

# Category 2 Budget and Mini-bids

## Session B



# Training Topics

E-RATE



1. C2 Budgets
2. C2 Budget Tool
3. NC SCI & C2
4. SMCs & Competitive Bidding
5. What is a Mini-bid
6. NC's Mini-bid process

# Category 2 Budgets

First Full Budget Cycle (FY2021-2025)

# C2 Budgets

E-RATE

## Category Two Budgets- First Full Budget Cycle (FY2021-2025)

**C2 budgets changed to a fixed, five-year cycle.**

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



# C2 Budgets

E-RATE

## Category Two Budgets- First Full Budget Cycle (FY2021-2025)

### C2 budget multipliers and funding floor (continued)

For the FY2021-FY2025 cycle:

- The school multiplier is \$167.00 per student.
- The library multiplier is \$4.50 per square foot for all libraries.
- The funding floor is \$25,000.00.



# C2 Budgets

E-RATE

## Category Two Budgets- First Full Budget Cycle (FY2021-2025)

### 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.
  - The request mechanism will be available before the FY2022 administrative window opens.



## Category Two Budgets- First Full Budget Cycle (FY2021-2025)

### Adjusting the C2 budget during the cycle (continued)

- If you do not request a recalculation, 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.

# C2 Budgets

E-RATE

## 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.





# C2 Budgets

E-RATE

## 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.



# C2 Budgets

E-RATE

## 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 ( $150 \text{ students} \times \$167/\text{student} = \$25,050$ ).



# C2 Budgets

E-RATE

## 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.



# C2 Budgets

E-RATE

## 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.



# C2 Budgets

E-RATE

## 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.



# C2 Budgets

E-RATE

## 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).



# C2 Budgets

E-RATE

## 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.





# C2 Budgets

E-RATE

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

### Additional differences from the test period

- Schools 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.





# C2 Budgets

E-RATE

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

### Additional differences from the test period (continued)

- School districts and library systems can transfer equipment between schools within a school district and libraries within a library system.
  - No longer 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, 2021 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.



# 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).

# C2 Budgets

E-RATE

## Category Two Budgets – New 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.



# C2 Budgets

E-RATE

## Category Two Budgets – New 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.



# C2 Budgets

E-RATE

## Category Two Budgets – New 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 provide their full-time enrollment numbers from their FY2020 FCC Form 471 applications for 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.

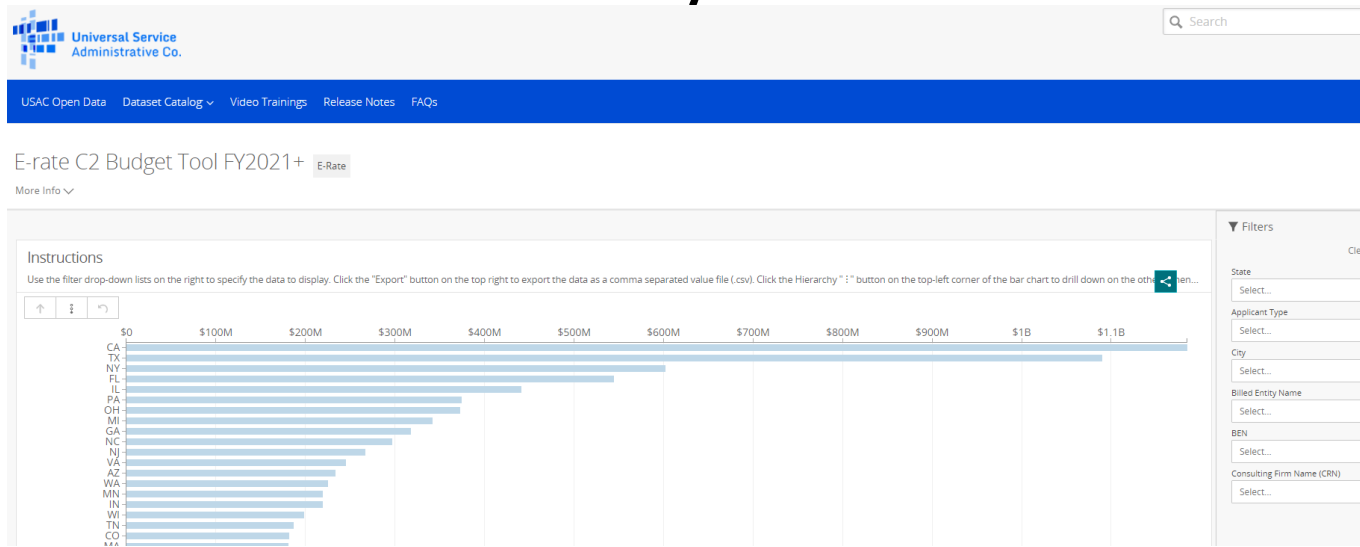


# C2 Budgets

# E-RATE

## C2 Budget Tool Demo

- Put Parent BEN in only!



# NC School Connectivity Initiative & Category 2

How does DPI help?

# C2 & DPI

## E-RATE

- Apply for funding with Form 471
  - Use SMCs/DPI 470
  - Complete mini-bid process
- Receive FCDL
- DPI pays non-discounted amount





# SMCs & Comp. Bidding

E-RATE

- 470 filed by DPI, competitive bidding rules followed
- Applicants still must complete mini-bid
  - Multiple vendors on contracts
  - Fair chance to get your business



## What is a mini-bid?

- Process of
  - Requesting quotes from **ALL** vendors that offer hardware needed on SMCs (email)
  - Evaluating these quotes/vendors against each other to choose the most “cost effective” solution
  - Write Letter of Intent to selected vendor

NC Mini-bid process demonstration

<https://erate.fi.ncsu.edu/category-2-2021/>

Mini-bid template location

- What happens if I don't follow the process?

## DENIAL OF FUNDING

# Q&A



# Upcoming Training

E-RATE

\*\*\*NEW\*\*\*

E-rate Documentation Retention – Rules to Live  
By

(Intended for all applicants, **New Applicants** highly encouraged to attend!)

December 9 11AM – 12 Noon

[Registration Link](#)



# Resources

E-RATE

- NC E-rate Website: <https://erate.fi.ncsu.edu/>
- [2021 E-rate Handbook](#)
- [Usac.org/e-rate](https://usac.org/e-rate)
- Rebecca, Roxie and Mike!

Content courtesy of Universal Administrative Company, [usac.org](https://usac.org).

