



E-Rate

CONSULTING

Vincent LaForgia

President

vince@erateconsulting.com

Geoff Sweeney

Chief Legal Officer

geoff@erateconsulting.com

NJSBA/E-Rate Consulting Partnership

- Service is offered as part of the NJSBA's TEC Program, which assists schools in becoming "future-ready."
- Districts and member charter schools belonging to the NJSBA Cooperative Pricing System through ACES membership can work with ERC.
 - Procurement number #E-8801-ACES-CPS.

The E-rate Program:

Category 2 Budgets & IT Procurement

“Category 2” Overview

- “Category 2” equipment/services are those necessary to distribute Wi-Fi Internet connectivity to devices within school buildings.
- Purpose is to defray the upfront costs associated with such projects, which can often be very expensive.

Eligible Equipment

- Wireless access points and controllers
- Network switches
- Firewalls
- Routers
- Racks housing eligible equipment
- Cabling & wiring equipment and services
- Caching (services and equipment)
- Licenses (must support eligible equipment)
- Installation, configuration, and any related training

Category 2 Discount Matrix

Percent of NSLP Eligible Students	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% - 74%	80%	80%
75% - 100%	85%	85%

Category Two Budget Basics

- Five year “rolling” budget through FY2019-20.
- Not a district-wide budget; each eligible school building has its own C2 budget.
- C2 budget is a pre-discount figure based on pupil population.
 - Multiply pupil population by \$153.47 to determine C2 budget
 - Multiply C2 budget by your discount rate to determine out-of-pocket cost.
 - For example, School A has a C2 budget of \$100,000. The district’s discount rate is 85%. If the district uses it’s entire C2 budget, it will receive \$85,000 in E-rate discounts and must cover the remaining \$15,000 balance.

Category Two Budget Basics

- Can spend entire budget in one year or spread it out over multiple years.
- Equipment used by multiple locations consumes C2 budget of each location served (e.g., wireless hub equipment, firewall).
- Know your per school budget and plan accordingly.
- Funding commitments count against your C2 budget; if you don't use the committed funds then they will go back into your budget for the following funding year.

Category 2 – Budget Illustration

- I applied for discounts on \$100,000 of C2 equipment for School A. However, School A's C2 budget is only \$80,000. What are my options?
 - You can pay the difference out of pocket, or
 - You can cancel certain funding requests to reduce your commitment request to align with your C2 budget.
- I applied for discounts on \$100,000 of C2 equipment for 10 school buildings and allocated it equally. Is this acceptable?
 - It depends. Your C2 allocations must accurately reflect your actual deployment.

Category Two Budgets: Use it or (Maybe) Lose it

- Using E-rate to solicit bids and apply for discounts does not obligate you to purchase.
- Funding commitments must be spent in corresponding funding year (April 1, 20xx – Sept 30, 20xy).
- Current rules regarding C2 budgets are due to expire after FY19-20; future of C2 budgets still unclear.
- Cannot predict whether the FCC will continue to emphasize funding of Wi-Fi network deployments.

Using E-rate to Procure Eligible Equipment

- Must adhere to E-rate competitive bidding rules.
- Must also abide by State law and local procurement policies/regulations (RFPs, RFQs, etc.).
- May procure through E-rate using cooperative purchasing vehicles (e.g., NASPO, PEPPM).

No C2 Budget Left?

- Can still use the E-rate application process as a procurement method.
- Follow competitive bidding rules as if seeking discounts.
- Manufacturers discounts are generally greater when procuring through E-rate.
- Helps operationally in terms of IT planning.

Common Mistakes

- Avoid buying eligible equipment and/or services outside of E-rate's competitive bidding process.
- Avoid purchasing services/equipment from State Contracts that do not encompass the desired services/equipment.
- Know your per school Category Two budget before planning non-emergent projects.
- Verify that your consultant has allocated all C2 purchases correctly.
- Notify your E-rate consultant before issuing POs to avoid procedural errors that could jeopardize E-rate funding.

Recommendations

- Know what you want to accomplish in the classrooms.
- Know your infrastructure! Identify what you need from an IT standpoint to accomplish classroom goals.
- Defining your instructional goals and IT needs (vs. wants) informs how best to leverage E-Rate.
- Develop an E-Rate “team” consisting of IT and instructional staff to define S/T and L/T goals.

The Advantages

- Use E-Rate to fund infrastructure updates, rather than overspending to maintain old equipment (e.g., SmartNet).
- Devise and implement a lean, scalable IT and telecom infrastructure.
- Spend less on IT and more on pupil instruction and programs.
- Enables you to distinguish between your “needs” and your “wish list” to ensure you spend district funds wisely.

Questions?