ERATE's New Cycle of Internal Connection Funding

Administrators, please examine this carefully to be able to take advantage of important funds available to all Christian Schools. Many Christian Schools around the country are receiving connectivity discounts for internet, WIFI, and other infrastructure improvements at a rate of several hundred dollars a student. Because of the New Rules Released recently there will be a continuation of these funds, and internal connections next year.

Although the participation in ERATE is based on the percentage of free and reduced students served by your school, these infrastructure/connectivity dollars are available for getting help with planned projects. For anyone not having participated in the last 5 years of Category 2, they are thinking that the full amount that would have been available to you is available in 2020 ONLY.

The FCC released the much-anticipated Category 2 Order, outlining the rules for Funding Year 2020 and beyond. As a whole, there is much to celebrate! FY 2020 will be a "transition" year with basically the same rules as the last 5 years, except the C2 budget multiplier will have a 1-year "additive." The big changes come in FY 2021 when a new, set 5-year C2 cycle will begin, all C2 budgets will be reset, budgets will be calculated district-wide instead of by school, the minimum building amount will be increased significantly, and much more.

Below is a synopsis that summarizes, by topic and funding year, what the previous rules were, and what the new rules will be moving forward.

**FY 2020 (only)**

- Extended the initial 5-year C2 cycle for a 6th year (FY 2020).
- During this year, C2 budgets will continue to be calculated at a school/library building level.
- Unused C2 budgets from initial 5-year cycle will be available for FY 2020, plus a 20% increase in the C2 budget multipliers which I believe, based on my reading of the Order, will be:
  - Schools: $195.63/pp/school
  - Minimum/building: $11,998.43

  *Formula:* C2 multiplier x school building enrollment, minus any committed C2 funding since in FY 2015 (pre-discount amounts) for each school.

  - **BOTTOM LINE:** FY 2020 is a use-it or lose-it year for C2, with a 1-time bump in available funding, so please use it.

**FY 2021 â€“ FY 2025**

- Establishes a set 5-year C2 cycle, FY 2021 â€“ FY 2025, for all applicants.
• All C2 budgets will be reset in FY 2021 (and at the beginning of each new 5-year cycle). No unused C2 budgets from prior 6-year C2 cycle will be carried forward.
• C2 budget will be calculated at district or library system level, instead of at building level.
• Budget multiplier for FY 2021 â€“ 2025 (will not be adjusted annually for inflation):
  o Schools: $167.00/pp
  o Minimum/building: $25,000 (increase from $9,200)
  o Schools with 10 schools or less can take advantage of the higher budgets for each school (enrollment or minimum)
• 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 FY 2021 but applicants must record reason and date of transfer and update asset inventory. No notice to USAC is required.