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Funding Status – FY 2020

Wave 16 for FY 2020 was released on Thursday, August 20th for a total of \$47.4 million including \$1.56 million for 21 North Carolina applicants. Cumulative commitments are \$1.39 billion including \$36.3 million for North Carolina. Nationwide, USAC has now funded over 83% of the FY 2020 applications representing almost 50% of the requested funding.

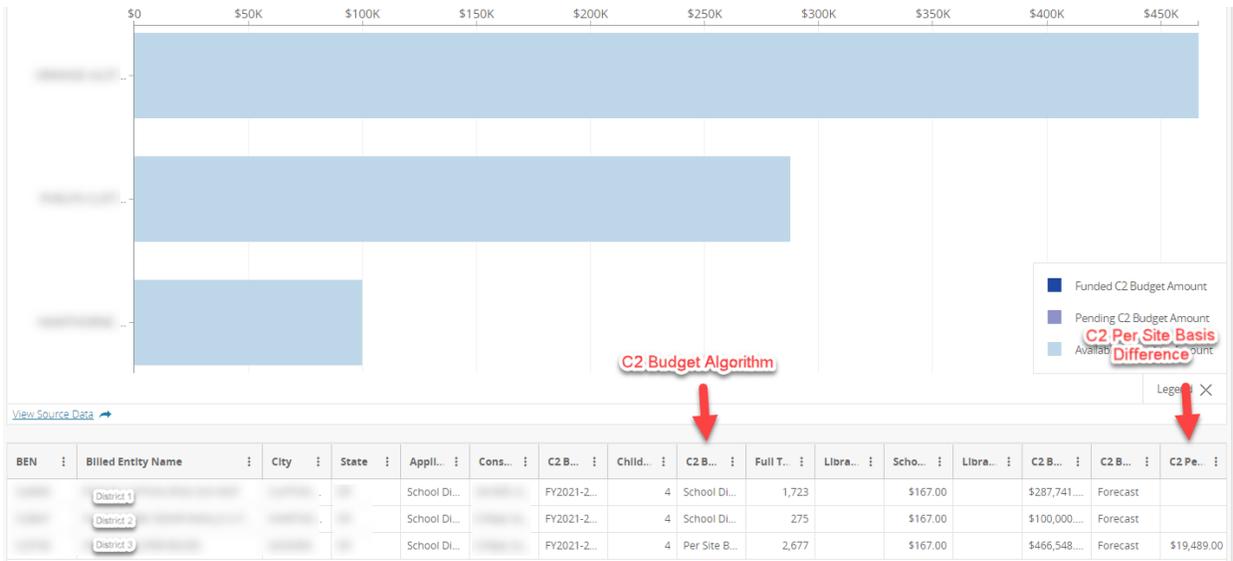
Understanding USAC’s Category 2 Budget Tool Algorithm

As discussed in our [newsletter of August 17th](#), USAC’s new [Category Two Budget Tool](#) is designed to calculate Category 2 budgets as of FY 2021. Under the new Category 2 rules, the five-year budget for any individual entity — school, school district, library, or library system — is determined by the following:

- For most schools or school districts, \$167.00 per student.
- For most libraries or library systems, \$4.50 per square foot.
- For any individual school or library, a minimum of \$25,000.

As of FY 2021, the most significant change is that Category 2 budgets are calculated on a district-wide or system-wide basis. In most cases, this is a straight-forward calculation. A school district budget is the greater of \$167 per student or \$25,000 per school. Similarly, a library system budget is the greater of \$4.50 per total square foot or \$25,000 per library.

However, for school districts or library systems with 10 or less component schools or libraries, there is an additional hybrid option. The budgets for each individual school or library can be maximized individually then added together to determine the district-wide or system-wide budget. This requires a more complicated budget calculation algorithm. Fortunately, USAC’s new budget tool handles these situations well. The following three examples include districts, each with four schools, whose budgets are optimized with the three different budget options: \$167 per student, \$25,000 per school, or the hybrid model.



This is a little hard to read; each case is examined separately in more detail below. The key differences between the three examples depend upon whether the schools in a particular district have more or less than 150 students.

District 1 has the following schools, all with more than 150 students.

School 1A	529 students	
School 1B	576	
School 1C	247	
School 1D	<u>371</u>	
	1,732	C2 Budget is \$167 x 1,732 students = \$287,741

District 2 has the following schools, all with fewer than 150 students.

School 2A	53 students	
School 2B	81	
School 2C	121	
School 2D	<u>20</u>	
	275	C2 Budget is \$25,000 min. x 4 schools = \$100,000

District 3 has the following schools with more or less than 150 students.

School 3A	33 students	@ the minimum = 25,000
School 3B	1806	@ \$167/student = 301,602
School 3C	591	@ \$167/student = 98,697
School 3D	<u>247</u>	@ \$167/student = 41,249
	2677	Total C2 budget = \$466,548

Note that in the first two examples, the Tool's data lines list the "C2 Budget Algorithm" as "School District Wide," whether the calculation is based on the number of students or the number of

schools, but in the third “hybrid” example the “C2 Budget Algorithm” is listed as “Per Site Basis School District.” The “Per Site” designation is used only for the hybrid calculation.

Note also that the hybrid example is the only one with data in the column labeled “C2 Per Site Basis Difference.” The \$19,489 shown represents the difference between the higher hybrid budget of \$466,548 and what the budget would have been without a hybrid option (in this case, $\$167 \times 2677 = \$447,059$).

Most importantly, USAC’s new C2 Tool calculates a school district’s or library system’s budget using the best possible student and school parameters. Based on our tests, USAC’s budget calculation algorithm is working perfectly.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- | | |
|-------------|---|
| September 4 | Deadline for submitting reply comments on the FCC’s draft ESL for FY 2021 (DA 20-767) (see our newsletter of July 27th and the summary of initial comments below). |
| October 12 | Nomination deadline for six USAC Board members including one school representative (see our newsletter of August 17th). |

Comments on the FCC’s Draft ESL for FY 2021:

The comment period on the FCC’s draft Eligible Services List (“ESL”) for FY 2021 closed last week with only limited responses. The most extensive comments were filed by the [State E-Rate Coordinators’ Alliance](#) (“SECA”) and [Funds for Learning](#) (“FFL”). Both suggested the following:

- Acknowledge the overlap between, or eliminate, the subcategories of Category 2 services between Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections. Services and equipment often fall into more than one subcategory that can lead to application denials if not properly identified in applicant Form 470s.
- Clarify that Category 2 data distribution equipment (e.g., switches) may be used to connect network devices of all types regardless of use without cost allocation.
- Network security equipment and services should qualify for E-rate funding.

Additionally:

- SECA recommended that connections between different schools on the same campus be treated as eligible in either Category 1 or Category 2. Currently such connections are defined as Category 1 only.
- Several parties supported the E-rate eligibility of off-campus mobile hotspots.

Historically, the FCC has been receptive to comments seeking clarification of currently eligible services but has deemed requests for new product and service eligibility as being beyond the scope of the annual ESL process.

USAC News Brief Dated August 21 – Requesting a BEAR PIN

To access the BEAR system through USAC’s new One Portal system requires that your email address is associated with the BEAR filing system and that you have been assigned a BEAR Personal Identification Number (“PIN”). Once an applicant is in the One Portal, they will see the BEAR login screen.



USAC
Universal Service Administrative Company
Helping Keep Americans Connected

Applicant Login:

BEN:

PIN:

Email:

Last Name:

[USAC’s Schools and Libraries News Brief of August 21, 2020](#), reviews the procedures for accessing the BEAR form, requesting a new PIN, or regenerating a forgotten PIN.

Last Friday’s News Brief also discusses two new EPC upgrade features including simplified error messages and a new option to set and save one or more filters on the search pages located under the “Records” tab.

Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central’s own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by USAC, the FCC, or NCDPI.

Additional North Carolina specific E-rate information is available through our Web site — <http://www.e-ratecentral.com/us/stateInformation.asp?state=NC>. Note that this site provides easy access to formatted North Carolina applicant E-rate histories via the Billed Entity Number (“BEN”) search mechanism in the upper left-hand corner. Detailed information can be obtained by “drilling down” using the links for specific funding years and individual FRNs.

If you have received this newsletter from a colleague and you would like to receive your own copy of the North Carolina E-Rate Forum, send an email to join-ncerate@lists.dpi.state.nc.us. Please include your name, organization, telephone, and e-mail address.

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