E-Rate Modernization

Schools and libraries can now receive funding for WiFi, enabling them to implement data, voice and network solutions that meet the growing needs of students.

$2B
has been injected into the program[1]

20%
decrease in voice service funding per year[2]

The Federal Communications Commission (FCC) adopted an E-Rate Modernization Order in July 2014, which establishes eligibility and funding for WiFi in schools and libraries and streamlines the E-Rate process for applicants and providers. These changes will help schools implement a variety of data, voice and network solutions to facilitate the growing technology needs of our 21st-century students.

WiFi funding
WiFi funding is one of the most significant changes to the E-Rate program. $2B has been injected into the program,[1] exclusively for the installation and management of WiFi in eligible schools and libraries.

Support for traditional voice service decreasing
The FCC is decreasing funding for voice service by 20% per year until application support is phased out completely in 2019.[2] The funding adjustment is due to increased availablility and affordability of VoIP solutions.

More bandwidth for students
There is a continued emphasis on big bandwidth, with a short-term target of 100 Mbps per 1000 students, increasing to 1 Gbps long-term.[3]

Additional changes

Please note when applying for funding

Priority 1 has been renamed "Category 1." This now includes telecommunications services and Internet access.

Priority 2 has been renamed "Category 2." This now includes internal connections equipment and services necessary to provide broadband throughout schools and libraries—specifically via WiFi.

Contracts can be signed after the form 471 window closes—a "legally binding agreement" will suffice, such as a written offer from the service provider with all material terms and conditions and a written acceptance of that offer. This gives flexibility to finalize service agreements after filing the 471.

Multi-year contracts of five years or less don't have to file a 471 every year of the contract (although support is still granted on a yearly basis).

The requirement for technology plans has been discontinued. Over the next three years, all USAC documents will be filed electronically.

Discounts will now be calculated using district-wide discount rates for each application, thus eliminating the need to calculate different discount rates depending on which schools in a district are receiving services. Consortia will be a simple average of all members' district-wide discounts.

The definition of "rural" will now be tied to the U.S. Census data, and USAC will provide a tool on its website for schools and libraries to obtain their classification of "rural" or "urban." Such a tool already exists on the Census Bureau website.

USAC to have all workable funding requests complete by September 1 of each year.

1 "FCC to Invest Additional $2 Billion in High-Speed Internet in Schools and Libraries." *Federal Communications Commission*, 3 Feb. 2014, apps.fcc.gov/edocs_public/attachmatch/DOC-325403A1.pdf, p.1. Accessed 5 Feb. 2018.
2 "Summary of the E-Rate Modernization Order." *Universal Service Administrative Company*, www.usac.org/_res/documents/sl/pdf/tools/modernization-order/E-rate-Modernization-Order-Summary.pdf, p. 4. Accessed 5 Feb. 2018.
3 "Summary of the E-Rate Modernization Order." p.1. Accessed 5 Feb. 2018.