



The E-Rate Program

Calculating Discounts

Fall 2011 Applicant Trainings

Calculating Discounts

Calculating Your Discount

Discounts are based on:

- Percentage of students **eligible** for the National School Lunch Program (NSLP) or an equivalent measure of poverty
- Urban/Rural status of the county or census tract in which the school or library building is located
- Applicants must maintain third party verification of student counts

Discount Matrix

% of Eligible Students	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% - 74%	80%	80%
75% - 100%	90%	90%

Individual Schools

- Determine number of students eligible for NSLP
- Determine urban/rural status of the school location
- Look up discount in Discount Matrix

Private Schools

- Methodology same as public schools
- School does not have to participate in the NSLP in order to determine discount
- Private schools may use financial aid data to determine if a student meets the Income Eligibility Guidelines for the National School Lunch Program.
 - Receipt of scholarship does not automatically make a student eligible for the NSLP.

School Districts

- Calculate the discount rate for each individual school
- School District average = *weighted* average of the schools
 - Multiply E-Rate discount by total student population of the school to get weighted product
 - Add all weighted products and divide by total students in school district
- Discounts are based on schools actually receiving services in the FRN (may not be all schools in the district)

Individual Libraries

- Calculate the total percentage of students eligible for NSLP in the school district in which the building is located
- Use the urban/rural status of the county or census tract in which the library outlet is located

Library Systems

- Calculate the E-Rate discount for each library outlet
- Calculate the simple average of the library outlets
 - Add discounts for each outlet and divide by total number of outlets

Consortia

- Consortia discounts are based on the discounts of all of the members of the consortia
- Calculate the discount rate for each consortium member
 - This could be individual entities or districts
- Then calculate the simple average of the discounts of the consortium members

Non-Instructional Facilities

- Non-instructional facilities (NIFs) are buildings operated by a school, library, or district that are not schools or do not contain public library spaces
- NIFs may or may not contain classrooms
- NIFs are always eligible for Priority 1 services
- NIFs are only eligible for Priority 2 services if the services are essential for the effective transport of data to the classroom or public areas of the library

Non-Instructional Facilities

- NIFs on the campus of single school/library and that serve only that entity, get the discount of that school/library
 - Separate entity number necessary only if public right-of-way is crossed
- NIFs that serve multiple schools/libraries, and without classrooms or public areas, get shared discount for the school district/library system
 - Use Block 4 checkbox for shared discount worksheet
 - Use additional worksheet if needed to indicate entities receiving service

Non-Instructional Facilities

- NIFs that serve multiple schools and have classrooms use the snapshot method to get discount
 - Snapshot method: Choose a specific day and determine the NSLP eligibility of the student population that is in class on that day
 - Retain documentation of your calculation

New School Construction

- School under construction
 - Population is known = use that data
 - Population is unknown = use district shared discount
- Library under construction
 - Same as regular individual library outlet
- Private/Charter Schools
 - Population is known: use that data
 - Population is unknown: apply for 20% but can amend with actual figures if obtained later

Calculating Discounts

National School Lunch Program

NSLP Participation

- E-Rate discounts are based on NSLP eligibility
- Applicants may use NSLP participation number to support their discounts

Provisions 1, 2, and 3

- Allow for socio-economic survey to be used to establish reimbursement rate and reduce paperwork for schools
- Applicant uses approved NSLP eligibility percentage to calculate discount rate
- Schools submit base-year documentation to support discount rate
- If extension is granted, applicants can submit extension approval letter to support discount rate

Direct Certification

- Schools are given lists of students whose families participate in other social service programs
- Students are automatically enrolled in NSLP
- School does not retain more detailed information regarding the student's eligibility
- All Direct Certification students are considered eligible for the NSLP for E-Rate discount purposes.

Community Eligibility Option (CEO) aka Provision 4

- New option under NSLP
- Requires at least 40% of students to be eligible for free meals through Direct Certification
- Schools serve free breakfast and lunch to all students
- Reimbursement rate = % of students directly certified times 1.6 (a national multiplier)
- Program is being phased in nationally over four years
- Three states are eligible in 2011; four more will in 2012
- FCC is considering how this will work with E-Rate
- Further guidance will be forthcoming

Head Start

- All Head Start students meet free lunch guidelines under NSLP
- Head Start entities automatically qualify for 90% discount
 - Head Start is eligible only in certain states
 - Home based Head Start is not eligible

Calculating Discounts

Alternative Discount Methods

Alternative Discount Mechanisms

- NSLP eligibility based on student's family being at or below 185% of federal poverty levels
- Income Eligibility Guidelines (IEG) published annually by U.S. Department of Agriculture
- Other alternative discount methodologies seek to determine if a student meets the NSLP IEG threshold

Acceptable Mechanisms

- Programs that meet the IEG threshold for the NSLP:
 - Medicaid
 - Food stamps (SNAP)
 - Supplementary Security Income (SSI)
 - Section 8 Housing Assistance
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Food Distribution Program on Indian Reservations

Unacceptable Mechanisms

- Programs that **do not** meet the IEG threshold for the NSLP:
 - Temporary Aid to Needy Families (TANF)
 - Title 1
 - Scholarship programs

Sibling Match

- If school can establish that one sibling in a family is eligible for NSLP, then it can count the other siblings in the same family as eligible for NSLP even if the other siblings do not participate .

Surveys

- Must be sent to all families whose children attend the school
- Surveys must contain at least student and family name, size of family, income level of family or acceptable alternative mechanism
- Surveys are valid for two years
- NSLP application forms are **never** an acceptable survey instrument

Survey Extrapolation

- If a survey is sent to all households of its students, and
- If at least 50% of surveys are returned
- School may extrapolate the data to 100% of its students
- Example:
 - 100 families received the survey; 75 returned them
 - 25 students in the 75 responses are eligible for NSLP
 - $25/75 = 0.33$
 - School can report 33% of all students are eligible

Combining Alternative Discount Methods

- Ensure that the same students are not double counted.
- Surveys **cannot** be combined with other alternative discount methods if you have extrapolated
- Provisions 1-4 **cannot** be combined with other alternative discount methods since they include extrapolation
- Keep detailed records to show that the same students were not double counted

Combining Alternative Discount Methods

- Acceptable Combinations
 - NSLP Participation + Sibling Match when scrubbed for duplicates
 - NSLP Participation + Survey not extrapolated and when scrubbed for duplicates
 - Survey + Direct Cert when scrubbed for duplicates
 - Survey + Financial Aid data when scrubbed for duplicates

Combining Alternative Discount Methods

- **Unacceptable** Combinations
 - Extrapolated survey + sibling match
 - Provision 2/3 + sibling match
 - Provision 2/3 + survey for alternative discount mechanisms
 - NSLP Participation + extrapolated survey
 - NSLP Participation + Direct Certification

Ineligible Discount Calculation Methods

- Feeder School Method
 - Extrapolating from elementary to secondary schools
- Principal's Survey/Estimate
 - Based on administrators' knowledge of some of their students
- Title I eligibility
- Neighborhood poverty measurements

Questions?

Thank you!