

Governing Board E-Rate Update

March 7, 2017



- TUSD Computer Lab in 1992 -



- TUSD Computer Lab in 2016 -

What is E-Rate



E-Rate (Education Rate) is a federal program that provides discounts to help ensure that all eligible schools and libraries have affordable access to 21st century telecommunications and information services.

How much is the discount?

- The amount of the discount ranges from 20% to 90% of the costs of eligible services.
- Discount rates are determined by the percentage of students eligible for free and reduced lunches through the National School Lunch Program.
- For most services, TUSD receives a district-wide discount of 80%.

80%

How has TUSD benefited from E-Rate?

*Since the program's inception, TUSD has received approximately **\$23.6M** in discounts on telecommunications services and equipment.*



What services are eligible for E-rate?

Under the 2014 E-Rate Modernization Order, two categories of service are eligible for E-rate funding:

- **Category 1:** Services that enable Broadband connectivity to the school. Examples include Internet access, network service, and voice services*.
- **Category 2:** Services and equipment that enable Broadband connectivity within the school. Examples include cabling, switches, and wireless access points.



E-Rate does not provide discounts for end-user devices, such as computers.

**FY17-18 will be the last year that TUSD voice services are eligible for E-rate funding.*

Glimpse of TUSD Category 1 and 2 Services

Service Category	Service Type	Service Provider	<u>Actual</u> Amount Received Last Year FY15-16	<u>Estimated</u> Amount Expected This Year FY16-17	<u>Estimated</u> Amount Applying for Next Year FY17-18*
1	Internet Access	Login	\$59K	\$59K	\$59K
1	WAN Service	Zayo	\$1.2K	\$1.2K	\$1.2K
1	Voice Services	CenturyLink	\$87K	\$46K	\$29K
2	Hardware Upgrades	Multiple	\$26K	\$95K	\$875K

**As of the March 7, 2017 board meeting, the estimated amounts for FY17-18 are rough estimates as the District is still in the early stages of completing the E-Rate application, which is due May 11, 2017.*

Summary of TUSD's FY17-18 E-Rate Application Items

Service Type	Contract	Estimated Annual Cost	Potential Discount Rate	Estimated Cost to TUSD	Estimated Savings to TUSD
Internet Service	TUSD RFP 14-77-19	\$74K	80%	\$15K	\$59K
Wide Area Network (WAN) Service	TUSD RFP 12-84-22	\$1.5M	80%	\$300K	\$1.2M
Voice Services at Eligible Sites Only	ADSP015-088468	\$145K	20%	\$116K	\$29K
Wireless Equipment and Cabling Upgrades	TUSD RFP 18-02-20	\$1.3M	60%-80%	\$425K	\$875K
Total potential FY17-18 benefit to TUSD if all funding is awarded:					\$2.2M

New Item for FY17-18:

Wireless Equipment and Cabling Upgrades

Applicable RFP:

RFP 18-02-20 - Technology Products and Services for E-Rate Funding Year 2017-18

Purpose of RFP:

To procure wireless network equipment and cabling services for the high schools.

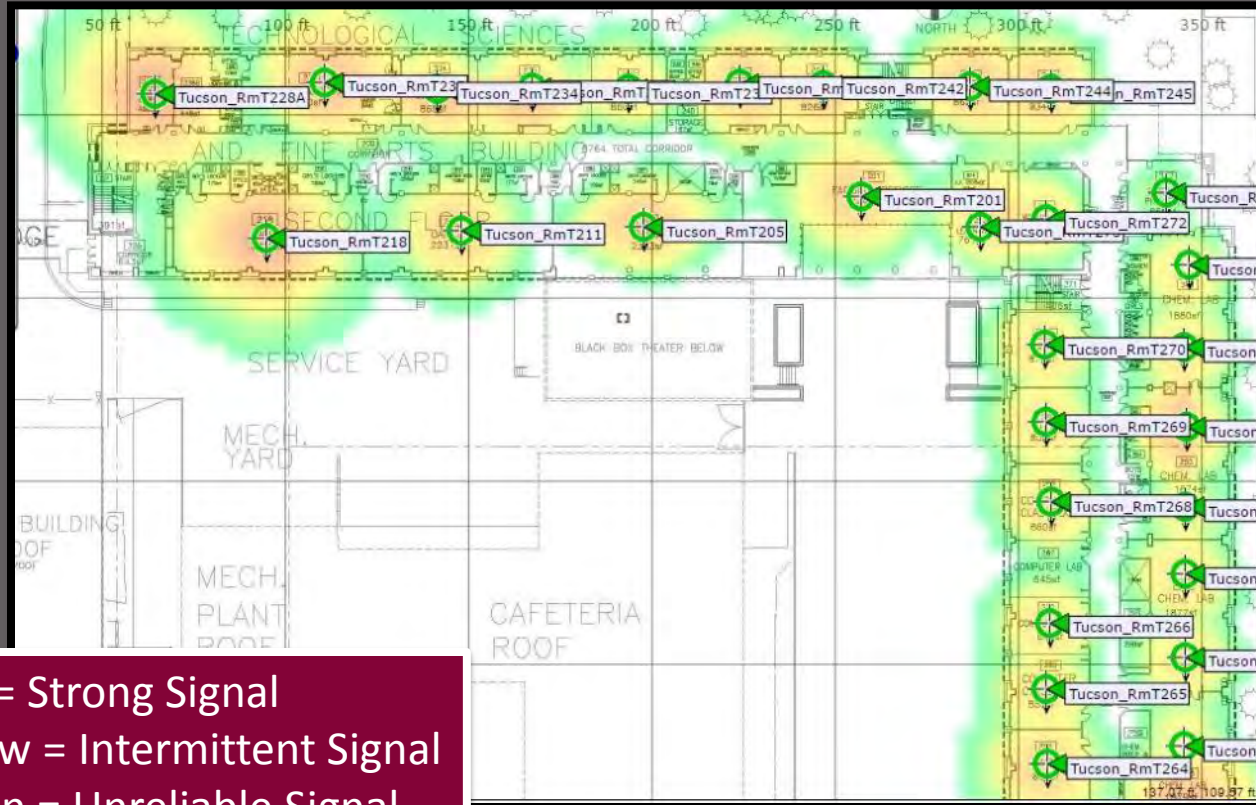
Did Technology Oversight Committee participate in RFP process?

YES!



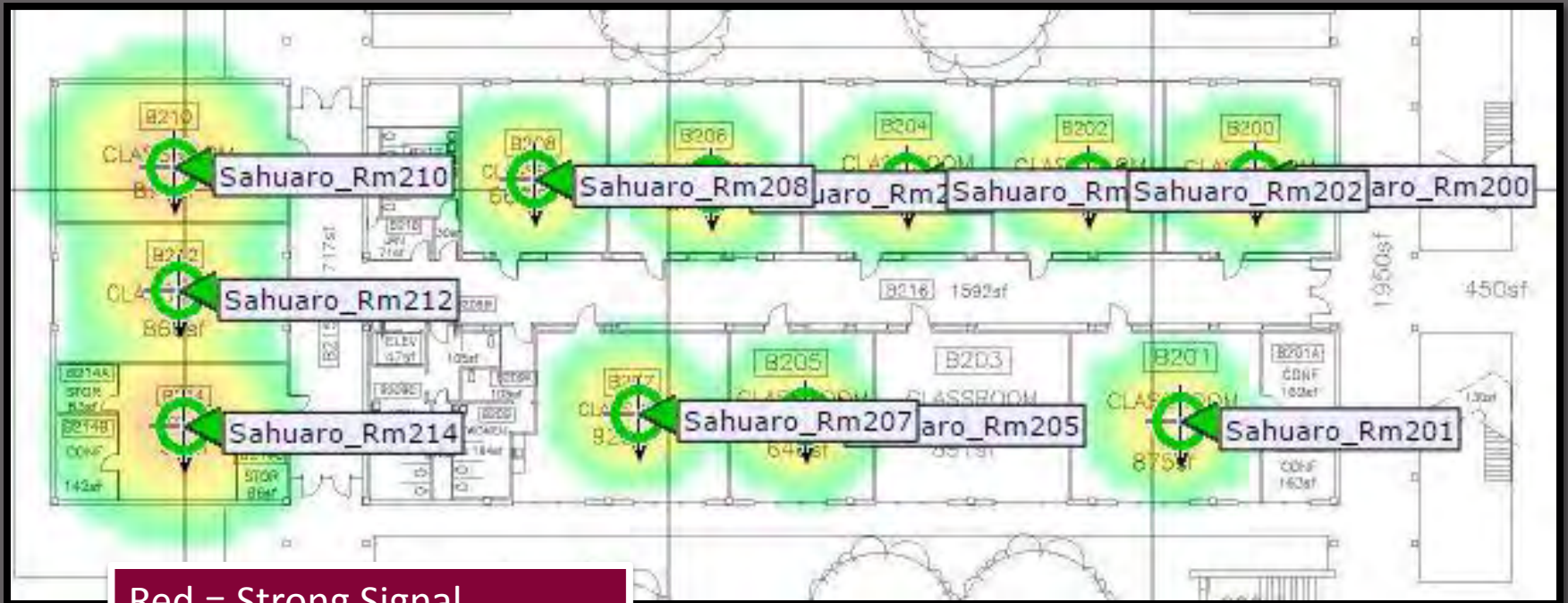
**Examples of High Schools Needing
Wireless Equipment and Cabling Services**

Example: Tucson High School WiFi Heat Map



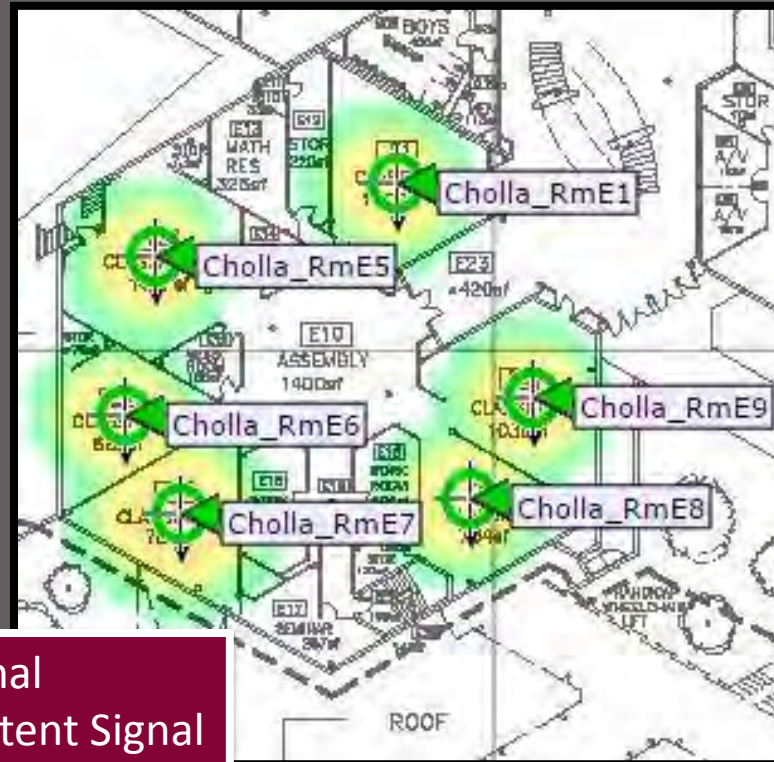
Red = Strong Signal
Yellow = Intermittent Signal
Green = Unreliable Signal

Example: Sahuaro High School WiFi Heat Map



Red = Strong Signal
Yellow = Intermittent Signal
Green = Unreliable Signal

Example: Cholla High School WiFi Heat Map



Red = Strong Signal
Yellow = Intermittent Signal
Green = Unreliable Signal

High Schools Included in RFP

1. CATALINA HIGH SCHOOL
2. CHOLLA HIGH SCHOOL
3. PALO VERDE HIGH SCHOOL
4. PROJECT MORE HIGH SCHOOL
5. PUEBLO HIGH SCHOOL
6. RINCON HIGH SCHOOL / UHS
7. SABINO HIGH SCHOOL
8. SAHUARO HIGH SCHOOL
9. SANTA RITA HIGH SCHOOL
10. TUCSON HIGH SCHOOL

What is the Board being asked to approve?

In order to receive E-rate discounts each year, TUSD must submit an application to the Universal Service Administrative Company (USAC) and certify that the District has committed the funding required to pay the non-discounted portion of the items included on the application.



What is the Board being asked to approve?

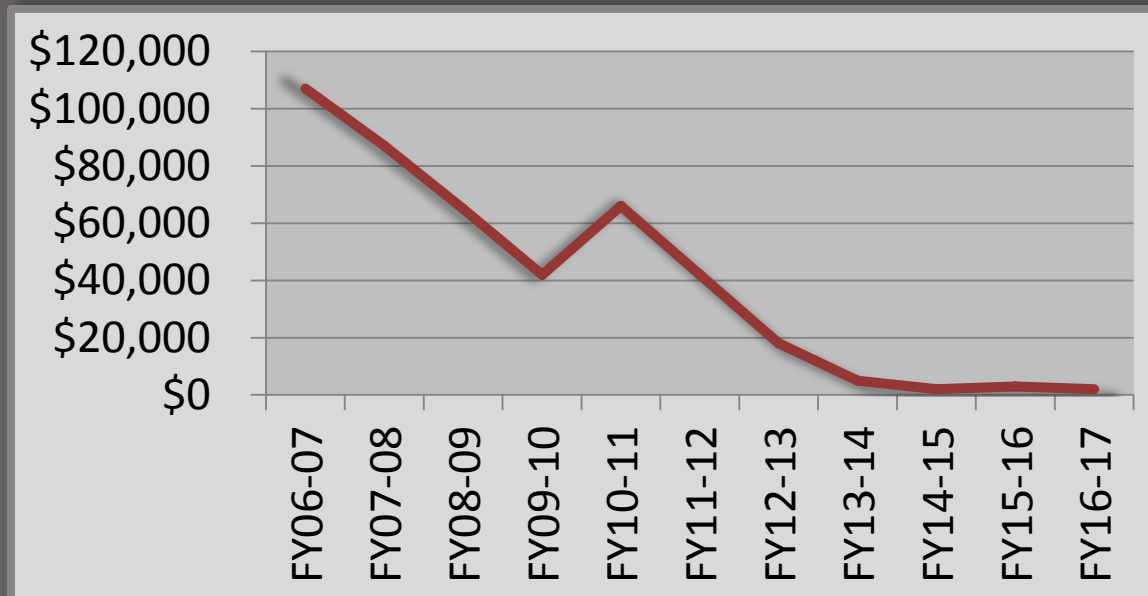
The total amount that the Board is being asked to commit the District to is \$856K for FY17-18 district-wide Internet access, Wide-Area Network (WAN) service and voice services as well as wireless equipment and cabling upgrades at ten high schools.



Total Estimated Annual Cost	\$3.02M
Total in Potential Discounts	\$2.16M
Total Estimated Cost to TUSD (Non-Discounted Portion)	\$0.86M

Status of TUSD E-Rate Consultant

TUSD continues to contract with The Miller Institute for E-Rate consulting, however, their role has shifted to a quality control:



Status of TUSD E-Rate Audit

- KPMG was engaged by USAC's Internal Audit Division in September 2015 to conduct a performance audit of TUSD's E-rate participation in FY14-15.
- The audit was completed in February 2016.
- The final audit report was approved in March 2016 and TUSD was notified in April 2016 that it did not result in any findings.

Thank you!



TUCSON UNIFIED
SCHOOL DISTRICT