Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:

Modernizing the E-Rate Program
For Schools and Libraries

WC Docket No. 13-184

COMMENTS OF
E-RATE & EDUCATIONAL SERVICES, LLC
August 1, 2019

E-Rate & Educational Services, LLC respectfully submits our comments in response to the NPRM released on July 9, 2019. We are a small consulting firm serving approximately 80 applicants and are proud members of the E-Rate Management Professional Association, E-mpa. We go on record in support of comments filed by E-mpa and Funds for Learning. In addition, E-Rate & Educational Services, LLC would like to provide the following comments:

1.   We are in full support of the Commission's decision to carry forward the C2 program. Most of our districts have taken advantage of the C2 program, the ones who did not were small districts who needed more than what could be provided by the floor.

2. We are in support of a full reset of the 5-year budget. The C2 budget as it is currently designed adds an unnecessary complication to the application process and continuing with the rolling budget will propagate that complication both for applicants and USAC. EPC is not designed to effectively handle the rolling budget again leading to difficulties for applicants. We believe this budget resets needs to happen immediately and not with a transition year.

    Another benefit we see for the 5-year budget reset is to allow applicants with large funding projects to be able to complete them within a two-year span. An example is when a network upgrade will cost $100,000 but the applicant only has a $50,000 C2 budget. The applicant could start the project in Year 5 and complete it the following year (Year 1) allowing them to utilize the full C2 budgets back to back. A rolling budget would not allow applicants this option as they would have to wait the full cycle to get the budget reset.

3. We think the budget should be reset for everyone, regardless of whether used fully or not. Having different sets of rules for applicants based on whether they did or didn't apply during the pilot period adds unnecessary complexity to the program.

4. We recommend raising the per pupil rate to a minimum of $250 and the floor to a minimum of $25,000. Our applicants who did not apply for C2 were small districts at the floor who did not want to tackle the complexity of E-rate for a small amount of funding which would not fully upgrade their networks. Also, if the floor and pupil rate were increased to adequately fund system upgrades the scenario above where applicants would need to apply back to back to fully fund the upgrade would not be common.

5. We fully support a district wide budget. This will lessen the complexity of E-rate for all stakeholders and will allow districts and libraries to prioritize funding based on their individual student and patron needs vs having to fit the E-rate box. This will also allow for the simplification of equipment transfers. We assist a large school district going through a thirty-year district remodel. This includes building new schools, upgrading old schools, closing schools, and shuffling students to temporary "holding" schools. This has created a systematic nightmare for both the application process and Form 500 process. A district wide budget will allow funding for each student, no matter which school currently houses him or her. The current complexity of the C2 program also unintentionally penalizes districts like the one above because applications with changes (i.e. new schools, temporary schools, enrollment fluctuations) seem to find their way to the bottom of the review pile and are usually the last to be funded.

   Another reason it makes sense to go with a district wide budget is to simplify the application process for applicants. When applicants are required to select recipients of service and do the math on how to allocate the budgets the process becomes time consuming and can lead to errors.

   The following is an example of a situation experienced by one of our applicants in which a district-wide budget would have been beneficial. The small rural school district applicant has two schools. One of these schools needed access points but didn't have enough in their C2 budget to purchase them. The other school had enough C2 budget and had recently updated their access points with non-E-rate funds. In order to utilize the funding available, and remain within the E-rate rules, the district moved the newer access points to the school that needed them and requested new access points for the building with the C2 budget. This added additional labor to the district but was necessary under the current rules. By removing the rule requiring the budgets be allocated by site, it will also remove this unnecessary burden of moving equipment around in order to take full advantage of available resources.

   We also believe a district wide budget will lead to additional simplification by removing the need to count part-time students.

   Regarding the costs of moving to district-wide budgets, our company is comprised of educators who have worked in education both in the school setting and as E-rate managers. It has never been our experience that districts choose "favorites" in their allocation of funds. There are checks and balances within the school systems to make sure of equitable distribution and the

Commission can trust that school applicants will do what's best to meet the broadband needs of all their students. One of our partners worked in education in California where her district had charter schools under the umbrella of the school district. One concern of charters is that they may be short lived which also supports the model of a district-wide budget. If a charter school closes during the five-year cycle, the E-rate equipment can be redistributed to a different site(s) without complication. Likely, and in our partner's experience in California, when a charter closes the students will remain in the umbrella school district. If a charter is independent of a district, then it makes sense that the charter applies as a school or form a consortium with other independent charters.

One issue we believe needs to be addressed under a district-wide budget is that schools which qualify for the floor be allocated that floor within the total district budget to not negatively impact districts with small schools. An example:

High School Enrollment: 30

Middle School: 20

Elementary Enrollment: 100

Under a district-wide enrollment using strictly student count, the C2 budget would be: $22,500 (150 x $150).

Under a district wide enrollment which maintains the floor at small sites, the C2 budget would be $33,400. (100 x $150 + $9200 + $9200).

Maintaining the floor for districts with small sites allows them to properly equip all their sites which would be difficult using only district enrollment.

6. We support the presumption that student counts verified in one of the last four funding years are still accurate for the purpose of Category 2 budgets, absent an effort by the applicant to increase student count.

7. We support the change in rounding the inflation factor to two decimal places.

8. We recommend that rather than filing a Form 500 to return unused C2 funds to the district budget, that funds are not removed from the C2 budgets until they are paid out by USAC. This process makes logical sense and C2 budgets will accurately reflect expenditures by the applicants and USAC.

9. We agree with the difficulty of not knowing what the inflation factor is at time of application and support the implementation of a one-time inflation factor IF the per student budget is increased. If the budget is not increased, then those few dollars make a difference (i.e. they can pay for a switch or a few WAPs) and should be continued with a fixed inflation factor such as $10 per student so that applicants can accurately plan expenditures.

10. We support the continued eligibility of Internal Connections, MIBS, and BM and recommend that they are all considered as part of internal connections rather than differentiating them as three different services. Currently, when requesting funding for equipment with separate licenses, sometimes these licenses are considered IC and other times they are BM. If the applicant chooses a piece of equipment with a necessary license that is considered BM but did not apply for BM on the Form 470, then the funding cannot be requested on the Form 471. If the applicant knew to request BM (in order to cover all the bases regarding equipment that may need licenses), then the BM can be listed on the Form 471 as a separate FRN. This adds to the burden of completing the Form 471, issuing purchase orders, invoicing, meeting document retention requirements, all for a $75 license that is required to operate a wireless access point.

11. We support internet access on school buses, including C2 equipment and services necessary for deployment of this access. This would be similar to the rules regarding mobile bookmobiles. Some students in rural districts ride the bus for hours a day in addition to having long bus trips for athletics, band, debate and other educational activities.

12. We support making NIF's eligible for C2.   If NIF's are part of a school, then they serve an educational purpose. Cost allocating NIF's based on shared equipment unnecessarily complicated: We have an applicant with a NIF computer center with 5 employees working in it. All equipment is considered shared by school budgets so allocated by school, and then cost-allocate for the 5 employees that are inside the building. This is excessively complicated and would be alleviated by allocating budgets by district and making NIF's eligible for C2.

We thank you for the opportunity to provide comments and applaud your continuation of the E-Rate C2 program and your goal of connectivity for students and library patrons.

Sincerely,

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