

Special Funding Alert
E-Rate Update: Funding Commitments for Selected Districts
Receiving “E-Rate Refunds” (April – June 2015), Which can be Used
to Purchase Instructional Software, Professional Development, and
Other Products

A Technology Monitoring and Information Service (TechMIS)

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Since 1999, we have been reporting on the opportunities in districts to purchase ineligible E-Rate products using E-rate refunds through the so-called BEAR process. These districts pay the full price for eligible products and then request an E-Rate discount refund, which can be used to pay for non-eligible products such as instructional software and professional development. Some districts paid the full price; they were turned down; after which, they filed an appeal; and then the appeal was found to be meritorious a year or so later. Others wanted to leverage the E-rate for more flexible funds by paying full price, and then requesting the discount. Districts offering best prospects have been identified in this TechMIS alert.

Although this process may seem a bit complicated, it has been re-confirmed as working per the presentation by John Harrington, President of Funds for Learning (FFL). During the April SIIA-sponsored Webinar on member’s opportunities to participate in the E-Rate program, John Harrington reaffirmed the nature of such opportunities for districts by stating that his group recommends eligible FFL districts/clients actually pay the full price for eligible products and then request, through the BEAR process the E-Rate discount refund or “savings,” which can be used for ineligible products. The recently published “Guide to E-Rate 2.0” by the Education Technology Industry Network of SIIA, argues that the “savings” can be used for non-eligible technology-related software products and services, which became the intent of the E-Rate program: “In some instances, technology directors have worked out arrangements whereby they direct the BEAR (discount reimbursement) payments to special accounts for technology purchases, but that is by no means guaranteed. In other cases where the technology directors expect to make future purchases from a vendor, they may ask that BEAR payments be credited to the district’s account in part to keep the “savings” out of the hands of school budget officers.”

To further reaffirm what we have noted in previous TechMIS reports, the Guide states, “Beginning in funding year 2016, applicants which use the BEAR method will be directly reimbursed for E-Rate discounts by USAC. This creates an anticipation of a faster reimbursement for applicants which could in turn allow schools and libraries to deploy projects and use new software quicker than what has previously been the case -- an advantage for

companies with non-eligible products and services that schools may pay for using their E-Rate reimbursements.”

In addition to districts which pay the “full price” on eligible E-Rate products in order to receive BEAR refunds or “savings,” some districts receive “refunds” as a result of some appeals that were filed by districts when they were notified that certain requests in their applications were denied. In many cases, these districts went ahead and purchased the product in question, paying the whole pre-discount price. Because the Schools and Libraries Division (SLD) eventually found many of these appeals to be meritorious, these districts can request a check for the refund through the so-called BEAR process.

In the above cases districts can use the discount refund to purchase non-eligible E-Rate products and services such as instructional software and professional development.

Under the new Modernization Initiative, the so-called Priority 2 category products (e.g., wifi, internal connections) and services, which in the last three years has not received any funding, will receive priority funding under the \$3.9 billion available for funding this year, which is an increase over the 18-year-old \$2.4 billion cap. In a rather surprising announcement, the FCC also announced that it would not have to increase rate payers’ fees (e.g., phone bills) under the Universal Service Program, as the FCC was able to “spend down” its reserve of approximately \$1.6 billion in unspent funds that had been “freed up” to meet the increased demand for 2015, as reported by *Marketplace K-12*. According to the article, Jon Wilkins, FCC’s managing director of E-Rate programs, also attributed the increase in available funding to a speedier approval process of applications, noting that “committing funds moved much more quickly than it had before. This year, we will try to do a little bit better.” Hence, Wilkins’ statement is in concert with the prediction noted above which means the list of districts in subsequent TURNKEY E-Rate updates will increase. The FCC later announced it expected all funding commitments for this year would be completed by September 24th.

Suggested Sales Approach

If a district staff person is interested in purchasing a non-E-Rate eligible product or service, then he or she should contact the district E-Rate office to determine whether a check was requested for the refund amount through the BEAR process and, if so, whether some of that money can be used to purchase the desired product or service. Do NOT “cold-call” the district E-Rate office!!

In our February 20, 2014, TechMIS Special E-rate Report on the new Modernization Initiative we noted that beginning in 2016, the bear process is likely to become more timely as districts can receive refunds directly rather than going through a service provider. Under the first year of the new Modernization Initiative the number of districts receiving “refunds” through the BEAR process, which can be used to purchase their ineligible E-Rate products including instructional software and professional development/related services is very likely to increase.

The table below lists funding commitments to districts/schools/libraries greater than \$50,000 for April – June quarter of 2015. The districts receiving Funding Commitment Letters (FCLs) in 2010—2013 are most likely for appeals found to be “meritorious” and generally offer the best

prospects. Call Charles directly if you have any questions about this special funding alert.

E-Rate Funding Year 2015,Quarter 2(Apr-Jun) Commitments (at least \$50,000)			
Applicant	City	State	Amount Committed
2010 Commitments			
PORT ARTHUR INDEP SCHOOL DIST	PORT ARTHUR	TX	\$5,204,353
TORAH DAY SCHOOL OF HOUSTON	HOUSTON	TX	\$187,944
2011 Commitments			
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT	BROWNSVILLE	TX	\$2,957,539
CORPUS CHRISTI INDEP SCH DIST	CORPUS CHRISTI	TX	\$1,968,035
GALLUP-MCKINLEY CO SCHOOL DIST	GALLUP	NM	\$1,395,229
KIPP DC	WASHINGTON	DC	\$1,022,666
ROUGH ROCK COMMUNITY DISTRICT	CHINLE	AZ	\$397,361
ROUND LAKE AREA SCH DIST 116	ROUND LAKE	IL	\$279,797
BACA COMMUNITY SCHOOL	PREWITT	NM	\$163,178
GESU CATHOLIC SCHOOL	PHILADELPHIA	PA	\$120,770
PECOS INDEPENDENT SCHOOL DIST	PECOS	NM	\$64,210
2012 Commitments			
TORAH DAY SCHOOL OF HOUSTON	HOUSTON	TX	\$131,741
FLORIDA INTERNATIONAL ACADEMY	OPA LOCKA	FL	\$100,863
KIPP DC	WASHINGTON	DC	\$95,670
WISSAHICKON CHARTER SCHOOL	PHILADELPHIA	PA	\$89,501
RICHARD WRIGHT PUB CHARTER SCHL FOR JOURN & MEDIA ARTS	WASHINGTON	DC	\$87,342
KATHLEEN C WRIGHT LEADERSHIP ACADEMY	TAMARAC	FL	\$85,768
ADELAIDE L SANFORD CHARTER SCHOOL	NEWARK	NJ	\$74,774
EXCEL ACADEMY PUBLIC CHARTER SCHOOL	WASHINGTON	DC	\$72,126
SOMERSET ACADEMY	PENBROKE PINES	FL	\$69,330
MANY FARMS HIGH SCHOOL	MANY FARMS	AZ	\$55,871
EARLY CHILDHOOD ACADEMY PUBLIC CHARTER SCHOOL	WASHINGTON	DC	\$50,803
2013 Commitments			
DALLAS INDEP SCHOOL DISTRICT	DALLAS	TX	\$4,804,459
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT	BROWNSVILLE	TX	\$4,283,976

CORPUS CHRISTI INDEP SCH DIST	CORPUS CHRISTI	TX	\$1,407,179
GARY COMM SCHOOL CORP ADMIN BUILDING DISTRICT	GARY	IN	\$498,261
RENEW SCHOOL DISTRICT	NEW ORLEANS	LA	\$432,032
DISTRICT SCHOOL BOARD OF COLLIER COUNTY	NAPLES	FL	\$336,582
LONG BRANCH SCHOOL DISTRICT	LONG BRANCH	NJ	\$264,970
FOWLER UNIFIED SCHOOL DISTRICT	FOWLER	CA	\$217,897
MOUNDS INDEP SCHOOL DISTRICT 5	MOUNDS	OK	\$200,376
LINCOLN HALL	LINCOLNDALE	NY	\$157,684
BUCKEYE UNITED SCHOOL DISTRICT	COLUMBUS	OH	\$144,202
GULF COAST TRADES CENTER	NEW WAVERLY	TX	\$142,019
CEDAR UNIF SCHOOL DISTRICT 25	KEAMS CANYON	AZ	\$122,971
SHASTA COUNTY OFFICE OF EDUCATION	REDDING	CA	\$112,260
WESTCHESTER SCHOOL FOR SPECIAL CHILDREN	YONKERS	NY	\$108,289
LAKE TAHOE UNIF SCHOOL DIST	S LAKE TAHOE	CA	\$102,620
WISSAHICKON CHARTER SCH FERN HILL SITE	PHILADELPHIA	PA	\$82,721
SHERI TORAH	MONROE	NY	\$78,613
PONTOTOC TECHNOLOGY CENTER	ADA	OK	\$75,720
CHABAD HEBREW ACADEMY	SAN DIEGO	CA	\$72,499
ST ANTHONY INDIAN SCHOOL	ZUNI	NM	\$72,241
WAYNE COUNTY SCHOOLS	WAYNESBORO	TN	\$71,981
MOSDOS SATMAR	BROOKLYN	NY	\$68,825
TALMUD TORAH TASHBAR	BROOKLYN	NY	\$59,728
EAGLE ACADEMY PUBLIC CHARTER SCHOOL	WASHINGTON	DC	\$58,198
TOMER DVORA SCHOOL	BROOKLYN	NY	\$56,831

2014 Commitments

DALLAS INDEP SCHOOL DISTRICT	DALLAS	TX	\$4,995,009
DIS STATE OF ARKANSAS	LITTLE ROCK	AR	\$4,689,133
CLARK COUNTY SCHOOL DISTRICT	LAS VEGAS	NV	\$4,190,746
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT	BROWNSVILLE	TX	\$4,060,255
KENTUCKY STATE DEPT OF EDUC	FRANKFORT	KY	\$2,714,229
ATLANTA PUBLIC SCHOOLS	ATLANTA	GA	\$2,454,306
EAST ORANGE SCHOOL DISTRICT	EAST ORANGE	NJ	\$2,139,820
SOUTHWEST REGION SCHOOL DIST	DILLINGHAM	AK	\$1,624,678
KIPP NYC	NEW YORK	NY	\$1,435,283
CORPUS CHRISTI INDEP SCH DIST	CORPUS CHRISTI	TX	\$1,327,898
LAREDO INDEP SCHOOL DISTRICT	LAREDO	TX	\$1,177,893
JOHN MUIR CHARTER SCHOOL	GRASS VALLEY	CA	\$1,068,433
GARY COMM SCHOOL CORP ADMIN BUILDING DISTRICT	GARY	IN	\$945,092
PACE CENTER FOR GIRLS	JACKSONVILLE	FL	\$840,703
AZUSA UNIFIED SCHOOL DISTRICT	AZUSA	CA	\$613,713
ASBURY PARK SCHOOL DISTRICT	ASBURY PARK	NJ	\$612,042
VAUGHN NEXT CENTURY LEARNING CENTER	SAN FERNANDO	CA	\$543,408
MONONGALIA COUNTY SCHOOLS	MORGANTOWN	WV	\$471,504
ESCAMBIA COUNTY SCHOOL DIST	BREWTON	AL	\$465,283
BREVARD COUNTY SCHOOL DISTRICT	VIERA	FL	\$460,481
BAYONNE PUBLIC SCHOOLS	BAYONNE	NJ	\$439,073
YUMA ELEM SCHOOL DISTRICT 1	YUMA	AZ	\$418,047

DONNA INDEP SCHOOL DISTRICT	DONNA	TX	\$415,872
DISTRICT SCHOOL BOARD OF COLLIER COUNTY	NAPLES	FL	\$374,898
GLYNN COUNTY SCHOOL DISTRICT	BRUNSWICK	GA	\$363,586
NEWTON COUNTY SCHOOL DISTRICT	COVINGTON	GA	\$361,128
AURORA EAST SCHOOL DIST 131	AURORA	IL	\$359,148
MESA VALLEY SCHOOL DIST 51	GRAND JUNCTION	CO	\$305,627
JOHNSON CITY SCHOOL DISTRICT	JOHNSON CITY	TN	\$273,426
HAWTHORNE ELEM SCHOOL DISTRICT	HAWTHORNE	CA	\$265,969
DELHI UNIFIED SCHOOL DISTRICT	DELHI	CA	\$262,587
FIREBAUGH-LAS DELTAS UNIF S D	FIREBAUGH	CA	\$251,585
NORWICH PUBLIC SCHOOL DISTRICT	NORWICH	CT	\$210,330
DERBY SCHOOL DISTRICT	DERBY	CT	\$198,094
CLINTON SCHOOL DISTRICT	CLINTON	MO	\$192,718
RENEW SCHOOL DISTRICT	NEW ORLEANS	LA	\$180,209
OPELIKA CITY SCHOOL DISTRICT	OPELIKA	AL	\$175,890
VALOR ACADEMY CHARTER SCHOOL	ARLETA	CA	\$164,218
LEUPP SCHOOL, INC.	WINSLOW	AZ	\$130,384
REAL JOURNEY ACADEMIES	SAN BERNARDINO	CA	\$118,741
GULF COAST TRADES CENTER	NEW WAVERLY	TX	\$115,467
ASHER PUBLIC SCHOOLS	ASHER	OK	\$107,973
MERCAZ HATORAH OF BELL HARBOR	BELL HARBOR	NY	\$106,417
LITTLE SINGER COMMUNITY SCHOOL	WINSLOW	AZ	\$106,245
THE PAULO FREIRE SCHOOL	NEWARK	NJ	\$101,844
NEW DESIGNS CHARTER SCHOOL- WATTS	LOS ANGELES	CA	\$97,639
American Military Academy	GUAYNABO	PR	\$96,698
LANDOW YESHIVA LUBAVITCH CTR	MIAMI	FL	\$96,066
TURKEY FORD SCHOOL DISTRICT 10	WYANDOTTE	OK	\$93,826
KIPP INSPIRE ACADEMY	ST. LOUIS	MO	\$91,205
VANCOUVER SCHOOL DISTRICT	VANCOUVER	WA	\$89,529
STOREFRONT ACADEMY HARLEM	NEW YORK	NY	\$86,432
PAWTUCKET CITY SCHOOL DISTRICT	PAWTUCKET	RI	\$86,058
WISSAHICKON CHARTER SCH FERN HILL SITE	PHILADELPHIA	PA	\$84,806
BNOS DERECH YISRAEL	MONSEY	NY	\$83,755
SHIPROCK ASSOCIATED SCHOOL INC	SHIPROCK	NM	\$82,228
ESC OF LAKE ERIE WEST	TOLEDO	OH	\$77,536
THE SEED SCHOOL OF MIAMI	MIAMI GARDENS	FL	\$77,296
EAGLE ACADEMY PUBLIC CHARTER SCHOOL	WASHINGTON	DC	\$72,863
BLACK HORSE PIKE REG SCH DIST	BLACKWOOD	NJ	\$71,117
PACE	DES MOINES	IA	\$68,866
SOUTH HUNTINGTON UN FREE DIST	HUNTINGTON STA	NY	\$67,292
SAN ANTONIO PUBLIC LIBRARY	SAN ANTONIO	TX	\$66,140
WOODBURY PUBLIC SCHOOL DIST	WOODBURY	NJ	\$65,123
TO'HAJIILEE-HE COMMUNITY SCH	LAGUNA	NM	\$64,007
TENAFLY SCHOOL DISTRICT	TENAFLY	NJ	\$63,846
LIFE SKILLS CENTER OF COLUMBUS NORTH	COLUMBUS	OH	\$63,098
CRYSTAL SPRINGS SCHOOL	ASSONET	MA	\$63,063
BADR SCHOOL	JERSEY CITY	NJ	\$60,822
DETROIT EDISON PUBLIC SCHOOL ACADEMY	DETROIT	MI	\$59,290
MANCHESTER CITY SCHOOL DIST	MANCHESTER	TN	\$57,105
ODESSA SCHOOL DISTRICT R 7	ODESSA	MO	\$56,344

YESHIVAT MEKOR HAIM
SOMERSET ACADEMY
WEST ISLIP UN FREE SCH DIST

BROOKLYN NY
PENBROKE PINES FL
WEST ISLIP NY

\$54,544
\$52,598
\$52,487