CAMBRIDGE-ISANTI SCHOOLS

EVERY STUDENT. EVERY DAY.

Annual Technology Update: E-Rate Program Overview & Financial Impact

Maximizing Federal Subsidies to Power District Connectivity

Raymond Sperl, Technology Director • August 2026

Supporting Infrastructure, Protecting Local Tax Dollars

- **Program Overview:** Administered by the Universal Service Administrative Company (USAC) under the FCC.
- **Core Mission:** Provides funding to ensure schools have access to high-speed internet and reliable network infrastructure.
- **Funding Source:** Financed via universal service fees on telecommunications companies, not local property taxes.
- **Strategic Importance:** Without E-Rate subsidies, 100% of our internal networking and connectivity infrastructure costs would rely solely on the district's General Fund.

Understanding What E-Rate Covers

Category 1 (C1)

Data Services

Purpose

Connectivity TO the school buildings.

Eligible Services

High-speed Internet Access, Wide Area Network (WAN) Fiber Links, Dedicated Fiber Connections.

Budget Limit

Based on annual, recurring operational demand.

Category 2 (C2)

Internal Connections

Purpose

Connectivity INSIDE the school buildings.

Eligible Services

Network Switches & Routers, Wi-Fi Access Points & Controllers, Network Cabling & Firewall Maintenance.

Budget Limit

Subject to 5-year fixed budget caps per student.

*ISD911 has a 10 year wired and wireless replacement plan for switches, wifi and select cabling needs.

Decoding Our Rebate Percentages

Discount Rate Calculation

20% to 90%

Rates are determined by two primary metrics:

- **NSLP Participation:** National School Lunch Program enrollment levels.
- **Classification:** District's Urban vs. Rural designation.

Why Rates Shift (60% to 70%)

Student Eligibility Fluctuations

Small year-over-year changes in qualifying NSLP forms can push our district across tier thresholds.

Rule Differentials

Urban/rural adjustments or matrix updates apply slightly different discount caps to C2 hardware versus C1 services.

Key Takeaway: Every dollar subsidized directly offsets capital expenses that would otherwise impact the local budget.

Multi-Year Financial Breakdown & Savings Impact

Year	Replacement / Service	Total Cost	Discount	Amount Saved	District Net Cost
2017-18	Leased Fiber, Cabling, Switches	$155,934	70%	$91,510	**$64,423**
2018-19	Leased Fiber, Cabling, Switches	$181,050	70%	$123,480	**$57,570**
2019-20	Leased Fiber & WiFi APs	$45,822	60%	$27,157	**$18,665**
2020-21	Leased Fiber/Construction, Wifi, Switches	$88,361	60%	$53,017	**$35,344**
2021-22	Leased Fiber, WiFi APs	$64,272	60%	$38,563	**$25,709**
2022-23	Leased Fiber, Complete WiFi Network Replacement	$382,064	60%	$229,239	**$152,826**
2023-24	Locates, Leased Fiber, Battery Backup UPS's	$62,528	70%	$43,769	**$18,758**
2024-25	Locates, Leased Fiber, WiFi Maintenance, Cabling Project	$246,222	70%	$172,356	**$73,867**
2025-26	Locates, Leased Fiber, Network Upgrade Cambridge Locations	$347,335	70%	$243,135	**$104,201**
2026-27	Locates, Leased Fiber, Network Upgrade Isanti Locations	$342,864	70%	$240,005	**$102,859**
Totals	CAT1 and CAT2	$1,916,453	65.9%	$1,262,231	**$654,222**

Summary of District ROI & Financial Stewardship

10 - Year Cumulative Savings Impact

Total 10-Year Cost	E-Rate Subsidy (Saved)	District Net Cost
$1,916,452.93	**$1,262,230.86**	**$654,222.07**

Total Category 1 Savings	Total Category 2 Savings
$325,735.20	**$936,495.66**

Strategic Takeaways

1. **Leveraging the E-Rate program** has successfully saved the district **over $400,000** over the last 5 years.
2. **Proactive Hardware Lifecycle:** This financial support allows the Technology Department to maintain a strict, proactive hardware replacement cycle rather than operating in an unpredictable 'break-fix' mode.

Essential Pipeline: Category 1 Investments

01

Operational Necessity

Category 1 services directly support our 1:1 student device initiatives, digital curriculum delivery, state testing requirements, and daily administrative operations.

02

Scope of Service

This funding provides the high-bandwidth fiber connections that link all of our campus sites back to the central data center.

03

Cost Stability

Leveraging E-Rate multi-year contracts allows us to lock in low service rates, while federal subsidies reliably cover 60% to 70% of our monthly billing.

60% - 70%

E-Rate Subsidy

Building the Foundation: Category 2 Infrastructure

Core Hardware Lifecycle

Modern networking hardware has an optimal 5-to-7-year operational lifespan before reliability declines.

*ISD911 uses a 10 year replacement cycle.

Budget Strategy

We intentionally time our hardware replacements around E-Rate C2 budget reset cycles to ensure maximum federal reimbursement.

Recent Upgrades Funded

- High-density Wi-Fi Access Points to handle thousands of simultaneous connections daily.
- Enterprise Core Switches providing gigabit speeds to every classroom.
- Battery Backup Systems (UPS) to keep core services active during power fluctuations.

Future E-Rate Planning & Next Steps

Key Initiatives

- **C2 Five-Year Budget Monitoring:** We are actively tracking our remaining allocations for the current 5-year cycle to maximize all available federal funds.
- **Upcoming Priorities:** The technology team is preparing competitive bid solicitations (Form 470) to address our organizational needs covered by ERATE.
- **Compliance & Audit Readiness:** We are maintaining meticulous documentation to ensure full compliance with strict USAC and FCC audit requirements.

Open Floor for School Board Questions

Thank you for your continued support of technology infrastructure for our students!

Contact:

Raymond Sperl
Technology Director
rsperl@c-ischools.org