

## Category Two Information

Category Two includes the internal connections needed for broadband connectivity within schools and libraries. Per the Eligible Services List, “Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries. These are broadband connections used for educational purposes within, between, or among instructional buildings that comprise a school campus or library branch, and basic maintenance of these connections, as well as services that manage and operate owned or leased broadband internal connections (e.g., managed internal broadband services or managed Wi-Fi). Category Two support is subject to per-school or per-library budgets.”

### **Eligible Category Two Equipment & Services**

The eligible components and services in Category Two are:

#### Eligible Internal Connections

- Access Points
- Antennas, cabling, connectors, and related components used for internal broadband connections
- Caching
- Firewall service and components
- Switches
- Routers
- Racks
- UPS/Battery Backup
- Wireless controllers systems
- Software supporting components on this list

#### Eligible Managed Internal Broadband Services (e.g. Managed Wi-Fi)

- Services provided by a third party
  - Operation
  - Management
  - And/or monitoring of eligible broadband internal connection components
- Supports only the equipment listed as eligible as a broadband internal connections component
- Upfront charges as part of the contract are eligible
  - Any ineligible internal connections components (e.g. content filtering) must be cost allocated out

#### Eligible Basic Maintenance of Internal Connections

- Support for basic maintenance of eligible internal connections such as
  - Repair and upkeep of hardware
  - Wire and cable maintenance
  - Basic tech support
  - Configuration changes
  - Software upgrades and patches
- Support is limited to actual work performed under the contract
- Support does not include
  - Services that maintain ineligible equipment
  - Upfront estimates that cover the full cost of every piece of eligible equipment
  - Services that enhance the utility of equipment
  - Network management services, including 24-hr network monitoring
  - On-site technical support
  - Unbundled warranties
  - Note that many of the services ineligible under basic maintenance are eligible as Managed Internal Broadband Services

## Determining When to Apply for Category Two Funding

The total Category Two funding per year is unknown, but unlike funding years prior to 2015, there will be a significant amount of funding over the next year. For the past four years, there has been sufficient funding for all applications filed. The status of Category Two funding is uncertain after the upcoming year (2019-20).

The highest discount level for Category Two funding is set at 85% (instead of the previous 90%). Discounts are calculated based on the discount matrix below.

Discount matrix:

% of students eligible for National School Lunch Program	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
	Urban discount	Rural discount	Urban discount	Rural discount
< 1.....	20	25	20	25
1-19.....	40	50	40	50
20-34.....	50	60	50	60
35-49.....	60	70	60	70
50-74.....	80	80	80	80
75-100.....	90	90	85	85

Schools applying for Category Two funding will have a budget of up to \$156.23\* (pre-discount) per student for Category Two support over a five-year period. The minimum is \$9200 (pre-discount) in Category Two support over a five-year period for small applicants. The costs for services shared by multiple entities must be divided between the entities sharing the service. Note that this is a per school budget. Each school may spread their budget out over the five year period in any manner that they choose.

If you are planning a project for the 2019-20 school year that includes eligible equipment or services and you can work with the E-rate timeline, we suggest that you apply for Category Two funding.

\*This amount will most likely be adjusted for the 2019-20 application cycle.

## Timeline for Applying for Category Two Funding

***Please note that prior purchases are excluded. This is only for new purchases that go through the bidding and application process for FY2019. Applicants cannot submit an application retroactively.***

***Applicants can seek FY2019 support for Category Two eligible non-recurring services purchased on or after April 1, 2019, three months prior to the start of the funding year on July 1, 2019. Applicants can also seek support for Category Two eligible non-recurring services through September 30, 2020, three months after the end of the funding year on June 30, 2020. Please note that the underlying contract would have to support to the installation dates.***

Applicants who would like to pursue applying for Category Two funding will need to do the following:

- November 2018-February 2018: Provide a detailed list of the items you would like to list on your Category 2 Form 470 or provide an RFP. An RFP is not required, but applicants choosing to release an RFP must

make the RFP available to bidders for a minimum of 28 days (simultaneous to the posting of the Form 470). We've provided a spreadsheet template that you may use, or you can provide your own document. Please keep in mind that the list must be broken down by school. We will use this list to post the Form 470 and to open the bidding process.

- January 2019-February 2019: E-rate Partners will post a Form 470.
- February 2019-March 2019-28-day Bidding Period: The Form 470 will need to be posted for 28 days, and during the 28-day bidding period, the district will need to answer any questions from service providers regarding the items listed on the Form 470. We will need a district contact person who is able to address service provider questions.
- March 2019-After the 28-day Bidding Period: The district will need to review all bids received during the bidding period and select a provider.
- Unknown-Form 471 Application Deadline: The district will need to award and execute a contract for Category Two equipment/services, and the contract must be executed (signed) after the 28-day bidding period and prior to the application deadline. If the district chooses to award to an existing master contract (ie a state contract), the district can execute an award letter instead of a contract. If a contract has been awarded, but you can't execute a contract prior to the deadline, please contact us. We will prepare and submit your application(s) by the deadline.
- Installation: The district must purchase/install between April 2019-September 2020 (per the underlying contract).
- Note: The SLD will most likely not issue Funding Commitment Decision Letters indicating whether or not the application has been approved until after the start of the funding year.

## Additional Notes Regarding the Application Process

- The questionnaires that we will be sending out shortly, contain a section to indicate interest in Category Two funding along with the previously mentioned template for equipment desired.
- A detailed list of requested items is required. There's a template spreadsheet included with the questionnaire, or you can provide your own list. Be sure the list is broken down by building.
- We will use the list to complete the Form 470, so please provide your best estimate of the type and quantity of equipment or services required. You will not be strictly held to the quantities listed on the Form 470; service providers may offer reasonable, alternate solutions.
- We can indicate specific equipment on the Form 470, however all bids for equivalent equipment will have to be evaluated.
- Legally binding agreements are required for Category Two funding.

## Smart Schools Bond Act and E-rate Funding (SSBA) – New York Applicants

Certain types of capital expenses covered by SSBA are E-rate eligible. When E-rate eligible products and services are involved, it is best to maximize E-rate discounts. SSBA funding can then be used to pay for the non-discounted E-rate expenses and/or for other SSBA-eligible projects. By applying E-rate reimbursements before SSBA funding, limited SSBA funding can be saved for projects that are not eligible for E-rate funding.

*If you have any questions, please contact us.*

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