

Background

The Schools and Libraries program, also called the “E-Rate program,” makes technology such as phone service and the Internet affordable for schools and libraries in America. Congress mandated in 1996 that the FCC implement a federal Universal Service program to provide support to carriers that give discounts to eligible schools and libraries. This program is part of the FCC’s federal Universal Service Fund. Below are frequently asked questions about the Schools and Libraries program.

What Benefits Are Available Under the Schools and Libraries Program?

- Eligible schools and libraries receive discounts on telephone service, Internet access, and internal connections (*i.e.*, network wiring) within school and library buildings.
- The discounts range from 20% to 90%, depending on the household income level of students in the community and whether or not the school or library is located in an urban or rural area.

How Does the Schools and Libraries Program Work?

- Schools and libraries must develop an approved technology plan that demonstrates the relationship between the information technology to be supported and the school’s curriculum or library objectives. The school or library then provides notice that it seeks services.

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- Vendors bid for the contract with the school or library. After the school or library selects a vendor, it files an application with the Universal Service Administrative Company (USAC) for approval of its request for discounted service.
- After USAC approves the school or library’s application, the vendor provides the services to the school or library at discounted prices. The vendor is then reimbursed the amount of the discount from the FCC’s federal Universal Service Fund.

Who Pays for the Schools and Libraries Program?

- The Schools and Libraries program is supported by the FCC’s federal Universal Service Fund. All telecommunications carriers that provide service between states and internationally pay contributions into the Fund. The FCC makes payments from this central fund to support the Schools and Libraries program, as well as three other Universal Service programs (Low-Income, High-Cost, and Rural Health Care).

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Some consumers may notice a "Universal Service" line item on their telephone bills. This occurs when a telephone company chooses to recover its contributions directly from its customers through a line-item charge on telephone bills. The FCC does not require this. Each company makes a business decision about whether and how to assess customers to recover its Universal Service Fund costs.

Does the FCC's Schools and Libraries Program Duplicate State and Local Efforts?

- The FCC's plan complements the efforts of states and localities to bring the information superhighway to America's classrooms and libraries. Universal Service support provides discounts only for telecommunications services, Internet access, and internal connections.
- Largely because of the FCC's Schools and Libraries program, more than 99 percent of public schools were connected to the Internet by the end of 2002, up from 65 percent in 1996.

Can I Find out How Schools and Libraries in My Area Are Benefiting from the Schools and Libraries Program?

- You can visit the Web site of the Universal Service Administrative Company to find Schools and Libraries funding information specific to your state. Go to www.sl.universalservice.org and follow the easy prompts to "Funding Commitments."

For more information on FCC's Universal Service Programs for Schools and Libraries, log-on to www.fcc.gov/cgb or call us at 1-888-CALL-FCC (1-888-225-5322) (voice) and 1-888-TELL-FCC (1-888-835-5322) (TTY).

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