

PO Box 463
Columbia, SC 29202

Tele: (848) 702-0313
Fax: (404) 920-2682
Email: jkreta.erate@zoho.com

JOSEPH KRETA

E-rate Consultant

Website: <http://kreta-erate.com>

E-Release

E-rate Modernization Brings Big Changes!

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.

Some important reminders about program changes effective for FY2015:

General Info:

Each school district (public or private) must calculate and use a single district-wide discount rate rather than calculating and using building-by-building discount rates.

- 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.
- Independent charter schools, private schools, and other eligible educational facilities must calculate their discounts separately if not affiliated financially or operationally with a school district.
- Consortia and statewide applicants continue to use the simple average of the discounts of the members of the consortium or statewide application. In addition, 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.
- Eligibility for the additional rural discount is determined at the school district or library system level. If MORE than 50 percent of the schools in a school district or libraries in a library system are considered rural, the district or system is eligible for the rural discount.

Library systems should apply using the discount rate of the school district in which the central outlet, or main administrative office, of the library system is located.

Schools that use surveys to determine their E-rate discount must calculate their discount using only the surveys they actually collect.

USAC must make information regarding services and equipment purchased by schools and libraries publicly available on its website. Applicants may opt out of this public disclosure requirement only if a specific law, rule, or other restriction bars publication of the purchasing price data. Vendor contracts executed after the effective date of the Order may not contain any restriction barring publication of this pricing data.

Applicants and service providers will be required to file all documents with USAC electronically.

A consortium lead may seek bids on behalf of the schools, school districts, and libraries for which it has authority to seek competitive bids for E-rate eligible services – even if it does not have authority to purchase services for the consortium members. The Order also directs USAC to prioritize review of E-rate applications from state and regional consortia applicants.

E-rate applicants and service providers must permit auditors, investigators, attorneys, and other appointed personnel to enter their premises to conduct E-rate compliance inspections.

The FCC updated the definition of rural and the manner in which schools and libraries determine their urban or rural status.

- Non-instructional facilities (NIFs), including NIFs with classrooms, do not have an urban or rural status and do not count toward the urban or rural determination for the school district.
- If there are charter schools that are part of the school district, they count toward the urban or rural determination for the school district.
- Consortia and statewide applicants do not have an urban or rural status. Each entity that is a member of the consortium or statewide application calculates its discount using the appropriate level of poverty and urban or rural determination as described above.

Technology Plans are no longer required.

The document retention period will be extended from five to 10 years after the latter of the last day of the applicable funding year, or the service delivery deadline for the funding request.

-- "Highlights of the E-rate Modernization Order", SL News Briefs, 08/12/014
- "Category One and Category Two", SL News Brief, 09/05/2014
-- "Overview of Discount Calculations for FY2015", SL News Brief, 09/19/2014
-- "Urban/Rural Status", SL News Brief, 10/24/2014