

Eight E-Rate Myths

There is a set budget for managed internal broadband services of \$30 per year/per student.

MYTH

Pre-discount budgets are set at \$167 per student for 2021-2025. This budget is for 5 years and can be requested in many ways. Think of the site pre-discount budget allocation as a debit card account. Each funding request is deducted from the balance. Applicants can request all of their funds in the first year, or they can request their funds little by little each year however they choose.

Only poor schools and districts get funded and should apply.

MYTH

This may be the thinking of the past. Since funding year 2015, no Category 2 applications have been denied due to funding availability. You can't win if you don't play – budget limits and fewer eligible services make the available budget go further.

Schools can pool funding allocation and distribute where they want.

Former MYTH, but as of 2021, YES!

From 2015-2020, each individual school had its own Category 2 budget. In funding year 2021, the E-Rate program implemented district-wide budgets. Along with this, equipment transfer rules are being eliminated. In the past, a school was required to keep equipment bought with E-Rate dollars in that particular school for at least 3 years before moving to another school.

Now, with district-wide budgets, applicants can move equipment purchased from 2021 and forward between eligible entities (but still document their transfers). Keep in mind that Non-Instructional Facilities (NIF) do not have C2 budgets, and eligible services must be deducted from the sites they serve.

Basic Maintenance of Internal Connections (BMIC) is dropped.

MYTH

Basic Maintenance of Internal Connections (BMIC), Caching, and Managed Internal Broadband Services (MIBS) were retained on the 2025 Eligible Services List, released on October 25, 2024. Remember, BMIC is subject to the Category 2 five-year budget. The \$167 per student pre-discount budget is the TOTAL amount allowed per site for 5 years for ALL Category 2 services, including BMIC. Support includes repair and upkeep of hardware, wire and cable maintenance, basic tech support, and configuration changes. Limited to ACTUAL work performed under the contract.

A part of each applicant's funding must be spent on managed services

MYTH

The E-Rate program is technology-neutral. The FCC doesn't show a preference for one type of technology over another.

Applicants can request funds that best suit their needs and environment. The E-Rate program is voluntary for K-12 Schools in the US.

Schools must purchase Wi-Fi with E-Rate this year because that is the focus of the modernization order.

MYTH

All components on the eligible service list can be requested in any combination. High-speed Wi-Fi classroom connectivity has been the driving factor for switching, cloud, cable, PoE, or other eligible components, which are critical to deployments. If a school district has recently deployed Wi-Fi, it may need cabling, PoE, or other eligible components.

It's not worth it for me to file because my library won't qualify for nearly enough E-Rate funding for a network upgrade.

MYTH

In E-Rate funding year 2021, the budget floor was raised from \$9,200 to \$25,000!

This is a huge opportunity this budget cycle for schools and libraries that utilize the C2 budget floor. In the past, the \$9,200 budget floor may not have been enough to cover their networking needs. Now, they have almost 3x the amount of funding available to them.

If a school has a free lunch program that is available to every student or participates in NSLP, they cannot apply for E-Rate funding.

MYTH

CEP (Community Eligibility Program) schools can participate. Alternative discount methods are available. Program offered by NSLP, direct certification into program, no forms to fill out. CEP sites will be auto-calculated on the 471 application. Schools that don't participate in the National School Lunch Program are also eligible. USAC has guidance for alternative discount methods.

It's not worth it for my school to apply for E-Rate because our school has such a low percentage of students eligible for NSLP.

MYTH

It's still worth it! Based on the current discount matrix, even a school that has less than 1% of their students eligible for NSLP STILL qualifies for up to a 25% discount. When looking at a network infrastructure upgrade that can cost 10's to 100's of thousands of dollars, wouldn't you still want to save 25%?



<http://www.extremenetworks.com/contact>

©2024 Extreme Networks, Inc. All rights reserved. Extreme Networks and the Extreme Networks logo are trademarks or registered trademarks of Extreme Networks, Inc. in the United States and/or other countries. All other names are the property of their respective owners. For additional information on Extreme Networks Trademarks please see <http://www.extremenetworks.com/company/legal/trademarks>. Specifications and product availability are subject to change without notice. 10224-1124-18