



Preliminary Analysis of Arkansas E-rate Spending

Overview

The annual cost of the Arkansas Public School Computer Network (APSCN) is **\$21M**:

- **\$11M** for K-12 connectivity
- **\$4M** for Connectivity Distance Learning (a service that has recently been phased out)
- **\$6M** for additional services (e.g., data warehousing, contract labor, etc.) and overhead

The \$15M spent on K-12 connectivity and distance learning is eligible for E-rate, the federal program that subsidizes school broadband. The annual E-rate reimbursement for APSCN is \$10.5M, and ADE pays for the remaining \$10.5M of total cost.

90% of districts in Arkansas also purchase Internet access directly from vendors. The total cost of self-procured Internet access in Arkansas is **\$8M** (of which E-rate reimburses ~80%). This data was collected from districts’ applications for E-rate reimbursement, which are audited by the administrative agency USAC.¹

Statewide Statistics

Average Bandwidth per student: 117 kbps

Monthly Cost per Mbps: \$162

APSCN

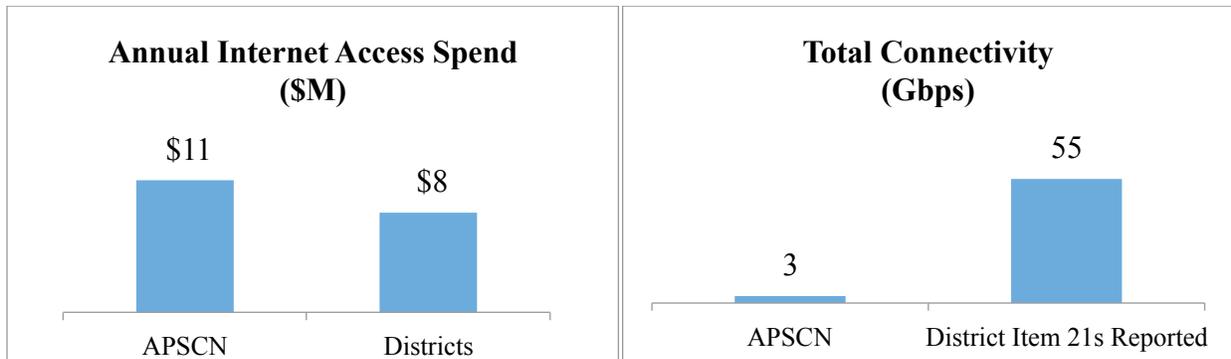
- Total Bandwidth: 3 Gbps
- Total Annual Cost: \$11M
- Monthly Cost per Mbps: \$286

Self-Procurement

- Total Bandwidth: 55 Gbps
- Total Annual Cost: \$8M
- Monthly Cost per Mbps: \$13

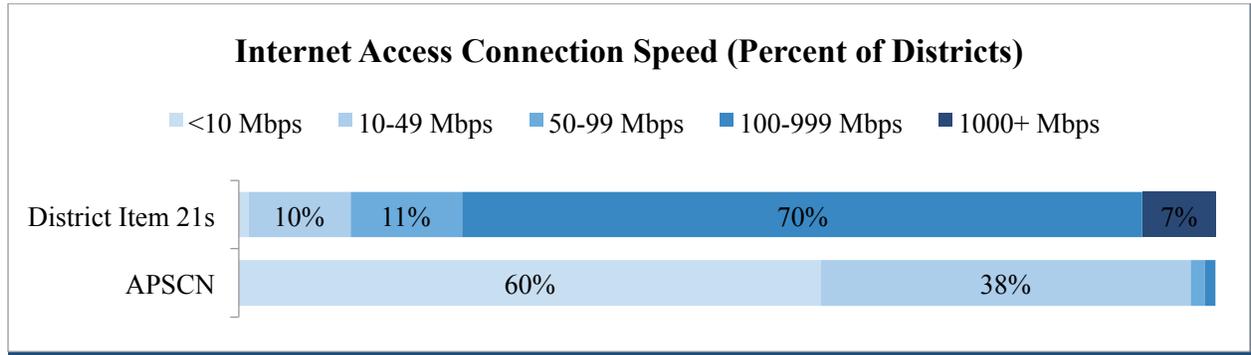
Key Findings from APSCN and Preliminary E-rate Item 21 Analysis

APSCN accounts for over 50% of total Internet access spend, but contributes only about 5% of total connectivity.

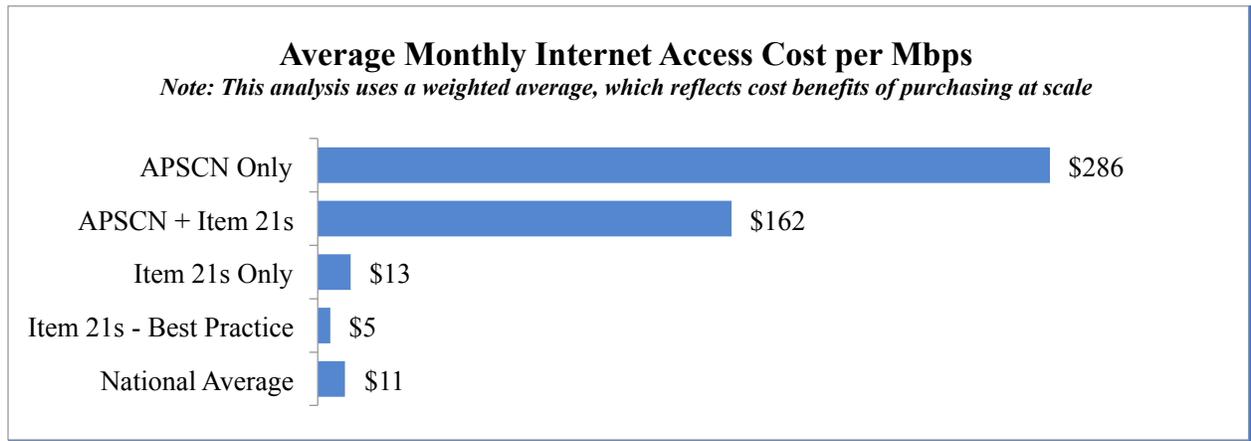


¹ EducationSuperHighway’s preliminary analysis is based on E-rate information from 87% of the ~96% of districts in Arkansas that apply for E-rate for broadband services. In instances where forms had unclear or incomplete information, ESH conducted targeted outreach to districts to ensure our data is exhaustive and paints an appropriate picture of the broadband landscape for schools in Arkansas.

Close to 80% of districts that procure directly from vendors receive 100+ Mbps Internet access, while 60% of districts on APSCN receive <10 Mbps.



Arkansas average monthly cost per Mbps is ~\$162, but would be as low as \$13 without APSCN.



51% of Arkansas school districts meet the current connectivity target of 100 kbps/student.

