E-rate: Universal Service Program for Schools and Libraries

The FCC's E-rate program makes telecommunications and information services more affordable for schools and libraries. With funding from the Universal Service Fund (www.fcc.gov/encyclopedia/universal-service-fund), E-rate provides discounts for telecommunications, Internet access and internal connections to eligible schools and libraries.

The ongoing proliferation of innovative digital learning technologies and the need to connect students, teachers and consumers to jobs, life-long learning and information have led to a steady rise in demand for bandwidth in schools and libraries. In recent years, the FCC refocused E-rate from legacy telecommunications services to broadband, with a goal to significantly expand Wi-Fi access. These steps to modernize the program are helping E-rate keep pace with the need for increased Internet access. (Learn more about modernization of the E-rate program: www.fcc.gov/e-rate-update.)

What benefits are available under the E-rate program?

Eligible schools and libraries may receive discounts on telecommunications, telecommunications services and Internet access, as well as internal connections, managed internal broadband services and basic maintenance of internal connections.

Discounts range from 20 to 90 percent, with higher discounts for higher poverty and rural schools and libraries. Recipients must pay some portion of the service costs.

See the list of eligible services at www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx.

How does the E-rate program work?

An eligible school or library identifies services it needs and submits a request for competitive bids to the Universal Service Administrative Company. USAC posts these requests on its website for vendors' consideration. After reviewing its offers, the school or library selects its preferred vendor(s) and applies to USAC for approval for the desired purchases.

Next, USAC issues funding commitments to eligible applicants. When a vendor provides the selected services, either the vendor or the applicant submits requests to USAC for reimbursement of the approved discounts.

The bid request and competitive bidding processes must comply with FCC rules and state and local procurement requirements.

For more information about eligibility, see USAC's definitions at www.usac.org/sl/applicants/beforeyoubegin/definitions.aspx.

How are schools and libraries in my area benefiting?

To find which schools and libraries in your area benefit from E-rate, use USAC's commitments tool at www.usac.org/sl/tools/commitments-search/AdvancedNotification.aspx.

How are requests prioritized?

Funding is allocated first to the highest poverty schools and libraries, then the next-highest poverty applicants, and so on.

How much funding is available?

In 2014, the FCC approved the Second E-rate Modernization Order, increasing the cap for the program to $3.9 billion in funding year 2015, indexed to inflation going forward.

Does the E-rate program duplicate state and local efforts?

The FCC's plan complements the efforts of states and localities to bring advanced telecommunications and information services to schools and libraries. When the E-rate program was established in 1996, only 14 percent of the nation's K-12 classrooms had access to the Internet.

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