



Chairman Ajit Pai  
Federal Communications Commission  
445 12th Street SW,  
Washington, DC 20554

October 19, 2017

Dear Chairman Pai,

I am writing today in response to the Federal Communications Commission's (FCC) Public Notice which, among other things, considers changes to the E-Rate program. I want to thank the FCC for your continued support for the E-Rate program and for the critical programmatic and policy changes the commission adopted in 2014. The E-Rate program provides critical discounts to assist schools in obtaining affordable telecommunications and internet access.

E-Rate played a critical role in the rapid and significant expansion of connectivity in schools, and the 2014 E-Rate Modernization Order was a much needed update to ensure more schools and libraries are connected to broadband. The E-Rate's investment in Category Two Wi-Fi and internal connections funding is extremely valuable and could not be replaced by school, district or state funds.

The changes adopted in the E-Rate Modernization Order were very progressive and compulsory for the way technology in education is evolving. Almost all educational applications and tools are bandwidth intensive and it is critical for students and teachers to be able to access important data quickly and securely. We understand and support the need to redirect funding to broadband connectivity. However, the phase down of voice services was a big loss for most E-Rate applicants and they are now challenged with how to make up for this loss of funding. We request the FCC to consider bringing back voice services that focus on broadband connectivity instead of moving any excess money out of the annual fund. For example, the additional \$1 billion in the annual fund that is not being requested can be used to fund Category One voice services with a more narrow eligibility scope, for example, broadband voice circuits only. The E-Rate Modernization Order stressed the importance of simplifying the E-Rate process but it has only increased the complexity of how applicants get funded. The amount of work for an E-Rate applicant to complete without the help of an E-Rate consultant is simply overwhelming. School personnel who handle filing E-Rate do not have the additional time it takes to figure out how to navigate EPC, file the necessary applications, understand and remain in compliance with program rules, answer PIA questions and do their full-time job at the district. These reasons and so many more explain why there is apprehension and ambivalence from districts to request Category Two funds so many have avoided doing so up to this point. These capture some areas of improvement needed.

As an Education Service Center in Texas who helps applicants file for E-Rate, we work with approximately 200 schools, districts and consortia to help them maximize their funding potential. We polled our clients to get honest feedback on this Public Notice and implore the FCC to consider keeping Category Two budgets in play with some modifications. Table 1 and Table 2 outline the collected data from our districts in response to key questions regarding the sufficiency of their Category Two funding.

**Table 1:** These schools have spent most, if not all, of their allotted Category Two funding since FY 2015 and have estimated their purchases of non-E-Rate technology services/products below.

School Name	Student Count	C2 E-Rate Discount	Have you made non- E-Rate C2 purchases since 2015?	What is the estimated cost of C2 purchases outside E-Rate since 2015?
Moody ISD	669	80%	Yes	Switches - \$12,000
Gulf Coast Trade Center	95	85%	Yes	Switches - \$25,000 Wireless APs - \$15,000
Oglesby ISD	165	80%	Yes	Server - \$2,000
Cross Roads ISD	542	80%	Yes	Switches, wireless controller, fiber install - \$20,000
Stafford MSD	3539	80%	Yes	Wireless APs
Dawson ISD	488	80%	Yes	Server and switches
Henrietta ISD	932	70%	Yes	Wireless APs, Cabling - \$15,000
Blum ISD	396	80%	Yes	Wireless APs - \$1,200
Glen Rose ISD	1759	70%	Yes	Switches and Wireless APs
Kerrville ISD	5024	80%	Yes	Switches and firewall to update network (replace 5-7 year old equipment) and increase capability to 10Gb throughput -\$500,000
Bryan ISD	15278	85%	Yes	Switches, Wireless APs for NIFs and new construction
Splendora ISD	3886	80%	Yes	Network switches and Wireless APs - \$200,000
Conroe ISD	59985	60%	Yes	All types, but only for what comes up during the school year that can't wait until summer (probably \$50k-\$100k per year). The vast majority of our C2 type equipment is purchased through Erate and implemented in large scale summer upgrade projects (approx. \$2mill per year)
Big Sandy ISD	494	80%	Yes	
Blum ISD	396	80%	Yes	Switches - \$350
Ingleside ISD	3193	80%	Yes	Switches, routers, Wireless APs - \$22,000
Joshua ISD	5956	80%	Yes	Switches, Wireless APs, UPS - \$10,000
Arlington ISD	61569	80%	Yes	Network equipment for NIFs, spare equipment and data center (core) equipment

<b>McGregor ISD</b>	1462	80%	Yes	Network hardware, cabling, Wireless APs, components for internal connections - \$131,320
<b>Leon ISD</b>	747	80%	Yes	Wireless APs - \$30,000
<b>Blanco ISD</b>	1027	70%	Yes	Virtual server software/equipment - \$20,000
<b>Denison ISD</b>	4581	80%	Yes	Servers, desktop computers, laptops, tablets, LAN switches, wireless APs, color printers, b&w printers, projectors, monitors, Schoology, Renaissance Learning, Turnitin, Sungard Student and Business Services , MicroSoft EES, ESPED, Edgenuity/Compass Learning, Eduphoria!, ForcePoint Internet content filter, SchoolDude, and other hardware and software. We have spent in excess of \$2,100,000 on hardware, software, telecommunications and technology support.
<b>Fort Stockton ISD</b>	2476	80%	Yes	Refurbished switches, SFPs and cables (more affordable than new) and new fiber jumpers
<b>A+ Academy</b>	1869	85%	Yes	Small items
<b>Hillsboro ISD</b>	2104	80%	Yes	Computers, Projectors, iPad, and Chromebooks etc. Approx. \$500,000.00

**Table 2:** These schools provided comments on the sufficiency of the initial \$150 per student budget calculation for Category Two funding based on their experience and demographics.

<b>School Name</b>	<b>Student Count</b>	<b>C2 E-Rate Discount</b>	<b>Is \$150/student sufficient for C2 funding?</b>	<b>It not, what other amounts would be sufficient or what would be a better way to calculate C2 funding?</b>
<b>Moody ISD</b>	669	80%	No	At least \$250/student
<b>Gulf Coast Trade Center</b>	95	85%	No	\$500 - \$1,000/student
<b>Oglesby ISD</b>	165	80%	Yes	
<b>Cross Roads ISD</b>	542	80%	No	Base the amount of funds per student on the economic status of the student population
<b>Stafford MSD</b>	3539	80%	Yes	
<b>Dawson ISD</b>	488	80%	Yes	
<b>Henrietta ISD</b>	932	70%	No	Depends on many factors: Age of equipment/building, how much the district allocates to technology budget, etc. The per

				pupil methodology is not bad but the amount of money per student was too low for our district.
<b>Blum ISD</b>	396	80%	Yes	
<b>Slaton</b>			No	\$45-\$50 per annum per student
<b>Glen Rose ISD</b>	1759	70%	Yes	
<b>Kerrville ISD</b>	5024	80%	No	<p>The demands for use of the network have increased significantly over the past 5 years since most of the resources schools use have moved online. Wireless and 1 to 1 programs have also had an impact on network demand. We are doing our best to keep up with the throughput needs but it is challenging considering how fast the changes are coming and user expectations for service. We have just increased to a 10 GB core for our network using Erate funds. In the next 5 years that number will need to double. The current budget of \$150 per student did not allow for us to completely replace all of network switches at all of our campuses. We also have need to re-wire some campuses but have expended the budget on just replacing hardware in order to handle throughput demands.</p> <p>School network security also needs to be emphasized more in order to protect student data and traffic. Some of the newer security features available for firewalls are not covered by Erate. Schools are being targeted because of weak security infrastructure but Erate rules limit what can be purchased.</p>
<b>Bryan ISD</b>	15278	85%	Yes	
<b>Splendora ISD</b>	3886	80%	Yes	
<b>Belton ISD</b>	11165	60%	No	\$200 per student
<b>Conroe ISD</b>	59985	60%	No	\$200 per student
<b>Big Sandy ISD</b>	494	80%	No	
<b>Blum ISD</b>	396	80%	Yes	
<b>Ingleside ISD</b>	3193	80%	Yes	
<b>Joshua ISD</b>	5956	80%	Yes	
<b>Arlington ISD</b>	61569	80%	No	\$168.55 is our cost/student
<b>McGregor ISD</b>	1462	80%	No	If there is a way to account for staff utilizing the same bandwidth/ network connection for

				learning and instruction, that would be helpful to include in this calculation
<b>Leon ISD</b>	747	80%	No	Possibly finding a more equitable way to distribute the funds? Districts that have a bigger working budget receive less funding?
<b>Blanco ISD</b>	1027	70%	No	A consistent amount annually.
<b>Denison ISD</b>	4581	80%	No	At least double what it is today. Reduce from 5 years to 3 years. Be able to spend the money where it is needed district-wide instead of by entity.
<b>Fort Stockton ISD</b>	2476	80%	No	<p>New equipment, including installation and configuration is VERY expensive. We had to supplement our expenses for networking equipment with other local funding sources to finish the project where we could afford to complete each campus upgrade. Luckily, I found decent refurbished items at a fraction of the cost of new to supplement our refresh project at a much lower cost, which enabled us to do the things we wanted at the campuses. I strongly suggest capping funding on a per district basis and NOT a per campus.</p> <p>Prior to FY 2015, if funded for CAT 2 items at our usual 80%, we were able to complete the job without a funding cap/student/campus. It was much easier and more complete upgrades to fund at a district level and not individual campus levels.</p> <p>I really would like to see the "per-student/per-campus" way of funding and budgeting to be changed or discontinued. The supplement funding was tough and more expensive to get our district up to the new standard we were trying to achieve.</p>
<b>A+ Academy</b>	1869	85%	No	Not sure but \$150/student is not enough
<b>Hillsboro ISD</b>	2104	80%	No	At least \$200 per student

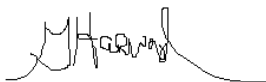
The below bullets identify considerations for improving the current system for simpler methods of calculating Category Two budgets:

- Calculate a district-wide budget rather than a per-entity budget – the demand for networking equipment is higher at secondary campuses than elementary campuses
- The non-discounted amount is an issue – it really doesn't matter how much E-Rate will pay if we cannot afford the non-discounted amount

- Providing some allocation for staff/faculty is needed.
- Applicants should submit a technology needs assessment to the FCC showing the true demand for C2 funding
- Allow applicants to submit the entire amount required for their Category Two projects instead of reducing funding requests to stay within the budget. The funding approval would still be within the C2 budget amount but would allow the FCC to pull a true cost/student for every campus in the nation.
- Allow Non-Instructional Facilities a Category Two budget as all sites are necessary for student learning.
- Making the E-Rate process less convoluted while putting some sense of accountability in place, whether it be through better development of EPC or a simpler process of checks and balances. The problem is clearly too large to solve with sweeping changes but minor alterations might make the system simpler.
- The Category Two Form 471 application is difficult to use as far as breaking down quantities – for example, instead of cabling drops, they want the total length of cable installed. A more user-friendly form would be great.
- The volume of questions asked by PIA is overwhelming. They also seem arbitrary and capricious. All that should matter to them is that the items are eligible and are being put to an eligible use.
- More timely FCDL issuance since most Category Two projects are based on E-Rate funding.
- There needs to be an easier way to purchase items that reside at NIF's but are essential for Internet connectivity. For instance, when we purchase a firewall, there was a cost allocation required across the district based on student population. Some sort of official process for that would be nice. Additionally, the purchase of Internet filter hardware should be E-Rate eligible since it is required and is just as important to providing Internet to students as a firewall.
- The Category Two budget tools available on the USAC website need to be updated as they are not calculating with the correct NSLP data. The current C2 budget calculators need to pull the applicable NSLP data from the correct year starting in 2015. Make it a downloadable file that a district could pull for all years or one year at a time.
- The idea of a national Category Two contract (PMC) was noted in the E-Rate Modernization Order but never came to fruition. A list of vendors and their published pricing should be made available to applicants and acceptable as valid bids for sourcing. Amazon comes to mind. It will make the bid and purchasing process much easier. This should also help bids identify the ineligible costs in a more accurate and consistent manner rather than relying on the vendor to “get it right”. Many applicants experience a “gotcha” during PIA since the vendor did not identify ineligible costs and the applicant doesn't know what is ineligible causing unforeseen cost allocations and sometime denials.
- It is a very tedious and time-consuming task to deal with E-Rate and many districts have to outsource it to complete it. Many districts have small technology departments and too many project/problems to dedicate the time to completing E-Rate filings. It would be made more user-friendly and with fewer restrictions and regulations that bog down the process.

In summary, we believe the E-Rate program is a program succeeding in its mission. As the FCC moves forward with this public notice, it is prudent to remain focused on the fact that E-Rate is a program that highly used and worth saving. Any changes to the E-Rate program should be focused on expanding and enhancing a successful program that has yet to reach its full potential and ensuring the FCC remains a good steward of the changes adopted in 2014, allowing those changes to progress and play out as intended. I reiterate our continued, strong support for and reliance upon the E-Rate program for being able to access and afford the high-speed connectivity that is so central to our students' learning. Thank you for considering these comments.

Sincerely,



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 Education Service Center Region 12