

## September 2013 Trustee Tip of the Month E-rate Program

E-rate, or Education Rate, is a federal program designed to ensure schools and libraries are connected to information networks, regardless of the poverty level of their region. E-rate funds provide discounted telephone service, Internet access, and subsidize the cost of eligible internal connections. End-user equipment, such as desktops and laptops, is not covered under the program, which focuses primarily on the costs of connecting the library or school with outside networks.

E-rate is one of four programs administered by the non-profit Universal Service Administrative Company (USAC), and is supervised by the Federal Communications Commission (FCC). E-rate proudly continues the tradition of universal service, ensuring that all Americans have access to communications services. The principle of universal service was codified in the Communications Act of 1934, which established the FCC and led to the extension of telephone service to rural areas. The Telecommunications Act of 1996 established the E-rate program, and updated the concept of universal service to include newer technologies such as Internet access.

The E-rate program is not funded with tax revenues; funding comes from Universal Service charges added to telephone and cellular phone bills.

All public libraries in Kentucky are eligible to participate in E-rate, and 76% of the commonwealth's libraries are currently participating in the program. In 2011, the most recent year for which complete statistics are available, the commonwealth's libraries saved \$759,795.41 on their phone and Internet bills.

E-rate discounts for Kentucky libraries range from 40% to 90%, with the average library receiving a discount of 80% on their bills. These discounts are calculated based on two factors: the percentage of students in the local school district eligible for the National School Lunch Program, and the urban or rural classification of the county served by the library. Kentucky public libraries and schools have benefitted from more than \$574 million in E-rate funding since the program began in 1998. More information about the application process can be found at <http://universalservice.org/sl/applicants/>.

The E-rate program is entering a period of significant change. The FCC released a notice in July 2013 that proposes to refocus the program around access to high-speed broadband Internet access and equipment. The notice proposes three new goals for E-rate:

1. Ensure schools and libraries have affordable access to 21<sup>st</sup> Century broadband that supports digital learning;
2. Maximize cost-effectiveness of E-rate funds; and
3. Streamline administration of the program.

KDLA is monitoring these changes closely. Archived webinars available for trustee recertification are available at <http://kdla.ky.gov/librarians/staffdevelopment/Pages/KDLAArchivedWebinars.aspx>. Please contact KDLA's Technology Consultant, Katherine Adelberg, at [katherine.adelberg@ky.gov](mailto:katherine.adelberg@ky.gov) or 502-564-8300 x266 with any specific questions about the E-rate program.