




By Laura Devaney
Managing Editor,
@eSN_Laura



2014 eRate Survival Guide

Applying for eRate discounts on IT infrastructure isn't easy. Here's what you should know for 2014

Uncertainty. That's the key theme as school officials prepare to apply for the next cycle of eRate funding.

In one of the most comprehensive evaluations of the eRate since its inception in 1997, the Federal Communications Commission (FCC) earlier this year issued a rulemaking process to overhaul the \$2.3 billion-a-year federal school wiring program from top to bottom.

The move came in response to President Obama's ConnectED initiative, a call to bring broadband internet access to 99 percent of classrooms within the next five years. Even the eRate's strongest supporters agree that the program—designed in an era when dial-up internet access was the norm—is ill-equipped to deliver on this promise as presently constructed.

This past year, schools requested approximately \$5 billion in eRate funding—nearly twice the program's capacity.

More than 52 million students in 113,000 individual school buildings rely on the eRate for internet connectivity. Without new regulations, 47 percent of schools will have no eRate support in 2014, and by 2015, there would be no support for 71 percent of schools, according

Survival Guide, page 46



Survival Guide...

continued from page 45

to estimates from eRate consultant Funds for Learning (FFL).

Yet, despite a widely recognized need for change, it appears that any adjustments to the eRate for the 2014 program year will be minor at best.

While eRate applicants ponder what changes actually will take hold, the eRate remains “status quo, for now,”

any significant impact for 2014.

The FCC’s release of an updated Eligible Services List (ESL) in late October gave further credence to the idea that 2014 will be largely business as usual. The revised ESL makes only minor changes to eRate-eligible services, such as clarifications on lit and dark fiber and web hosting services.

During the public comment period, many eRate stakeholders requested a funding increase to \$5 billion, which

again this year.

“We know the FCC wants to move away from the status quo with all the changes being discussed,” Harrington said. “But, because no one knows with certainty when those changes will be implemented or what [they] will look like, the best likelihood of getting funding is to focus on Priority One services” in 2014.

Harrington called the uncertainty surrounding this year’s eRate “a really challenging situation.”

“Schools are trying to get technologies deployed and get their classrooms connected, and in many cases their budgets are on life support,” he said. “There’s pressure to get newer, faster connections, and at the same time do so with small, shrinking budgets. Schools are looking to the eRate for help, but they don’t even know what the eRate is going to be able to provide.”

If school leaders were planning IT infrastructure projects for 2014 regardless of eRate funding, they should go ahead and apply for Priority Two discounts on these projects, Harrington said, in case the FCC ends up increasing the amount of funding available for 2014 significantly.

For the best chance to obtain eRate discounts this year, however, school leaders “should consider shifting more costs to hosted or managed services that qualify as Priority One eligible,” Harrington said. (For more eRate advice from FFL, see “Navigating uncertainty.”)

That’s what the Durand Community Unit School District 322 in Illinois did when it applied for eRate assistance to help fund a modern voice-over-IP system at its Dolan Education Center last year.

The district qualifies for an 80-percent discount under eRate rules. While that’s a significant discount on eRate-eligible services, it wasn’t enough to guarantee funding for internal connections.

However, by choosing Mitel’s MiCloud for Education—a software-based, hosted platform that centralizes all communications over a single IP net-

Survival Guide, page 48



For the best chance to obtain eRate discounts this year, school leaders ‘should consider shifting more costs to hosted or managed services that qualify as Priority One eligible.’

said FFL’s chief executive, John Harrington. All signs point to only modest alterations, if any, for the coming year—with more radical changes possibly on tap for the 2015 program year.

Why do experts believe that major eRate changes will be put off for at least another year? One reason is timing. The government shutdown in October delayed the FCC’s review of public comments reacting to its proposed changes by at least a few weeks. Even without this delay, the new rulemaking process kicked off rather late in the game to make

Harrington said is “unlikely” for the coming program year—although a more modest increase is probable.

One of the changes being considered by the FCC involves eliminating the distinction between Priority One services (telecommunications services and internet access) and Priority Two services (internal connections). Because this change is not likely for 2014, it appears there will be little funding left for internal connections—the wiring, routers, switches, and file servers needed to bring internet access into classrooms—

eRate survey highlights broadband needs

Nearly one-third of school districts (29 percent) did not apply for federal eRate assistance last year because they assumed the program would have insufficient funds for their needs, according to a new survey on school broadband and eRate needs from the Consortium for School Networking (CoSN).

The current eRate funding level fails to meet schools' broadband infrastructure needs, and almost half of responding districts (43 percent) said none of their schools are equipped to meet the goal of having 100 Mbps of internet access per 1,000 students as things are today. Only 25 percent of school districts said all their schools meet this goal, which has been adopted by the State Education Technology Directors Association and others.

District technology leaders said bandwidth access is their top priority when it comes to eRate funding, and behind that, making sure schools have wireless internet access. But as things stand today, school networks can't support broadband because of insufficient infrastructure:


- Fifty-seven percent of districts said they don't think their school's wireless networking can support a one-to-one deployment.
- Half of school buildings have older wiring that will not

carry data at broadband speeds.

- Twenty-six percent of districts use slower backbones, such as copper or wireless, in school LANs. "Like a major vein or artery to the heart, the backbone must be able to collect and distribute data at high speeds, or the entire system fails," the report said.

Of noticeable concern is the divide between rural, suburban, and urban districts. Rural schools pay six times more for connections than other schools or districts, and very large school districts with more than 50,000 students spend three times more for wide area networks. Given these differences, the study notes that a one-size, per-pupil eRate formula won't meet the needs of all districts.

Ninety-three percent of districts said the current eRate funding formula does not fully meet their needs. The biggest barriers facing schools are monthly costs (79 percent) and upfront expenses (59 percent). Just 57 percent of elementary schools and 64 percent of secondary schools have all classrooms fully equipped for wireless internet.

CoSN received 469 survey responses from 44 states. It partnered with Market Data Retrieval to collect responses in August and September of 2013. 

Take Your School's Communications to New Heights with Mitel MiCloud

Mitel MiCloud for Education offer's a wide variety of reliable, high-quality IP desktop devices. Support costs for all devices are 100% included in our hosted VoIP systems, saving you the hassle of unexpected maintenance costs.



Mitel 5304 IP Phone



Mitel 5320e IP Phone



Mitel 5330e IP Phone



Mitel 5340e IP Phone



Mitel 5360 IP Phone



Mitel 5610 DECT Handset
and IP DECT Stand



Mitel Attendant Console



Call 877-395-1323 and talk with one of our trusted E-Rate Priority One consultants to learn more about Mitel MiCloud for Education.



This eSchool News Special Report is made possible with financial support from Mitel. mitel.com

Nov/Dec 2013 • www.eSchoolNews.com

47



Navigating uncertainty: How to prepare for funding year 2014

By John Harrington

With eRate reform on the horizon, the stallion of change is still galloping from a considerable distance. That being said, for funding year 2014 you should prepare for things to stay the same—while also preparing for them to change.

Same program, different funding year ... for now

With the release of the 2014 Eligible Services List on Oct. 22, the same goods and services as the previous funding year generally continue to qualify for funding. Minor modifications include updated eligibility criteria for lit and dark fiber services, as well as eMail services. One notable change, though, is the new language outlining web hosting eligibility. Now, communications features that are eligible for eRate support as part of a web hosting package are not permitted for funding as stand-alone services. Additionally, applicants are not allowed to request eRate funding for web hosting services from multiple providers. Rather, schools and libraries are limited to seeking support for a single provider for web hosting.

Funding forecast for 2014

The rollover catchall is a pattern that is not unfamiliar to eRate applicants. Earlier this year, the Federal Communications Commission announced that \$450 million from prior funding years would be used to help cover all eligible Priority One funding requests in funding year 2013. Before the rollover, funding requests for 2013 exceeded the FCC's funding cap by approximately \$350 million and would not have been funded regardless of eligibility.

The goal of increasing the \$2.3 billion-a-year budget cap probably will not be realized by funding year 2014. While the lion's share of eRate stakeholders are pushing for a budget increase to \$5 billion or more, it is more realistic to expect a modest increase in funding from rollover funds generated from previous funding years and inflation adjustment. The forecast for funding

Prepare, page 50

Survival Guide...

continued from page 46

work—Durand was able to subsidize 80 percent of the system's cost as a P1 service (everything but the telephone handsets, which are not eRate-eligible).

The eRate can be "a very cumbersome process to navigate," said Bill Damon, the district's business director.

School districts often experience high turnover with their eRate coordinators, or leave eRate applications to already-burdened technology directors—and Damon said finding a reliable eRate consultant can relieve the pressure on technology staff and help the application process run as smoothly as possible.

Applicants should take advantage of eRate assistance wherever they can get it, he added.

"Our general office of education has offered workshops to help people work on the applications and talk about the process, so someone who is new to the process could reach out to a regional office for more [guidance]," Damon said. "[Applicants] also could reach out to other people, such as a network of technology directors, who are involved in the eRate process."

eSN

Join the conversation on Twitter at #eSNeRate.

eRate resources

Latest eRate news from USAC's Schools and Libraries Division

<http://www.universalservice.org/sl/tools/news/default.aspx>

2014 Eligible Services List

<http://www.universalservice.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx>

USAC's eRate training and outreach

<http://www.universalservice.org/sl/about/outreach/default.aspx>

Mitel MiCloud Offers Communication Solutions to Fit Your School's Needs

Mitel MiCloud for Education is a low-cost, feature-rich hosted VoIP phone system that:

- Is reliable and provides great call quality
- Is easily administered through an intuitive web portal
- Eliminates the need for expensive, on-site IT equipment
- Offers voice resiliency and disaster recovery
- Centralizes and unifies communications of multiple locations
- Delivers a highly customizable user experience

Choose from three available seat types. You can mix and match to create a plan that best fits your school's needs and budget.

	BASIC USER	STANDARD USER	ADVANCED USER
Direct Inward Dialing	-	✓	✓
Extension	✓	-	-
Unlimited Local Calling	✓	✓	✓
Local Number Portability	-	✓	✓
Long Distance for \$0.02 Minute	✓	✓	-
Unlimited Outbound Long Distance Calling	-	-	✓
Mobile Twinning	-	-	✓
Voice Mail with E-mail Forwarding	✓	✓	✓
Corporate Auto Attendant	✓	✓	✓
Hot Desking	-	✓	✓
Hunt/Ring Groups	✓	✓	✓
Unified Communicator Express PC Client	-	-	✓
Contact Dialing	-	-	✓
Audio Conferencing	-	-	✓
Internal 4 Digit Dialing	✓	✓	✓
Access to User Portal	✓	✓	✓
Localized E911	✓	✓	✓
Call Transfer	✓	✓	✓
Call Forwarding	✓	✓	✓
Call Park	✓	✓	✓
Call Pick Up	✓	✓	✓
Call Hold	✓	✓	✓
Speed Dial	✓	✓	✓
Direct Page	✓	✓	✓
Record A Call	✓	✓	✓
Do Not Disturb	✓	✓	✓
Call History	✓	✓	✓

BASIC USER

Intended for teachers with phones in the classroom, teachers lounge, common area or main office lobby.

STANDARD USER

Offered for K-12 school district administrative users; intended for school office personnel, specialized services personnel (case managers, speech therapists, etc.) and ancillary staff (security, cafeteria staff, etc.).

ADVANCED USER

Offered for K-12 school district administrative users; intended for district administrative office personnel, school principals, assistant principals, deans and school board members.



Call 877-395-1323 and talk with one of Mitel's trusted E-Rate Priority One communication consultants to discuss your school's needs.

Prepare...

continued from page 48

year 2014 likely will continue to follow the pattern of the most recent funding years, with Priority One goods and services taking—well—priority, leaving all other requests for support lacking funds.

Navigating Priority Two funding—or lack thereof

Funding year 2014 will not see a change to the current “priority” system. While Priority One services will still be eligible for eRate assistance, the present system leaves little to no financial support for internal connections. The Schools and Libraries Division of the Universal Service Administrative Co., the agency that administers the eRate, has recommended the denial of 2013 Priority Two applications at the 89-percent discount threshold or below.

er shifting more costs to hosted/managed services that qualify as Priority One eligible, as opposed to seeking support for Priority Two goods and services that are likely to be denied.

Contrarily, with the slight probability that Priority Two funding is available, it might prove worthwhile to submit an application for traditional internal connections projects that will carry on with or without eRate backing. The key is to apply this method to expenses that already are budgeted and accounted for in full, so as to avoid allowing your financial health to hinge upon assistance that might never come.

Big changes could be here soon


The FCC has adopted the task of modernizing the eRate program to support the ever-increasing prevalence of technology within America’s libraries and classrooms. With the release of the

nect 99 percent of the country’s students to the internet through high-speed broadband and wireless service by 2018. Currently, fewer than 20 percent of educators consider their school’s internet connections adequate for their teaching needs, according to a White House press release. “In a country where we expect free Wi-Fi with our coffee, why shouldn’t we have it in our schools?” Obama said in a recent speech.

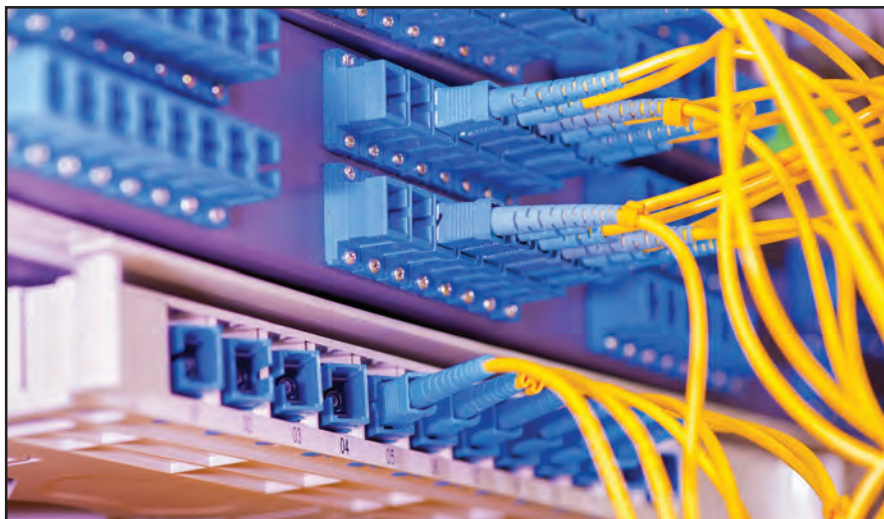
With the spotlight placed squarely on eRate reform, the most sweeping changes since the program’s inception in 1997 are possibly on the cusp of realization.

With an almost no-holds-barred atmosphere, proposed changes run the gamut from increased funding to adopting a new priority system. Changes to the Eligible Services List, additional reporting requirements, new discount rates, and other modifications could be established as early as funding year 2014, but are more likely to arrive for the 2015 eRate funding year (see “eRate changes under review”).

At this point, the name of the game is agility. Consider including escape clauses and other “future-proofing” clauses in multiyear service agreements. These types of precautionary measures will protect you from getting trapped in a contract for a service that no longer qualifies for funding—or one that is no longer affordable because of decreased or non-existent eRate support.

Many of the public comments the FCC received suggest lowering discount rates for all applicants, as well as removing items from the Eligible Services List, such as plain old telephone service. Prepare for a possible future that includes losing support for certain services or receiving lowered discount rates, by leveraging as much as you can now. Push as many of your expenses as possible, including one-time fees and purchases, into funding year 2014. It could very well be your last chance. 

John Harrington is the chief executive officer for eRate consulting firm Funds for Learning LLC: www.fundsforlearning.com.



The eRate is up for its first major review in years, and upgrade options vary.

Without a change to the priority system, this model will remain for funding years to come.

Presently, schools and libraries that qualify for a 90-percent discount are in the most advantageous position for receiving support for Priority Two goods and services, but even these applicants are susceptible to receiving pennies on the dollar for their requests.

In order to receive discounts, consid-

FCC’s latest Notice of Proposed Rule Making (NPRM) over the summer, stakeholders across the country have joined the eRate conversation that is designed to get schools and libraries access to 21st-century connectivity, streamline the application process, and fully ensure the cost-effectiveness of the program’s funds.

Driving this discussion is President Obama’s ConnectED initiative to con-

eRate changes under review

The eRate world is operating in multiple time dimensions, with the “here and now” and “what’s to come” being the most pressing. While gearing up for the eRate program as you currently know it, you should also pay attention to what is possible in the future.

Discount matrix

Under the current rules, applicants can qualify for discounts anywhere between 20 percent and 90 percent for various goods and services. However, in an attempt to foster good stewardship of the program, there have been several suggestions for how to revise this system.

Suggestions on modifying the current discount matrix include:

- Lowering rates for all applicants.
- Establishing different rates for different kinds of services.

- Establishing different rates based upon applicant type (urban, rural, etc.).
- Phasing out discounts for select services.
- Eliminating site-specific discounts.

Eligible services

At the crux of the eRate debate lies the Eligible Services List. While many people have their own ideas of what should (and should not) be eligible for support, the one consistency is the request for some degree of change.

Suggestions for modifying the current Eligible Services List include:

- Eliminating voice, eMail, web hosting, and servers.
- Removing basic maintenance of internal connections.
- Adding wide area network (WAN) purchases and caching devices.
- Defining technology standards,

including number of wireless access points or quality of network connections.

- Removing directory assistance.

Other changes being discussed

Updating eRate forms, revamping the filing window, and abandoning antiquated practices are just the tip of the iceberg among the proposals sitting before the FCC.

Here are a few more:

- Changes to competitive bidding requirements.
- Replacing the priority spending caps with technology-neutral spending caps.
- Additional data collection and reporting requirements for applicants.
- Establishing broadband speed and cost guidelines.

Mitel MiCloud Can Be Your School's New Best Friend, Too

Mitel is a trusted provider of Communications Solutions to the Education community. We've helped thousands of schools and educational institutions across the country navigate the E-Rate process, upgrade their infrastructure and save money. Here are just a few recent customers:

Beloit S.D.
Onalaska S.D. 301
Janesville S.D.
Juneau S.D.
Glenbrook S.D. 225
Stanwood-Camano S.D.
Palatine S.D.
Bartow County S.D.
Carpentersville S.D. 300
Dublin U.S.D.
Carol Stream S.D. 93
Irvine U.S.D.
North Shore S.D. 112
Barrington S.D.
Valley View S.D. 365

Roane Public Schools
East Maine S.D. 63
Cal-Berkley S.D.
Downers Grove S.D. 99
Dexter Schools
Northbrook S.D. 28
Maple Heights Schools
Lincolnshire S.D. 103
Glenwood Schools
Alameda U.S.D.
West Allis Public Schools
Benicia U.S.D.
West Milwaukee Schools
North Thurston School
Louisville S.D.

Harrison Schools
Chino U.S.D.
Houston County Board of Education
Missoula Public Schools
Monroe Schools
Howard County Public Schools
Marysville Schools
Bay City Indep. Public Schools
Alpine S.D.
Stafford Municipal S.D.
Sumner S.D.
Pella Community S.D.
Pateros S.D. 122

Burlington-Edison S.D.
Northeast Dubois County S.D.
Pojoaque Valley S.D.
Newark Central S.D.
San Angelo State School
Tift County Board of Education
Zapata County Indep. Schools
Marin County Office of Education
Lower Kuskokwin S.D.
Escondido Union Schools
Keene S.D.
Lubbock State School
Crown Point Community Schools

Caufman Indep. S.D.
Richmond State School
Austin State School
Santee S.D.
Perland Indep. S.D.
Pueblo Co. S.D.
Calloway Academy
Troy S.D.
Galt Joint Union Schools
Torah Day School of Atlanta
Elizabethton City Schools
Riverdale S.D.
Bulloch County Schools
Riverside Brookfield S.D. 208
Fenton Community H.S.

Lummi Nation School
ADHS Crittenden County
Berkeley U.S.D.
Silver Spring Martin Luther King School
Academic Testing Company (commercial)
Penn Harris S.D.
Bloomington S.D.
North St. Paul S.D.
Kearney Public Schools
St. Charles S.D.
Evanston S.D.
Adams/Friendship S.D.
Utica S.D.



Call 877-395-1323 and talk with one of our trusted E-Rate consultants to discuss how we can help you maximize your funds and implement a reliable, high-quality, low-cost hosted VoIP system.



Mitel Phone Systems + E-Rate Equals Big Savings for a Small Colorado School District

Located just outside Denver, Colorado, Brush School District oversees the education of over 1,500 students. Their existing telephony infrastructure had aged beyond manufacturer end of life, becoming more difficult and expensive to maintain. In addition, its lack of features and flexibility compounded the school district's challenges.

TAKING IT TO THE CLOUD

After a long and careful review of their options, Brush School District selected the Mitel MiCloud for Education solution for their 203-seat, five-site telephony infrastructure replacement. Completely cloud-based, MiCloud provides a highly reliable, feature-complete suite of hosted VoIP services – including extension dialing, auto attendant, call conferencing, E911 support, district-wide paging and voicemail-to-email capability – without the need to install new physical infrastructure.

FRIENDLY TO SCHOOL BUDGETS

Competing proposals from other vendors included a \$75,000 upgrade to existing infrastructure, as well as another option that included an upfront \$12,000 fee to assist the district in the implementation. The Mitel MiCloud solution, in contrast, is a subscription-based option that cost the district a reasonable

monthly fee, and offered a cost structure that would only include service capacity that Brush actually needed and used.

To make the Mitel solution's cost value even more attractive, Mitel MiCloud for Education is eligible for purchase under the federal E-Rate program. With qualified E-Rate subsidies and rebates, the monthly cost would be reduced by almost two-thirds, easily within budget requirements.

"The reason we chose Mitel's cloud-based communication system was that it was so easy to implement and manage. No upfront set-up fees or ongoing support costs, and it gave us all the features we needed."

Randy Dalton, Brush School District Director of Technology

A SMART SOLUTION FOR SCHOOLS

Since completing the transition to Mitel MiCloud, Brush School District has been very satisfied with their telephony services. The new infrastructure offers a broad menu of modern features that normally would only be possible in a large and expensive on-premises phone system deployment.



Call 877-395-1323 and talk with one of our trusted E-Rate Priority One communication consultants to learn more about Mitel MiCloud for Education.