



September 16, 2013

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of:)
) WC Docket No. 13-184
Modernizing the E-Rate)
Program for Schools and Libraries)

INITIAL COMMENTS BY

The California School Boards Association (CSBA)

RELATED TO THE E-RATE 2.0 NOTICE OF PROPOSED RULEMAKING

The California School Boards Association (CSBA), which represents nearly 1,000 school districts and county boards of education statewide, supports the Federal Communications Commission (FCC) and their work to make the E-Rate program a success for California schools and libraries. CSBA acknowledges the complicated nature of the program and we support the proposed changes that are needed to streamline the application, review, and approval process.

In this document the CSBA will offer comments on the three program goals listed in paragraph 12 of the Notice of Proposed Rule Making (NPRM). The goals are: (1) Ensuring schools and libraries have affordable access to 21st Century broadband that supports digital learning; (2) Maximizing the cost-effectiveness of E-rate funding; and (3) Streamlining the administration of the E-rate program.

The E-Rate program has been a successful program in California. However, as the FCC moves forward with the rule-making process, it is important to remember that any changes in the program must be focused on expanding the program so that it will reach its full potential. The current program has been strained by the increasing demand for E-Rate supported services and low funding levels. Adequate funding is essential to improving the E-rate program. The single most effective step the FCC can take to bolster the success of the E-rate program is to provide funding in an amount that is sufficient to keep up with current demands and 21st Century classroom needs.

GOALS

B. Ensuring Schools and Libraries Have Affordable Access to 21st Century Broadband that Supports Digital Learning

17. The first goal of the E-rate program we propose to adopt is to ensure that schools and libraries have affordable access to 21st Century broadband that supports digital learning. As discussed above, the communications priorities of schools and libraries have shifted as they seek access to higher-speed connectivity and to allow students and teachers to take advantage of the rapidly expanding opportunities for interactive digital learning.

18. Section 254(h) of the Act, requires the Commission to enhance access to advanced telecommunications and information services to schools and libraries “to the extent technically feasible and economically reasonable,” and determine a discount level for all E-rate funded services that is “appropriate and necessary to ensure affordable access to and use of such services.” Thus, in considering our statutory obligations and in light of the growing technological needs of schools and libraries, this proposed goal has two components. The first component of this proposed goal requires that all schools and libraries have access to high-capacity broadband connectivity necessary to support digital learning. The second component of this goal is that schools and libraries be able to afford such services.

19. We also seek comment on whether we should adopt specific goals for other communications services, including voice services. If so, what should those goals be and how can we best harmonize those goals with our proposed goal of ensuring schools and libraries have access to 21st Century broadband that supports digital learning?

Response: CSBA strongly supports the expansion of broadband services to schools and libraries. In this new era of digital instruction and on-line assessments and accountability, California’s students need

access to fast and secure internet services in order to attain their educational goals. However, in expanding and supporting broadband services, not all schools and libraries will have access to fiber optic connections. Many schools and libraries will need to maintain access to alternative methods of accessing broadband and internet services, especially those in remote and rural regions (i.e. wired high speed internet or satellite access).

Prioritizing the use of construction funds with an eye to ensuring that more remote areas have access to those funds – potentially on a consortium basis - would be beneficial to small and rural areas. CSBA further supports the direction of phasing out funding for outdated services and components. This will allow newer connections methods to be made a priority.

C. Maximizing the Cost-Effectiveness of E-rate Funds

41. We propose to adopt, as the second goal of the E-rate program, to maximize the cost-effectiveness of E-rate funds. Ensuring that schools and libraries spend E-rate money in the most cost-effective ways possible maximizes the impact of limited E-rate funds and helps ensure that all eligible schools and libraries are able to receive all the support they need. Funds available through the E-rate program come from contributions made by consumers and businesses to the USF, and the Commission has a responsibility to ensure they are spent effectively.

42. This proposed goal is consistent with section 254(h)(2)(A) of the Communications Act, which requires that support to schools and libraries be “economically reasonable.” As the Commission has previously observed, we have a “responsibility to be a prudent guardian of the public’s resources.” We seek comment on this proposed goal.

Response: CSBA supports the goal of maximizing cost-effectiveness in purchasing using e-rate funds. Increasing the use of consortium purchasing will accomplish that goal. However, there does need to be flexibility within the consortium purchases to allow schools and districts to meet their individual needs and the needs of their students. In California, we have school districts that range in size from 650,000 students to districts with less than 100 students. Not all consortium purchases will work in all districts or in all areas of the state.

135. In this section, we seek comment on whether we should impose a per-student or per-building budget, or similar limits, on funding for schools and libraries. Building on a recommendation of the 2003 USAC Task Force, Funds for Learning, an E-rate consultant that has analyzed USAC’s data, has argued that appropriately-structured budgets on a per-student or per-building basis could lead to more equitable and predictable distribution of E-rate funds by limiting the funding that is allocated to a small number of high-spending applicants. According to Funds for Learning, 2012 funding requests averaged \$44.30 per-student for priority one services across all applicants, but more than 10 percent of applicants sought funding of at least \$180 per-student for priority one services.²⁰¹ Notably, four school districts in the nation’s largest cities requested at least \$240 per-student, and more than a dozen other applicants sought over \$1,000 per student in total support in funding year 2012.

Response: CSBA does not believe that the proposed per-pupil funding will meet the needs of all applicants since broadband costs are diverse across the nation. In California, schools have T1 circuits that cost approximately \$1,800 per month in a rural area (with 12 students), but in an urban area it costs \$179 per month (with 200 students). With a per pupil approach, there will always be an inequity of access. The current NEEDS based system approach with E-rate helps ensure equity of access issues are resolved for all schools that apply for E-rate.

140. We realize that anything but a very high per-student limit could prevent the smallest schools and particularly those in remote areas of the country, such as schools on Tribal lands, from affording supported services. Is this an argument for using per-building caps for certain types of services instead? As we did in the E-rate Broadband NPRM, we also seek comment on whether there should be a minimum amount of E-rate support for which a school, library, or school district is eligible, irrespective of the number of students, and what it should be. If a minimum amount is established, how should we compute that minimum? Should we provide for different limits depending on the number of students at a school or in a school district? If so, what should those limits be? We also repeat our question about whether any limit should permit additional funding for rural applicants, either by establishing a higher limit for rural applicants or through some other mechanism.

Response: CSBA believes that per-pupil allocations should NOT be used; we agree with the statement that the smallest and most remote locations could be harmed unless a very high per-student limit can be applied. However, there should be some realistic grant amount provided for small and rural districts.

D. Streamlining the Administration of the E-rate Program

45. We propose to adopt, as the third goal of the E-rate program, to streamline the administration of the E-rate program. The number of applications the Administrator, USAC, receives from schools and libraries seeking E-rate support is daunting. For example, in funding year 2013, at the close of the application filing window, USAC received 46,189 applications seeking an estimated \$4.986 billion in support. In some cases applicants request more in funding commitments than they actually use, and there is no requirement or incentive for applicants to notify USAC in a timely fashion that they have received funding commitments that they will not use. Moreover, the application and disbursement processes are complicated, so that many schools and libraries now feel compelled to spend money on E-rate consultants just to navigate the E-rate processes. Thus, it is essential that we continue to improve the E-rate program procedures and continue to simplify and streamline the program's application review and disbursement processes.

Response: CSBA strongly supports streamlining the administration of the E-Rate Program. The current application process is overly cumbersome and expensive for a number of districts. There are districts in California that have not applied for the e-rate program because they are unable to afford the consultants that are necessary to fill out all of the paperwork.

Allowing for electronic filing will make the application process easier and potentially will reduce the number of forms that a district must file. However, for schools and districts with limited internet capabilities currently, this may present a problem. Until all schools have access to broadband we would urge you to still maintain some sort of paper filing system for those schools districts that have yet to be able to access the broadband network.

248. We propose to simplify the ESL and the FCC Form 471 application process by adopting a definition of eligible services that provides funding for eligible services regardless of regulatory classification. Specifically, we propose to amend section 54.502 and the ESL to remove the regulatory classifications of telecommunications services and Internet access to allow applicants to seek eligible services from any entity. We seek comment on these proposed rule and ESL changes as explained below.

Response: CSBA believes that simplifying the Eligible Services List (ESL) will help districts in reducing the costs of filing because they will be able to use more familiar and realistic terms in describing the services they are looking to purchase rather than having to hire consultants to research the regulatory classifications. This is one very easy step that would significantly simplify the application process.

CSBA greatly appreciates the ability to provide comment on the proposed changes in the E-Rate program. If you have any questions regarding our comments, do not hesitate to contact me at ehoffman@csba.org or by phone at 916/371-4691.

Sincerely,

A handwritten signature in black ink, appearing to read 'EK Hoffman', with a long horizontal flourish extending to the right.

Erika K. Hoffman
Legislative Advocate
California School Boards Association