



C2 Order Review

FY2020 and Forward

Category 2 Recap

- C2 pays for equipment inside the building
 - Internal connections (switches, routers, cabling, WAPs/controllers, UPSs, firewalls, caching servers, installation, licenses)
 - Basic maintenance of eligible equipment
 - Managed Internal Broadband Services (MIBS)
- FCC created C2 “pilot” from FY 2015 – FY 2019
 - All schools/libraries eligible (no admin buildings)
 - Subject to building pre-discount “caps” based on enrollment or sq footage
 - \$150/pp/school or \$2.30 or \$5/library, increased annually for inflation
 - Minimum building amount = \$9200
 - Cannot transfer equipment or share budgets
 - Applicants must still pay the non-discounted amount
- FCC sought comments in summer 2019 on future of C2
 - Should “pilot” become permanent?
 - Should available funding or budget calculations be modified?
 - Changes to eligible services?
 - How to decrease administrative burden of applying for C2?
- FCC released “Category 2 Reform Order” on December 3, 2019 setting C2 rules for FY 2020 and beyond

C2 in FY2020

FY2020 - Transition Year

- The 5-year C2 pilot that began in FY2015 has been extended for an additional year
 - **FY2020 is the “transition” or “6th” year**
- Unused funds from 2015-2019 will be available to use in FY2020
 - **PLUS a 20% pro-rated multiplier additive**
- This applies to EVERYONE – no matter what year you were first approved for C2 funding

C2 Budget Calculations in FY2020

Essentially the same as 2015-2019:

- C2 budgets will still be calculated at the school level
- C2 budgets will still be based on the per student multiplier, adjusted for inflation
- Previous C2 pre-discount commitments (FY2015-FY2019) will still need to be subtracted when calculating for 2020 budgets
- NIFs do not qualify for C2 funding

Eligible Services List (ESL)

FY2020 ESL has just been released (12/9/2019)

- **Language in the ESL authorizes USAC to open the Form 471 filing window within 45 days after the release of the order.**
- No new products/services were added to FY2020 ESL
- FY2020 ESL is the same as [FY2019 ESL](#)
- Two of the five Commissioners indicated in their accompanying comments that “advanced cyber security features” should be a consideration for FY 2021 and beyond
 - No guarantee but, that’s a positive sign

FY2020 C2 Budget Calculation

- Schools

FY2020 per student multiplier (plus 20% additive) =
\$195.63*/pupil

Funding Year	Current Rounded Multiplier	New Per Student Multiplier
FY 2019	\$159.67	X 2.1% for inflation = \$163.02 X 20% additive =
FY 2020		\$195.63

\$195.63 assumes a 2.1% inflation adjustment over the 2019 per student multiplier X 20%

(\$195.63 X enrollment) MINUS (2015-2019 commitments) = FY2020 available budget**

FY2020 budget floor/minimum = \$11,998.43

For schools with less than 63 students

*We are not sure how many decimal points the 2020 multiplier will include so, we have rounded to 2 decimal points.

** C2 Budgets are PRE-Discount.

FY2020 C2 Budget Calculation

- Libraries

FY2020 per sq. ft. multiplier (plus 20% additive) =

- **Urban Libraries: \$6.52 x sq. ft. (libraries with IMLS codes of 11, 12, 21)**
- **Other Libraries: \$2.99 x sq. ft.**

(Multiplier X sq. ft.) MINUS (2015-2019 commitments) =**
FY2020 available budget

Assumes a 2.1% inflation adjustment over the 2019 per sq. ft. X 20%

FY2020 budget floor/minimum = \$11,998.43

- *Urban Libraries with less than 1840 sq. ft.*
- *All other Libraries with less than 4012 sq. ft.*

*We are not sure how many decimal points the 2020 multiplier will include so, we have rounded to 2 decimal points.

** C2 Budgets are PRE-Discount.

C2 Budget Calculation

2 Ways:

1) USAC's Category 2 Budget Tool

<https://sltools.universalservice.org/portal-external/budgetLookup/>

- Caution: ONLY use this tool to obtain the previously-used funding data
- Don't look at what it shows for the remaining balance because the tool has not been updated to reflect the FY 2020 multipliers

Easy Nav: www.usac.org/e-rate

Resources

- [Eligible Services List](#)
- [Tools](#)
- [Weekly SL News Brief](#)
- [Training](#)
- [Announcements](#)

FCC Form 471 Tools

[Category Two Budget Tool](#)

Schools and Libraries (E-rate)

Category 2 Budget Lookup Tool

Note that C2 budgets are pre-discount. Only approved pre-discount amounts are charged against an entity's C2 budget. Individual schools and libraries have C2 budgets.

School districts, library systems, consortia, and non-instructional facilities (NIFs) do not. [\(more...\)](#)

Entity Number

Enter up to 100 entity numbers separated by commas.

Enter Entity Number or paste from your clipboard

C2 Budget Calculation

STEP 1: Enter the building entity number of each school or library in the [text box](#) and click “Lookup C2 Budget Status.”

Entity Number

Enter up to 100 entity numbers separated by commas.

20832
20831
234602

List School/Library Entity Numbers Here

Lookup C2 Budget Status Clear

STEP 2: Click the + sign to reveal the underlying data for each school or library:

Category 2 Budget Status

Understanding the search results [\(more...\)](#)

Entity #	Entity Name
20832	ENGLE MIDDLE SCHOOL
20831	PENN LONDON ELEMENTARY SCHOOL
234602	AVON GROVE INTERMEDIATE SCHOOL

STEP 3: When the results appear, the page will look like this. **ONLY** refer to the “Approved Pre-Discount” amount (this will be the total of C2 funding approved in FY2015-2019) and ignore the other two amounts :

Entity #	Entity Name
20832	ENGLE MIDDLE SCHOOL
FY2019	
	C2 Budget
	Approved Pre-Discount
	Remaining Balance

\$104,709.68

\$74,652.00

~~\$126,744.36~~

C2 Budget Calculation

STEP 4: You can then create a spreadsheet using the following example to determine the amount of Category 2 funding available for each school for FY 2020. **Remember, these are pre-discount amounts and your E-Rate discount would then apply to that amount.**

School	Student Count (Reported in EPC)	Total Pre-Discount Budget (\$195.63/student)	Approved Pre- Discount Amount (from the Budget Tool)	FY2020 Available Budget	E-Rate Discount %	E-Rate Pays (80% of eligible costs within budget)	District Pays (20% of eligible costs within budget)
ABC High School	567	\$110,922	\$74,652.00	\$36,270.21	80%	\$29,016.17	\$7,254.04
ABC Middle School	532	\$104,075	\$65,892.00	\$38,183.16	80%	\$30,546.53	\$7,636.63
ABC Elementary	212	\$41,474	\$27,654.00	\$13,819.56	80%	\$11,055.65	\$2,763.91
						E-RATE SHARE	DISTRICT SHARE

C2 Budget Calculation (Cool New Tool!!)

2) Cool New C2 Budget Tool from Funds for Learning

<https://www.fundsforlearning.com/FFLServices/c2budgetcalculator.php>

Category Two Budget Calculator

The Category Two budget amount is based on student population and the discount rate is based on prior-year application data. Both are actual figures based on user data input.

Step 1: Enter a billed entity number, a zip code, all or part of the entity's name, or the entity's city in the box below.

Search Term:

Only need BEN, zip, name, etc.,
unlike USAC's tool that requires
building entity numbers.

Step 2: Select a state if you wish to narrow your search.

State:

Step 3: Select an entity type if you wish to narrow your search.

Entity Type: School Districts
 Library Systems

Search

Clear

FFL C2 Budget Tool - Results

Click on the name

Search Results

Name	Billed Entity Number	NCES Number	Street	City	State	Zip	Category	Type	Urban/Rural
UNION SCIOTO SCHOOL DISTRICT	130002	39 04953	1565 EGYPT PIKE	CHILLICOTHE	OH	45601	DISTRICT	PUBLIC	Not Found

You will see a district/
library system summary



New Total Budget = \$405,150

Budget Used = \$306,557

Budget Remaining = \$98,593

E-rate Discount Available = \$59,156

Category 2 Budget Per Site

Available Pre-Discount C2 Budget for FY 2020

New C2 Budget Table Options v

Site Name	BEN	FY2020 Budget	FY2015-2019 Budget Util.	FY2020 Budget	FY2020 Avail.	FY2020 Avail. Discount
UNION SCIOTO HIGH SCHOOL	50560	\$107,205.24	\$85,961.00	\$21,244.24	x 60%	\$12,746.54
UNION SCIOTO MIDDLE SCHOOL	195359	\$96,641.22	\$76,901.82	\$19,739.40	x 60%	\$11,843.64
UNIOTO ELEMENTARY SCHOOL	50559	\$201,303.27	\$143,693.73	\$57,609.54	x 60%	\$34,565.72
		\$405,149.73	\$306,556.55	\$98,593.18	x 60%	\$59,155.90

What E-rate Will Pay

\$195.63 x Current Enrollment in EPC

Amount Used Since FY 2015

The tool applies your discount rate

Everyone likely to have C2 in FY2020

Only those schools that have had a significant decline in enrollment are at risk of not having any available C2 funds in FY2020 (20% or more decline)

Example: Red School House had 1000 students in FY2019. In FY2020, Red School House lost 300 students. The school spent \$160,000 in funding years 2015-2019.

$$(700 \times \$195.63) - \$160,000 = \text{-\$23,059}$$

*** If enrollment was 850 $(850 \times \$195.63) - \$160,000 =$
 $\$6,285.50$

FY2020 is an E-Rate gift!

Unused funds from FY2020 WILL NOT be carried forward to 2021 and beyond, so

Use it or it's.....



Reminders for FY2020

- Update enrollment and NSLP/CEP data in your EPC profile
 - Administrative Window will close early/mid January
- Form 471 Filing Window dates have not been announced
 - Plan on window opening on or before January 23rd and closing mid to late March
- Form 470s MUST be posted at least 28 days before contracts can be signed and Form 471 filed
- Please register for the upcoming Form 471 training that will be held in January/February.
 - To register, go to <https://www.ohio-k12.help/erate/erate-events/>

C2 in FY2021 and Beyond

FY2021 Basics

- The FCC has made C2 funding permanent
- All C2 budgets will reset in FY2021
- We will have a set 5-year cycle (FY2021-FY2025), (FY2026-FY2030), etc.
- C2 budget will be calculated at district or library system level (one consolidated budget)
- Multiplier will be set for the full 5-year cycle – will not be adjusted for inflation each year
 - **FY2021-FY2025 = \$167.00/per student**
 - **FY2021-FY2025 = \$4.50 sq. ft. for ALL libraries**
 - **FY2021-FY2025 Budget Floor/Minimum = \$25,000.00**
 - *Budget floor applies to schools with less than **150 students**, or libraries with less than **5556 sq. ft.***

- **Enrollment will remain static for entire budget cycle, based on the first year a district applies for C2.**
 - Optional: schools may update C2 budget enrollment in subsequent year(s) if enrollment increases.
- No funding available for non-instruction facilities (no change).
- Equipment transfer restrictions will be eliminated beginning in FY2021, but:
 - applicants must record reason and date of transfer and update asset inventory.
 - no notice to USAC is required.

Calculating Your District-wide Budget – OPTIONS*

Paragraphs 40 of the C2 Order state:

40.“...we recognize that smaller school districts have less access to shared resources and are more likely to be located in rural areas where funding is scarce. **As such, we create an exception for small school districts.** Specifically, we give school districts with 10 or fewer sites the option to calculate their budgets on a per-site basis by **adding together** the budgets of each eligible site within the district.

For Districts with **10 or less schools** – 3 options

- OPTION 1: Calculate by total number of **STUDENTS** (per student)
- OPTION 2: Calculate by total number of **SCHOOLS** (\$25,000 per school)
- OPTION 3: Calculate BY SCHOOL using either per student or \$25,000 per school or a **COMBINATION OF BOTH** methods

Note: The above premise applies to libraries as well

- **Use the HIGHEST aggregate total**

*This information is still being verified and we are seeking clarification that what is stated in Footnote 103 is accurate.

Sample Calculation for 10 or Less Schools

ABC School District has 5 schools:

School	Student Count	Budget Calculation (\$167/student)	Budget Received (Use minimum budget if calculation is less)
ABC High School	567	\$94,689	\$94,689
ABC Middle School	532	\$88,844	\$88,844
ABC Elementary	212	\$35,404	\$35,404
West Elementary	125	\$20,875	\$25,000
East Elementary	131	\$21,877	\$25,000
		\$261,689	\$268,937

Based on student count

Based on budget floor

- Remember, schools with LESS THAN 150 students are eligible for the budget floor - \$25,000.00
 - Same premise applies to libraries
- Use the HIGHEST aggregate total**

Calculating Your District-wide Budget – OPTIONS*

Footnote #103 of the C2 Order states:

[¹⁰³] ...a school district with 10,000 students would normally have an aggregate budget of \$1,670,000. If those students were spread across 100 schools, then its budget would instead be \$2,500,000 (the aggregate funding floor). Accordingly, the funding floor only comes into play if the aggregate budget for the system would fall under the aggregate funding floor for the system.

For Districts with 11 or more schools – 2 options

OPTION 1: Calculate by total number of STUDENTS

or

OPTION 2: Calculate by total number of SCHOOLS

Use the higher of the two totals

*This information is still being verified and we are seeking clarification that what is stated in Footnote 103 is accurate.

More Details and Clarifications To Come

The C2 Order leaves several things unclear for FY2021.

- We will be seeking clarification in preparation for the 2021 funding year
- We expect more information in the coming weeks and months and we will share EVERYTHING we know
- Let's get through FY2020 first

SPEND THAT MONEY!



Contact Information

E-Rate Support and Information

Lorrie Germann:

lorrie.germann@education.ohio.gov

www.ohio-k12.help/erate

Office: 740-223-2420

Cell: 740-253-1153