

SCHOOLS AND LIBRARIES PROGRAM

NEWS BRIEF

September 26, 2014

Please continue to check the [E-rate Modernization Order web page](#) for links to additional information.

TIP OF THE WEEK: Plan to complete your invoicing for FY2013 recurring services as soon as possible, keeping in mind that your service provider may need time to review and approve an online BEAR Form. You can also ask for an [invoice deadline extension](#) for the deadline of October 28, 2014, if you know that you will not be able to complete your invoicing by then.

Commitments for Funding Years 2014, 2013, and 2012

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 21 Funding Commitment Decision Letters (FCDLs) on October 1. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of September 26, FY2014 commitments total over \$1.92 billion.

Funding Year 2013. USAC will release FY2013 Wave 67 FCDLs on October 2. This wave includes commitments for approved Priority 1 requests at all discount levels. As of September 26, FY2013 commitments total over \$2.11 billion.

Funding Year 2012. USAC will release FY2012 Wave 93 FCDLs on October 3. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denials at 89 percent and below. As of September 26, FY2012 commitments total over \$2.86 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

E-rate Modernization Order: More on Discount Calculations

The Federal Communications Commission (FCC) adopted the [E-rate Modernization Order](#) on July 11, 2014. The Order takes major steps to modernize and streamline the E-rate program and focuses on expanding funding for Wi-Fi networks in eligible elementary and secondary schools and libraries across America.

In [last week's SL News Brief](#), we discussed general concepts for discount calculations in FY2015. This week we will provide specific information on the discount calculation for each type of entity and application type. We suggest that you re-read [last week's SL News Brief](#) before reviewing the information below.

School district discount calculations for FY2015

In general, the school district calculation is the basis for discount calculations for all types of entities.

To calculate the discount for a school district:

- Determine the total number of students eligible for the National School Lunch Program in the entire school district.
- Determine the total number of students in the school district.

- Divide the first number by the second number to get the percentage of students eligible for NSLP in the school district.
- Using this percentage and the urban or rural status of the school district (see below), find the appropriate E-rate discount for the school district in the discount matrix. Remember that if the school district is eligible for a Category One discount of 90 percent, it is eligible for a Category Two discount of 85 percent.

The discount for each school and each non-instructional facility (NIF) – if the NIF is eligible – in the school district is the discount as calculated above (note that NIFs do not have budgets for Category Two services – applicants must allocate eligible NIF costs to one or more of the entities benefiting from that Category Two service). If only one school in the district receives a service, or that service is shared among a subset of schools in the district, or among all schools in the district, the discount does not change.

Voice services are subject to a phase down of 20 percentage points per year starting with FY2015. For example, a school district that is eligible for an 80 percent discount for Category One services will be eligible for a 60 percent discount on voice services for FY2015 and a 40 percent discount on voice services for FY2016.

For more information on what can be considered a school district, refer to the section labeled "School districts" in [last week's SL News Brief](#).

Individual school discount calculations for FY2015

If an individual school that is part of a school district wants to file a separate application, its discount is the calculated discount for the school district of which it is a part, and it must provide that calculation on its application. An individual school that is part of a school district does not calculate its discount based on its own student population.

An independent school – a school that does not share a common board with other schools and is individually responsible for its finances and administration – would follow the school district calculation method above, using its student population numbers and the urban or rural status of its physical location.

Library system discount calculations for FY2015

To calculate the discount for a library system:

- Determine the total number of students eligible for the National School Lunch Program in the public school district in which the main branch of the library is located.
- Determine the total number of students in that school district.
- Divide the first number by the second number to get the percentage of students eligible for NSLP in that school district.
- Using this percentage and the urban or rural status of the library system (see below), find the appropriate E-rate discount for the library system in the discount matrix. Remember that if the library system is eligible for a Category One discount of 90 percent, it is eligible for a Category Two discount of 85 percent.

The discount for each library outlet/branch and each library NIF – if the NIF is eligible – in the library system is the discount as calculated above (note that NIFs do not have budgets for Category Two services – applicants must allocate eligible NIF costs to one or more of the entities benefiting from that Category Two service). If only one library outlet/branch in the library system receives a service, or that service is shared among a subset of library outlets/branches in the library system, or among all library outlets/branches in the library system, the discount does not change.

Voice services are subject to a phase down of 20 percentage points per year starting with FY2015. For example, a library system that is eligible for an 80 percent discount for Category One services will be eligible for a 60 percent discount on voice services for FY2015 and a 40 percent discount on voice services for FY2016.

Consortium and statewide application discount calculations for FY2015

To calculate the discount for a consortium or statewide application:

- List each member of the consortium or statewide application together with its discount as calculated above.

- Add the discounts and divide by the number of members.

Keep the following in mind:

- Consortia and statewide applications do not have an urban or rural status. The discount is a simple average of the member discounts, whether each individual member is urban or rural.
- For Category Two funding requests, use the Category Two discount for each member (which cannot exceed 85 percent) when calculating the discount for a consortium or statewide application.
- The discount for a consortium or statewide application applies to all services requested on the application, whether one member, a subset of members, or all members share the service.
- Voice services are subject to a phase down of 20 percentage points per year starting with FY2015. For example, a consortium or statewide application that is eligible for an 80 percent discount for Category One services will be eligible for a 60 percent discount on voice services for FY2015 and a 40 percent discount on voice services for FY2016.
- Consortium and statewide applications are the only applications that can have a discount that does not appear on the discount matrix (e.g., 72 percent, 45 percent, etc.) because the consortium or statewide discount is a calculated average of the member discounts.
- If the discount calculation results in a decimal, round down to the nearest whole number for decimals less than 0.5 and round up for decimals equal to or greater than 0.5 (e.g., 74.4 becomes 74, 62.5 becomes 63).

Relation of urban or rural status to discount calculations

For a school district to be eligible for a rural discount, a majority (more than 50 percent) of the individual schools in the school district must be rural.

- NIFs are not included in the calculation.
- If one or more charter schools are considered part of the school district, they must be included in the calculation.
- If a school has three different locations (and therefore three different entity numbers) but is considered one school by the state, include only the main school in the calculation.

For a library system to be eligible for a rural discount, a majority (more than 50 percent) of the individual library outlets/branches in the library system must be rural.

- NIFs are not included in the calculation.
- Bookmobiles and library kiosks can be included in the calculation. The address of record in USAC's system for bookmobiles and library kiosks will be used to determine whether they are urban or rural.

We will provide more information on urban and rural status in a future SL News Brief.

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