Illinois State Board of Education

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Before the

Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Request for Extension of Non-Recurring, Internal Connections Products and Services in Funding Year 3 by the Illinois State Board of Education	)	

May 2, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12 St. SW
Washington DC 20554

SUBJECT: EXTENSION OF DEADLINE FOR USE OF FUNDS IN PROGRAM YEAR 3: UNIVERSAL SERVICE "E-RATE" PROGRAM – (CC DOCKET NO. 96-45)

Dear Ms. Salas:

This letter and Petition from the Illinois State Board of Education (ISBE) asks the Federal Communications Commission to extend the date for use of the Internal Connections monies from the current deadline of June 30, 2001, to September 30, 2001, in order that the schools and libraries are able to take full advantage of the funding commitments in Program Year 3. The Illinois State Board of Education files this Petition on behalf of schools and districts across the State of Illinois, but would recommend that the desired relief be offered to all program participants, as the issues cited below are true for many schools and districts across the United States and other program-eligible territories.

On behalf of Illinois students, the Illinois State Board of Education (ISBE) would like to heartily applaud the efforts of the Federal Communications Commission (FCC), and the Schools and Libraries Division

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(SLD) of the Universal Service Administration Corporation (USAC) for their tireless work in implementing the Universal Service for Schools and Libraries or "E-Rate" program. The E-Rate has been a major boost for schools all across Illinois. As a result, the State's schools are implementing focused technology plans aimed at improving teaching and learning.

Schools and libraries across the State of Illinois have been the beneficiaries of just over $358 million in funding commitments in the first three years of the program. These monies, used in coordination with State funds and the statewide Illinois Century Network (ICN), have made it much easier for schools and libraries all across Illinois to gain high-speed connectivity to the Internet. Moreover, E-Rate has made it much easier for the ISBE to focus State dollars on important professional development efforts so that Illinois teachers are better able to use learning technologies to improve teaching and learning. In sum, the Commission's leadership with the E-Rate has been exemplary.

With all its important successes, the program has also suffered some setbacks that affect its effectiveness. One of these is the timing of the funding commitments and their impact on the ability of schools to carry through internal connections projects within the funding year. This petition seeks to help address this concern.

Rationale

The Telecommunications Act of 1996 – and the FCC's Rulemaking in Docket 96-45 therein – clearly see the value of internal connections in assuring that schools and libraries have access to advanced telecommunications and information services. In paragraph 473 of its decision, the Commission states, in part:

> We find that the applicable statutory provisions and the legislative history evidence that Congress gave the Commission the discretion to provide support to allow schools and libraries to obtain these internal connections at a discount. We also find that Congress recognized that such connections are a critical element for achieving the congressional purpose of Section 254(h) and thus contemplated that schools and libraries receive universal service support for internal connections.

In paragraphs 480 through 484, the FCC continues to emphasize the importance of internal connections by pointing out that Senators Snowe and Rockefeller "emphasized the fact that 35 percent of public schools have access to the Internet, but only 3 percent of classrooms are connected." Clearly, the Congressional intent – and the FCC's rulemaking – is to assure that these services reach the classroom. This Petition seeks to make that important goal a reality.

Accordingly, this Petition seeks to address a stumbling block in bringing connections to the classroom. For internal connections to be optimally procured and used, schools and libraries need to have ample time to complete these major construction projects. For Program Year 3, many schools could not begin the projects at the start of the program year, as a significant number of funding commitments were received between mid-August and mid-October of 2000, well into the school year, with classes already in session. To be sure, the SLD has consistently improved its efforts at issuing commitment letters, but with projects of this size and complexity, the application review process flows into the funding year and, hence, projects could not begin on time.

As is evidenced by the case studies below, the timing of these commitments forced schools to finalize their own funding obligations and vendor work schedules well into the school year. For many schools, this meant scheduling the work around school hours – evenings and weekends – to minimize disrupting classes. Accordingly, the schedule has placed a logistical and financial burden on both the schools and the vendors to complete the assigned work on time and within the proposed budget. In Program Year 3, this situation was heightened by the fact that the SLD delayed many of the internal funding commitments, as it cautiously committed monies percentage point by percentage point in order to distribute scarce internal connections monies.

Ideally, internal connections work such as the design, cabling, and installation of local and wide area networking (LAN/WAN) components are done during the summer months within normal business hours, with minimal classroom disruption and minimizing labor costs. With the number of late funding commitment notifications in Program Year 3, this option was effectively closed to many program participants.

The following case studies from Illinois schools and districts outline the concerns in support of the Petition:

East St. Louis School District 189

The East St. Louis School District serves the education needs of just over 11,500 kindergarten through grade12 school children (87 percent of which are Free/Reduced Lunch eligible). The district joins this petition to request an extension of the completion date for internal connections from the current June 30, 2001, deadline until September 30, 2001.

The East St. Louis School District could not initiate the district-wide LAN/WAN project without a funding commitment letter from the SLD. The confirmation was not received until September 8, 2000. The district could not commit its resources until the commitment was received and the vendors were able to re-confirm their delivery dates. The scope of this project encompasses 600 classrooms in 28 schools, making a June 30, 2001, completion date nearly impossible. Originally, the district intended to have the bulk of the work done during the summer months between June and September 2000; however, with various vendor and telecommunications-infrastructure issues requiring site-specific construction, the district could not move forward with the project as quickly as originally anticipated.

Since the issuance of the funding commitment letter, the district has begun work on the project. However, much of the work is being undertaken during and after school hours, and on weekends. That has disrupted classes and cost the district more than originally anticipated in higher labor charges. Moreover, the vendors are reporting shortages of equipment and skilled labor to complete the projects under the deadline. The district estimates that up to $2.5 million of its $6.6 million internal connections funding commitment is at risk with the June 30 deadline.

Chicago Public Schools District 299

The Chicago Public Schools (CPS) District 299 is the third largest school district in the nation, with over 427,000 students. District 299 has an 86 percent district-wide average of students eligible for the free and reduced lunch program. The district is steadily progressing on an aggressive LAN/WAN project to link over 600 schools and service buildings to each other, and to the Internet through the Illinois ICN network.

CPS started receiving SLD funding commitments for Funding Year 3 in mid-June 2000. However, over $4 million in Funding Year 3 commitments for internal connections were not received until mid-August 2000, which restricted the District's ability to coordinate the projects effectively among the large number of targeted schools. As a result, CPS did not commence Year 3 internal connections until September 1, 2000, leaving the District with only nine months to complete projects planned to be completed over a 12-month period (a total of 154 schools).

There is a districtwide $2.2 billion capital improvement plan underway, and District 299 must coordinate the E-Rate projects with other capital improvement projects, such as electrical and HVAC upgrades. For example, CPS has three major projects currently in progress in addition to the LAN wiring project: providing electrical distribution to 361 sites, electrical service upgrades to 156 sites, and approximately $80 million in new construction that must be completed by August 2001. Furthermore, due to a construction boom in the Chicago metropolitan area, the district was not able to secure the timely services of qualified electricians for the capital improvement and E-Rate projects.

Another important factor may necessitate the extension. Recent estimates for Year 4 internal connections – and the large number of internal connections funding requests for Year 4 – lead the State Board to believe that the SLD may be unable to fund any of the internal connections requests below the 90 percent threshold. With an 87 percent district average, District 299 may not qualify for any internal connections commitments in Funding Year 4. A 90-day extension of Year 3 would allow the district to utilize up to $12 million in remaining Year 3 commitments and would minimize the adverse impact should Year 4 funding not be sufficient to cover the district's Year 4 requests.

While the timing issue is especially critical to large Illinois school districts such as East St. Louis District #189 and the Chicago Public Schools, smaller and rural schools face similar situations. Many of their vendors are also reporting scheduling, labor and equipment constraints in meeting project goals under the June 30, 2001 deadline.

Summary

The applicants cited here illustrate two cases in Illinois; however, applicants across the nation are in similar circumstances and would also need an extension to more fully utilize their funding commitments. While the Illinois State Board of Education cannot pretend to speak for all schools in the program, it recognizes that delays in receiving commitment letters and the resulting delays in securing final contractual arrangements were evident outside Illinois.

Therefore, the State Board asks that the SLD and the FCC approve the extension on the use of internal connections commitments for all program participants from the current deadline of June 30, 2001, to September 30, 2001. Doing so would assure that the connectivity goals of the program are realized as participant schools could complete these important projects with minimal classroom disruption and within the budgets established in the initial application.

State Board restates its appreciation and on-going support of the FCC's and the SLD's actions with the E-Rate program. The program has been vital to assure access to every Illinois school. The State Board files this petition with the goal of making the program even better for participant schools and their efforts to improve teaching and learning.

Please do not hesitate to call if there are any further questions regarding any of the concerns raised in this presentation.

Sincerely,

Glenn W. McGee
State Superintendent
of Education

Copies of the foregoing letter have been sent via messenger and/or first-class mail to the parties below:

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