


Calculating Discounts

WHY-WE-DO-WHAT-WE-DO??

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Discounts

- Calculating Discount Methods
 - Primary measure: NSLP
 - [Alternative discount mechanisms](#)

Schools can use their own data, but ADE only verifies to SLD data reported via lunch Website <http://arkansas.org>


- Shared Discounts
 - School districts use the weighted average of the discounts of individual schools in the school district
 - Libraries use the simple average discount of the school district in which they are located
 - Consortia use the simple average of the consortium members



Overview

- Eligible Applicants
- Basic discount calculations
- Alternative discount mechanisms
- Surveys
- Non-instructional facilities
- Snapshots
- New construction

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Discount Matrix

Percent of Eligible Students	Urban	Rural
Less than 1%	20%	25%
1% - 19%	40%	50%
20% - 34%	50%	60%
35% - 49%	60%	70%
50% - 74%	80%	80%
75% - 100%	90%	90%

Website address: <http://www.usac.org/sl/appliants/step05/urban-rural-rural-search-result.aspx>


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Basic Calculations

- E-rate discounts depend on:
 - The percentage of students eligible for the National School Lunch Program (NSLP) or an equivalent measure of poverty
 - The urban or rural status of the county or census tract in which the school or library building is located
- USAC may request third-party verification of student counts submitted by applicants

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Alternative Mechanisms

- Provisions 1, 2, and 3 (NSLP)
 - Alternate provisions under National School Lunch Act that allow schools that meet certain requirements to report to NSLP less often than annually
 - USAC may ask for base-year documentation and state renewal approval
 - Applicant uses the student counts approved under the appropriate provision

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Alternative Mechanisms

- Direct certification (NSLP)
 - State social services agency works with local educational authority to directly certify students for NSLP based on household participation in other poverty-based programs
 - USAC will accept the student counts determined using this method if the school can demonstrate participation in direct certification

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Surveys

- Applicants can conduct surveys to establish eligibility (see [sample survey](#))
 - Survey requirements:
 - Must be sent to all families whose children attend the school
 - Must contain names of family and students
 - Must contain size of family
 - Must contain income level of family
 - Data must not be more than two years old

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Alternative Mechanisms

- Other alternative discount mechanisms measure a level of poverty in a household equivalent to that required by NSLP
- Examples
 - Medicaid
 - Food stamps
 - Supplementary Security Income (SSI)
 - Section 8 (federal public housing assistance)
 - Low Income Home Energy Assistance Program (LIHEAP)
- Income Eligibility Guidelines (IEGs) are published each year by the U.S. Department of Agriculture (USDA)
- 185% of the federal poverty guideline

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Surveys

- NSLP form CANNOT be used as a survey
- Surveys can request information on household income level or participation in eligible alternative mechanisms or both
- With one exception, applicants must be able to provide data on an individual student basis
- Retain copies of all surveys for your records

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Alternative Mechanisms

- Other programs can be used as mechanisms ONLY IF their requirements are at least as stringent as Income Eligibility Guidelines (IEGs)
 - Examples of programs that **do not** automatically qualify
 - Temporary Aid to Needy Families (TANF)
 - Title 1 eligibility
 - Scholarship programs

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Survey Tips

- Review [USAC guidance](#) when constructing your survey
- Send one survey per household, not one survey per student (some households may have more than one student that attends your school)
- Redact personal information as appropriate before submitting survey copies to PIA
- Number your individual surveys sequentially and provide a key to PIA to show how the surveys support your discount

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Combining Sources

- Applicants can report NSLP participation OR combine results from non-NSLP alternative discount mechanisms to arrive at the total number of eligible students, but you cannot combine the two methods
 - For example, a school can combine the results of an income survey, a verification of household participation in poverty-based programs with IEGs equivalent to NSLP, and a sibling match
 - However, the applicant must be able to demonstrate that no student was double-counted for the results to be combined

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Non-instructional Facilities

- Eligible for Priority 1 services (Telecommunications Services and Internet Access)
- Eligible for Priority 2 services only if the services are essential for the effective transport of data to classrooms or public areas of a library

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Other Sources

- Applicants can match siblings or collect data from other existing sources
 - Example: if a elementary school student from a household participates in NSLP, an older sibling in that household can be counted as eligible
 - Maintain adequate documentation

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Non-instructional Facilities

Discounts for NIFs without classrooms

- In general, the discount for a NIF on the same campus as a school or library is the same as the discount of the school or library (unless it is shared)
- A NIF shared by more than one school in a school district or library in a library system is eligible for the shared discount for that school district or library system

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Non-instructional Facilities

- Non-instructional facilities are school buildings with (few or) no classrooms or library buildings with no public areas

School examples:

- Administration buildings
- Bus barns & Garages
- Athletic stadiums
- Cafeteria Offices

Library examples:

- Administration buildings
- Bookmobile garages
- Library Technology centers
- Interlibrary loan facilities

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Non-instructional Facilities

- Tip: To calculate the discount, complete two Form 471 Block 4 worksheets:

- One lists all individual schools in the district or library outlets/branches in the library system to calculate the NIF discount
- One lists only the entities sharing service
 - List the NIF on this worksheet with the calculated non-matrix (shared) discount from the first worksheet

- Cite THIS worksheet in Block 5 Item 22

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Non-instructional Facilities

- Some school NIFs may contain classrooms. If so,
 - Use the snapshot method to calculate the NIF discount

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New Library Construction

- If a library is under construction –
 - Use the simple percentage of NSLP eligibility for the school district in which the library building is located to calculate the discount
 - Total number of students eligible for NSLP in the school district divided by the total number of students in the school district

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Snapshot Method

- Choose a specific day
- Determine the percentage of students eligible for NSLP for the student population that attends class on that day
- Use that percentage and the urban/rural status to find the discount in the Discount Matrix
- Save your documentation

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NCES Codes: <http://nces.ed.gov/globallocator/>

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Block 4:
Calculate
Discount

Enter data
here in this
box your
percentage
will be
automatically
calculated

Adding
entities
(schools)

New School Construction

- If a school is under construction –
 - If the student population is known, use the percentage of NSLP eligibility of those students to calculate the discount
 - If not, use the weighted average discount of the school district
 - Remember to complete two Block 4 worksheets as discussed previously

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PIA Review - NSLP

- During review of your Form 471, USAC may ask for:
 - NSLP claim forms (one month only)
 - You can redact any personal information
 - Electronic copies are acceptable
 - Third-party verification of student counts
 - State website (<http://arkansas.org>)
 - Letter from state official

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Basic Calculations

- Individual school calculation:
 - Calculate the percentage of students eligible for NSLP in that school
 - Use the urban or rural status of the county or census tract in which the school is located

[Calculation Worksheet template available](#)

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Basic Calculations

- Library system calculation:
 - Calculate the E-rate discount for each library outlet/branch in the library system
 - Calculate the simple average discount
 - Add together the discounts for the outlet/branches and divide by the total number of outlets/branches

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Basic Calculations

- School district calculation:
 - Calculate the E-rate discount for each individual school in the school district
 - Calculate the weighted average discount
 - For each school, multiply the E-rate discount by the total student population of the school (the weighted product)
 - Add all weighted products and divide by the total number of students in the school district

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Basic Calculations

- Consortium calculation:
 - Calculate the E-rate discount for each individual member of the consortium
 - Calculate the simple average of all the member discounts

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Basic Calculations

- Library outlet/branch calculation:
 - Calculate the percentage of students eligible for NSLP in the school district in which the library building is located
 - Use the urban or rural status of the county or census tract in which the library outlet/branch is located

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Where to Go For Help

- ADE Resource: <http://arkansas.org>
- On the Web: www.usac.org/sl/
- Client Service Bureau: **1-888-203-8100**
- Via fax: **888-276-8736**
- Fax on demand documents: **800-959-0733**
- Via e-mail: <http://www.slforms.universalservice.org/EMailResponse/EMailIntro.aspx>

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