

**PUERTO RICO DEPARTMENT OF EDUCATION  
E-RATE PROGRAM STATUS REPORT**

September 24,2020

**1. E-RATE PROGRAM OVERVIEW**

E-Rate, which stands for “Education Rate” is the commonly used name for the federal Schools and Libraries Program administered by the Universal Service Administrative Company under the direction of the Federal Communications Commission (“FCC”). E-Rate is one of four support programs funded through a Universal Service fee charged to companies that provide interstate and/or international telecommunications services. The program was established in 1996 and provides discounts to assist schools and libraries in the United States and U.S. Territories in obtaining affordable Internet services and internal broadband infrastructure such as cabling, wireless access points and switches. The available discounts range from 20%-90% of the costs of eligible services, and funding is based on demand up to an annual cap of \$4.15 billion established by the FCC. The annual funding cycle is from July 1 through June 30 for Category 1 services, and July 1 through September 30 for Category 2 services.

CATEGORY 1 SERVICES: E-Rate discounts for Internet and Wide Area Network (“WAN”) services, which are referred to as “Category 1,” are determined based on the number of the applicant’s students that are eligible to receive “free or reduced lunches” under the National School Lunch Program. In Puerto Rico, the Department of Education’s discount for Internet access is 90%, which is the highest discount allowed under the program.

CATEGORY 2 SERVICES: E-Rate discounts for internal broadband infrastructure, which is referred to as “Category 2,” is determined on a school-by-school basis. Each school is given a five-year budget calculated by multiplying the number of students in attendance by an established rate published by the FCC each year. E-Rate will fund a portion of the five-year budget established for each school. The discount rate for Category 2 services for Puerto Rico Department of Education schools is 85%, which is the highest discount allowed for those services under the program.

**2. RECENT FUNDING HISTORY**

Since the Department first participated in the E-Rate program, PRDE has received more than \$417 million in E-Rate funds for Internet, WAN and internal connections since 1998. The following is a summary of the E-Rate funds approved for the Department over the past 10 years:

FY	REQUESTED	FUNDED			DISBURSED
		CATEGORY 1	CATEGORY 2	TOTAL	
2020	\$13,334,094.76	In Process	In Process	TBD	TBD
2019	\$18,482,822.95	\$7,481,808.00	\$7,066,965.14	\$14,548,773.14	\$9,126,254.26
2018	\$24,355,109.15	\$14,507,926.49	\$6,671,836.77	\$21,179,763.26	\$16,133,674.30
2017	\$30,866,764.02	\$16,619,828.13	\$10,321,542.75	\$26,941,370.88	\$16,561,580.07
2016	\$23,883,237.25	\$15,880,140.72	\$7,117,496.25	\$22,997,636.97	\$17,748,199.95
2015	\$17,346,619.28	\$9,127,119.11	\$0.00	\$17,135,894.22	\$9,789,333.77
2014	\$13,847,565.66	\$9,587,423.84	\$0.00	\$9,587,423.84	\$6,438,534.42
2013	\$19,107,448.02	\$7,898,616.94	\$0.00	\$7,898,616.94	\$6,192,357.25
2012	\$72,852,081.50	\$7,921,870.02	\$58,202,528.46	\$66,124,398.48	\$57,562,132.01
2011	\$16,127,907.55	\$5,768,526.36	\$1,281,598.63	\$7,050,124.99	\$5,687,112.58
2010	\$9,197,065.96	\$6,818,436.00	\$125,115.52	\$6,943,551.52	\$5,707,749.57
<b>TOTAL</b>	<b>\$259,400,716.10</b>	<b>\$101,611,695.61</b>	<b>\$90,787,083.52</b>	<b>\$200,407,554.24</b>	<b>\$150,946,928.18</b>

### 3. CURRENT E-RATE PROJECTS/SERVICES

#### A. Category 1: Wide Area Network and Internet:

Using E-Rate funds, PRDE has increased bandwidth for all schools from approximately 150 MB to 750 MB in the past three (3) years, and is considering increasing school bandwidth up to 1 GB for School Year 2021. This year, OSIATD is also upgrading the network backbone to eliminate the current Data Center single point of potential failure. When the WAN Redesign is complete, 7 new Regional School Hubs will provide Internet service to schools in their respective Regions, with each supported by separate 10 GB links. Failover and redundancy to minimize service interruptions in the event of a Regional failure are also being built into the network Redesign. The upgrade is on schedule and is expected to be completed by mid-November.

Estimated annual funding for these services is as follows:

DESCRIPTION	MONTHLY	INSTALL	ANNUAL	E-RATE	PRDE		
					ELIGIBLE	INELIGIBLE	TOTAL
WAN	\$764,600.00	\$166,000.00	\$9,341,200.00	\$8,407,080.00	\$934,120.00	\$1,482,000.00	\$2,416,120.00
INTERNET	\$83,720.00	\$0.00	\$1,004,640.00	\$904,176.00	\$100,464.00	\$71,760.00	\$172,224.00
	<b>\$848,320.00</b>	<b>\$166,000.00</b>	<b>\$10,345,840.00</b>	<b>\$9,311,256.00</b>	<b>\$1,034,584.00</b>	<b>\$1,553,760.00</b>	<b>\$2,588,344.00</b>

#### B. Category 2: Infrastructure Upgrades

Over the past 5 years, OSIATD has been installing new cabling, switches, and UPS units in schools using E-Rate funding approved for what is referred to as the "Internal Connections Project." As of today, OSIATD has completed the following:

DESCRIPTION	SCHOOLS	QUANTITY
HARDWIRE CABLING	595	26,052
WIFI CABLING DROPS	418	16,424
SWITCHES	595	1528
UPS UNITS	595	1475
SERVERS	595	1475

The Internal Connections Project is almost complete – the final equipment is expected to be installed by the end of the calendar year. Of the approved \$49,482,581 in E-Rate funding approved for the project, approximately, \$47,856,122 has been spent to date.

#### A. Category 2: Network Maintenance

PRDE also receives E-Rate funding for break-fix and preventative maintenance (quarterly) each year. These services are essential to keep the funded equipment in good operating order. Funding for these services is as follows:

DESCRIPTION	MONTHLY	INSTALL	ANNUAL	E-RATE	PRDE		
					ELIGIBLE	INELIGIBLE	TOTAL
MAINTENANCE	\$74,983.00	\$1,677,346.00	\$2,577,142.00	\$2,190,570.70	<b>\$386,571.30</b>	<b>\$0.00</b>	<b>\$386,571.30</b>

#### **4. UPCOMING PROJECTS AND SERVICES**

Next year, PRDE will be eligible to apply for approximately \$50 million for school technology infrastructure upgrades. These funds may be used to expand wireless access in all schools, and can be used to install additional cabling, UPS units and network switches. The funds may be expended all in one year, or over a 5-year period, depending on the needs of the Department. Applications for WAN, Internet and maintenance services will also be submitted for School Year 2021 in March or April. To optimize E-Rate funding, OSIATD is also working with the federal government to establish E-Rate eligibility for approximately 130 schools currently not eligible for funding. The distribution of mobile devices and the comprehensive teacher professional development training currently underway will help establish eligibility for these schools and generate millions of additional E-Rate funding for the Department each year.