**Comments Regarding Notice of Proposed Rulemaking**

**Modernizing the E-Rate Program for Schools and Libraries**

**WC Docket No. 13-184**

After serving as the E-rate Manager for the Beaufort County School District (District) in Beaufort County, South Carolina since August 2006, I offer the following comments:

1. The Commission should continue the approach for Category Two adopted by the Commission in 2014.

The approach for Category Two adopted by the Commission in 2014 and tested from funding year 2015 to funding year 2019 has enabled the District to upgrade access to broadband connections, both wired and wireless, for its approximately 22,000 students. The increased and more reliable program support for the purchase and installation of network electronics and wireless access points and supporting equipment has allowed the District to better plan upgrades to its existing technology infrastructure as well as pursue new broadband initiatives.

1. The Commission should reinstate program support for telecommunications services, even if only on a limited basis.

The elimination of Category One program support for telecommunications services through a phase-down process has caused a strain on the District’s overall technology budget. Because the District formerly received program support for monthly expenditures of approximately $18K to $20K for telecommunications services (at a Discount Rate of 80%); and because telecommunications services are still very much a necessity for the day-to-day operation of the education enterprise; the District must locate and take those funds from other areas. The more reliable support for Category Two equipment and services has only partially relieved the budget strain caused by the discontinuation of program support for telecommunications services.

1. The Commission should continue the annual calculation of each applicant’s Category Two budgets on a per student basis; however, the Commission should increase the annual per student budget to $50 or $60.

The establishment of pre-discount budgets of $150 per student per eligible site over five funding years, *i.e.* $30 per student per year, allowed the District to complete a partial district-wide refresh of its network electronics, *e.g.* switches, and a partial upgrade of its wireless network. The District has also purchased with partial program support basic maintenance on eligible network and wireless equipment. The budgets were not sufficient, however, to upgrade the District’s entire network and wireless systems or to purchase other much needed infrastructure, *e.g.* upgraded broadband cabling. To date, the District has been fortunate to be able to find funding for some of the budget deficiencies through other sources, but the process is slow and rarely completely sufficient in a growing school district. The District may not completely exhaust a school site’s budget; however, the reason is not necessarily due to all needs being met at the school. As discussed below, the application process discourages full utilization of a site’s budget. In addition, even if a specific site has satisfied its needs without exhausting its budget, other sites within the District which could use those “leftover” funds for their unmet needs are not permitted access to those funds due to current program rules.

1. The Commission should address the issues discussed below by allowing applicants to 1) calculate budgets annually on a district/library system-wide basis; 2) apply for funding on a per project basis regardless of the budget cap; and 3) have the budget cap applied during Program Integrity Assurance (PIA) review, not prior to filing funding requests.

The establishment of per site budgets and then using those budgets as the controlling factor of eligible Category Two projects has caused several problems. First, per site budgets prevent the District from allocating program resources where they may be most effective. These decisions are best made locally. For example, more eligible work may be required at one site than another causing a project to be reduced or cancelled due to the budget cap at the first site while available budget may go unused at the second. District-wide budgets could reduce or eliminate that issue.

Second, using budgets, site or district-wide, as the controlling factor of eligible projects adds complications to the project before it starts. For example, if the project cost is quoted to be $10,000.00 and the pre-discount budget is only $8,000.00, under the current application process the District must reduce the project scope in its funding application to no more than $8,000.00. Having to reduce line items from a funding request can be complicated and time consuming and should be unnecessary. Depending on resources available to the District from outside the program the District may or may not proceed with the entire $10,000.00 project. If the District reduces the project scope to $8,000.00, the true need is not fully addressed, and the Commission is unaware of the true need. If the District provides the additional $2,000.00 from other sources, the Commission’s data will also be understated, and as noted, it will remain unaware of the true need for broadband infrastructure.

Applying the budget cap during PIA review allows the $10,000.00 project to remain a $10,000.00 project, and the Commission collects more accurate data on need, but the project is still only funded to the $8,000.00 pre-discount budget cap.

In an ideal and simpler world, all the eligible projects (access points, switches, cabling, etc.) could be included on one application and the budget cap applied to the total application rather than on a per line item basis.

1. The Commission should allow for full funding support of multi-year maintenance agreements on eligible equipment in the funding year in which the agreements are made between the applicant and the service provider.

Another issue the Commission could address in the spirit of E-rate program simplification is the use of multi-year maintenance agreements on eligible equipment. Vendors offer significant discounts on multi-year agreements versus annual agreements. The District, to wisely use and to conserve scarce resources, purchases multi-year maintenance agreements on eligible equipment. Purchase of multi-year maintenance agreements also ultimately conserves and stretches program funds.

Current program rules require the District to apply annually for only a twelve-month portion of the multi-year agreement, and it must reapply each succeeding year during the term of the agreement when the Category Two budget allows. This requires the District to prepare new, essentially duplicate funding requests each year using the same documentation, and it requires essentially duplicate PIA review each year. Applicant and PIA staff time and resources would be better allocated by this process simplification.

1. The Commission should transition to rolling five-year budget cycles. The Commission should accomplish this by either instituting a complete reset of the five-year budget cycle for all applicants beginning with Funding Year 2020, or by assuming the five-year rolling budget cycle was, and has been, in effect beginning in Funding Year 2015 and continue forward with it as envisioned.

Either of the two transition methods described above would impose much needed certainty on the program. A complete reset may seem unfair to or even hurt some applicants, but those applicants have had five years to apply for funding. Those applicants would have the opportunity going forward to plan for and use their new, reset budgets, and there would be no incentive for those applicants to over apply for funding in a transition year just to use unused budget dollars. The Commission never promised more than five years of Category Two funding. Likewise, those applicants which over the past five funding years did apply for and receive funding for either some or their entire budget cap will still be able to plan with certainly since they can easily calculate the funds potentially available to them.

The other options mentioned in the Notice of Proposed Rulemaking, *e.g.* the “smoothing” approach, extending the initial budget cycle to a sixth year, and an additional filing window for Funding Year 2020, add additional levels of complexity to a program that is already too complex, or they financially hurt the applicants who adhered to the rules implemented in Funding Year 2015.

Thank you for the opportunity to address these isssues,