

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

What is e-Rate?

- Universal Service Schools and Libraries Program
 - Commonly known as “E-rate”
 - Discounts 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

A close-up photograph of a telephone bill. The bill is tilted and shows several line items with their corresponding amounts. The "Universal Service Charge" is highlighted in red text and is \$4.50. Other items include "Monthly Access Charges" at \$186.50, "Surcharges and Other Charges & Credits" at \$3.31, and "Taxes & Fees" at \$6.75. The total current charges are \$201.53, and the amount due by February 13, 2012, is also \$201.53.

Voice	
Monthly Access Charges	\$186.50
Surcharges and Other	
Charges & Credits	\$3.31
Universal Service Charge	\$4.50
Taxes & Fees	\$6.75
Total Current Charges	\$201.53
Amount Due by	
February 13, 2012	\$201.53

Image credits: <https://sltools.universalservice.org>

<https://www.freepress.net/blog/11/10/25/rip-or-reform-update>

How does e-Rate work?

- File an “RFP” for services (even if its existing) (form 470)
 - Form opens “about” 7 months before funding year begins
 - Providers have a 28 day window to submit proposals
 - Choose a service only AFTER the 28 day window
- Apply for (471) and receive a funding commitment
 - Weeks to months
 - Follow up questions - 15-day window for response
- Order, consume and pay for service
- File for reimbursement (form 486)

Remind you of anything?

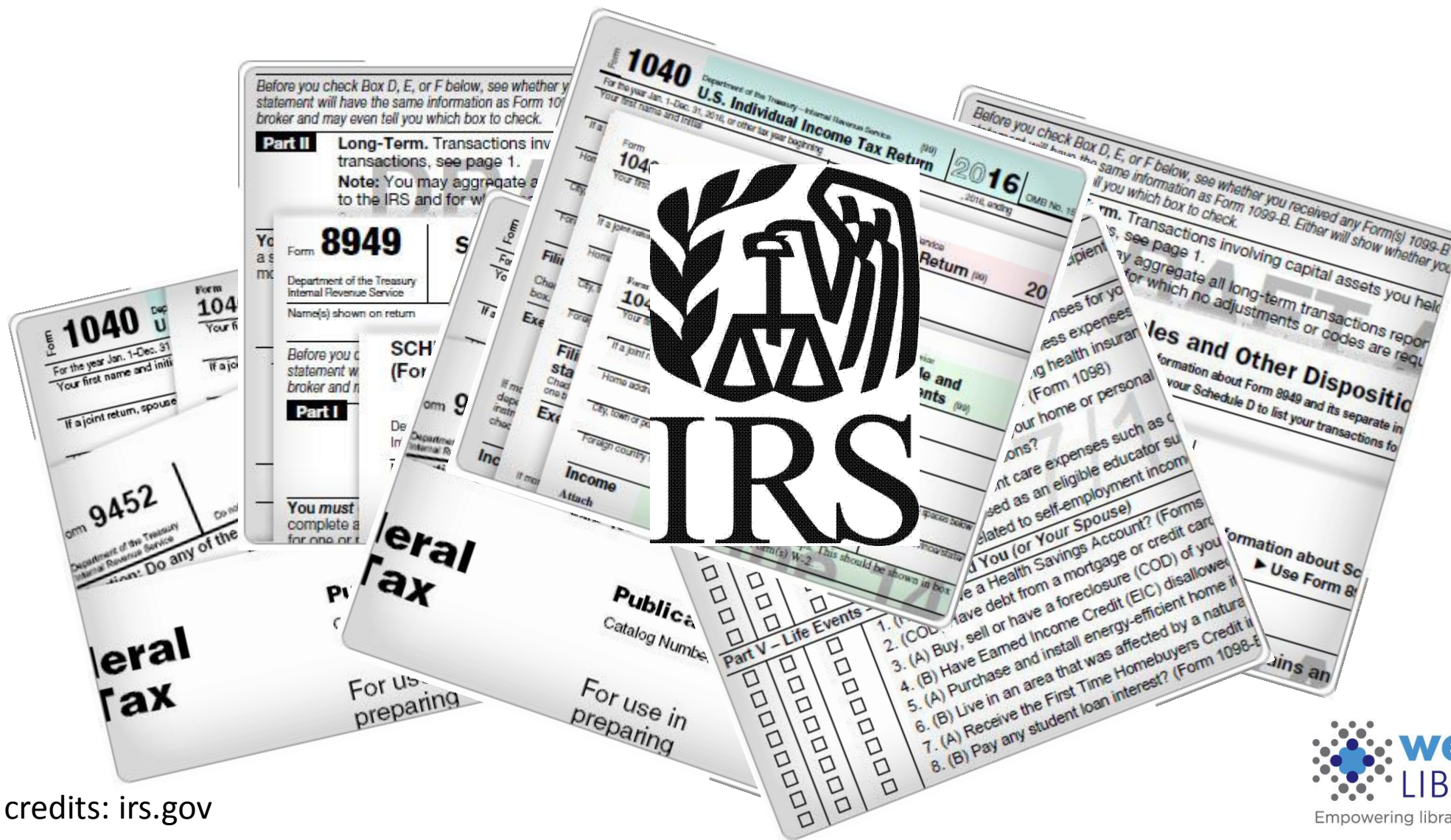
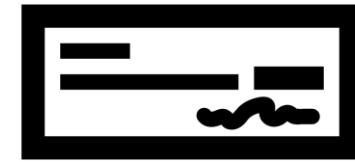
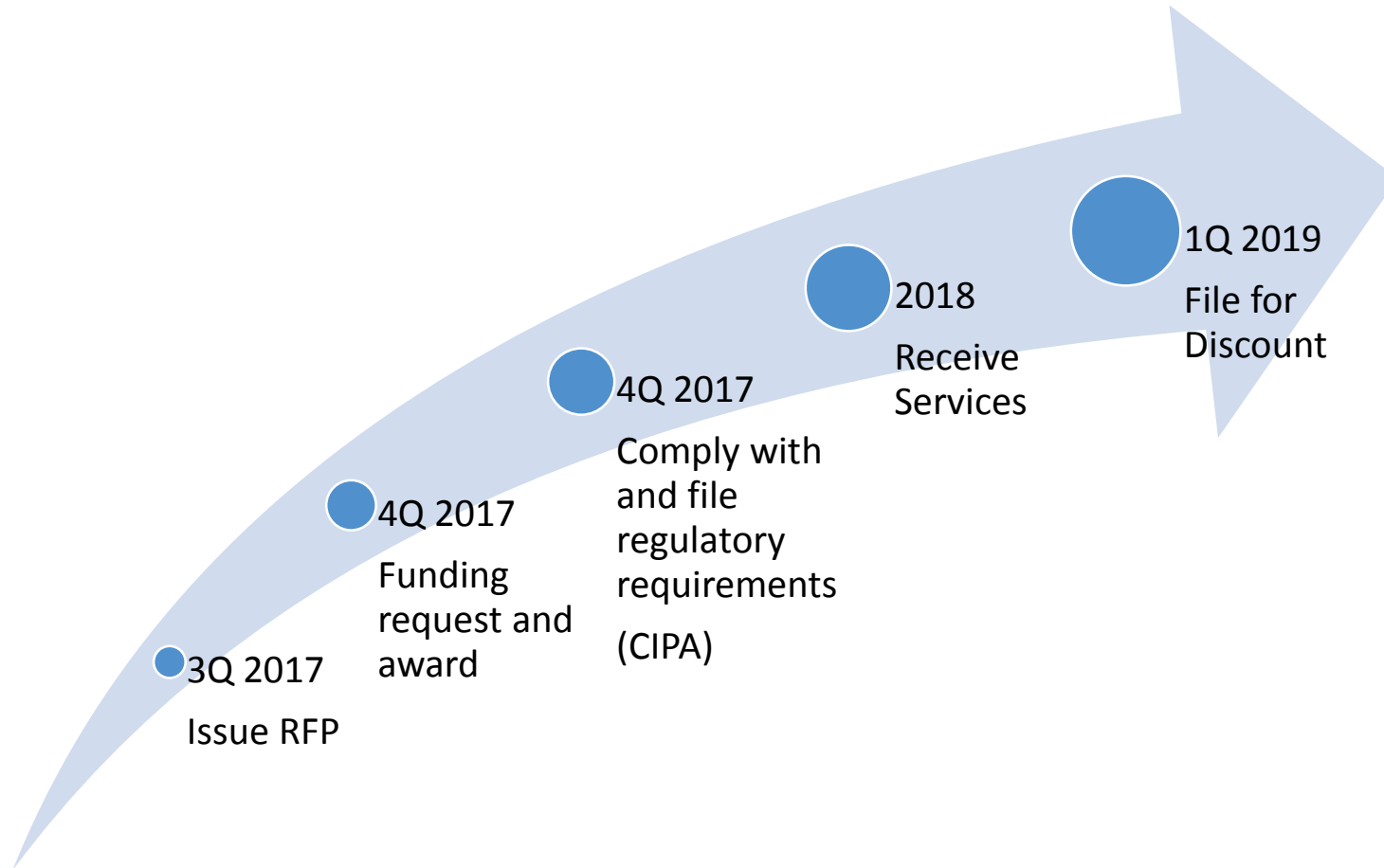


Image credits: irs.gov

Sample 2018 Funding Timeline



2Q / 3Q 2019
Funding Received

Recent changes to e-Rate. E-Rate 2.0

- Changes from Priorities to Categories
 - There is now an attempt to fund more
 - Category 2 services are 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

How can WLS use e-Rate?

- Discounts on:
 - Connection from WLS to the Internet
 - Connection from WLS to libraries
- Increase bandwidth to libraries
- Provide faster connections for wireless networks

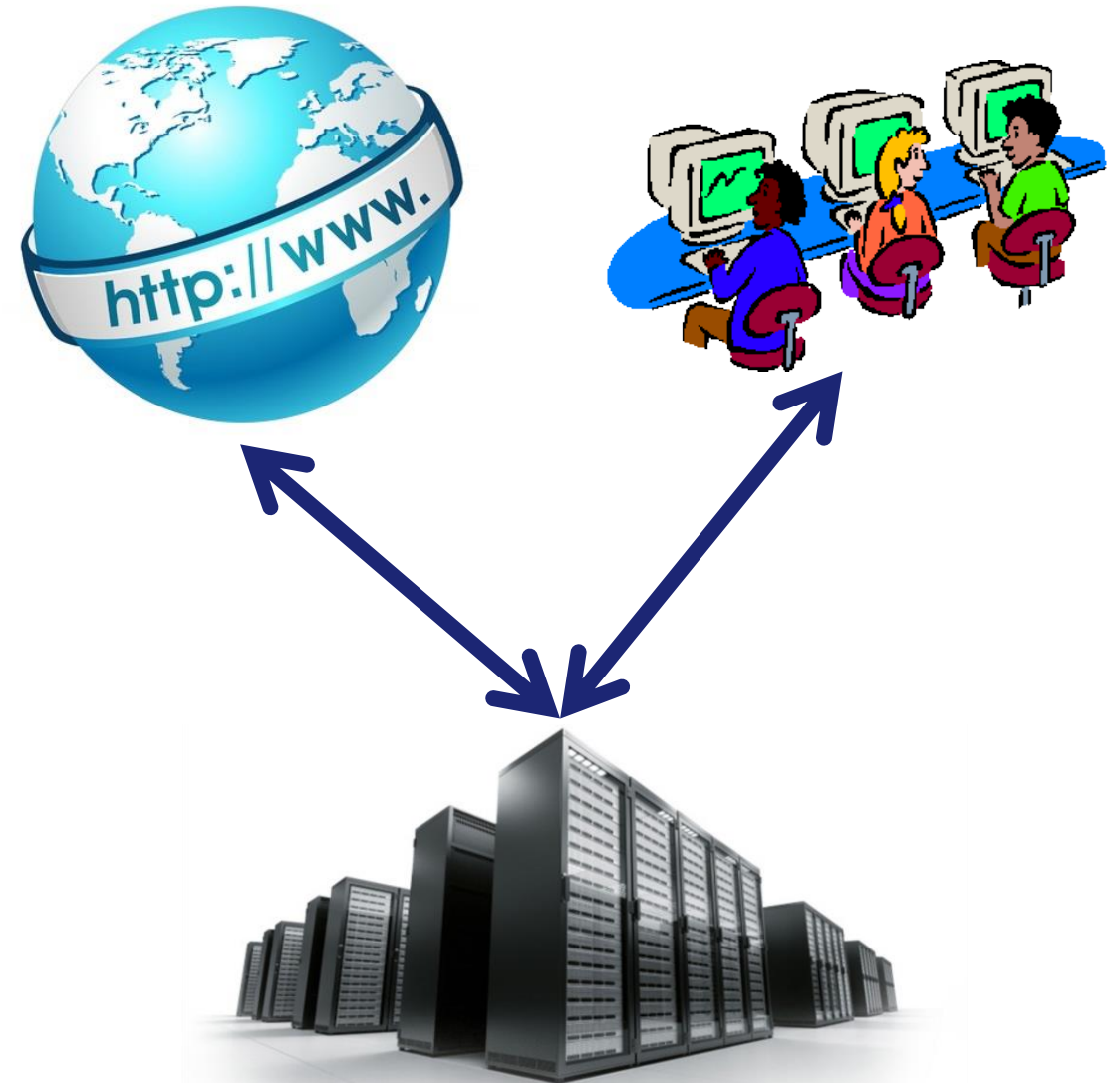


Image credits: globe: <http://geekplusplus.altervista.org/internet/>
PCs: <http://www.hcpl.net/content/computer-class-made-simple>
data center: peixefogado.net

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)



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)

Who decides what's appropriate?

WLS decides

- “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.”

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

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 80% funding
 - Does not cover taxes and fees (about 3.5%)

POTENTIAL impact on current services

Considering ONLY existing services for:
wired network AND primary Internet connections

- Current annual cost: \$276k.
- Less discount could be as high as: \$221k (80%)
 - Not guaranteed until funding commitment.
- Plus estimated cost of implementing filtering: ≈\$100,000
- TOTAL WLS Cost: ≈ \$155k
- **Estimated savings: ≈\$121k**

Impacts on future service



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

Year 1

Annual recurring fees: \$549k
Less 80% discount: \$439k
Plus estimated cost of filtering: \approx \$100k
Plus one time install costs: \$44k
Year 1 cost: \approx \$254k

Savings from current costs: \$22k

Year 2

Annual recurring fees: \$549k
Less 80% discount: \$439k
Plus estimated cost of filtering: \approx \$100k

Annual cost: \approx \$210k

Savings from current costs: \$66k

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

Questions?