

Category 2 Budget Caps

Category 2 Pre-Discount Budget Calculation			
	FY 2015	FY 2016 (1% increase)	FY 2017 (1.3% increase)
School	\$150 per student	\$151.50 per student	\$153.47 per student
Library (rural)	\$2.30 per sq ft	\$2.32 per sq ft	\$2.35 per sq ft
Library (urban)	\$5.00 per sq ft	\$5.05 per sq ft	\$5.12 per sq ft
Budget Floor	\$9,200.00	\$9,292.00	\$9,412.80
Annual E-rate Cap	\$3,900,000,000	\$3,939,000,000	\$3,990,207,000

- The Category 2 budget calculation chart is used to determine the maximum E-rate discounts that an applicant can receive over the fixed five year period.
- Category 2 budgets began in Funding Year 2015 to ensure that all applicants had the adequate funds to purchase networking equipment.
 - Budgets can be calculated using the total enrollment numbers for schools, and by using square footage for libraries.
 - Price per square foot for libraries is also based on its urban or rural status.
- To ensure that smaller schools and libraries receive an adequate amount of funding, there is a budget floor that is available.
- The E-rate program's annual maximum contribution rate is set at \$3.9 billion with annual inflation adjustments.
 - Discounts committed to applicants cannot exceed this amount in any year.
 - In 2016 the inflation factor was 1.00% and in 2017 it is 1.30%.
 - The factor is applied to each individual budget cap as well as the over-all fund.

