

# **E-Rate Eligible Services 101: Fund Year (FY) 2024 Update & Question and Answer (Q/A) Session January 18, 2024**

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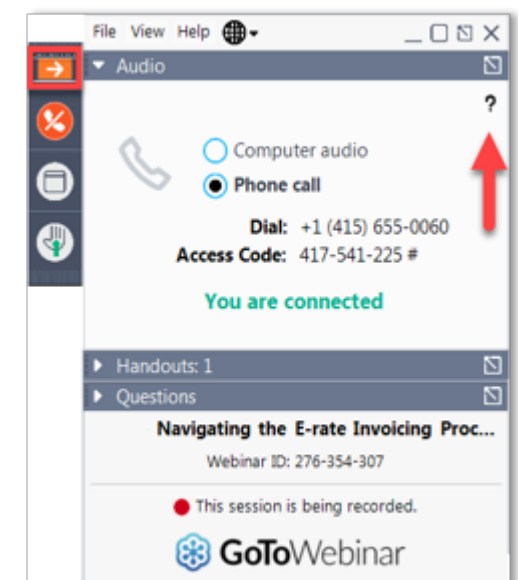
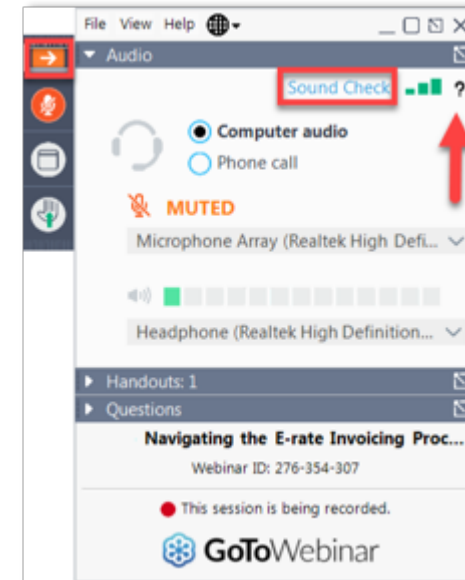
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  - Ask one question at a time.
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# MEET THE TEAM



**Bernie Manns**

Sr. Director | E-Rate program



**Derrick Harrison**

Program Analyst | E-Rate Program

# AGENDA

- Program Update:
  - Eligible Services List
  - What's New for FY 24
  - Review: Types of Eligible Services and Equipment
- Question & Answer Session



# The Eligible Services List (ESL)

- Each year, before the opening of the application filing window, the FCC releases a list containing general guidance on the equipment and services that are E-Rate eligible for the upcoming funding year.



# Eligible Services List (ESL)

- The ESL also provides helpful information such as **eligibility conditions** for each category of service for the specified funding year.
- Applicants can only receive funding for eligible equipment and services that are being used **for educational purposes.**



# Eligible Services List (ESL)

- The Eligible Services List for Funding Year (FY) 2024 was released on December 15, 2023, and **the Order** is posted on the [Eligible Services List](#) webpage
- **The ESL Order has five sections, with the actual ESL posted last.**
  - Introduction – A preface to the contents of the Order.
  - Background – Discusses the FCC's seeking of comments, and related actions, prior to issuing the Order.
  - Discussion – Detailed discussion of scope of modifications in the FY 2024 ESL.
  - Appendix A– List of Commenters
  - Appendix B – Actual FY 2024 ESL.

# **What's New: Funding Year (FY) 2024**

## Eligible Services List (ESL) FY2024: What's New

- Clarifies that software necessary to operate or maintain Category One network equipment, such as Required Right-To-Use software for an edge router needed to make a Category One service function, is **eligible**.
- Clarifies that consulting fees unrelated to installation and configuration, such as services related to application assistance or E-Rate program advice, are **not eligible** for E-Rate.
- Makes equipment and services necessary to provide **connectivity** on **school buses E-Rate eligible** when used for **educational purposes**.

# School Buses: Eligibility of Mobile Broadband Connectivity

## Mobile broadband connectivity for school buses is eligible as a Category One service

- The Wireless bullet on the ESL was modified to clarify this new eligibility.
  - From: “Wireless (e.g. fixed wireless, microwave)”
  - To: “Wireless (e.g., fixed wireless; microwave; or **mobile service for use on school buses**)”
- Installation Fees and Equipment needed to make this wireless service for school buses functional are also eligible under Category One.
- Separate maintenance and operations services related to mobile broadband connectivity for school buses are **not eligible**.



## School Buses: Types Eligible for E-Rate Support

School bus Wi-Fi services are eligible for buses that are school-owned, as well as leased or contracted school buses, provided that the school buses are used primarily to transport students to and from school and school-related activities for educational purposes as defined by FCC rules.

- **Occasionally used chartered buses** (e.g., used for school field trips), municipal, or city buses are **ineligible**.
- Other types of school-owned vehicles (e.g., cars and vans) are also **ineligible**.

# School Buses: Restrictions/Limitations on Usage

- Equipment and services must primarily be utilized for **educational purposes** as defined by E-Rate rules.
- There are no new user or CIPA restrictions for Bus Wi-Fi. All restrictions must be consistent with those placed on building-based broadband networks.
- Wi-Fi should **only be active during school bus normal operating hours** (i.e., when students are being transported to and from school or school-related activities) or when there is a **clear educational purpose** for enabling school bus Wi-Fi connections outside of these hours. Bus Wi-Fi service must be disabled outside of these hours and cannot be utilized for community use purposes.

## School Buses: Prohibition on Redundant/Duplicative Services

### Clarification of prohibition on redundant or duplicative services for school bus wireless services.

- Schools may **situationally enter into agreements with multiple providers** such as when some buses are served by one provider, and other buses by a different provider.
- Rural applicants may select a solution that allows a bus to be served by multiple providers. Schools and school districts can check their urban/rural status [here](#).

# School Buses: Competitive Bidding

- Applicants are not required to compare costs between a given service plan for providing school bus Wi-Fi and other technological approaches to deliver connectivity to end user devices. Other than the previously noted clarifications, school bus Wi-Fi is subject to all existing E-Rate rules and requirements, including those related to competitive bidding, cost allocation, and discounting rules.
- Applicants who entered into multi-year agreements for Bus Wi-Fi in the Emergency Connectivity Fund (ECF) program are **not exempt** from competitive bidding requirements.
- The competitive bidding exemption for Commercially Available Business Class Internet Option (CABIO) services **does not apply to bus services**. It only applies to services delivered to a school or library building.
- Service provider selection must be consistent with E-Rate program rules including selecting the most cost-effective service offering(s), using **price of the eligible equipment and services as the primary factor** in the evaluation matrix.

## School Buses: Additional Highlights

- **Asset Inventories: Applicants own the E-Rate funded equipment** and are required to **maintain accurate asset inventories** including for equipment installed on leased/contracted school buses.
- **Ineligible components are subject to existing cost allocation rules** and must be cost-allocated from a request. However, **ancillary ineligible components need not be cost-allocated**. For the purposes of E-Rate, ineligible components are “ancillary” if:
  - a price for the ineligible component that is separate and independent from the price of the eligible components cannot be determined, **and**
  - the specific package remains the most cost-effective means of receiving the eligible services, without regard to the value of the ineligible functionality.
- Services are reimbursable for the 12 months of the funding year. However, applicants may not warehouse equipment or fail to utilize the service for student use during the funding year.

# Categories of Service

- Category One (C1) Services are services needed to support broadband connectivity **to eligible schools, libraries, and/or eligible buses transporting students.**
- Category Two (C2) Services are
  - Services needed for broadband connectivity **within schools and/or libraries**, and
  - Services needed to bring broadband **into** and provide it **throughout** schools and libraries.

Products and services **may be fully or only partially eligible.**



# **Review: Types of Eligible Services**

# Categories of Service

- C1 Services include:
  - Internet Access
  - Data Transmission
  - Wireless mobile broadband for school buses (equipment and services)
- There is no budget limit on (C1) services.
- C2 services have a five-year budget, based on student count (schools) or square footage (libraries). The current five-year budget cycle runs from FY 2021 to FY 2025.
- C2 Services include:
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services

# Category One Services – Service to the Entity - Examples

- Leased lit fiber or leased dark fiber
- Internet access
- Satellite service
- DS-1 (T-1), DS-3 (T-3), etc.
- DSL
- Broadband over power lines
- Equipment and Services supporting mobile broadband to eligible school buses

## Category One Services – Service to the Entity – Eligible Costs

- Eligible costs associated with C1 services:
  - Monthly charges
  - Special Construction
  - Installation and Activation charges
  - Software
  - Modulating electronics/equipment necessary to make an eligible C1 broadband service functional.
  - Maintenance and operations charges, including costs of for software needed for the operation of or maintenance of Network Equipment.
  - The FY 2024 ESL clarifies that the software necessary to operate or maintain C1 equipment is eligible.

# Types of Category Two (C2) Services

- **Internal Connections (IC)** - The equipment and services used to bring broadband into, and provide it throughout, schools and libraries.
- **Basic Maintenance of Internal Connections (BMIC)** – Basic maintenance and technical support appropriate to maintain reliable operation for eligible broadband **internal connections**.
- **Managed Internal Broadband Services (MIBS)** – Third-party operation, management, and monitoring of eligible broadband internal connections (owned or leased equipment).

C2 services have a five-year budget, based on student count (schools) or square footage (libraries).

The type of C2 service you select must be consistent between your FCC Form 470 and FCC Form 471.

# Category Two Service Type Examples

- **Internal Connections**
  - Cabling, routers, switches, and modems
  - Right-to-use software or Client Access Licenses
- **Basic Maintenance of Internal Connections (BMIC)**
  - The **repair and upkeep** of eligible cabling, routers, switches and modems.
  - Multi-year maintenance service subscriptions

Note: Only maintenance services **provided in the applicable funding year** are eligible in that year. (i.e., 1 year of a 3-year subscription should be requested on a current year funding request and invoiced a year at a time, over the 3-year period.)

- **Managed internal broadband services (MIBS)**
  - Managed Wi-Fi agreement



# Recurring Services

- **Services that are billed on a monthly basis** – (e.g., broadband internet access service).
- Must be received during the relevant funding year to be eligible for E-Rate funding. For FY 2024, this means that recurring services must be received between July 1, 2024 and June 30, 2025.

# Non-Recurring Services

- **One-time charges for equipment and services** that are delivered and installed (e.g., wiring, other cabling or wireless installations and equipment).
- Applicants and service providers have until September 30 following the close of the funding year to deliver and install non-recurring C2 services.
- For FY 2024, this means non-recurring C2 services can be delivered from July 1, 2024 through September 30, 2025.
- This service delivery deadline can be extended under certain circumstances.

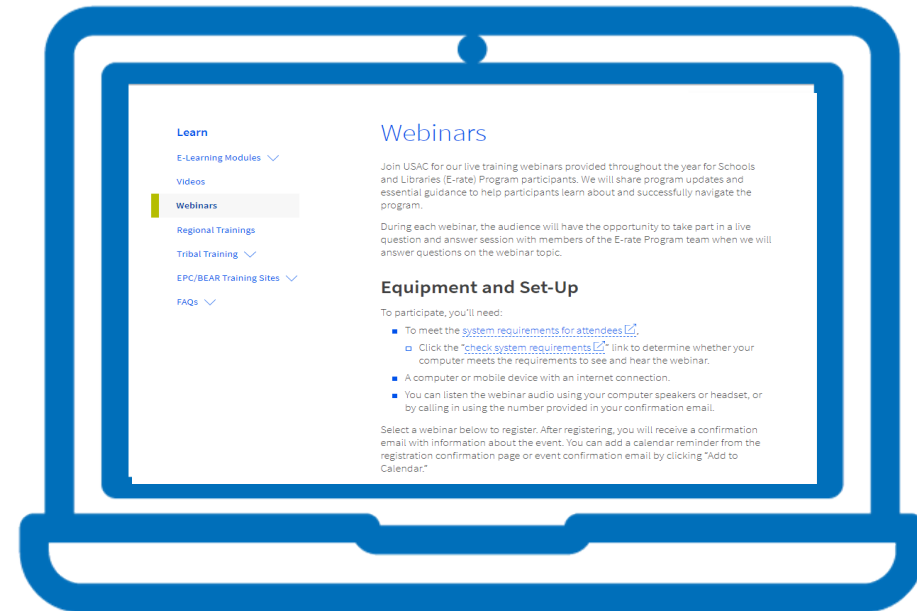
# Resources

- [Eligible Services Overview Webpage](#)
- [Eligible Services List](#)
- [Eligible Services List \(ESL\) Glossary](#)
- [Fiber – Summary Overview](#)
- [Fiber Frequently Asked Questions](#)
- [Webinars:](#)
  - [Eligible Services 101 Webinar \(October 12, 2023\)](#)
  - [Category 2 \(C2\) Webinar \(October 17, 2023\)](#)
  - [E-Rate Overview Webinar \(October 4, 2023\)](#)

# Question and Answer Session: Overview and Purpose

# QUESTION AND ANSWER WEBINARS

- Assist program participants in formulating pertinent questions.
- Provide targeted program information.
- Help program participants.

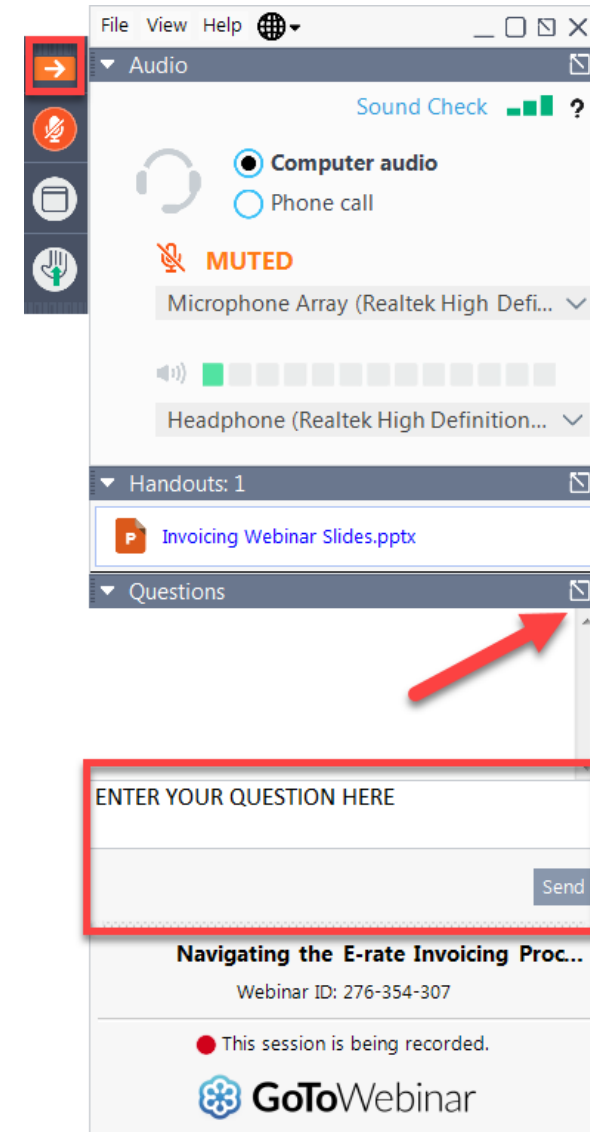


# QUESTION AND ANSWER WEBINARS

- Participants should read the assigned materials and watch assigned videos in advanced of the webinar and come prepared to ask questions during the Q&A.
- USAC team members will provide a high-level overview of the materials.
- Questions related to the topics and experience level will be given priority.

# Housekeeping Q & A

- **There will be a live Q&A session focused on today's topics.**
- Tips for submitting questions:
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# Questions



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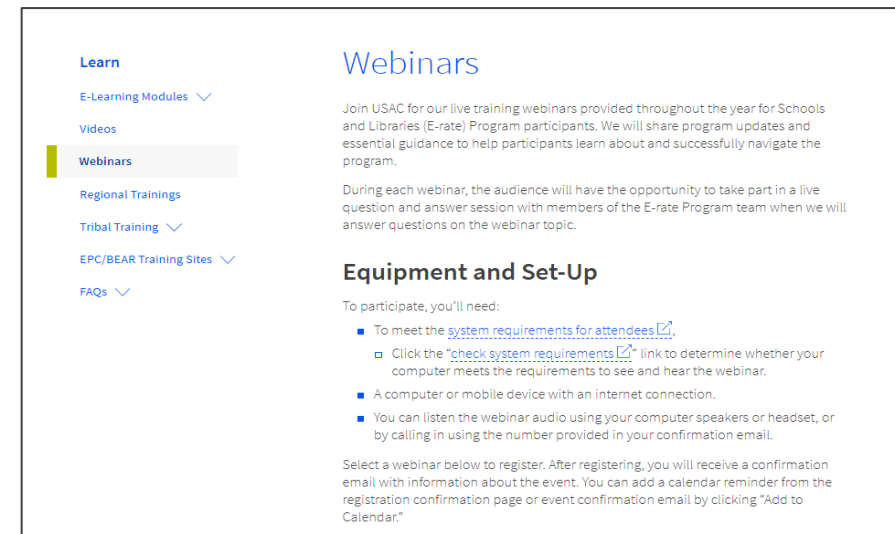
# Upcoming Webinars

**Our next webinar is on:  
January 23 at 2 p.m. ET**

## **E-Rate Competitive Bidding Process & FCC Form 470 Question and Answer (Q&A) Session**

**Recommended for:** Applicants and  
service providers

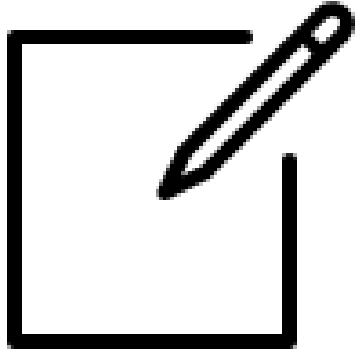
**E-Rate Experience Level:** All



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