th>2014</th>
<th>2015</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example 1</td>
<td>District</td>
<td>48%</td>
<td>50%</td>
<td>+ 2%</td>
</tr>
<tr>
<td>Example 2</td>
<td>Charter</td>
<td>90%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>Example 3</td>
<td>District</td>
<td>67%</td>
<td>60%</td>
<td>- 7%</td>
</tr>
<tr>
<td>Example 4</td>
<td>Consortium</td>
<td>70%</td>
<td>80%</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Example 5</td>
<td>CMO</td>
<td>64%</td>
<td>60%</td>
<td>- 4%</td>
</tr>
</tbody>
</table>

No general rule for overall increase/decrease in discount
Your unique situation determines your discount

E-Rate 2.0: Quick Poll

What was your 2014 E-Rate discount?
E-Rate 2.0: Discounts

Discount Calculations – TEMPLATE
Available in Webinar Handouts

Tabs for:
• Consortia using "Average of entities"
• Schools, Charters, Districts using ALL eligible vs. enrolled calculation

<table>
<thead>
<tr>
<th>Entity</th>
<th>Enrolled Students</th>
<th>NSLP Eligible</th>
<th>NSLP %</th>
<th>E-Rate Discount (Urban)</th>
<th>E-Rate Discount (Rural)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E-Rate Discount Matrix

<table>
<thead>
<tr>
<th>NSLP %</th>
<th>E-Rate Discount (Urban)</th>
<th>E-Rate Discount (Rural)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>1% to 19%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>20% to 34%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>35% to 49%</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>50% to 74%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>75% to 100%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

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E-Rate 2.0: Questions?

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E-Rate 2.0: ESL Changes!

Category 1: Eliminated Services
- Paging
- Voicemail
- Webhosting
- Email hosting
- Text messaging
- Directory assistance
- Direct inward dialing
- 900/976 call blocking
- Custom calling services
- Inside wire maintenance plans

Category 1: Phased Out Services
20% reduction each year, beginning FY2015
- Local
- Long distance
- POTS
- Radio loop
- 800 service
- Satellite phone
- Shared phone service
- Centrex
- Wireless/cellular voice
- VoIP
Category 2: Eligible
Eligible Broadband Internal Connections Components
• Cabling, connectors, and related components
• Network switches
• Routers
• Access points
• Wireless LAN Controllers
• Caching
• Firewalls that protect eligible equipment from security hazards
• Racks that support eligible components
• Uninterruptible Power Supply [UPS]
• Software to support eligible, including Client Access Licenses

Category 2: INeligible
Any Internal Connections equipment not *directly used to push Wi-Fi into classrooms or library common rooms*

Category 2: Still Eligible
Basic Maintenance of Internal Connections
(included in five-year budget)

Category 2: Newly Eligible
Wi-Fi as a managed service
Caching functionality
## E-Rate 2.0: C1 Impact

### Category 1: E-Rate Modernization Impact on C1
- **Eliminated & Phased Out Services – 2015, Example 1**
  - Effective discount 2014 is 90%; effective discount 2015 is 58%

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>Pre-Discount</th>
<th>FY2014 Discount</th>
<th>FY2014 Funding</th>
<th>FY2015 Discount</th>
<th>FY2015 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ELIMINATED</strong></td>
<td>$517,611.60</td>
<td>90%</td>
<td>$465,850.44</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td><strong>PHASED OUT</strong></td>
<td>$2,566,383.68</td>
<td>90%</td>
<td>$2,309,745.31</td>
<td>70%</td>
<td>$1,796,468.58</td>
</tr>
<tr>
<td><strong>TOTAL SERVICES</strong></td>
<td>$3,083,995.28</td>
<td>90%</td>
<td>$2,775,595.75</td>
<td>58%</td>
<td>$1,796,468.58</td>
</tr>
</tbody>
</table>

### E-Rate 2.0: C1 Impact

- **Category 1: E-Rate Modernization Impact on C1**
- **Eliminated & Phased Out Services – 2016 – 2019, Example 1**
  - Discount 2019 is 0%; Telcom funding redirected to C2 services

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>Pre-Discount</th>
<th>FY2016 Discount</th>
<th>FY2016 Funding</th>
<th>FY2017 Discount</th>
<th>FY2017 Funding</th>
<th>FY2018 Discount</th>
<th>FY2018 Funding</th>
<th>FY2019 Discount</th>
<th>FY2019 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ELIMINATED</strong></td>
<td>$517,611.60</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td><strong>PHASED OUT</strong></td>
<td>$2,566,383.68</td>
<td>50%</td>
<td>$1,283,191.84</td>
<td>30%</td>
<td>$769,915.10</td>
<td>10%</td>
<td>$256,638.37</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td><strong>TOTAL SERVICES</strong></td>
<td>$3,083,995.28</td>
<td>42%</td>
<td>$1,283,191.84</td>
<td>25%</td>
<td>$769,915.10</td>
<td>8%</td>
<td>$256,638.37</td>
<td>0%</td>
<td>$-</td>
</tr>
</tbody>
</table>
E-Rate 2.0: C1 Impact

Category 1: E-Rate Modernization Impact on C1
Eliminated & Phased Out Services, Example 2
Applicants with <90% phase out faster
(-20% from where you started in 2014)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Web hosting</td>
<td>$3,850.00</td>
<td>40%</td>
<td>$1,540.00</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>411 SERVICE</td>
<td>$1,000.00</td>
<td>0%</td>
<td>$400.00</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>BASIC LOCAL PHONE (POTS)</td>
<td>$5,502.24</td>
<td>40%</td>
<td>$2,200.90</td>
<td>20%</td>
<td>$1,100.45</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>LONG DISTANCE</td>
<td>$3,300.00</td>
<td>40%</td>
<td>$1,320.00</td>
<td>20%</td>
<td>$660.00</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>Wireless/ cellular voice</td>
<td>$20,780.28</td>
<td>40%</td>
<td>$8,312.11</td>
<td>20%</td>
<td>$4,156.06</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>DIGITAL PRI T-1</td>
<td>$5,639.34</td>
<td>40%</td>
<td>$2,255.74</td>
<td>20%</td>
<td>$1,127.87</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>VoIP</td>
<td>$45,598.08</td>
<td>40%</td>
<td>$18,239.33</td>
<td>20%</td>
<td>$9,119.62</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$85,669.94</td>
<td>40%</td>
<td>$34,267.98</td>
<td>19%</td>
<td>$16,163.99</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
<td>0%</td>
<td>$-</td>
</tr>
</tbody>
</table>

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E-Rate 2.0: Category 2

- Maximum discount level for C2 | 85%
- Five-Year Budgets:
  - Schools: $150.00 per student pre-discount
  - Libraries: $2.30 per square foot pre-discount
  - Per entity: each school/library gets own budget
  - The pre-discount cost of C2 application at least $9,200.00
  - Includes Basic Maintenance of Internal Connections

  $150/student or $2.30/foot (max)

  $9,200 (min)

C2 5-Year Budget
- Replaces “2-in-5” rule
- Spend as best fits your Technology Plan
  - Projects totaling $30.00 per student per year for 5 years
  - Projects totaling $150.00 per student once every five years
  - A few entities in 2015 and a few entities in 2016
  - Consider facility openings and closings
- PER ENTITY budget; not pooled for whole district

<table>
<thead>
<tr>
<th>Entity</th>
<th>Qty</th>
<th>Factor</th>
<th>Pre-Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small School/District/CMO</td>
<td>60</td>
<td>$150/student</td>
<td>$9,200.00</td>
</tr>
<tr>
<td>Medium School/District/CMO</td>
<td>25,000</td>
<td>$150/student</td>
<td>$3,750,000.00</td>
</tr>
<tr>
<td>Large School/District/CMO</td>
<td>100,000</td>
<td>$150/student</td>
<td>$15,000,000.00</td>
</tr>
<tr>
<td>Small Library</td>
<td>2000</td>
<td>$2.30/sq ft</td>
<td>$9,200.00</td>
</tr>
<tr>
<td>Medium Library</td>
<td>15,000</td>
<td>$2.30/sq ft</td>
<td>$34,500.00</td>
</tr>
<tr>
<td>Large Library</td>
<td>50,000</td>
<td>$2.30/sq ft</td>
<td>$115,000.00</td>
</tr>
</tbody>
</table>
E-Rate 2.0: Category 2

More Category 2 Funding
- Program’s annual budget raised from $2.4 Billion to $3.9 Billion
- $1 billion per year earmarked for Category 2 in each of next two funding years (FY2015 and FY2016)

2015 $1 B 2016

Historically, Priority 2
- Average threshold = 74%
- Average 2014 P2 application requested $260K
- 2012 P2 commitments averaged $1,750 per student
- Estimated half of applications NOT FUNDED due to funding cap

FDCL Explanation:
"Given Program demand, the funding cap will not provide for Internal Connections or Basic Maintenance of Internal Connections at your approved discount level to be funded."

<table>
<thead>
<tr>
<th>FY</th>
<th>Funding Reached</th>
<th>Threshold Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>200%</td>
<td>NO discount levels funded</td>
</tr>
<tr>
<td>2013</td>
<td>100%</td>
<td>NO discount levels funded</td>
</tr>
<tr>
<td>2012</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>77%</td>
<td>All discount levels funded</td>
</tr>
<tr>
<td>2009</td>
<td>87%</td>
<td>Including $900M roll-over</td>
</tr>
<tr>
<td>2008</td>
<td>81%</td>
<td>Including $600M roll-over</td>
</tr>
<tr>
<td>2007</td>
<td>81%</td>
<td>Including $50M roll-over</td>
</tr>
<tr>
<td>2006</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>81%</td>
<td>Including $150M roll-over</td>
</tr>
<tr>
<td>2003</td>
<td>70%</td>
<td>Including $420M roll-over</td>
</tr>
<tr>
<td>2002</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>82%</td>
<td>All discount levels funded</td>
</tr>
<tr>
<td>1998</td>
<td>76%</td>
<td></td>
</tr>
</tbody>
</table>
E-Rate 2.0: C2 More Likely

C2 funding more likely for more Applicants
- Greater OPPORTUNITY for lower discount Applicants
- Especially in FY2015 & FY2016

<table>
<thead>
<tr>
<th>E-Rate 1.0</th>
<th>E-Rate 2.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher discount Applicants fund 1st</td>
<td>Higher discount Applicants fund 1st</td>
</tr>
<tr>
<td>Only full discount bands funded</td>
<td>Funding within discount bands based on NSLP%</td>
</tr>
<tr>
<td>2-in-5 Rule only limit on P2 application request</td>
<td>5-year C2 Budgets MAX ($150/student, $2.30/foot)</td>
</tr>
<tr>
<td>Lower discount Applicants NOT FUNDED due to funding cap</td>
<td>$1B dedicated C2 funding in FY2015 and FY2016</td>
</tr>
<tr>
<td>Lower discount Applicants did not bother to apply</td>
<td>Funding redirected to support more C2 FUNDED applications</td>
</tr>
</tbody>
</table>

E-Rate 2.0: Questions?
E-Rate 2.0: Form 470

- Form 470, Description of Services Needed
  - New form for 2015
  - Initiates competitive bidding process
  - Must be filed electronically
  - Can still certify via paper if no PIN
  - Use in conjunction with an RFP if services or project is complex.
  - California (via K12HSN) files a statewide Form 470 for public schools.

E-Rate 2.0: Form 471

- Form 471, Description of Services Ordered
  - New form for 2015
  - Main Application Form
  - Must be filed electronically
  - Requires LOTS more detail than in past
- For multiyear contracts up to 5 years
  - Simplified application for years 2-5
  - Details pending

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E-Rate 2.0: Form 471

- No contract required before filing Form 471
  - Just a “legally binding agreement”
    • Bid with full terms and conditions
    • + email or letter accepting bid

- Item 21
  - Detailed description of products and services
  - Standardized; part of 471 now instead of separate
  - Template available for download
  - Data publicly available

E-Rate 2.0: Other Changes

Other Process Changes (for reference)
- All FORMS must be filed electronically
- USAC to:
  - Make data publicly available and searchable
  - Vigorously enforce Lowest Corresponding Price rule: Vendors must offer Applicants the lowest price commercially available to comparable entities
  - Speed application review
  - Prioritize consortium applications
- C2 projects may be started in APRIL preceding funding year start
- FY2016, BEAR reimbursements go directly to Applicants (instead of via vendors)
- Longer Document Retention
E-Rate 2.0: Other Changes

Document retention 5 -> 10 years
Electronic OK

(Learningtech.org clients: ask for link to your Dropbox repository)

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E-Rate 2.0: Take Aways

- **$0.00** funding for Eliminated Services 2015+
- **20% less** funding for Phased Out Services per year for 2015, 2016, 2017, 2018, $0 for 2019+
- **ALL** applicants have C2 5-year budget per entity
- **$1B** funding for C2 in 2015 & 2016
- > probability of C2 funding in 2015 AND 2016
- Going forward, E-Rate program is all about high speed wireless Internet access
Do you know exactly what to do NOW to facilitate your FY2015 application?

1) Calculate your 2015 E-Rate discount
   - Use Learningtech.org template to calculate discount

2) Determine your level of C1 exposure
   - How much funding will you lose for C1 services in 2015? 2016?
     • Review FY2014 E-Rate application
     • Use Learningtech.org template to calculate reductions

3) Develop plan to cover shortfall and/or migrate services
   - Budget for 2015 forward for 100% share
   - Find cheaper options, such as VoIP (also phasing out)
     or explore virtual PBX solutions
   - Do without now or develop “sunsetting” schedule
E-Rate 2.0: Next Steps

4) Identify your contract liabilities
   - Locate all existing, multi-year contracts for services that will be phased out and/or eliminated
   - Conduct thorough review of contract terms and conditions
   - Determine “severability”
     - Confirm “turn-up” date and contract expiration date with vendor (verifying vendor’s records correspond to your records)
     - Find any contingency clauses (e.g., “contract is contingent upon favorable Funding Commitment Decision Letter [FCDL]…”) to allow for cancellation and/or reduction of E-Rate funded services

5) Calculate your C2 5-year budget
6) Ascertain need for WiFi upgrade projects
   - Survey sites, documenting current capacity vs. future requirements
   - Remember that FY2015 and FY2016 have more funding guaranteed

7) Prepare Board meeting E-Rate Update
   - Presentation well ahead of FY2015 filing window to allow time for discussion and long-term planning
   - Use Learningtech.org template to craft your message
   - DRAFT 2015-2016 Budget
E-Rate 2.0: Next Steps

8) Attend to unfolding Modernization details
   - Watch the listservs
   - Join the webinars
   - Read SL News Briefs weekly (every Friday)

*All time spent planning now will pay dividends for the next several years*

E-Rate 2.0: Questions?

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