Potential Impact of e-Rate
For Westchester Library System

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Agenda

- What is e-Rate?
- How does it work?
- How can WLS use e-Rate?
- Requirements? What's the catch?
  - About CIPA and how to work with it
- What does that mean in terms of $$$ (potential impact)
- Q&A

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What is e-Rate?

- Universal Service Schools and Libraries Program
  - Commonly known as "E-rate"
  - Rebates to help obtain affordable telecommunications and internet access
    - Not a grant, you must spend the money first
  - Afforded to eligible schools and libraries
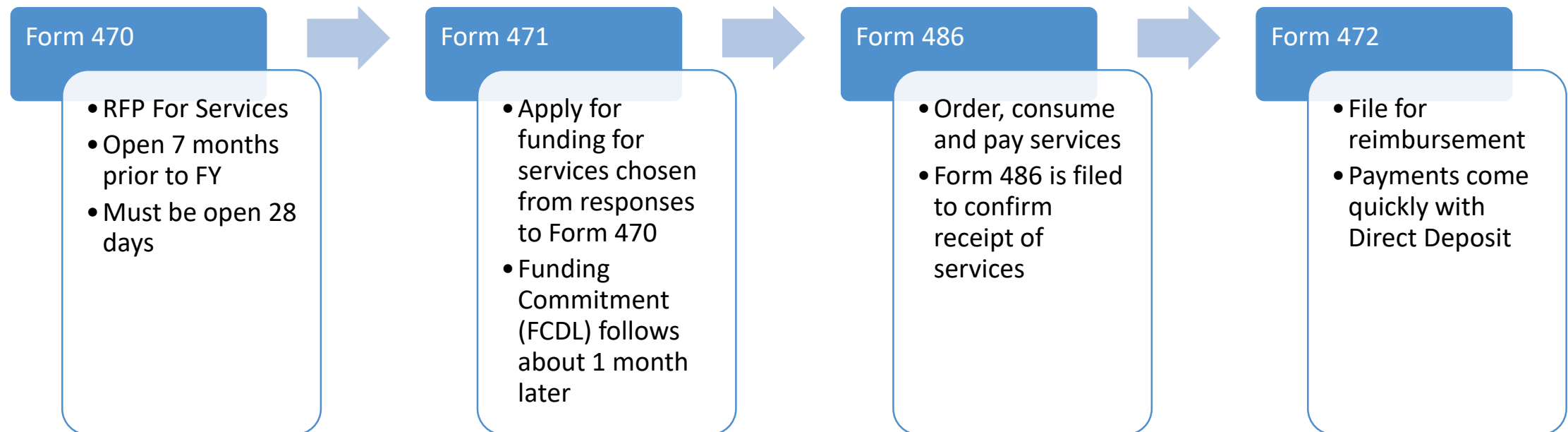- Funded through the Universal Service Fee on your telephone bill

Image credits: https://sltools.universalservice.org
https://www.freepress.net/blog/11/10/25/rip-or-reform-update

How does e-Rate work?

Form 470
- RFP For Services
- Open 7 months prior to FY
- Must be open 28 days

Form 471
- Apply for funding for services chosen from responses to Form 470
- Funding Commitment (FCDL) follows about 1 month later

Form 486
- Order, consume and pay services
- Form 486 is filed to confirm receipt of services

Form 472
- File for reimbursement
- Payments come quickly with Direct Deposit

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Remind you of anything?

Image credits: irs.gov

Sample 2018 Funding Timeline

4Q 2017

Issue eRate RFP
File Form 470

1Q 2018

Funding Request
Window opens
File Form 471 at
least 28 days
AFTER Form
470

2Q 2018
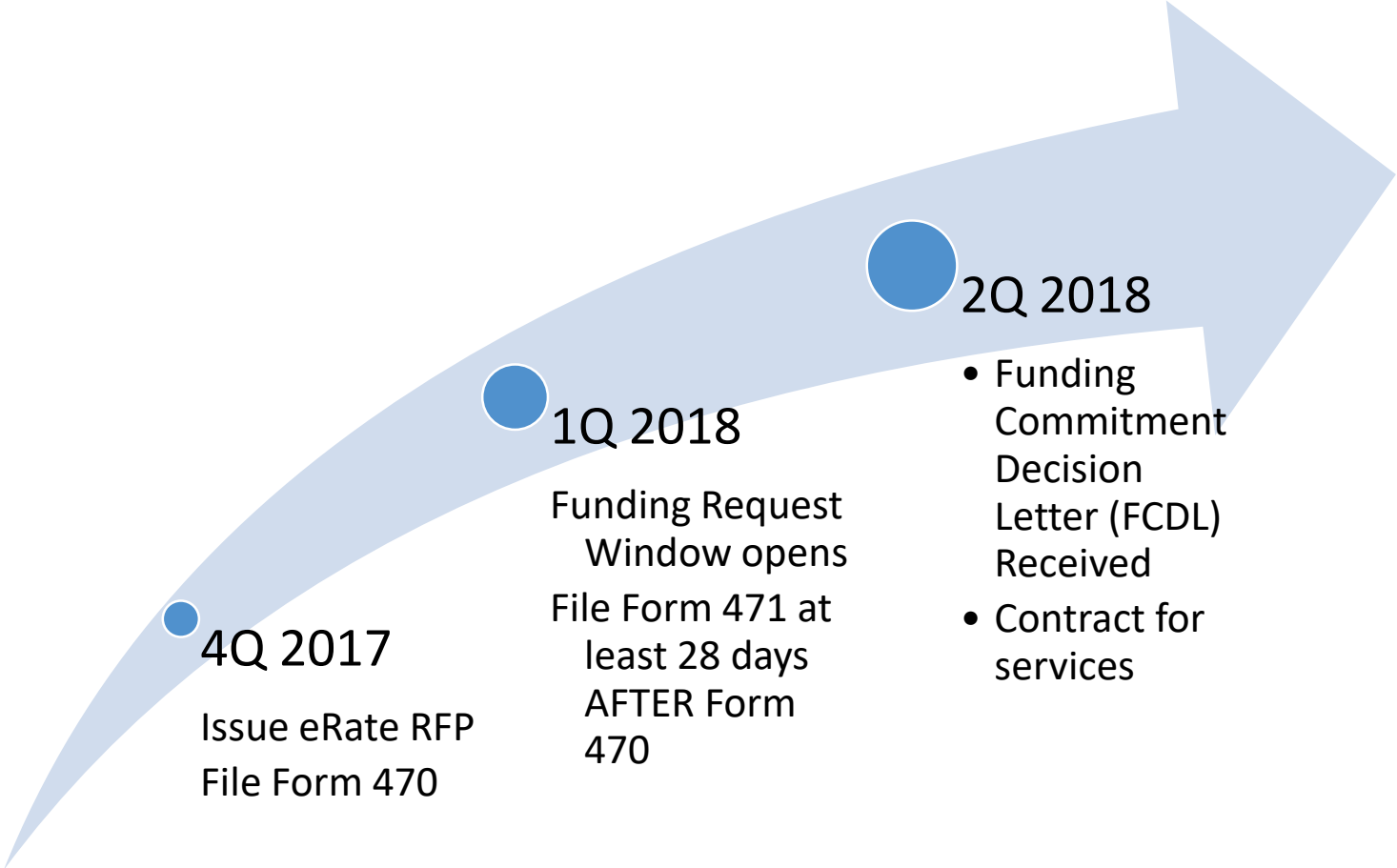
- Funding
Commitment
Decision
Letter (FCDL)
Received
- Contract for
services
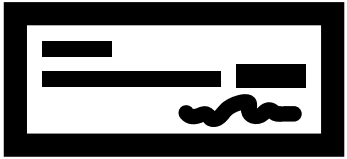
3Q 2019
Funding Received

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Recent changes to e-Rate. E-Rate 2.0

- Changes from Priorities to Categories
  - There is now an attempt to fund more
  - Hardware funding is funded based on federal budgets
    - i.e. Wireless AP funded at $5 per sqft.
- Discontinuation of funding for phone service
- Addition of funding for wireless networks
- There are other changes possible with new administrations

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How can WLS use e-Rate?

- Rebates on:
  - Connection from WLS to the Internet
  - Connection from WLS to libraries

- Increase bandwidth to libraries

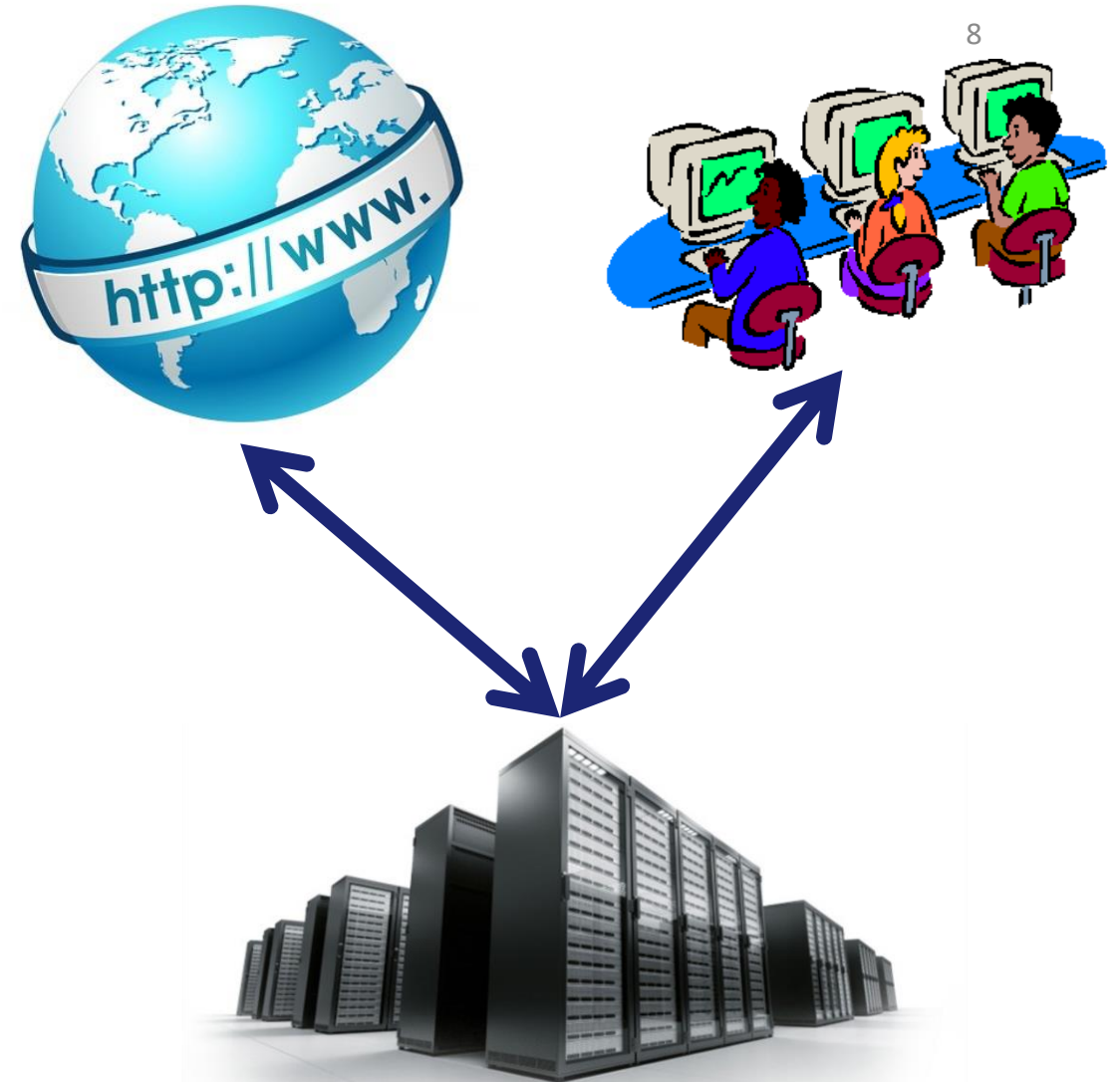- Provide faster connections for wireless networks

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So what's the catch?

- Meeting all of the filing and response deadlines
- E-Rate is not a grant
  - Have to spend money to get money. It's a reimbursement.
- Compliance with CIPA (Children's Internet Protection Act)

Image credits: https://cost-of-free.wikispaces.com/Implications+of+Free+in+Education

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CIPA (Children's Internet Protection Act)

Requirements

- Have an Internet Safety Policy to address protection of minors for:
  - Implement a "technology protection measure" or filter
  - A public hearing (meeting) that addresses the policy and filter

More information

https://www.fcc.gov/consumers/guides/childrens-internet-protection-act

Internet Safety Policy

- Must address the following specifically related to minors:
  - Access to "inappropriate matter"
  - Safety and security when using email, chat rooms, and other direct communications
  - "Hacking" and other unlawful activities
  - Unauthorized disclosure, use, and dissemination of personal information
  - Protection measures (filters)

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Can a filter be disabled?

YES

"a library […] can set up a process for disabling that software upon request of an adult user, through use of a sign-in page where an adult user can affirm that he or she intends to use the computer for bona fide research or other lawful purposes." – USAC.ORG

About OpenDNS Filtering

- Used in other large-scale e-Rate sites
- Disable content from 60+ categories of content
- Passive URL filter, does not scan content
- URLs placed in categories by community
- Block screens indicate filtered content
  - Content is not altered

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Implement a minimally impactful filter

- Balance value of open access to the Internet while limiting access to illegal content

- IWF – Internet Watch Foundation
  - Identifies Internet content containing abuse of children
  - A category available on OpenDNS

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Who decides what's appropriate?

- "Decisions about what matter is inappropriate for minors must be made by the local community. " – USAC.org

- E-rate program rules specify that the library shall make "[a] determination regarding matter inappropriate for minors."

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Calculating Financial Impact

- Financial need is based on % of students that receive free or reduced lunch through the National School Lunch Program (NSLP)

- WLS HQ is in Elmsford Union Free School District (EUFSD)
  - 51.6% of students are funded through the NSLP
  - Is considered "Urban" for e-Rate funding

- E-Rate uses a Discount Matrix to determine discount rate

- WLS would be eligible for at least 40% funding
  - Does not cover taxes and fees (about 3.5%)

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POTENTIAL Savings on Current Services

Based on existing services only:

wired network AND primary Internet connections

- Current annual cost: $308K
- Less discount could be as high as: $123K (40%)
  - Not guaranteed until funding commitment (FCDL) is received
- Plus estimated cost of implementing filtering: ≈$50K
- **Estimated savings: ≈$73K**

Savings on future service

Consider augmented services for:
wired network AND primary Internet connections
(100Mbps to every location)

- Annual cost: $400K

- Less discount could be as high as: $160K (40%)

- Plus estimated cost of implementing filtering: ≈$50K

- Cost savings of ≈ $110K
  - Reach goal of 100Mbps at every library for $18K UNDER current cost

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Keep these caveats in mind!

- No funding is guaranteed until a funding letter is received

- If funding dissolves, libraries will likely not want services cut

- Complex filing creates risk of not being funded
  - Budget conservatively!

- Regulatory requirements could change
  - CIPA today… Administrative changes…

- New administration is shifting priorities
  - i.e. USAC now reviewing "overbuilt" services
  - Preferences to managed "lit" services over library owned "dark" services

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Questions?