



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

March 6, 2017

E-Rate Overview



Presented by Susan Beltz and Colleen Calvano

Presented to OUSD Audit Committee

March 6, 2017

www.ousd.org



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E-Rate Overview and Background

- Established by the FCC in 1996
 - Administered by Universal Service Administrative Company (USAC)
 - Schools and Libraries Division (SLD) of USAC responsible for E-Rate
- Provides discounts to schools and libraries for eligible services
 - Category 1: Telecommunications and Internet Access
 - Category 2: Internal Network Infrastructure and Services
- Discount rates based upon:
 - Percentage of students eligible for the National School Lunch Program
 - Urban vs. Rural (Rural up to 10% higher based on tier and category)
- Discount Rates:
 - Category 1: 20% to 90% Discount (0% to 40% for Voice Services)
 - Category 2: 20% to 85% Discount
- OUSD receives 80% discount for Category 1 and 2 (40% for Voice Services in 2016-17, 20% in 2017-18, 0% in 2018-19)



E-Rate Process Overview

- Form 470 and RFP are filed to open competitive bidding (Dec-Feb)
 - Includes types and amounts of services requested
 - Must be posted at least 28 days before filing Form 471
- Form 471 is filed to identify selected service providers (Mar-May)
 - Details the services and specific schools that will receive them
 - Calculates the amount of funding sought through E-Rate
- Funding Commitment Decision Letter (FCDL) (May-TBD)
 - Contains decisions on approved and denied funding
 - Issued to District and also to Service Provider(s)
- Form 486 is filed to indicate invoices can be paid (July-June)
 - USAC can then pay vendor invoices (Form 473 filed by vendor)
 - Deadline is the later of 120 days after receiving services or FCDL



OUSD E-Rate Category 1 Funding

- E-Rate Funding Formula for Category 1 (telecommunications)
 - 80% of eligible services
 - Funding for Voice Services being reduced until eliminated in 2018
 - Discounts applied directly to AT&T, Comcast & Verizon bills after funding; district reimbursed for paid bills
- Current Category 1 funding and projections:
 - 2015-16 Funding Amount: \$2,515,906 (60% Voice Services)
 - 2016-17 Funding Amount: \$2,249,118 (40% Voice Services)
 - 2017-18 Funding Amount: ~\$1,950,000 (20% Voice Services)
 - 2018-19 Funding Amount: ~\$1,650,000 (0% Voice Services)



OUSD E-Rate Category 2 Funding

- E-Rate Funding Formula for Category 2
 - Individual schools eligible for pre-discount purchase amounts:
 - Up to \$150* discount rate per student over a five-year budget.
 - Pre-discount funding floor up to \$9,200 per school
- OUSD pays non-discount Category 2 amounts using Measure J funds
- Current five-year cycle for Category 2 is 2015-16 through 2019-20:
 - 2015-16 Pre-Discount Funding Amount: \$2,518,880
 - 2016-17 Pre-Discount Funding Amount: \$0 (No 470 and RFP Filed)
 - 2017-18 Pre-Discount Funding Amount: TBD*
 - 2018-19 Pre-Discount Funding Amount: TBD*
 - 2019-20 Pre-Discount Funding Amount: TBD*

* Projections are not available for future years. Unlike Category 1, these are not recurring services.



Current E-Rate RFP

- Form 470 and RFP were filed to open competitive bidding on Feb 24
 - RFP available at: <http://www.ousd.org/Page/792>
- RFP is for infrastructure upgrades at 78 OUSD PK-12 sites
 - The goal is to replace all legacy switches, routers, and power supplies
 - Will improve network performance and reliability at these sites
 - Vendors are asked to provide:
 - Network hardware equipment
 - Installation and configuration services
 - Documentation to support future audits
- Timeline for 471 Filing
 - March 24: Due date for vendor proposals and bids
 - March 29: Due date for vendor selections and Board memo
 - April 12: Board Approval of E-Rate Annual Update
 - April 13: Form 471 Filing (contingent upon Board Approval)



EVERY STUDENT THRIVES!



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1000 Broadway, Suite 680, Oakland, CA 94607

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