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Universal Service
Administrative Co.

Schools and Libraries Program News Brief

June 2, 2017

TIP OF THE WEEK: If you want to request a **SPIN change or service substitution for FY2017, submit a RAL modification or talk to your PIA reviewer.** If USAC has not yet issued a funding commitment, we can help you process these requests without the need to submit an FCC Form 500.

Commitments for Funding Years 2017 and 2016

Funding Year 2017. USAC is scheduled to release Funding Year (FY) 2017 Wave 2 Funding Commitment Decision Letters (FCDLs) on June 9. This wave includes commitments for approved applications for all service types and at all discount levels. As of June 2, FY2017 commitments total over \$48.6 million.

Funding Year 2016. USAC is scheduled to release Wave 49 FCDLs on June 6. This wave includes commitments for approved applications for all service types and at all discount levels. As of June 2, FY2016 commitments total over \$2.71 billion.

On the date that FCDLs are issued, you can access your FCDL notification from the **Notifications** section of your landing page in the E-rate Productivity Center (EPC).

Service Provider Training Announcement

The USAC Schools and Libraries Division will hold its annual training for E-rate service providers at a single site – on Tuesday, July 25, 2017 in Dallas, TX. This training is exclusively for service providers who have direct involvement and day-to-day management of the E-rate program for their organizations.

During the training you'll have the opportunity to ask questions and hear directly from members of the USAC Schools and Libraries team on key topics important to service providers from competitive bidding to invoicing. Space is limited so register today.

Date and Time: Tuesday, July 25, 2017 from 8:30 AM to 4:00 PM CT
The Westin Galleria Dallas
13340 Dallas Parkway
Dallas, TX 75240

Location:

Phone: (888) 627-8536 (Central Reservation Office)

Registration: Conference registration information will be available soon.

Category Two Budget Reminders for FY2017

Category Two (C2) budgets cover a five-year period

Starting with FY2015, requests for Category Two (C2) products and services – which include internal connections, managed internal broadband services, and basic maintenance of internal connections – are limited to a pre-discount five-year budget for each school or library. The budget calculation is based on the number of students in the school or the number of square feet in the library (see below).

- To calculate a school's C2 budget, the number of students in a school is multiplied by a specific dollar figure. That dollar figure is adjusted each year for inflation.
- To calculate a library's C2 budget, the square footage of the library is multiplied by a specific dollar figure. That dollar figure is adjusted each year for inflation.
- If the calculation for a school or library results in a figure lower than a minimum dollar amount – the "budget floor" – the C2 budget for that school or library is set at that budget floor. The budget floor is adjusted each year for inflation.

A school or library can spend all of its C2 budget in one year or spread it out over any or all of the five years. Also, the school or library can use its C2 budget for products and/or services under one, two, or all three C2 service types.

C2 budgets are pre-discount

The pre-discount cost of the products and/or services approved for E-rate discounts is charged against the C2 budget. C2 budgets are not based on the committed amount (the share of the cost of the product or service paid for by E-rate funds).

C2 budgets are calculated each funding year

C2 budget calculations can change from funding year to funding year, as student counts go up or down or libraries expand or downsize.

For each funding year in your five-year C2 budget cycle, USAC compares the C2 budget calculated for that funding year against the pre-discount total of C2 commitments made for ALL funding years in your five-year budget cycle.

- For FY2017, USAC can make commitments on the difference between the C2 budget for that funding year and the total pre-discount amount for all C2 commitments made for FY2015 and FY2016.
- If the total of your C2 commitments for FY2015 and FY2016 exceeds the C2 budget calculated for FY2017, USAC cannot make C2 commitments for FY2017.

How to calculate the C2 budget for a school for FY2017

First, multiply the total number of students by \$153.47. If this calculation results in a C2 budget of less than \$9,412.80, the C2 budget for the school is \$9,412.80.

NOTE: The total number of students is the total of the number of full-time students and the maximum number of part-time students ("peak part-time students") at the same time during the school day. Students attending after-school activities or after-school events and students who attend a virtual class

that originates at a school but who are not on the school premises cannot be included in the student counts.

Second, use the [C2 Budget Tool](#) to determine the total pre-discount amount for all C2 commitments made for FY2015 and FY2016 for the school. This number is in the field labeled "Approved Pre-Discount" in the detailed search results for the school.

Third, subtract the total pre-discount amount for FY2015 and FY2016 from the calculated C2 budget for FY2017. USAC can make commitments on pre-discount C2 costs up to that net amount.

How to calculate the C2 budget for a library for FY2017

First, determine the Institute of Museum Services (IMLS) locale code for the library. You can locate your IMLS code by contacting your state library or IMLS, or by downloading and reviewing the .CSV files from the FY 2014 Public Library Survey (PLS) featured on the [PLS Data and Reports](#) page on the IMLS website.

NOTE: Total the square footage for all floors occupied by the library and enclosed by the outer walls of the library, including non-public areas. Do not include patios or other outdoor spaces such as parking lots unless they are enclosed by the outer walls of the library.

- For more urbanized libraries – those with an IMLS locale code of 11, 12, or 21 – multiply the total square footage of the library by \$5.12.
- For all other libraries – those with all other IMLS locale codes – multiply the total square footage of the library by \$2.35.
- If the calculation results in a C2 budget of less than \$9,412.80, the C2 budget for the library is \$9,412.80.

Second, use the [C2 Budget Tool](#) to determine the total pre-discount amount for all C2 commitments made for FY2015 and FY2016 for the library. This number is in the field labeled "Approved Pre-Discount" in the detailed search results for the library.

Third, subtract the total pre-discount amount for FY2015 and FY2016 from the calculated C2 budget for FY2017. USAC can make commitments on pre-discount C2 costs up to that net amount.

How to return C2 commitments

USAC assumes that, if a commitment has been made on a C2 request, that the pre-discount amount of that request should be charged against the C2 budget.

You can file an FCC Form 500 to return unused C2 funds. Unless funding is returned via an FCC Form 500, USAC assumes that you are using the C2 funding that has been committed, and the pre-discount amount of your request will remain charged against your C2 budget.

For additional information on C2 budgets and instructions on using the [C2 Budget Tool](#), you can refer to the [Category Two Budget Tool User Guide](#).

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