



October 23, 2017

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

In the Matter of)	
)	
Modernizing the E-rate Program)	WC Docket No. 13-184
For Schools and Libraries)	

AdTec, Administrative and Technical Consulting, Inc., is an Indiana based consulting firm engaged in the business of Universal Service Fund E-Rate Consultation. Our 600 plus E-Rate clients are schools and libraries in the states of Connecticut, Indiana, Illinois, Kentucky, Michigan, Missouri, Ohio, South Carolina, Texas, Virginia, Washington, and Wyoming. In addition, we hold State contracts with the Indiana Department of Education and the Indiana State Library. AdTec has been assisting schools and libraries in the E-Rate program since its inception in 1998.

The Wireline Competition Bureau’s Public Notice is requesting comment on the sufficiency of budgets for category two services under the E-rate program. AdTec respectfully requests The Commission reconsider its Applicant Budget Methodology as described in Paragraphs 86 – 97 of the Modernizing the E-Rate Program for Schools and Libraries WC Docket No. 13-184 adopted July 11, 2014. Specifically, Paragraph 91, “We set a pre-discounted budget of \$150 per student...should be a sufficient budget to deploy LANs/WLANs to elementary and secondary classrooms and common areas across the nation.¹⁸⁹” Footnote 189 further explains, “In establishing the pre-discount \$150 per student five-year budget the FCC considered several cost models including the EdSuperHighway/CoSN ConnectED Cost Model, the EdSuperHighway/CoSN Ongoing Cost Model, and the Cisco Model.”

While the record indicates the Commission considered different cost models for establishing \$150 per student as a reasonable budget for upgrading LANS and WLANS necessary to support broadband services, we now have real world experience of the effects of this budget for residential state agency schools and rural schools. The experience demonstrates that the \$150/student is not a sufficient budget to deploy LANs/WLANs to elementary and secondary classrooms and common areas across the nation.

For example, State Residential Schools such as The Illinois School for the Visually Impaired (BEN: 73153) has been unduly harmed by the Commission's rules in establishing budgets for upgrading LANS and WLANS necessary to support broadband services by using student enrollment data for the basis for establishing Category 2 budgets. The Illinois School for the Visually Impaired meets the FCC definition as a residential facility that is eligible for E-rate support because it serves a unique population as set out in paragraph 31 of the Sixth Report and Order, the cost of the internal connections for both buildings with classrooms and dormitories can come from the associated school's category two budget.

Applying the FCC pre-discount \$150 per student five year budget model to the Illinois School for the Visually Impaired limits their budget to \$9,450.00 when the need to service all eligible buildings on the campus results in anticipated expenditures of just over \$100,000.00.

The Illinois School for the Visually Impaired (ISVI) is penalized under this formula since it needs to fund the difference of \$90,550. If the Commission used a square foot model such as the \$2.30 (pre-discount) per square foot over a five-year period model adopted by the FCC for libraries the budget changes dramatically. The eligible square footage for ISVI is 199,398 square feet resulting in a budget of \$458,615.40.

We understand the FCC's need to have a simplified cost model for category two services, but we do not believe it was the FCC's intent to use a cost model that would unduly penalize a residential facility serving a unique population and rural schools. We believe that good cause exists to change the FCC pre-discount \$150 per student five year budget model and use instead the \$2.30 (pre-discount) per square foot over a five-year period model adopted by the FCC for libraries. We also believe considering this request will promote the statutory requirements of section 254(h) of the Communications Act of 1934, as amended (the "Act"), by helping to ensure that eligible schools and libraries obtain access to E-rate eligible services. Unfortunately, to our knowledge there is no known database for square footage/building for schools as there is for libraries. A square footage per building BEN could be added to EPC. If the Commission does not want to make the effort to use a square foot cost model for schools then its only alternative is the increase the per student budget.

Rural schools typically do not have enough enrollment and staff to fulfill technology needs with the budget of only \$150/student. Many of these rural school districts are under-staffed, in some cases not able to afford a full time Technology Director, and must also pay extra for out-sourced services. The budget of \$150/student means the district must make the difficult decision of under-funding technology projects, or cancelling the proposed replacement schedule of equipment that has come to 'end-of-life.'

We offer the following example: Northern Wells CSC (BEN: 130440) in FY2017 had 2,422 students with a Category 2 budget of \$371,704. They did not have an adequate wireless infrastructure in their school facilities. Due to their rural location and lack of workforce, they needed a vendor to perform all the installation and configuration of access points, switches and UPS. Therefore, the components necessary for the operation of a wireless infrastructure totaled \$437,846 and the installation/configuration costs \$35,000. Therefore, the cost to obtain an adequate wireless infrastructure is \$472,846 but the school corporation's Category 2 budget is \$371,704.

Our final concern is that the Category 2 request of MIBS takes an inordinate amount of the budget for rural schools, not leaving enough money to request necessary equipment to increase Internet access bandwidth sufficient to span the digital and opportunity divide that exists between rural and urban schools/libraries. We do not believe there is sufficient C2 funding to meet all needs when requesting MIBS. Prior to FY 2015, MIBS was listed in Priority 1 as another option for service for Internet access. If MIBS is returned to its original Category 1 designation as a service along with Internet access, many rural schools will be able to seek Category 2 equipment. This would allow applicants to have control over their own requests and decide how they want to spend the funds.

We offer the following two examples:

North Vermillion CSC (BEN: 130750) in FY2016 had 745 students with a Category 2 budget of \$112,868. This school corporation is in a rural area and does not have a functioning wireless infrastructure. Additionally, the workforce available in their rural community cannot provide technology expertise necessary to support the wireless infrastructure. Therefore, the school corporation must contract that out in the form of managed internal broadband service. The school corporation received bids for the one-time cost of wireless infrastructure components totaling \$121,310. Annual managed internal broadband service costs an additional \$10,860/year, which totals \$54,300 over a 5 year period. Therefore, the total cost to the school corporation to obtain a functioning wireless infrastructure for a 5 year time period is \$175,610 but their Category 2 budget is only \$112,868.

Danville Local School District (BEN: 129058) is a small rural school in Ohio with an enrollment of 637 in three schools for FY2016. The Category 2 applications for MIBS will assist with this service, but will deplete the budget for the high school, and leave only \$5000 for the middle school, and \$5000 for the elementary. Although the school district has the need for new switches, cabling, and other eligible equipment throughout the district, the use of the Category 2 budgeted money will go to support MIBS.

Conclusion:

AdTec has supported the Commission's efforts in providing the category two funding framework as it exists today, but with three years of real world experience believes that the recommendations discussed herein would make that framework even more successful. The examples we have provided, while specific, should not be taken as random and occasional, but represent a common trend found across the nation. AdTec appreciates the opportunity to comment on this matter and looks forward to the Bureau's report.

Respectfully submitted,

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