

E-RATE FUNDING

What Business Administrators
Need to Know



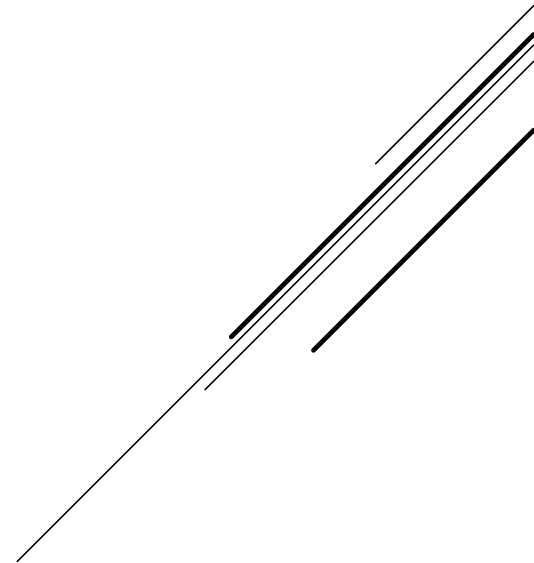
- ▶ Overview
- ▶ Eligible Services
- ▶ Funding Potential
- ▶ How to Apply
- ▶ Common Mistakes
- ▶ Common Misconception
- ▶ Recent Changes
- ▶ Changes on the Horizon
- ▶ ECF (Emergency Connectivity Fund), Emergency Broadband Benefit (EBB)

AGENDA



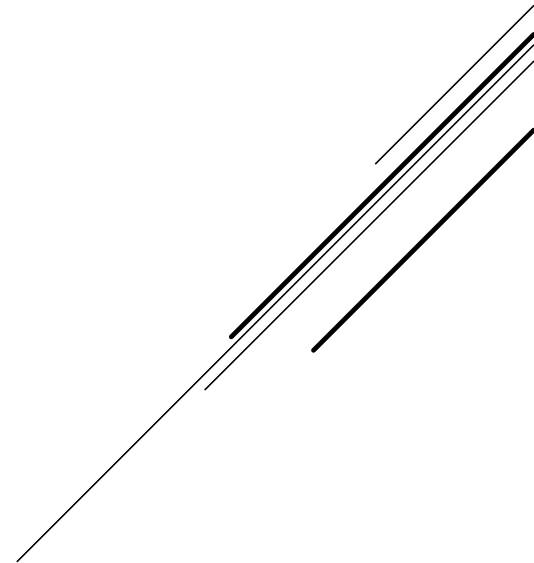
- ▶ Federal funding program, administered by the FCC
 - ▶ Not a competitive grant
 - ▶ Funded by fee on phone bills
- ▶ Objective: to bring broadband to classrooms and libraries
- ▶ Awards \$3 billion in funding per year
 - ▶ Could award \$4 billion if demand were higher
- ▶ Schools and libraries must apply for funding each year
 - ▶ Must apply during application window

OVERVIEW



- ▶ Two categories of funding
- ▶ Category 1 (C1): Broadband
 - ▶ Internet connection(s)
 - ▶ Connection(s) between locations (wide area network)
- ▶ Category 2 (C2): Internal Connections
 - ▶ Network equipment (wireless access points, switches, routers, firewalls)
 - ▶ Data network cabling
 - ▶ Maintenance of eligible equipment
 - ▶ **NOT** computers, tablets, smartboards

ELIGIBLE SERVICES OVERVIEW



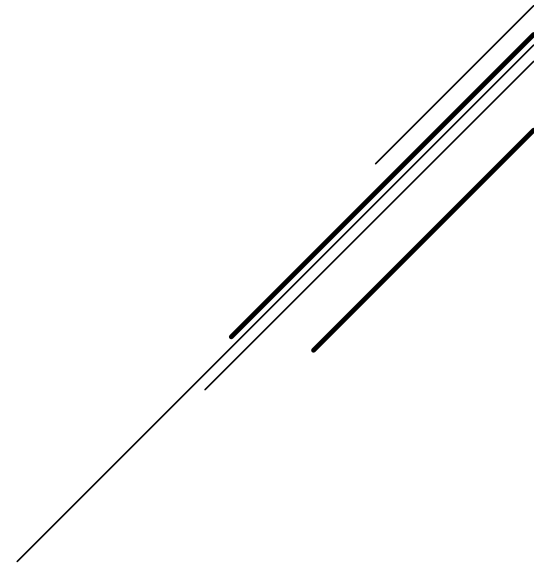
- ▶ Eligible Services List (ESL) for 2022-2023 not yet released
 - ▶ No Eligible Services List (ESL) changes expected
 - ▶ Last year's ESL: <https://docs.fcc.gov/public/attachments/DA-20-1418A1.pdf>
 - ▶ No equipment from “a company that the FCC has designated as a national security threat” (currently Huawei and ZTE)

ELIGIBLE SERVICES LIST FOR 2022-2023



- ▶ Funding = discount x expenditures
- ▶ Discount determined by percent of low-income (NSLP) students
 - ▶ Over half of Morris County districts in NJ have a 40% discount
- ▶ Expenditures are:
 - ▶ C1: Whatever the district spends on eligible broadband
 - ▶ C2: Eligible expenditures up to the 5-year budget of \$167/student
- ▶ In Morris County, the range for FY2021 is **\$5,000 to \$1.3 million**

FUNDING POTENTIAL



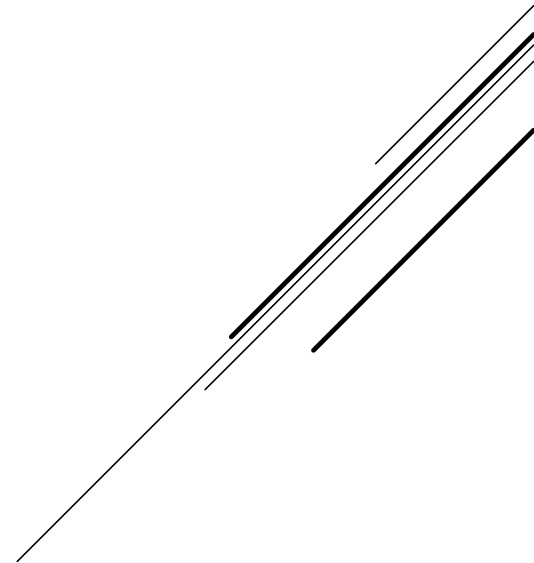
- ▶ All applications online through EPC portal
 - ▶ Form 470: between now and January; like an RFP
 - ▶ Form 471: dates not set, usually Jan.-Mar
 - ▶ Form 486: after funding approval
 - ▶ Form 472 (BEAR): request reimbursement after paying or receive discounts on bills

HOW TO APPLY



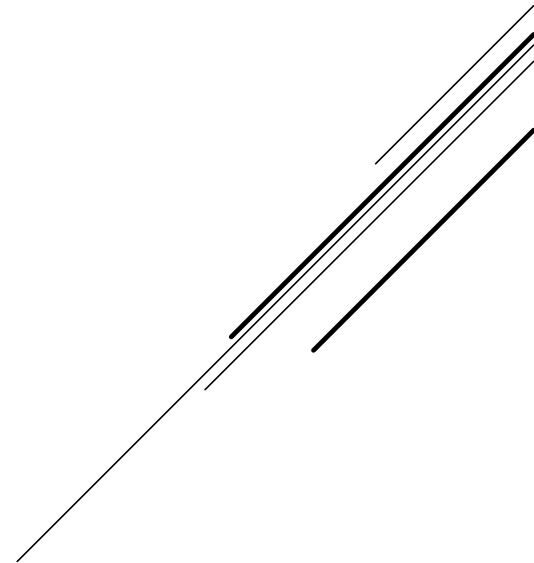
- ▶ Not taking advantage of Category 2
- ▶ Not complying with competitive billing rules
 - ▶ Not documenting process
- ▶ Not filing the later forms (486 and BEAR)
- ▶ Missing deadlines
- ▶ Not responding to PIA (application reviewers)

COMMON MISTAKES



- ▶ The E-Rate is going away
 - ▶ The program is growing, though it does face challenges
- ▶ My district can't get funding for internal connections
 - ▶ All districts can now get this funding, up to a point
- ▶ A technology plan is required for E-Rate
 - ▶ No longer required
- ▶ The “filing window” is for Forms 470 as well as 471
 - ▶ The “filing window” is only for the Form 471
 - ▶ The Form 470 can be filed months in advance of the window

COMMON MISCONCEPTIONS



- ▶ New budget of \$167 per full-time student for schools
- ▶ Budgets will be organization-wide
 - ▶ Budget can be spent on one school or spread across schools
 - ▶ “applicants should consider all schools that fall under the control of a central administrative agency as a district for the purpose of calculating a shared, district-wide budget.”
- ▶ Funding floor increased from \$9,200 to \$25,000 per site
 - ▶ Can only be used by applicants with less than 10 sites
- ▶ Part-time rules: schools serving only part-time students can count them, but districts with part-time programs should count each student only once
- ▶ Budget tool: <https://opendata.usac.org/E-rate/E-rate-C2-Budget-Tool-FY2021-/8z69-Jkn7>

RECENT CHANGES BUDGET CALCULATION



- ▶ The first budget cycle will be FY 2021-2022 to FY 2025-2026, at which point everyone's budget will reset
 - ▶ No more sliding windows
- ▶ Five-year budget known at start of cycle
 - ▶ Per-student rate stays constant over five-year cycle
 - ▶ Student count and per student rate constant over five-year cycle
 - ▶ Student count can be increased if necessary

RECENT CHANGES BUDGET CYCLE



- ▶ Equipment transfer within a district allowed any time
 - ▶ No need to notify USAC
 - ▶ Must track equipment location for 10 years
- ▶ Non-instructional facilities (NIFs) still not eligible for C2
 - ▶ If C2 equipment is shared across the district (e.g., the district firewall), some portion should be cost-allocated out for NIFs

RECENT CHANGES
INVENTORY, ELIGIBILITY AND NIFS



- ▶ Gift rules waived thru June 30, 2021
 - ▶ Applicants can accept free equipment/services from service providers
- ▶ National security: no Huawei or ZTE products through E-Rate
- ▶ Up-front charges for C1 no longer need to be amortized
- ▶ Invoicing deadlines for appeals clarified
 - ▶ Applicants can file invoices up to 120 days after Revised FCDL
- ▶ Applicants may share self-provisioned networks with ineligible entities, but must cost-allocate

RECENT CHANGES



- ▶ Network security products eligible?
- ▶ Home Internet access?
 - ▶ May become part of the E-Rate
- ▶ Changes to the Form 470 drop-down menus; delayed until FY 2022
- ▶ Debarment changes
- ▶ Changes to cost allocation of C2 for NIFs?
- ▶ Contribution methodology

ON THE HORIZON



- ▶ Part of recent COVID relief bill
- ▶ Not part of the E-Rate
- ▶ Intended to close “homework gap”
- ▶ Reimburse district for cost to provide student access from home
 - ▶ Internet connection and laptop (up to \$400)
- ▶ First two filing windows have closed
- ▶ \$7.1 billion is almost exhausted
 - ▶ There will be another application window, but unknown when and for what

EMERGENCY CONNECTIVITY FUND (ECF)



- ▶ Part of recent COVID relief bill
- ▶ Not part of the E-Rate, but maybe of use to school districts
- ▶ Subsidy for Internet access costs for low-income households
 - ▶ \$50 / month for cost of Internet service
 - ▶ \$100 one time for Internet device
- ▶ Households apply, district can help

EMERGENCY BROADBAND BENEFIT (EBB)



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QUESTIONS

