

Category Two Budgets

2021 Applicant and Service Provider Training

November 17 , 2021



Universal Service
Administrative Co.

DISCLAIMER

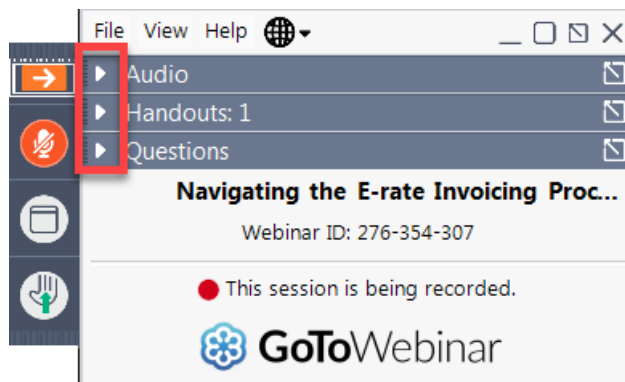
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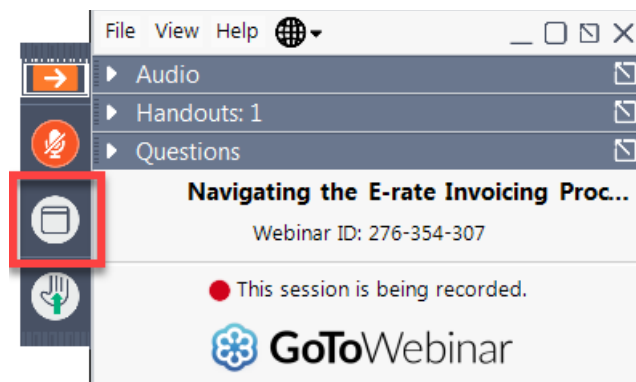


- Use the white arrows to open the sections in the panel.

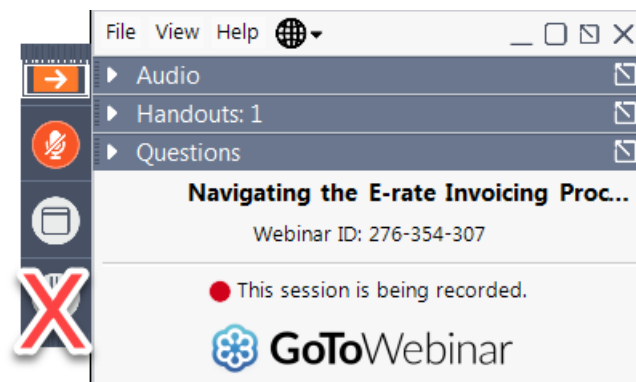


Housekeeping – Webinar Panel

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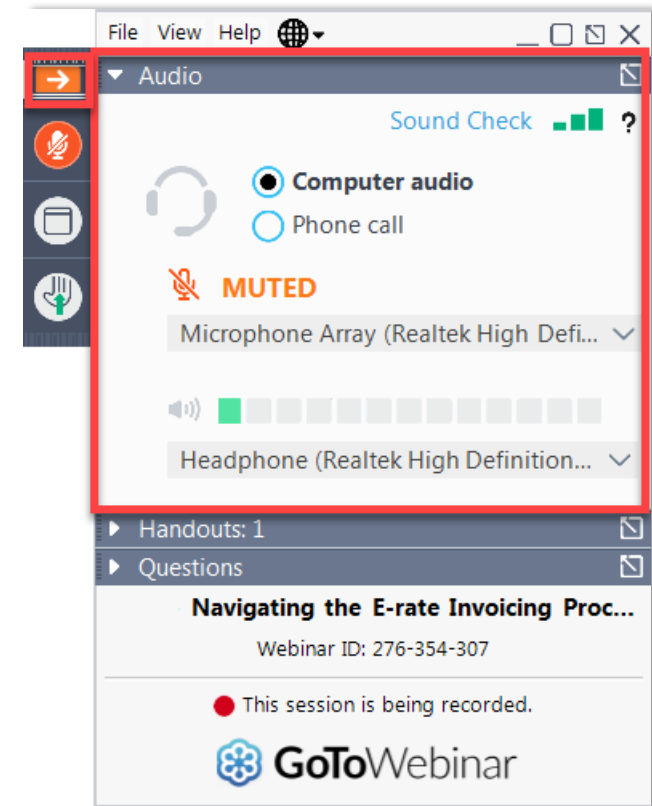


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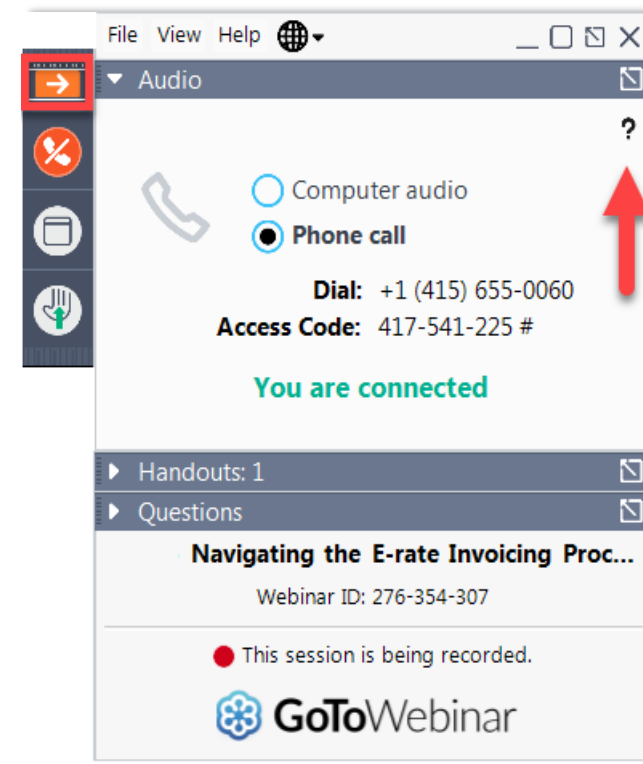
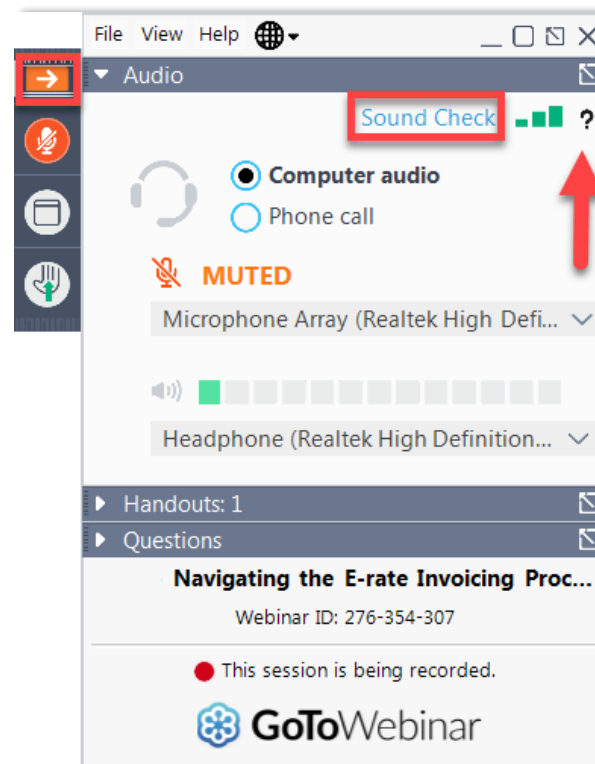
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- Use the “Audio” section of your control panel to select an audio source.
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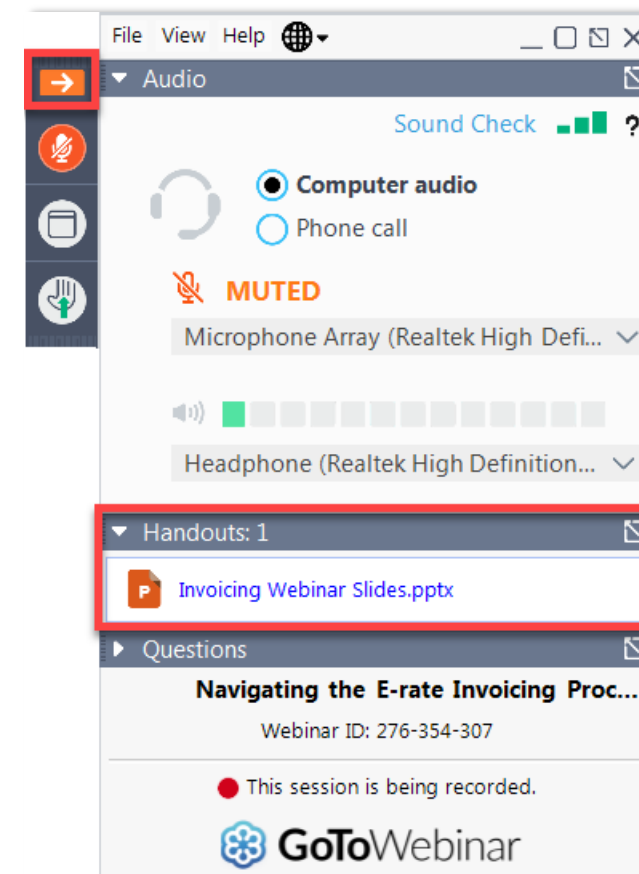
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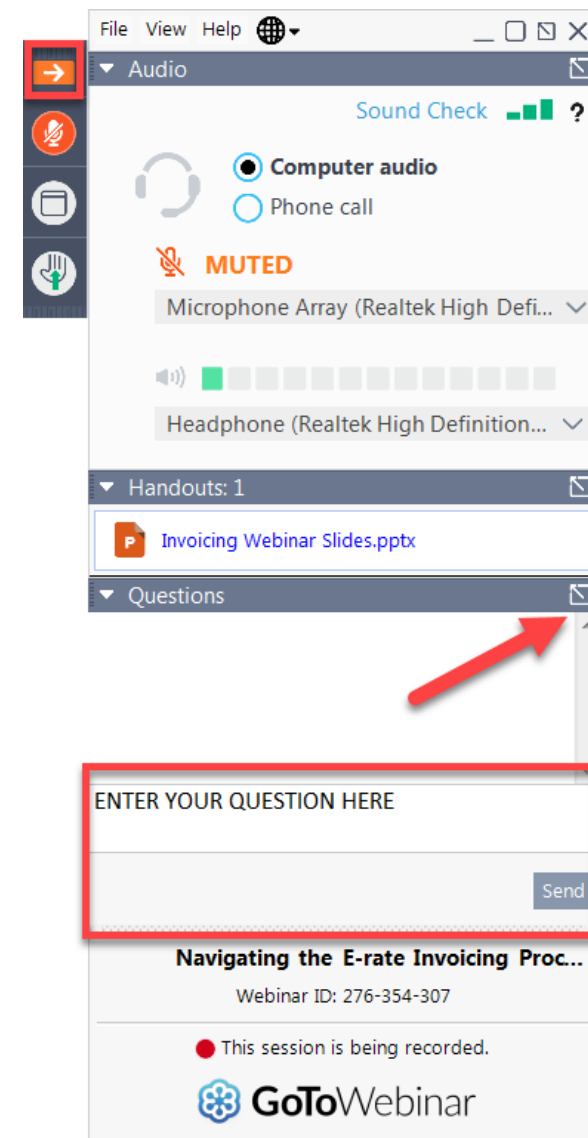
Housekeeping – Resources

- The **slide deck** is available when you click the arrow to expand the “**Handouts**” tab.
- A recording of this webinar will be available after the event via the registration link.



Housekeeping – Q&A

- **There will be a live Q&A session focused on today's topics.**
- Tips for submitting questions:
 - Use the “Questions” box in your webinar control panel anytime during the presentation.
 - Click the box with the arrow above the questions box to expand it and see all written answers.
 - Write in full sentences.
 - Ask one question at a time.
 - Ask questions related to webinar content.



The screenshot displays a webinar control panel with several sections:

- Audio:** Includes a "Sound Check" indicator, a "MUTED" status, and options for "Computer audio" (selected) and "Phone call". It also shows microphone and headphone output settings.
- Handouts:** Lists "Invoicing Webinar Slides.pptx".
- Questions:** A section with a red arrow pointing to a box containing the text "ENTER YOUR QUESTION HERE" and a "Send" button.
- Footer:** Displays the webinar title "Navigating the E-rate Invoicing Proc...", the ID "Webinar ID: 276-354-307", a recording status "This session is being recorded.", and the "GoToWebinar" logo.

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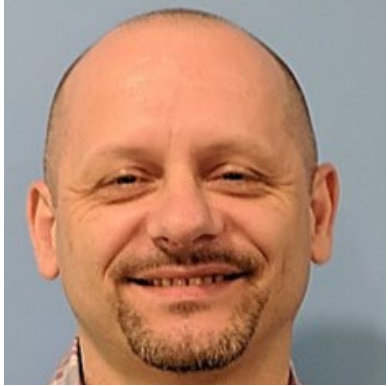


Create a customer service case in the E-rate Productivity Center (EPC):

1. Log in to EPC.
2. Select the **Contact Us** link from the upper right menu on your landing page.



MEET THE TEAM



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AGENDA

- Category Two Budgets: First full cycle - FY2021-FY2025
- Category Two Budgets Guidance
- Q&A

Category Two Budgets: First Full Budget Cycle (FY2021-FY2025)

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Category Two (C2) budgets are now on a fixed, five-year cycle.

- The first five-year C2 budget cycle began in FY2021 and will go through FY2025.
- The second cycle will begin in FY2026 and go through FY2030, and so on.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

C2 budget multipliers and funding floor

- C2 multipliers and funding floor are set once at the beginning of the cycle and they apply to the entire cycle.
- For the FY2021-FY2025 cycle:
 - The school multiplier is \$167.00 per student (as an example, for a school with 200 students C2 budget would be \$33,400.00 = 200 x \$167.00).
 - The library multiplier is \$4.50 per square foot for all libraries.
 - The funding floor is \$25,000.00.
 - C2 calculations are pre-discounted.
 - All C2 funding requests from FY2021-2025 are subtracted from the C2 budget.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Adjusting the C2 budget during the cycle

- Your C2 budget is determined when the first C2 FCC Form 471 in the budget cycle is certified. This includes a certified consortium FCC Form 471 that includes your organization.
- You may request a C2 budget recalculation in any subsequent year of the budget cycle, but are not required to do so. This is referred to as a “replacement C2 budget” request.
- Replacement C2 budgets can be requested during the EPC administrative window and during the FCC Form 471 filing window (up until the budgeted entity’s first C2 FCC Form 471 for that funding year is certified).

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Adjusting the C2 budget during the cycle (continued)

- If you do not request a replacement budget, the C2 budget will not change during the cycle.
- The new C2 budget will apply for the year it was requested and forward, but does not apply retroactively.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

C2 budgets calculated at the school district or library system level, not at the site level.

- The “budgeted entity” is the entity with the C2 budget.
- Budgeted entities are:
 - Independent schools
 - Independent libraries
 - School districts
 - Library systems
- School districts and library systems can allocate funding among eligible sites as they see fit.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – independent schools and school districts

- The C2 budget for most school districts is the greater of the following:
 - Add the number of full-time student counts of each of the individual schools and then multiply this total by the school multiplier, or
 - Multiply the number of individual schools by the \$25,000 funding floor (the "aggregate funding floor").
- An independent school's C2 budget is the greater of: multiplying its student count by the school multiplier or the funding floor.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – school districts with 10 or fewer sites

- The C2 budget for school districts with 10 or fewer sites has a third possible calculation that allows districts with a number of schools with fewer than 150 students to take advantage of the funding floor.
- EPC will select the calculation that optimizes the budget if student counts are provided for each school:
 - Calculate a C2 budget for each individual school, using the higher of (1) the number of students multiplied by the school multiplier or (2) the \$25,000 funding floor.
 - The \$25,000 funding floor applies if an individual school has fewer than 150 students (150 students x \$167/student = \$25,050).

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – school districts with 10 or fewer sites (continued)

- Add the individual calculations together.

The school district can still allocate this calculated C2 budget among its individual schools as it sees fit.

However, if your school district profile in the E-rate Productivity Center (EPC) has 11 or more individual schools, this third option does not apply.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – independent libraries and library systems

The C2 budget for most library systems is the greater of the following:

- Add the square footage of each of the library branches and then multiply this total by the library multiplier, or
- Multiply the number of library branches by the \$25,000 funding floor (the "aggregate funding floor").

An independent library's C2 budget is the greater of: multiplying its square footage by the library multiplier or the funding floor.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – library systems with 10 or fewer sites

The C2 budget for library systems with 10 or fewer sites has a third possible calculation. EPC will select the calculation that optimizes the budget:

- Calculate a C2 budget for each library branch, using the higher of (1) the square footage multiplied by the library multiplier or (2) the \$25,000 funding floor.
 - The \$25,000 funding floor applies if library branch has less than 5,556 square feet (5,555 square feet x \$4.50/square foot = \$24,997.50).

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Calculating a C2 budget – library systems with 10 or fewer sites (continued)

- Add the individual calculations together.

The library system can still allocate this calculated C2 budget among its individual library branches as it sees fit.

However, if your library system profile in EPC has 11 or more library branches, this third option does not apply.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

- Schools can only count full-time students for their C2 budget calculations.
- Large school districts (those with more than 10 schools) cannot estimate the number of students for buildings under construction.
- Independent schools can still estimate student counts for a new school while construction is underway.
 - If the independent school overestimates, it must return to USAC any funding in excess of that it was entitled to based on the actual enrollment by the end of the next funding year.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

- School districts and library systems can transfer equipment between schools within a school district and libraries within a library system.
 - It is not required to notify USAC of these equipment transfers.
 - Transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for at least five years.
 - Schools, libraries, and consortia must maintain asset and inventory records of equipment purchased and the actual locations of such equipment for at least 10 years after purchase.
- School districts and library systems must wait until July 1, 2022 to transfer equipment that is less than three years old if they do not want to be subject to the requirement to notify USAC of the transfer.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

- A **budgeted entity** is an entity with a C2 budget – an independent school, an independent library, a school district, or a library system.
- A budgeted entity does not need to provide USAC with a cost allocation of its C2 budget among its child entities that are receiving C2 services.
- A consortium must still allocate the costs of C2 funding requests among its budgeted entity members – but not to those members' individual child entities – when completing the FCC Form 471 for FY2021.
- The consortium members' C2 budgets will be visible to the consortium during the FCC Form 471 filing process.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

- The **child entity count** is the number of the individual schools in a school district or the number of library branches in a library system.
- The number of child entities in the EPC profile can affect the C2 budget calculation.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

- Keep the following in mind:
 - With a few exceptions, an individual school must have a student count greater than zero in the entity profile to be included in the child entity count.
 - If a library branch's square footage entry is zero or blank, it will not be included in the child entity count. Bookmobiles and kiosks with a square footage entry of zero or blank will not be included.
 - Non-instructional facilities (NIFs) and annexes are not considered child entities.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

School districts will report student counts separately for the purposes of calculating discounts and for calculating C2 budgets.

You have two options:

- Report both student counts in each individual school profile.
- Report the student count for discount purposes in the individual school profile, and report a total student count for the school district in the school district profile for purpose of calculating C2 budgets.

Category Two Budgets - First Full Budget Cycle (FY2021-FY2025)

Here is a screenshot of a school district's organization profile page, where the school district chose **Manage Organization** to change its status to reporting one number for the school district:

Category Two (C2) Budget Information

We calculate your Category Two budget and your discount rate separately, and so we collect separate numbers for each. You are allowed to re-use your Category Two student count from year to year within a Category Two budget cycle, so this number needs to be updated less frequently than the student count for your discount rate.

How does the district report its student count for Category Two budget? ? *

One number for my whole district

A number for each school in the district

District Student Count *

In the event an applicant chooses to enter one number for the whole school district, their C2 budget is calculated by multiplying that number by \$167 per student (or the funding floor if that is greater).

Category Two Guidance

Category Two Budgets – Guidance on Counting Students

Charter schools

Beginning in FY2021, if a state law considers a charter school to be part of a school district, the charter school will be presumed to be part of the school district unless it demonstrates financial and administrative independence from the district, in which case it will have its own C2 budget and discount rate.

Category Two Budgets – Guidance on Counting Students

Independent schools with part-time students only

Beginning in FY2021, school districts must count each full-time student one time when calculating their district-wide C2 budget. Independent schools that are attended by students from multiple districts on a part-time basis only can continue to count these students as full-time students.

Category Two Budgets – Guidance on Counting Students

School buildings that are fully or partially closed due to COVID-19

Students enrolled at brick-and-mortar schools can be counted as full-time students regardless of whether they receive some or all instruction via remote learning during the impact of the COVID-19 pandemic.

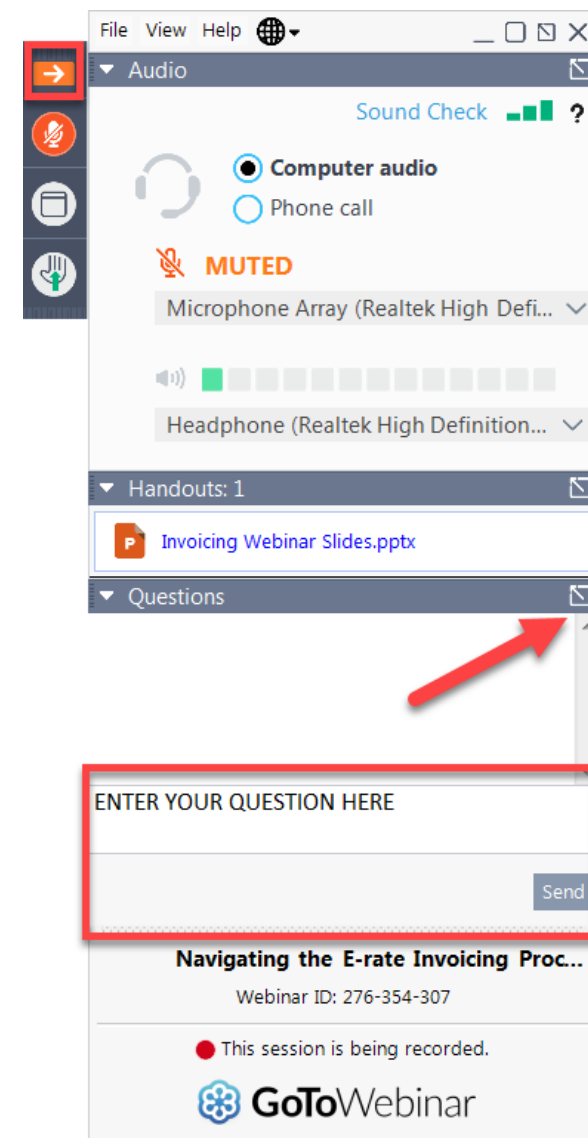
Applicants can utilize their most recently approved Form 471 student enrollment information available. This includes providing their full-time enrollment numbers from their most recently approved C2 FCC Form 471 profile information (including FY2020 or FY2021). They are required to validate their enrollment numbers once during the five-year funding cycle, and they may update the enrollment numbers in future funding years during the five-year cycle if they choose to do so.

Category Two Budgets – Reminder

This detailed guidance applies to C2 budgets and funding commitments starting with FY2021 which began on July 1, 2021.

Housekeeping – Q&A

- Use the “Questions” box in your webinar control panel to submit your question in writing.
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Questions?

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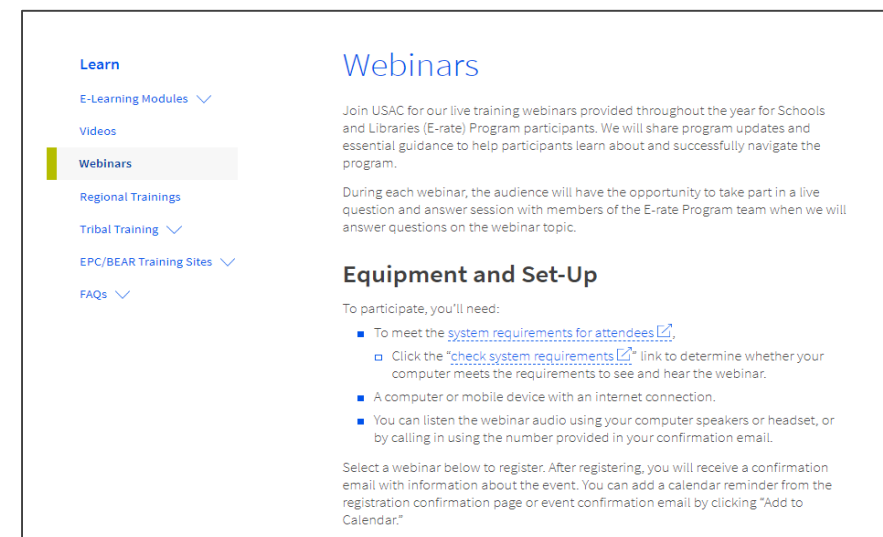
Upcoming Webinars

**Our next webinar is on:
November 18 at 1 p.m. ET**

EPC Administrative Window

Recommended for: Applicants and service providers

E-rate Experience Level: All



The screenshot shows a navigation menu on the left with the following items: Learn, E-Learning Modules (with a dropdown arrow), Videos, Webinars (highlighted with a yellow bar), Regional Trainings, Tribal Training (with a dropdown arrow), EPC/BEAR Training Sites (with a dropdown arrow), and FAQs (with a dropdown arrow). The main content area is titled "Webinars" and contains the following text:

Join USAC for our live training webinars provided throughout the year for Schools and Libraries (E-rate) Program participants. We will share program updates and essential guidance to help participants learn about and successfully navigate the program.

During each webinar, the audience will have the opportunity to take part in a live question and answer session with members of the E-rate Program team when we will answer questions on the webinar topic.

Equipment and Set-Up

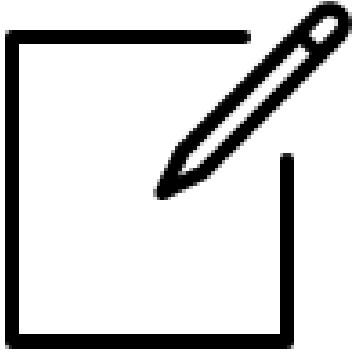
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Thank You!





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