



Schools & Libraries – Calculating Discount Levels

How are school discounts calculated?

The discount level for an individual school is based upon (1) the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP) and (2) whether the location of the school is urban or rural. The Discount Matrix (see link below) shows the appropriate discount level for the NSLP percentage of the school.

What about discounts for multiple schools or school districts?

If **all** the schools in a school district will share one or more services, the shared discount is calculated from the **weighted average** of the discounts of all individual schools. That is, the discount level of a school with more students is weighted more heavily in the calculation than the discount level of a school with fewer students. If some services will be shared by some schools in the district and not others, only the weighted average of the discounts of the schools actually receiving the service is calculated. In general, each set of entities receiving services requires a separate Block 4 worksheet of the Form 471 application. See the Form 471 instructions on the website link below.

What if the school does not participate in the NSLP?

A school can also use certain alternative methods to determine the level of poverty, as long as those methods are based on – and do not exceed – the same measure of poverty used by NSLP, which is 185% of the federal poverty guideline. These federally approved alternative methods can use data collected through surveys or from existing sources. Note that lunch applications are not considered surveys. See the references below for details.

Are discounts for libraries or library systems calculated differently?

A library branch or outlet uses the NSLP data for the public school district in which it is located. However, instead of using the school district's weighted average, the library outlet or branch calculates its NSLP percentage by dividing the total number of students in the school district by the total number eligible for NSLP. This may result in a different NSLP percentage than the weighted average calculated by the school district. Again, the discount level also depends upon whether the school is in a rural or an urban area.

A library system discount is calculated from the **simple average** of the discounts of the branches or outlets. See the Form 471 instructions on the website link below.

What about consortia of libraries and/or schools?

The discount for a consortium is calculated using the **simple average** of the discounts of all its members, whether they are individual schools, library outlets or branches, school districts, or library systems.

For additional information, please use the USAC resources listed below:

Discount Guidelines:	http://www.usac.org/sl/applicants/step05/
Discount Matrix:	http://www.usac.org/sl/applicants/step05/discount-matrix.aspx
Urban or Rural Determination:	http://www.usac.org/sl/applicants/step05/urban-rural/
Form 471 Instructions:	http://www.usac.org/sl/tools/required-forms.aspx
Library Consortia:	http://www.usac.org/sl/applicants/step05/library-consortium-faq.aspx
Alternative Discount Mechanisms:	http://www.usac.org/sl/applicants/step05/alternative-discount-mechanisms.aspx
Non-Instructional Facilities:	http://www.usac.org/sl/applicants/step05/non-instructional-facilities.aspx