E-rate simplified

What is E-rate?

E-rate is a program that provides eligible schools and libraries with discounts of 20%-90% on broadband and voice services.

E-rate was created in 1997 as a federally-funded program by the Federal Communications Commission (FCC). 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 dollar fund dedicated to creating service accessibility. The E-rate program is just one of four programs this fund serves.

Who is eligible for the E-rate program?

Schools and libraries are eligible for the E-rate program.

Schools

The definition of a school is either an elementary school or a secondary school. These include non-profit institutional and residential schools, as well as charter schools.

You can find more information on the definition of a school **here**. There may be some non-traditional schools that are eligible. For-profit schools and nonprofits with an endowment over $50 million are not eligible.

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.

What 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 of the building (e.g., fiber optic cables); USAC defines this as Data Transmission Services and/or Internet Access.

Category Two (C2)

Connectivity inside of 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 that is eligible for the National School Lunch Program (NSLP).

Because funding is awarded at 20% - 85% (Category 2) of the cost of the equipment and services, you have to take into account your budget when specifying your 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, unless you have $15,000 of your own capital to contribute to the project, you would not be able to spend the $85,000 of E-rate funding on any of the equipment or services.

You have a five-year cycle to request and spend your funding. Each applicant is subject to the same five-year budget cycle. You may request your entire budget cap in a single year or portions of it throughout the five years. Your budget will reset at the completion of that five-year cycle.

Learn more about E-rate and Meraki →

Explore Meraki's K-12 solutions →

For additional questions, email us at: **meraki-erate@cisco.com**