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Santa Maria-Bonita School District

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Superintendent

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March 2, 1999

Ms. Magalie R. Salas, Secretary
Office of the Secretary
Federal Communications Commission
445 12 Street, S. W.
TW-A325
Washington, DC 20554

Subject: **Request for waiver of FCC rules governing the expenditure of funds from the Schools and Libraries Discount Program established by Order of the Federal Communications Commission May 8, 1997 and modified through additional orders of the FCC (CC Docket No. 96-45)**

Dear Ms. Salas:

The Federal Communications Commission Order of May 8, 1997 (CC Docket No. 96-45), established guidelines for implementing the sections of the Federal Telecommunications Act of 1996 that provided for a "... specific, predictable and sufficient ..." mechanism to help school districts fund the installation and use of connections to advanced telecommunications technologies. Those guidelines set up a calendar year funding process running from January 1 each year through December 31 of the same year. The guidelines also established a date of the applications being available as of July 1 of the year preceding the funding year. Funding was to be awarded on a first-come first-served basis, with priority to be given to the neediest schools first.

However, due to the complexity of designing the application forms and setting up the mechanism to process those applications, it was not possible for schools and libraries to submit applications for calendar year 1998 funding until the end of January 1998. The funding process was further delayed as the Schools and Libraries Corporation, now the Schools and Libraries Division (SLD), established a 75-day window in which all applications would be treated as being first. The window of time allowed over 30,000 applications to be filed. Funding notification was delayed repeatedly as the SLD worked out the process to review and approve the funding request and comply with the wishes of Congress concerning the process and the funding priorities. Dates for funding notification were repeatedly changed to dates later in the year.

In June of 1998, the Federal Communications Commission made changes to the Universal Service Fund for the Schools and Libraries Discount Program. First, the 1998 program year was extended six months, creating a new ending date of June 30, 1999. Second, new funding priorities were established which provided funding for all requests for eligible telecommunications services, regardless of the discount percentage. This second change affected the amount of funding that would be available to the neediest schools and libraries and delayed decisions on funding requests for

SMBSD, Request for Wavier of rules governing expenditure of Universal Services, School and Libraries Discount funds.

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internal connections. Notification of funding for applicants who filed applications with multiple discount percentages was further delayed when the SLD decided to provide only one funding letter per application. This delayed notification on those applications until it was determined if the lowest discount percentages could be funded. Applicants notified in Wave 10 actually have 96 fewer days to complete their projects after notification than do those applicants notified in Wave 1. (See Attachment)

The delays in funding commitment decisions and notification gives Santa Maria-Bonita School District 78 fewer days to complete our funded project. The project involves the installation of the internal connections required to connect over 400 classrooms to advanced telecommunications technologies, including the Information Super Highway. The project was developed in good faith that the district would have a full twelve months to complete the project. It now appears that the district, after waiting twelve months for funding, has only a little over four months to complete the project.

The district is aware of the *ex parte Presentation of the Council of Chief State Officers (filed February 2, 1999)* and the request to extend the end date for the delivery of service as currently established. The district is further aware of the *ex parte Presentation of the Universal Service Administration (USAC, filed February 8, 1999)*, which recommends the establishment of a "grace period" from July 1, 1999 to September 30, 1999. The district is also aware of the letter sent to FCC Chairman William E. Kennard from the Honorable Bill Pascrell, Jr., member of the House of Representatives, signed by Representative Pascrell and 18 other members of the House, in support of the September 30, 1999 date.

Two arguments presented in the *ex parte* presentation of USAC and the letter from the members of Congress are: First, "Installation of Internal Connections is a disruptive process and schools need the summer months to be able to complete their projects without affecting the quality of children's education." Second, "Completing the construction at night is not a viable option because this work costs more. . ." While both of these statements are true for a majority of schools, they **do not** apply to Santa Maria-Bonita School District. The district operates on a four track Year Round Schedule. Our summer break consists of one week between school years. Students attend our schools 245 days a year. This means with the exception of Winter Recess, the one week between school years and state and federal holidays, school is always in session. We have no options; we **must** complete our project during the nighttime hours.

While the district will make every effort to complete our project by the date established by the FCC guidelines, it seems certain that we will complete only a small part if the deadline remains June 30, 1999. It is also very unlikely that the project can be completed by the September 30, 1999 date if the "grace period" is granted as requested by USAC.

To change the scope of the project at this time will place an undue financial burden on the district and the service providers that will be involved in completing the project. Plans and specifications will have to be redrawn and rewritten, the district would need to renegotiate the contract, already a year old, as the providers built their price on the entire project, not just part of it. This process would cost the district additional consultant and other fees.

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In consideration of the above, the Santa Maria-Bonita School District is requesting a wavier of the limitation that all funds approved for our project for the 1998 funding year be spent by June 30, 1999 (or September 30, 1999 if the "grace period" is adopted). The district requests that we be given additional time to complete the project. While the district supports the request to extend the deadline to September 30, 1999, this still means that entities given funding commitments in Wave 1 have up to 96 **more** days to complete their projects than those who were notified in Wave 10. Santa Maria-Bonita School District believes that all applicants should have the same amount of time to complete their projects regardless of the date they were notified of funding commitments. Based on the date that funding commitments were posted on the SLD website this would mean that Santa Maria-Bonita School District would have until December 17, 1999 to complete its project (Wave 8). This is based on the assumption that the September 30, 1999 date requested by USAC and members of Congress will be approved by the FCC. This time period would give the district 312 days to complete their one-year project. (See Attachment) The district would not submit any additional 470 and 471 forms for the funded portions of the project during the July 1, 1999- June 30, 2000 funding year. The intention is that the district have a guarantee that the approved funding will be available over the 312-day period or until the installation of the infrastructure is completed, whichever occurs first.

The city of Santa Maria is a low socio-economic community. The project has been awarded to local contractors and will result in a major boost to the local economy. The students of the Santa Maria-Bonita School District are among the poorest. Eleven of the fourteen schools in the district are in the highest funding priority, qualifying for 90% discounts under the program. Two other schools qualify at the 80% level. The district average is 86%. Less than 20% of our students have access to advanced telecommunications and/or the Internet at home. Completion of the proposed project is the only way most of our 10,500 students will ever be able to enjoy the benefits of the new technologies.

The proposed project can not be completed without funding from the Universal Services' School and Libraries Discount Program. Requiring the district to resubmit part of its application for funding in the 1999-2000 funding year will delay the project, add additional cost to the project and require the project to be rebid. This means that the district probably could not complete the new bidding process in time to be in the "window" for the 1999-2000 year. This will further delay the benefits that advanced telecommunications can bring to the students of the district.

The Santa Maria-Bonita School District respectfully requests that the FCC consider this Request of Wavier of the rules governing the expenditure of approved 1998 funding to allow the district to have until December 17, 1999 to complete the project. For the sake of this district and all others, we would greatly appreciate a response that will allow us to complete any new Form 471 applications before the current application window closes on April 6, 1999.

Sincerely,


GAIL M. TISSIER, Ed.D
SUPERINTENDENT

Attachments

SMBSD, Request for Wavier of rules governing expenditure of Universal Services, School and Libraries Discount funds.

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cc: The Honorable Lois Capps, House of Representatives
 Mr. Jamie Davis, Special Assistant to FCC Chairman William E. Kennard
 Ms. Irene Flannery, Chief of Accounting Policy Division, FCC
 Ms. Kate Moore, President, Schools and Libraries Division, USAC
 Ms. Mickey Revenaugh, Vice President, Schools and Libraries Division, USAC

SMBSD, Request for Wavier of rules governing expenditure of Universal Services, School and Libraries
Discount funds.

Attachment
 Santa Maria-Bonita School District
 Request for Waiver of Rules governing expenditure of 1998 E-RATE funds

The Chart below shows the differences in the number of days that each wave of funding commitments had to complete their project after the commitments were posted on the SLD website, assuming the "grace period as proposed by the School and Libraries Division of USAC is approved by the FCC. It will be noted that Santa Maria-Bonita School District was notified in Wave 8 and has only 234 days before the September 30, 1999 date, instead of the 312 days that Wave 1 recipients have. Santa Maria-Bonita School District would need an additional 78 days to have the same number of days as Wave 1 recipients. This would result in a December 17, 1999 date for completion.

Wave Number	Date Posted on Web Site	Days to 09/30/1999	Days needed to Match Wave #1	New Date for Completion if Waiver is granted.
1	11/23/98	312	N/A	N/A
2	12/08/98	297	15	10/15/99
3	12/23/98	282	30	10/20/99
4	12/30/98	275	37	11/606/99
4b	01/12/99	262	50	11/19/99
5	01/19/99	255	57	11/26/99
6	01/26/99	248	64	12/03/99
7	02/01/99	242	70	12/09/99
8 (SMBSD)	02//09/99	234	78	12/17/99
9	02/20/99	223	89	12/28/99
10	02/27/99	216	96	01/04/2000

Granting the waiver would provide the same number of days after funding commitments were posted on the SLD wed site.