

Universal Service Fund for Schools and Libraries (E-Rate) Overview for Libraries

Purpose: The universal service Schools and Libraries program, commonly known as the E-Rate program, helps ensure that schools and libraries can obtain high-speed internet access and telecommunications at affordable rates, though discounts on service or equipment invoices OR direct refunds/rebates. The program is administrated by the Universal Service Administrative Company (USAC).

Library Eligibility: Libraries must meet the statutory definition of library or library consortium found in the Library Services and Technology Act of 1996 (LSTA) (20 U.S.C. Section 9122) and must be eligible for assistance from a state library administrative agency under that Act.

The definition of a library includes:

- A public library
- A public elementary school or secondary school library
- An academic library
- A research library, one that makes publicly available library services and material suitable for scholarly research and not otherwise available to the public and is not an integral part of an institution of higher education
- A private library, but only if the state in which such private library is located determines that the library should be considered a library for purposes of this definition

A library's eligibility for support also depends on its funding as an independent entity. Only libraries whose budgets are completely separate from any schools, including but not limited to, elementary and secondary schools, colleges and universities shall be eligible to receive discounted services.

Eligible Services: Each year the FCC releases an [Eligible Services List](#) (ESL) for the upcoming funding year. This list contains a description of the products and services that will be eligible for discounts, along with additional helpful information such as eligibility conditions for each category of service for each specified funding year. The ESL includes the following service types that fall in one of two funding categories:

- Category One Services
 - Data Transmission Services and/or Internet Access: This service type covers broadband connectivity and basic conduit access to the internet. These services cannot include charges for content, end-user devices or equipment purchases (other than those necessary for transmission of Category One services), or other services beyond basic conduit access to the internet. This service type also includes leased lit fiber, leased dark fiber, and self-provisioned broadband networks.
- Category Two Services
 - Internal Connections and Managed Internal Broadband Services: these two service types include eligible products, such as access points, routers, switches, hubs, and wiring, located at the applicant site and must be necessary to transport information to classrooms or publicly accessible areas of a library. Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components are eligible MIBS (e.g., managed Wi-Fi).
 - Basic Maintenance of Internal Connections: covers the repair and upkeep of eligible internal connections. Eligible repair and upkeep services include hardware, wiring, and cable maintenance, along with basic technical support and configuration changes. The products must be eligible for discounts in order for their associated repair and upkeep services to be eligible. In general, applicants may only receive support for actual work performed under contract on eligible products and parts that are repaired or replaced.

Library Discount Levels: Discounts or rebates/refunds are applied, as a percentage, using a Discount Matrix that is based on the National School Lunch Program (NSLP) participation of the public school district in which the main branch or main administrative office of the library is located, divided by that school district's total enrollment. School Districts are required to update their NSLP and enrollment figures each year, which automatically generates the library/library system discount.

INCOME Measured by % of students eligible for the National School Lunch Program (NSLP)	CATEGORY ONE (C1)		CATEGORY TWO (C2)	
	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

Funding Year: The E-Rate "Funding Year" covers services from July of each year to June of the following year. The application process (see below) occurs between July of the year before the Funding Year and flows thru the Funding Year, to the "Invoicing Deadline" in October. The process can take 27 months from start to finish, with multiple Funding Years activities occurring simultaneously.

Application Process: The E-Rate application process for libraries includes competitive bidding, applying for discounts, starting services, and invoicing for discounts. Each of the process steps include online filings within USAC's online E-Rate Productivity Center (EPC). Applicants (Libraries) and Service Providers are required to register with USAC and receive EPC credentials so that appropriate forms for each step of the process can be filed. Additional details are provided in the Application Process Flow Chart available on the USAC Website: <https://www.usac.org/wp-content/uploads/e-rate/documents/Handouts/application-process-flow-chart.pdf> and on the main E-Rate page: <https://www.usac.org/e-rate/>