

E-Rate Wi-Fi Hotspot Budgets: How They Work

There are three constraints on Wi-Fi hotspot funding requests: a three-year hotspot budget, funding caps on services and hotspots, and annual request limits.

Hotspot Budget Calculation

Eligible applicants can calculate a fixed Wi-Fi hotspot budget for the current hotspot budget cycle (FY2025-2027).

The budget is set the **first funding year** an applicant applies for hotspot funding during the three-year cycle. Even if applicants' budget inputs change in a later year in the cycle, their hotspot budget will not. Inputs are:

- Current funding year's Category One (C1) discount rate
- Last verified Category Two (C2) school student count or library square footage

School District Budget =

$$[C2 \text{ student count} \times C1 \text{ discount rate} \times 0.2] \times \$630$$

Library System Budget =

$$[C2 \text{ square footage} \times C1 \text{ discount rate} \times 0.0055] \times \$630$$

*Round the bracketed amount up to the nearest ten.

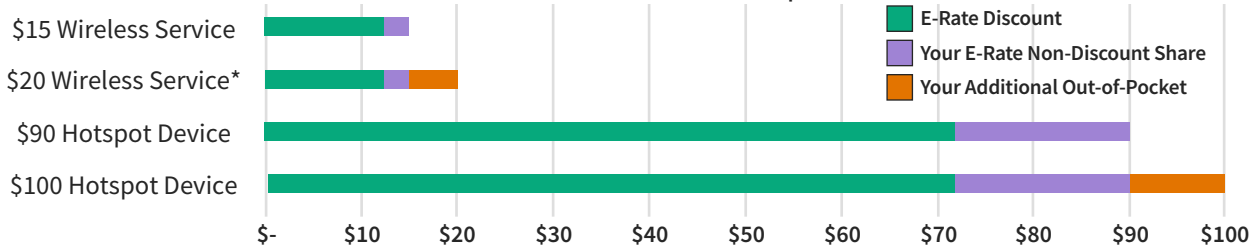
Device/Plan Funding Caps

Pre-discount costs are capped at \$15 per month for services and \$90 per Wi-Fi hotspot. Applicants' discounts are determined by multiplying their C1 discount rate by their pre-discount service and equipment costs.

While applicants may spend more than the capped costs, applicants are responsible for the amount that exceeds the funding cap.

Hotspot Devices	\$90/device
Mobile Wireless Services	\$15/month

80% C1 Discount Rate Example



E-Rate Discount (\$15 x 80% = \$12). You pay your E-Rate non-discount share (\$15 - \$12 = \$3) and the amount > funding cap (\$20 - \$15 = \$5).

Annual Request Limits

Wi-Fi hotspot support is subject to a 45% annual request limit. Applicants may use no more than 45% of their total budget in any single funding year of the budget cycle that starts in FY2025 and ends in FY2027.

It's important to be aware of these limits.

If you apply in FY2026, the maximum you can request over the remaining 2-year period of that cycle would be 90% of your budget. If you apply in FY2027, the maximum would be 45% of your budget, but new funding will be available in FY2028 in the next three-year budget cycle.



Universal Service Administrative Co.

For more information, review the [Wi-Fi Hotspots page](#).