August 16, 2019

Commission’s Secretary

Office of the Secretary

Federal Communications Commission

445 12th Street, SW

Washington, DC 20554

Re: WC Docket No. 13-184; FCC 19-58

Dear Sir or Madam:

The Kentucky Department of Education (KDE) is submitting comments in regard to the Federal Communication Commission’s (FCC’s or the Commission’s) proposed rulemaking on the Universal Service Fund (USF), as published in the Federal Register on July 17, 2019. KDE represents 172 K-12 school districts, made up of 1,789 E-Rate eligible schools and facilities. Kentucky schools have participated in the effective and efficient use of the E-Rate program since the beginning of the program in 1996. We value the vital benefits the program has brought to Kentucky schools throughout the years in assisting with all aspects of connecting students to on-line instructional resources and tools. This access has definitely impacted students and learning in Kentucky, as well as across the nation. KDE also participates in multiple national organizations which advocate for the value of the E-Rate program. These include; the Council of Chief State School Officers, the State Education Technology Directors Association, the International Society for Technology in Education, and the State E-Rate Coordinators Alliance.

In the NPRM the FCC seeks comment on the following;

* making the Category Two (C2) budget approach permanent for all applicants
  + Kentucky supports making permanent the category two budget approach for all applicants with some modifications. (details below)
* ways to improve the C2 budget approach
  + Kentucky recommends modifying the per pupil multiplier to be scalable based on the size of the school district/entity (details below)
  + Kentucky supports the implementation of a limit of two decimal places in the multiplier to assist applicants in determining their budgets
* moving from a per-school to a per-district approach to the budget and funding allocations
  + Kentucky supports moving to a per-district budget (details below)
* how best to transition from the five-year test period to a permanent extension of this approach
  + Kentucky supports a fixed 5 year budget window for all applicants, beginning 2020 to 2024 (details below)
  + Kentucky supports eliminating the requirement of a Form 500 to transfer equipment within the district. This is based on the adoption of a district, instead of school, C2 budget approach. (details below)
  + Kentucky supports the addition of C2 services which are essential to the operation of efficient, effective, and secure network & Internet connectivity (details below)

In this Notice of Proposed Rulemaking (NPRM) the Commission proposes to make permanent the category two (C2) budget approach for all applicants; proposesand seeks comment on ways to improve the C2 budget approach; and seeks commenton how best to transition from the five-year test period to a permanent extension of this approach. KDE supports making permanent the category two budget approach for all applicants with some modifications. The C2 budget approach has been successful in distributing C2 funding to more applicants. Prior to modernization well more than half of Kentucky applicants were ineligible for (then) Priority Two funds. The C2 budget approach has provided a baseline level of funding for all KY applicants, providing an unprecedented level of equity within the program. As a result, all Kentucky K-12 public schools have benefitted from the C2 approach.

In paragraph 19, the FCC proposes maintaining the existing budget multipliers for calculating C2 budgets. Although the current C2 approach has provided expanded equity for applicants, Kentucky recommends a scalable multiplier. While it is known that not all applicants were able to utilize the entirety of their budgets, this should not be construed as evidence that the current multiplier provides an appropriate budget amount for the needs of different size applicants. Simply put, the cost per student for certain technologies, specially networking and infrastructure items, is higher at a smaller applicant locations with fewer students.

The Commission seeks comment on moving from a per-school to a per-district approach to fund allocations in paragraph 24. Kentucky supports a per-district approach, or at minimum the option to manage a budget and funding allocation at a district level. Some schools were unable to utilize their full budget allocations because of the inability in flexibility to shift funds from entities that had a budget surplus to those that had exhausted their budget but were unable to fully meet their needs. Kentucky supports allowing districts to make their own determination regarding which of their entities within the district have the greatest need and we support providing districts with the flexibility to address those most pressing needs using E-rate funds.

Beginning in paragraph 33 the Commission addresses the current 5-year “rolling” budgets and asks if a 5-year fixed budget should be adopted for all applicants, and if so, how to make the transition. Kentucky supports transitioning to a budget cycle which is the same for all applicants. A good deal of confusion has existed around the current approach to administering C2 budgets, much of which has focused around budget timelines. A simplified, fixed timeframe for budget expenditure for all applicants will alleviate much of the confusion. KDE supports having a fixed 5-year window in which C2 budgets are expended and supports beginning this approach in Funding Year 2020. Applicants should be able to apply for the funds at any time during the 5-year period. In FY 2025 the budget should be reset again. This process will greatly simplify the administration of budgets for both applicants and the administrator.

The Commission goes on to seek comment on equipment transfer rules. Under a district-wide C2 budget approach, Kentucky supports eliminating the requirement of a Form 500 to transfer equipment within the district. Applicants under this approach should maintain their own records regarding the installation location of E-rate supported equipment.

The question of whether there are additional services which should be made eligible under C2 is raised in paragraph 18. Kentucky supports the addition of services which are central to the operation of an efficient and secure network. Functions which are central to the operation of the network should be given strong consideration. These services, such as caching, advanced firewall features, anti-intrusion, and DDOS prevention and mitigation are critical to the efficient operation of any network, and therefore should be considered as vitally important. Additionally, content filtering, currently ineligible, remains an unfunded mandate. Kentucky strongly urges the Commission to make eligible each of these services to ensure that K-12 networks are operating efficiently and secure.

The federal E-Rate program is essential to the Kentucky K-12 education technology funding for school districts. Kentucky has been a leader in maximizing E-Rate funding per student to address the digital divide. It is imperative for all schools to have the continued ability to leverage and count on the E-Rate program. The items recommended and supported by Kentucky help to ensure this will occur most effectively.

Thank You,

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