

## E-rate: The 2018 Guide

### Securing Federal Reimbursement for Networking Equipment Upgrades in Schools & Libraries



#### Executive Summary

The federal government is investing heavily to bridge the digital divide in K-12 classrooms. This year, the Federal Communications Commission (FCC) will allocate \$3.9 billion in reimbursements to US school districts that undertake projects to upgrade connectivity in their schools.

The E-rate program is designed to qualify projects that are earmarked for a federal subsidy. Schools potentially stand to benefit in the way of a 90 percent federal reimbursement for initiatives to upgrade Internet and, to a lesser extent, voice services. This presents a tremendous opportunity for classrooms short on bandwidth for digital learning to secure funding.

This guide will add clarity to the rules, time tables, and eligible equipment that district leaders must note if they intend to deliver the benefits of the program to their educators and students. Anyone familiar with petitioning the federal government for funds allocation knows it's never a fast or straightforward process.

Our intent is to assist educators to draft projects within E-rate requirements and deadlines. The more success we have, the narrower the digital divide becomes.

## What is E-rate?

The U.S. Telecommunications Act of 1996 ensures that K-12 public and non-profit schools and libraries have affordable access to Internet services. The Act, under the auspices of the Federal Communications Commission (FCC), authorizes the E-rate program to fund initiatives in accordance, subsidizing expenditures on services and products for extending broadband connectivity in schools and libraries.



The FCC makes available \$3.9 billion this year for E-rate projects. E-rate coffers are funded by telecommunications companies; the government collects a percentage of providers' interstate and international revenues to support the program. Some companies pass this cost to consumers as a "universal access" or "universal connectivity" line item fee.

District projects that bring broadband connectivity into classrooms are subsidized anywhere from 10 to 90 percent if program criteria and level of need are met. To qualify, districts must submit an application showing that project specifications meet this criteria during a set application period to receive qualification. The process proved difficult enough to prompt some districts to hire full-time consultants to manage the hundreds of pages of paperwork required.

Starting in 2014, modernization initiatives simplified the burdensome application process and made it available for online submission. Prior to that, the Government Accountability Office (GAO) reported that 23 percent of applications were rejected due to incorrect procedure. Nevertheless, schools must adhere to program rules about deadlines and eligible products and services should they expect to receive a subsidized reimbursement for their efforts.

You will find the online application at the USAG website: <http://www.usac.org/sl/applicants/>

## Does Your District Qualify?

**Funding is need-based.** E-rate prioritizes projects in school districts with the highest poverty. USAG uses percentage of students enrolled in the National School Lunch Program (NSLP) as a metric for determining need.



## What types of projects are eligible for E-rate Funding?

E-rate organizes projects into two categories:

**Category One** reimburses Internet bills. E-rate subsidizes projects related to paying for broadband access and voice services **up to 90 percent**. In recent years, the FCC shifted its focus onto high-speed



Internet projects. Cable and fiber optic connections (both lit and dark) are eligible for subsidy—depending on the most cost-efficient option in your area. 2018 is the final year for voice service reimbursement, and it's a maximum 10 percent subsidy that's reserved for schools with 75 percent of students on NSLP.

**Category Two** reimburses internal networking equipment. E-rate subsidizes network switches and controllers, wireless access points, caching solutions, and security appliances **up to 85 percent**. School districts can apply for network infrastructure reimbursements up to **\$150 per student** over a five-year period.



### Why take advantage of E-rate?

**Blended Learning** enables students to work before and after school by combining online learning with classroom-based instruction. Blended instruction has the potential to make classes more productive and accelerate the rate of learning. This model extends learning time outside of school hours, reduces the cost of instructional materials, and makes teacher time better utilized.



**Open Educational Resources** open the way for educators to make available all the free, public domain learning resources on the Web. Podcasts, digital archives, open-source instruction for coding and development—a cornucopia of vetted free resources are mere clicks away. Educators at every level of instruction can parlay these into their curriculum.

**Organizational Efficiency.** Digital resources for tracking student progress make related processes more efficient and transparent. Online hosting for grade books, work portfolios, games for learning, and real-time feedback and performance tracking have gained mainstream adoption across US school districts.



## List of Eligible Products

Category One	Category Two
Asynchronous Transfer Mode (ATM)	Antennas, cabling, connectors, and related components used for internal broadband connections
Broadband over Power Lines	Caching
Cable Modem	Firewall services and components separate from basic firewall protection provided as a standard component of a vendor's Internet access service.
Digital Subscriber Line (DSL)	Switches
DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3	Routers
Ethernet	Racks
Integrated Services Digital Network (ISDN)	Uninterruptible Power Supply (UPS)/Battery Backup
Leased Lit Fiber	Wireless controller systems
Leased Dark Fiber (including dark fiber indefeasible rights (IRUs) for a set term)	Software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries

Category One (cont'd.)
Self-Provisioned Broadband Networks
Frame Relay
Multi-Protocol Label Switching (MPLS)
OC-1, OC-3, OC-12, OC-n
Satellite Service
Switched Multimegabit Data Service
Telephone dial-up

### How can NeweggBusiness help?

Specialists with expertise in K-12 and public sector procurement are ready to assist as you prepare your E-rate application. You can expect balanced, vendor-neutral information about networking products and services that meet bandwidth requirements of the modern classroom. Your account executive draws on in-house expertise of veteran network architects trained in the latest advancements in 802.11ac wireless connectivity.

**Contact our Public Sector team for assistance.**

**(888) 482-6678, Option 1 | Mon-Fri, 6:00 a.m.-5:00 p.m. PT | [publicsector@neweggbusiness.com](mailto:publicsector@neweggbusiness.com)**