Before the Federal Communications Commission

Washington, D.C. 20554

In the Matter of	)
Modernizing the E-Rate Program for Schools	) WC Docket No. 13-184
And Libraries	)

Comments of the Education & Libraries Networks Coalition (EdLiNC)

I.   INTRODUCTION

The Education and Library Networks Coalition (EdLiNC) [1], comprised of the leading public and private education associations and the American Library Association, was formed in 1995 to advocate for the interests of schools and libraries in the Telecommunications Act of 1996. EdLiNC submits these comments in response to the Federal Communications Commission's (Commission's) Notice of Proposed Rulemaking on continuing the "Category Two" budget approach that provides a set amount of funding to support internal connections, implemented as part of the E-rate modernization of 2014. Since the enactment of the E-rate as part of the Telecommunications Act of 1996, EdLiNC has pursued a mission of promoting and improving the E-Rate to fulfill its mission of accelerating the deployment of advanced telecommunications and information services in schools and libraries, and has filed in every Commission rulemaking related to the program.

EdLiNC believes the E-rate program has been and continues to be extremely successful in fulfilling its mission to connect America's schools and public libraries to broadband, which has improved the education and lives of millions of children, educators, and library patrons. Since its authorization as part of the Telecommunications Act of 1996 [2] and its first funding wave in 1998, the E-Rate program has focused on connecting to the Internet all public and private K-12

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[1] See Appendix A for complete list of EdLiNC members.
[2] Telecommunications Act of 1996, Section 254 (h).

schools and all public libraries. Over the last two decades, E-rate has committed approximately $49 billion to applicants and helped raise the public school classroom connectivity rate from 14% in 1998 to nearly 100% today. Before the enactment of the Telecommunications Act of 1996, about 20% of libraries had public internet access while nearly 100% have access today. Private schools also now enjoy near universal Internet connectivity. The E-rate is essential to ensuring schools and libraries, particularly those in low-income, rural or remote areas, have the same access and opportunity afforded by broadband to support teaching and learning and democratic engagement in this 21st century global economy.

The Commission modernized the program in 2014, refocusing funding on ensuring adequate bandwidth within every classroom and library and establishing short-term and long-term bandwidth goals. Since the Commission's adoption of the E-rate modernization orders, E-rate's beneficiaries have moved quickly to meet the Commission's short-term bandwidth goals of 100 Mbps/1000 students and many have made significant inroads into achieving the longer term goal of 1 Gbps/1000 students. According to EducationSuperhighway, the percentage of classrooms meeting the initial bandwidth target grew from 30% in 2013 – the year before modernization – to 98% in 2018.[3] Additionally, CoSN's 2018-2019 Annual Infrastructure Report found that over one-third of school district respondents had met the long-term bandwidth target.[4]

As reflected in our comments below, EdLiNC believes: 1) the Commission should continue with the current formula for Category Two funding to support internal connections; 2) the pre-discount Category Two budget costs of up to $150 per-pupil formula, as well as $2.45/non-urban or $5.32/urban per square foot library formulas, are inadequate and need to be increased; 3) rural and small schools and public libraries should have their Category Two funding floor increased to ensure that they, too, are able to provide sufficient Wi-Fi to their students and library patrons; 4) establish a common fixed five-year budget cycle for Category Two applicants; and, 5) transition to Category Two district-wide and library system-wide

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[3] State of the States Report, Education Superhighway
[4] CoSN's 2018-19 Annual Infrastructure Report, p. 4.

budgets, while allowing independent and private schools to continue with school-level applications and budgets.

I. CONTINUE WITH CURRENT FORMULA APPROACH FOR CATEGORY TWO

Following adoption of the *2014 Second E-Rate Order*, the Commission established a five-year test period, for funding years 2015 to 2019, to help determine if the Category Two budget approach was an effective means to ensure greater access to E-rate discounts for internal connections. EdLiNC believes that the $1.5 billion annual increase to the E-rate funding cap starting in 2015 was critical to ensuring the availability of funds for E-rate applicants and addressing pent up demand to upgrade internal connections to support Wi-Fi.

However, since 2015 E-rate beneficiaries have had to adjust to: the program's new broadband and Wi-Fi focus; the termination of support for key services such as voice, web hosting and email; the new Category One application process for self-provisioning fiber lateral construction; new bandwidth goals; and, perhaps most significantly, new Category Two formulas to allocate funding for Wi-Fi and internal connections. In short, the E-rate beneficiary community desires stability in the program and EdLiNC believes that significant changes to the program at this time, including reversion to the 2-in-5 rule, would create confusion and have a deleterious effect on program participation. For all of these reasons, we support the continuation of the Category Two formula approach for the time being.

EdLiNC must also note that the entire E-rate community is dependent upon independent surveys conducted by consultants and other organizations to help inform its recommendations at this time.[5] Absent more granular E-rate program data from the Commission or Universal Service Administrative Company (USAC) upon which to make more targeted investments, EdLiNC must found its decision to support maintaining the Category Two formula system on unofficial data. Given the awesome role of the E-rate program in helping students and library patrons connect to the internet in our schools and public libraries across the country, we

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[5] EdLiNC appreciates the surveys conducted and reports provided by CoSN, Funds for Learning and EducationSuperhighway.

recommend that the Commission and USAC prioritize more useful data collection to better inform such policy determinations in the future.

II. PRE-DISCOUNT BUDGET DISCOUNTS UP TO $150 PER-PUPIL AND $2.45/NON-URBAN OR $5.32/URBAN PER SQUARE FOOT LIBRARY FORMULAS ARE INADEQUATE

In response to the Commission seeking comment on potential modifications to the Category Two budget approach to speed deployment of Wi-Fi in schools and libraries across the country, EdLiNC believes the that the pre-discount set budget amount of up to $150 per-pupil and $2.45 for non-urban or $5.32 for urban locales per square foot library formulas are inadequate. Schools, as well as libraries, anticipate increased demand for broadband capacity and upgrading or replacing internal connections to support Wi-Fi. As schools, school districts and libraries integrate more digital resources, it will only continue to drive increased demand for bandwidth and internal connections to serve multi-tenet, multi-device environs.

EdLiNC recommends that the per-pupil formula allocation and per square foot allocations for libraries be increased to be more in line with the actual costs E-rate participants report to maintain and upgrade internal connections. EdLiNC is concerned that the current pre-discount $150 per-pupil formula and the current per square foot formulas for libraries for Category Two internal connections is insufficient; resulting in suppressing demand for E-rate funds. A recent FY2019 survey of E-rate applicants found that the per-pupil budget fell short of what schools needed for Category Two as 49 percent of school respondents indicated that the budget should be set at $250 per student. An additional 28 percent of respondents indicated that they would need a budget set at $350 per student to fulfill their Category Two needs – with 18 percent of respondents suggesting $350 per-pupil and an additional 10 percent seeking a budget of more than $350/ per-pupil.[6]

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[6] 2019 E-rate Trends Report, Funds for Learning, p. 22. Available online at
https://fundsforlearning.app.box.com/v/2019ErateTrends

EdLiNC believes that the pre-discount $150 per-pupil and $2.45/$5.32 per square foot library formulas are insufficient to cover the costs of many schools and libraries' projects to improve internal connections and the construction costs associated, as costs vary greatly by locale (rural, urban, etc.). Additionally, Category Two costs vary widely, largely due to labor costs, which the current formula does not take into account. As a result, there is concern that the current per-pupil formula and per square foot library formulas for Category Two are too low and helps explain, in part, demand for the E-rate not being closer to the cap.[7] Currently, there is sufficient room under the $4 billion E-rate cap to raise the per-pupil and per square foot allocations to ensure sufficient funding to provide schools and libraries the discounts needed to upgrade internal connections.

III.   CATEGORY TWO FUNDING FLOOR IS INADEQUATE FOR SMALL AND RURAL APPLICANTS

The current Category Two pre-discount formula of $150 per-pupil for schools or $2.45 or $5.32 per square foot for libraries, depending on location, is reportedly inadequate to address internal connections needs. In addition, the Commission-adopted funding floor of $9,200 over five funding years for schools with low student counts and small libraries is insufficient.

Open-ended responses to Funds for Learning's 2019 survey of E-rate applicants provide snapshots of the challenges the Category Two formula presents for small and rural applicants. [8]

- Being a small rural district, we would like to see an increase in Cat 2 funding…Replacing server, switches and Access Points can be very expensive and the current $150 per student is not enough to cover [costs]. If this could be increased, we could replace and update this equipment every 5 years.
- Currently the cost per student that is eligible hurts small rural communities when it comes to internal connections.

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[7] The American Library Association, a member of EdLiNC, has filed in this proceeding noting that libraries have reported that the current inflation adjusted amounts of $2.45 non-urban/$5.32 urban are not adequate to meet their needs and have requested the formulas be increased to $3.00 and $6.00, respectively. ALA comments available online:
https://ecfsapi.fcc.gov/file/10816028233870/ALA%20Category%20Two%20comments%2008162019.pdf.
[8] 2019 E-rate Trends Report, Funds for Learning, pgs. 36-58.

- I represent more than 90 rural districts…. Most have fewer than 500 students K-12. 125 students x $156 is roughly $18,500 – that will hardly buy district switches and access points!
- Small and tiny school districts should have the Cat2 Budget floor increased. Currently a tiny district of less than 1000 students is unable to sufficiently fund all of the enterprise services required.
- The FCC has established a program that penalizes small rural public schools and private schools with declining enrollments. The FCC does not understand that the square footage of the building(s) does not decrease when student enrollment decreases thus schools with declining enrollment are penalized with their C2 budgets.
- When C2 was changed to a dollar per student [formula], it killed our ability to update our internal network and our ability to be proactive in [addressing] our aging internal network. We are a very small rural, low-income school with very little funds.

The Notice itself suggests that the limited availability of funding dissuaded numerous schools and libraries from participating in Category Two at all. Indeed, Funds for Learning's recent ex parte filing with the Commission appears to buttress that claim. The ex parte shows that 41.3% of very small schools, those with enrollments of 61 pupils or less, used none of their available funds.[9] This figure is well in excess of the national average of schools not applying – 13.5%. Additionally, 2,355 very small rural libraries (less than 400 square feet) and 960 small rural libraries (between 4000 and 9000 square feet) failed to apply for Category Two support in the last five years.[10] Funds for Learning found further that rural states like West Virginia and Maine, home to the Senators who originated the E-rate program, had extremely low Category Two participation rates for its schools compared to their more populous counterparts. In West Virginia, 47 percent of schools received no Category Two funds while 48 percent of Maine's schools also went without Category Two support over the last five years. Those percentages are more than double New York's and California's zero Category Two school participation rates.[11]

EdLiNC strongly supports maintaining a Category Two funding floor for applicants serving small numbers of students and small libraries. The anecdotal evidence from survey applicants helps elucidate the insufficiency of the existing funding floor formula. EdLiNC recommends the Commission increase the Category Two funding floor to ensure it sufficiently addresses the

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[9] Ibid, p. 12.
[10] Ibid, p. 19.
[11] Ibid, p. 26.

unique challenges to rural and small schools and libraries presented by the per-pupil/per square foot formulas so that, they too, are able to support and upgrade internal connections.

IV.   ESTABLISH A FIXED FIVE-YEAR BUDGET CYCLE

EdLiNC supports establishing a common fixed five-year budget cycle for Category Two funding, replacing the current applicant-specific (rolling) budget cycle. Administrative burden and confusion among applicants would essentially be eliminated by moving to a fixed five-year budget, starting with funding year 2020 through 2024. EdLiNC also notes an additional benefit to a fixed budget cycle is the added ease in tracking Category Two funding allocations expended.

V.   TRANSITION TO DISTRICT-WIDE AND LIBRARY-SYSTEM-WIDE BUDGETS

EdLiNC generally supports, with one important caveat, the transition to using district-wide and library-system wide budgets from the current practice of per-school budgeting for administering the E-rate program. EdLiNC believes the shift to district-wide and library system-wide budgets will be beneficial, as it will help reduce administrative complexity and provide applicants the flexibility to determine how and where Category Two funds are allocated.

However, EdLiNC feels strongly that private and independent schools should be able to continue to file as individual schools and retain independent budgets. This important stipulation must be made to accommodate these schools that do not fit the school district model. EdLiNC does not support a transition to district-wide budgets that would result in adversely impacting private and independent schools.

CONCLUSION

The E-rate program has been and continues to be extremely successful in it fulfilling is mission of connecting American's schools and public libraries to broadband, which has improved the education and lives of millions of students, educators and library patrons. EdLiNC urges the Commission to continue with the current formula system for Category Two funding to support

internal connections. EdLiNC believes the pre-discount costs of up to $150 per-pupil and $2.45 or $5.32 per square foot for libraries are inadequate and should be increased, and finally, small and rural schools and public libraries should have their funding floor increased to ensure they, too, are able to meet the Wi-Fi needs of their students and library patrons.

Appendix A

EdLiNC Member Organizations

> **AASA: The School Superintendents Association (AASA)**
> **American Federation of Teachers (AFT)**
> **American Library Association (ALA)**
> **Association of Educational Service Agencies (AESA)**
> **Association of Latino Administrators and Superintendents (ALAS)**
> **Association of School Business Officials International (ASBO)**
> **Consortium for School Networking (CoSN)**
> **Council of Chief State School Officers (CCSSO)**
> **International Society for Technology in Education (ISTE)**
> **National Association of Elementary School Principals (NAESP)**
> **National Association of Independent Schools (NAIS)**
> **National Association of Secondary School Principals (NASSP)**
> **National Association of State Boards of Education (NASBE)**
> **National Catholic Educational Association (NCEA)**
> **National Education Association (NEA)**
> **National PTA (PTA)**
> **National Rural Education Association (NREA)**
> **National Rural Education Advocacy Coalition (NREAC)**
> **National School Boards Association (NSBA)**
> **State Educational Technology Directors Association (SETDA)**
> **United States Conference of Catholic Bishops (USCCB)**