

E-RATE SIMPLIFIED

What is E-Rate?

- E-Rate was created in 1997 as a federally funded program by the Federal Communications Commission (FCC)
- E-Rate provides eligible K-12 public schools and libraries with discounts of 20%-90% on approved telecommunications, internet access, and internal connections costs
- Funding for E-Rate is reassessed every five years by Congress and the FCC
- The Universal Service Administrative Co. (USAC) is an independent not-for-profit designated by the FCC to administer the Universal Service Fund—a \$4 billion fund dedicated to creating service accessibility

Who is eligible for the E-Rate program?



Libraries

Libraries include public libraries, elementary and secondary school libraries, academic libraries, and research and private libraries, with a few exceptions. A school library will only be eligible for funding if its budget is completely separate from the school's.



K-12 Schools

Nonprofit elementary and secondary schools are eligible for E-Rate support. Get more information on what [qualifies as a school](#). There may be some nontraditional schools that are eligible. For-profit schools and nonprofits with an endowment over \$50 million are not eligible.



Which products qualify under E-Rate?

There are two categories of equipment and services that E-Rate covers:

Category One (C1)

Connectivity up to and outside the building (e.g., fiber-optic cables); USAC defines this as data transmission services and/or internet access.

Category Two (C2)

Connectivity inside the building; USAC defines this as internal connections, managed internal broadband services, and basic maintenance of internal connections.

How does E-Rate funding work?

A **discount matrix** is used to determine the discount level the school or library is eligible for. The discount is measured by the percentage of students in the population who are eligible for the National School Lunch Program (NSLP).

Because funding is awarded at 20%–85% (Category Two) of the cost of the equipment and services, budget must be taken into account when specifying infrastructure. This means a school or library might want \$100,000 worth of products and services and might be eligible for an 85% award. However, if the school does not have \$15,000 of capital to contribute to the project, the \$85,000 of

E-Rate funding cannot be spent on any of the equipment or services.

Each applicant:

- Must have a five-year cycle to request and spend funding
- Is subject to the same five-year budget cycle
- May request the entire budget cap in a single year or request portions of it throughout the course of five years
- Should understand that their budget will reset at the completion of that five-year cycle

For additional questions, email us at meraki-rate@cisco.com.

[Learn more about E-Rate funding and Meraki](#)