

# E-RATE CATEGORY TWO

Key changes from the **E-rate Order** released 12/03/19:

- Extends Category Two (C2) pilot for one more year (pro-rated)
- Establishes permanent C2 rules effective FY2021:
  - Budgets reset, all begin fixed five-year period
  - District-wide and system-wide budgets allowed
  - Budget floor raised to \$25,000 per building
  - Per student budget rounded up to \$167/student
  - Library budget equalized at \$4.50/sqft
  - Inflation adjustment every five years
  - MIBS, BMIC, and caching permanently eligible
  - Student counts and square footage every five years

# This Order is a “Win” for All!

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- Made the C2 Budget Program permanent
- Created 5-year standardized budget cycle schedule starting in FY 2021
  - FY 2021 – FY 2025
  - FY 2026 – FY 2030
  - FY 2031 – FY 2035 (and so on...)
- Created specific guidelines to govern FY 2020 for “transition year”

# FY 2020 Transition Year is Generous

- Extends the initial 5-year test period by 1 year for all applicants
  - Even if you began using your C2 funding in FY 2015
- Any unused funds remaining from first 5 years can be used *plus*
- 20% prorated additional funds made available for FY 2020 –this year only
  - The budgets will be zeroed out and reset in FY 2021
  - Funds from first cycle cannot be carried forward into FY 2021

# FY 2020 Budget Multipliers

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- Schools still use per student multiplier for each building
  - \$195.63/student PRE-discount
- Libraries still use square foot multiplier for each building
  - \$6.52/sq. ft for libraries w/IMLS locale codes 11, 12, 21
  - \$2.99/sq. ft for all other libraries
- Minimum floor amount per school/library = \$11,998.43
- Numbers reflects inflation adjustment + 20% prorated amount
- Remember – You must then deduct the PRE-discount amount of approved funding through FY 2019 to arrive at available FY 2020 C2 PRE-discount funds

# Other Rules Stay the Same in 2020

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- Calculate budgets by school/library building
- Cannot commingle building budgets
  - Equipment/service must be installed in the building whose budget “pays” for the purchase
- NIFs not eligible for their own C2 budgets but may house shared network equipment
- Shared equipment must be allocated reasonably among budgets of buildings using the equipment
- Part-time students may be counted in addition to full time students to claim maximum daily enrollment of school
- Eligible services are same as FY 2019 but additional clarifications may be forthcoming regarding licenses/support and maintenance
  - Maintenance and MIBS are permanently eligible

# 2020 C2 Budget Calculation Overview

- Use current enrollment that is entered into your EPC building profiles this Fall
- Multiply by per-student or per-square foot amounts per building
- Calculate how much money has been used to date and subtract from 2020 budget

# Funds For Learning C2 Budget Tool

<https://www.fundsforlearning.com/FFLServices/c2budgetcalculator.php>

## District Total Budget

BEN: 134200

Name: ABERDEEN SCHOOL DISTRICT 6-1

New Total Budget = \$845,904

Budget Used = \$344,820

Budget Remaining = \$501,085

E-rate Discount Available = \$300,651

The Category Two budget amount is based on student population and the discount rate is based on prior-year application data. Both are actual figures based on user data input.

*The tool will be updated with current enrollment #s as entered into EPC.*

## Category 2 Budget Per Site

New C2 Budget		Table Options			
Site Name	BEN	FY2020 Budget	FY2015-2019 Budget Util.	FY2020 Avail. Budget	FY2020 Avail. Discount
CENTRAL HIGH SCHOOL	66206	\$239,646.75	\$81,793.18	\$157,853.57	\$94,712.14
HOLGATE MIDDLE SCHOOL	66207	\$104,466.42	\$45,125.39	\$59,341.03	\$35,604.62
LEE ELEMENTARY SCHOOL	66222	\$74,339.40	\$31,161.68	\$43,177.72	\$25,906.63
LINCOLN ELEMENTARY SCHOOL	66208	\$60,645.30	\$34,552.83	\$26,092.47	\$15,655.48
MIKE MILLER ELEMENTARY	17004949	\$47,146.83	\$19,273.24	\$27,873.59	\$16,724.15
OVERBY ELEMENTARY SCHOOL	66209	\$79,230.15	\$31,718.04	\$47,512.11	\$28,507.27
SIMMONS ELEMENTARY SCHOOL	66210	\$75,317.55	\$20,394.16	\$54,923.39	\$32,954.03
SIMMONS MS	66211	\$100,749.45	\$48,503.41	\$52,246.04	\$31,347.62
TIFFANY ELEMENTARY SCHOOL	66212	\$64,362.27	\$32,297.66	\$32,064.61	\$19,238.77
		\$845,904.12	\$344,819.59	\$501,084.53	\$300,650.71

# C2 Bidding Reminders

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- Post Form 470 applications now!
- Post for internal connections, maintenance and MIBs to cover all bases
- Describe project in the narrative text box
  - Ask for licenses and support if needed
  - Ask for installation if needed
- Upload RFP or any other supplemental documentation as part of Form 470



# New and Improved Rules for FY 2021

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- All budgets will be zeroed out and reset for next 5-year period
  - FY 2021 – FY 2025
- The new multipliers will be LOWER than FY 2020
  - Per Student = \$167.00
  - Library per square = \$4.50 for all libraries
  - Incorporates 2.1% inflation adjustment, but eliminates 20% prorated additive from FY 2020
- Minimum building amount increased to \$25,000
- Same multipliers in effect for all 5 years
  - Based on historical inflation rates and will be adjusted at beginning of each new 5-year budget cycle
- Steady C2 enrollments at the option of the applicant
  - Validated first year of applying for C2 funding or in any year the numbers change
  - May update numbers to take advantage of increases in enrollment or square footage
  - BUT, Enrollment and NSLP numbers still must be updated annually to compute discount percentage
- Overall result is improved predictability and manageability of C2 budgets

# District & Library System Budgets

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- Budgets will be *administered and managed* by applicants at the district-wide or library system-wide level
- No longer required to “match” equipment costs to each individual school’s or library’s budgets
- No longer required to allocate costs of shared equipment among buildings using equipment
- No longer required to report equipment transfers to USAC using Form 500
  - Still must maintain 10-year asset register
  - Must document in your records any transfers including the associated reason within 3 years of date of purchase

# Budget Floors

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- Each building has an increased budget floor of \$25,000
  - Schools with 149 or fewer students benefit
  - Libraries with 5,555 square feet or less benefit
- All District and Library Systems (large and small) receive benefit of minimum budgets

# C2 Budget Calculations

## Applicants w/ 11+ Buildings

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### ➤ Districts – 2 options

- Calculate total number of enrolled students x \$167
- Calculate # schools x \$25,000
  - Use larger of the 2 numbers for your budget

### ➤ Library Systems – 2 options

- Calculate total square footage x \$4.50 or
- Calculate # libraries x \$25,000
  - Use larger of the 2 numbers for your budget

# C2 Budget Calculations

## Applicants w/ 10 or Less Buildings

### ➤ Districts – 3 options

- Calculate total number of enrolled students x \$167
- Calculate # schools x \$25,000
- Hybrid - Calculate by school and use higher amount
  - Use larger of the 2 numbers for each building in your budget

### ➤ Library Systems – 3 options

- Calculate total square footage x \$4.50 or
- Calculate # libraries x \$25,000
- Hybrid - Calculate by library and use higher amount
  - Use larger of the 2 numbers for each building in your budget

# District Budget Calculation Examples

11 or more schools  
have 2 choices:

School	Enrollment	FY 2021 - 2025 Budget (\$167/student)
Red School	625	\$104,375
Green School	300	\$50,100
Yellow School	50	\$8,350
Blue School	120	\$20,040
	<b>1095</b>	<b>x \$167 = \$182,865</b>

School	Enrollment	FY 2021 - 2025 Budget (\$25,000/building)
Red School	625	\$25,000
Green School	300	\$25,000
Yellow School	50	\$25,000
Blue School	120	\$25,000
	<b>4 schools</b>	<b>x \$25,000 = \$100,000</b>

10 or fewer schools  
have 3<sup>rd</sup> “hybrid”  
option to consider:

School	Enrollment	FY 2021 - 2025 Budget (hybrid)
Red School	625	x \$167 = \$104,375
Green School	300	x \$167 = \$50,100
Yellow School	50	Minimum = \$25,000
Blue School	120	Minimum = \$25,000
<b>Total of all buildings' max. budgets:</b>		<b>\$204,475</b>

# Library System Budget Calculation Examples

11 or more libraries  
have 2 choices:

Library	Sq Feet	FY 2021 - 2025 Budget (\$4.50/sq ft)
Red Library	15000	\$67,500
Green Library	10000	\$45,000
Yellow Library	5000	\$22,500
Blue Library	1500	\$6,750
	<b>31,500</b>	<b>x \$4.50 = \$141,750</b>

Library	Sq Feet	FY 2021 - 2025 Budget (\$25,000/building)
Red Library	15000	\$25,000
Green Library	10000	\$25,000
Yellow Library	5000	\$25,000
Blue Library	1500	\$25,000
	<b>4 libraries</b>	<b>x \$25,000 = \$100,000</b>

10 or less libraries  
have 3<sup>rd</sup> “hybrid” option:

Library	Sq Feet	FY 2021 - 2025 Budget (hybrid)
Red Library	15000	x \$4.50 = \$67,500
Green Library	10000	x \$4.50 = \$45,000
Yellow Library	5000	Minimum = \$25,000
Blue Library	1500	Minimum = \$25,000
<b>Total of all buildings' max. budgets:</b>		<b>\$162,500</b>

# Rules that Remain the Same

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- No changes to eligible services but some clarifications may be forthcoming
- Non-instructional facilities (NIFs) continue to be ineligible for C2 funding
  - Must deduct proportional cost of NIFs' use of any shared equipment
- Don't *think* there will be any Form 471 changes for FY 2020, but form will be updated for FY 2021
- No changes to discount matrix
- No changes to expanded funding year to purchase and install equipment
  - FY 2020 = April 1, 2020 – September 30, 2021
  - But BEARs/SPIs must wait to be submitted until July 1, 2020



# Conclusion and Thank You!

