

Department of Research & Information
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FCC Proposed Rule Change to eRate Program
April 4, 2002

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20002

In the matter of)

Federal-State Joint Board on)
Universal Service)

CC Docket No. 02-6
FCC 02-8

Notice of Proposed Rule Making and Order:
"In the Matter of Schools and Libraries Universal Service Support Mechanism"

Comments of the Cleveland Municipal School District

Response is to the following proposed rule changes:

- | | |
|----------------------|---|
| Application process: | Eligible services and product list change |
| | Wireless service |
| | Voice mail service |
| Fund Disbursement: | Equipment transferability |
| Unused Funds: | Treatment of unused funds |

Summary to Response:

The Commission is urged to:

- (1) Raise the annual funding cap to \$5 billion, and**
- (2) Re-prioritize the Internal Connections as equivalent to the Telecommunications and Internet Access categories.**

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Submitted, April 4, 2002

INTRODUCTION

The Cleveland Municipal School District respectfully submits its comments in the above referenced proceeding (CC Docket No. 02-6, FCC 02-8) regarding the Federal Communications Commission's (FCCs) Notice of Proposed Rule Making and Order for the Schools and Libraries Division (eRate) of the Universal Service Administrative Company (USAC) in the areas of the Application Process, Fund Disbursement, and Treatment of Unused Funds.

The Cleveland Municipal School District is Ohio's largest urban school system encompassing more than 130 educational sites in which 5200 teachers instruct more than 72,000 students. Prior to the eRate program two schools could access the Internet. The improvements that CMSD has made with eRate-approved funds in the past four years have resulted in significant developments that move the District closer to current standards for information technology. Cleveland's students, teachers and staff currently have:

- A complex, wide-area network encompassing nearly 130 facilities nearly 240 servers and over 200 routers.
- Content-filtered Internet access.
- E-mail (Client and Web-based).
- Advanced videoconferencing capabilities.
- Pagers for safety staff, providing safer classroom environments.
- Wireless telephones for effective communication among instructional staff.
- Fast voice and data lines for immediate, accurate and dynamic communication.
- More efficient communication for administrative information systems that manage student-related data, financial data, employee data, and state and federal reporting data.
- Expert maintenance services for the wide area network.
- A solid technology infrastructure base capable of facilitating the enrichment of the classroom curriculum.

The impact of the above improvements – all made possible through eRate funding – has expanded the learning resources available to students and teachers, and has created new channels for communication and instruction.

Restrictions and limitations of some of the proposed rule changes to the eRate program will severely handicap the students and teachers of the Cleveland Municipal School District. The greatest impact will be for the products and services in the Internal Connections funding category. A domino effect will negatively affect all levels of the school system:

- District users will receive minimal, if any, support regarding network functions.
- Administrative functions regarding student data will sustain probable inconsistencies due to the District's inability to maintain current infrastructure processes.
- Students and teachers will experience difficulties accessing the Internet.
- Students and teachers will have severely curtailed or completely eliminated Distance learning opportunities.
- Students, teachers and administrators will be unable to develop Web pages that link them to each other, the community and the world-at-large.

It is obvious that continued infrastructure enhancement to deliver technology capabilities to the classroom are imperative. The eRate program is the means for delivery for the Cleveland Municipal School District.

The U.S. Department of Education report, "Putting a World-Class Education at the Fingertips of All Children", states "...technology ... can already allow us to realistically dream of achieving age-old goals

in education.”¹ Two of these goals, the report continues, are “to center learning around the student instead of the classroom, and to focus on the strengths and needs of individual learners.”² Instructional technology facilitates these goals. The Commission also discovered that the business of education needs a new design for learning, and acknowledges that “new designs are needed to create the ‘knowledge workers who will define the Information Age.’”³

E-rate funding has provided the Cleveland Municipal School District with the necessary support to educate the “knowledge workers” for the 21st century and to continue implementing the basic technology infrastructure that is standard for most large entities that need coordinated, accurate and timely exchange of data, coupled with dynamic communication. The Cleveland Municipal School District requires continued eRate funding support, with particular need in the Internal Connections category, which is the base for telecommunications and Internet access.

COMMENTS TO THE PROPOSED RULE CHANGES

APPLICATION PROCESS

Eligible services and products list

At present the Universal Service Administration Corporation (USAC) evaluates on an on-going basis the particular services and projects offered by vendors and determines the service and/or product discount eligibility for the Schools and Library Division (SLD) eRate program; only a definition, but no information or guidance of any kind is provided regarding brands, types or prices for services or products. The eligibility list is accessible to everyone on the SLD Website.

The Federal Communication Commission’s (FCC, “Commission”) proposed rule change would pre-approve new services and products, establishing a computerized, on-line accessible list of approved services. The Cleveland Municipal School District (CMSD) disagrees with the proposed rule change.

School districts, irrespective of the poverty discount level, use eRate funds in unique ways to satisfy the needs and goals of their respective district. CMSD judiciously selects projects that support and enhance the District technology instructional goals and objectives. A pre-approved services/products list would decrease, even obstruct, the effective use of technology for instructional goals as the District envisions it.

As a result, the need for services and products varies widely according to the specific school district technology needs and goals. A set eligibility list of services and products will unduly restrain CMSDs freedom to develop and achieve instructional technology objectives with the desired or needed vigor.

Furthermore, the rapid development of technology dictates a diligent, judicious and continuous assessment of the district technology status and function. Predetermined product and service eligibility lists negate school and library access to free market forces that develop new and improved technology. Modifications to the pre-approved list will not be timely for schools and libraries to take benefit of technology advances, which in many instances present cost savings in the long term.

CMSD advocates that the FCC ensure the eRate services and products eligibility list be market opportune through the timely review and revision of the current eligibility list. The guarantee of availability, access and ability to take advantage of products and services newly introduced to the marketplace are vital to eRate applicants. Concurrently, eligibility definitions should also be reviewed regularly and have less rigid and limiting notations.

¹ <http://www.ed.gov/Technology/elearning/index.html>

² *Ibid.*, p. 2

³ *Ibid.*, p. 6

Therefore, the Cleveland Municipal School District urges the FCC to retain the current process for determining the eligibility of particular services and products and to initiate frequent and timely updates to include new services and products.

Wireless Service:

CMSD contends that the eligibility of cellular/wireless service should be extended to school district safety and security forces, both on school site premises and in buses. In general, current eligibility rules appear to favor wire-line technology over wire-less technology. The District asserts that student safety is paramount for an effective learning environment in the classroom as well as en route to and from instructional sites. School safety and security forces are mobile at instructional sites, patrolling set areas, including school buses. While the school safety and security force is not directly involved with instruction, their function supports learning by guaranteeing students a safe and nourishing instructional setting.

Therefore, the Cleveland Municipal School District urges the FCC to broaden wireless service for safety and security forces at school sites and on school buses.

Voice Mail Service:

Voice mail (paragraph 15) has been an ineligible service since the inception of the eRate program. CMSD argues that voice mail is analogous to e-mail, i.e. it is used in the same manner as e-mail. The FCC defines e-mail software, which operates an e-mail server, as eligible for the eRate discount.

Both voice mail and e-mail are communication services that cause communication among teachers and staff to be more effective through timely delivery of messages. Voice mail is particularly necessary for the classroom teacher and instructional administrative staff for efficient and successful message transmittal related to instructional matters, particularly where contact with parents is important. Most of the District parents have access to voice mail, but less so to e-mail. Therefore, instructional staff use of voice mail is important. Voice mail is a needed and commonly-used telecommunications service and should be eligible for the eRate discount.

Teachers spend most of the instructional day in classrooms. It is imperative for them to maintain contact with other teachers, administrators, counselors, psychologists and parents. Currently many CMSD teachers use personal voice mail from their homes to make these contacts. The District contends that voice mail is the most basic 21st century telecommunications service and should be offered under the eRate program.

Therefore, the Cleveland Municipal School District urges the FCC to reverse current non-eligibility of voice mail and cause voice mail to become eligible as a telecommunications service for instructional staff and instructional support staff.

FUND DISBURSEMENT

Equipment Transferability

The current Universal Service Administration Corporation (USAC) rules stipulate that eligible services and products, purchased with the eRate discount, cannot be sold, resold or transferred for money, or any other thing of value. The proposed rule change is prompted by some eRate recipients' annual replacement of equipment obtained with eRate funds and their transfer to ineligible sites. The proposed rule change would unfairly limit equipment transfers. The Commission's proposed specification regarding the time period equipment must remain at the originally requested site denies an entity the

right to use in the most effective manner products purchased fairly and honestly through the eRate program.

The FCC proposal to rule what is "significant use" of equipment at a designated location reduces further the entity's control of the development of their respective technology infrastructure, which needs are known best by the entity itself. Moreover, the rule change would deny Internal Connections category funding for periods of time to entities that have received Internal Connections funding in past years, based on the "significant use" specifications. The rapid development of technology precludes specifying the significant use and effectiveness of an Internal Connections service and/or product. Which group or individual would make the determination? How can pre-determined "significant use" specifications be fair and equitable to a broad spectrum of needs and goals?

The Internal Connections category is vital, because it provides and enhances the access to current telecommunications and information services including the Internet, i.e. the first priority funding category. This was the rationale used by the commission that recommended to the FCC to adopt rules that provide discounts in the internal connections area (paragraph 476). Clearly, the intent of the Universal Services Fund "educational rate" was without a doubt intended that all Americans, and particularly those in poor rural and urban areas are assured of access to advanced technology communications services.

Access to these services is provided only through appropriate internal connections services/products. The products are specific to the needs of any given school district. The CMSD technology infrastructure needs are different from those of another, albeit similar, urban school district. Placing limitations on any entity regarding funding requests in the Internal Connections category in effect disenfranchises an eligible entity from achieving their goals. It is implicit that each entity develops internal connectivity according to their unique timeline without "significant use" specifications.

Data clearly indicates that Internal Connections are critically fundamental to providing access to high-level telecommunication services. The demand for eRate discounts clearly exceeds supply, as demonstrated in Years 3 and 4 and the unmet needs are especially acute in the Internal Connections category. The SLDs analysis of cumulative national data of committed services by category clearly indicates that already in Years 1 and 2 requests for Internal Connections were 53% and 63% of the total dollars requested. Years 3 and 4 mirror the first two with 55% and 54% respectively of requests in the Internal Connections category. The estimated Year 5 demand for Internal Connections is 68% of the total funds requested.

The Cleveland Municipal School District eRate fund requests align even more dramatically with the SLD analysis of national service category requests. Ninety percent (90%) of the awarded E-Rate funds (\$69.7million) during the first three years of the program supported installation and upgrades of equipment and services for District internal connectivity. Telecommunications Services and Internet Access received 10% of the funds, or a combined total of \$7.7 million. It is with the fourth year that the District could begin implementing planned telecommunications services, e.g. e-learning, which requires a robust internal connections infrastructure.

If the District were to receive no funding in the Internal Connections category for one year, the CMSD technology network would be severely impacted. The Internal Connections category includes District fund requests to manage and maintain the vast wide area network (WAN) the District has built. The CMSD WAN currently provides for multiple high-speed data lines to all CMSD facilities. Nearly 130 separate sites are linked in the network. Although the proposed rule change would continue to provide the District with funds necessary to pay for the data line service under the priority one Telecommunications Service and Internet Access, the curtailment or denial of level two priority funding for Internal Connections would leave the District without the ability to support the operation of the data lines, effectively eliminating the value of the lines. While the District would seek additional general fund monies, it is highly likely that an adequate funding level would be difficult to secure to maintain the District technology network at its current functionality; network user support would suffer, student

distance learning opportunities would be greatly curtailed, school-based administrative functions would be at risk or even eliminated, and student and teacher access to advanced technology communications services would be jeopardized.

In this instance, the primary victims would be students, since a fundamental aspect of the technology network is to support technology-assisted learning, and access and maintenance of student data. Seriously impacted would be absence reports necessary for State monies, enrollment and withdrawal data due to the high daily student mobility throughout the District, special education student needs, disciplinary information such as suspensions for safe classroom and school environments, transportation schedules, student activity data, course scheduling and curriculum development.

Therefore, the Cleveland Municipal School District recommends that no rule should be implemented that limits equipment transferability; and no rule should be implemented that would limit applications for eRate in alternate years. The Commission is also urged to reconsider the funding priority for the Internal Connections category as equivalent to the Telecommunications and Internal Access categories.

UNUSED FUNDS

Treatment of Unused Funds

In the FCC Report and Order (CC Docket No. 96-45, Released May 8, 1997; FCC 97-157) in paragraph 425, it states that "In addition, any funds that are not disbursed in a given year shall be carried forward and may be disbursed in subsequent years without regard to the cap." It is clear that unused funds should roll into the next year's fund as *an addition to the current fund cap*.

The recent disparity between funding requests and available funding, e.g. Year 4 and now Year 5, dramatically points out that the current cap of \$2.25 billion is insufficient to meet the demand of disadvantaged schools and libraries. Independent studies performed at the onset of the eRate program indicated that an annual funding cap of \$5 billion would be an appropriate starting point. It would appear that those studies were largely accurate. The best possible proposal would be to increase the program's yearly cap from the current \$2.25 billion to the originally suggested \$5 billion. Increasing the funding cap and re-prioritizing funding disbursements could provide needed leverage to urban school districts, such as the Cleveland Municipal School District to free funds for other critical needs, such as teacher professional development.

Therefore, the Cleveland Municipal School District recommends that all prior unused funds should be rolled into eRate Year 5 (July 1, 2002 – June 30, 2003), and thereafter, unused funds, if any, should be rolled into the ensuing years. Furthermore, the District strongly encourages the Commission to consider raising the annual funding cap to align it more closely with funding requests as they have been in the last two years, namely \$5 billion.

IMPACT ON DISTRICT

There is universal agreement that the eRate program is a critical investment and a vital resource for disadvantaged schools to access today's digital opportunities. Technology offers possibilities to teachers and students that would otherwise be impossible or difficult in a classroom context.

The funding approved by the Schools and Libraries Program of the Universal Service Discount Program has provided the Cleveland Municipal School District with the necessary support to implement the basic technology infrastructure that is standard for most large entities that require coordinated, accurate and timely exchange of data and dynamic communication.



Of the approximately 130 instructional sites in the Cleveland Municipal School District, only two schools had Internet Access at the start of the eRate program. Now, nearing the end of the fourth eRate funding year, the District has a network of high-speed connections that allows the transmission of voice, video and data to all schools, and nearly every classroom in the District is wired for the Internet.

As the largest public school district in Ohio and one of the largest urban school districts in the United States, it is imperative that obtainable technology infrastructures and services facilitate administrators, teachers and students to expand services and curriculum. Urban students of all ages can be engaged through technology with global counterparts, expanding knowledge and possibilities beyond the urban neighborhood.

While this technology is vital and important, the true value of technology is its capacity to stretch student learning and provide classroom support that helps develop thinking skills in each child in the Cleveland Municipal School District. A District goal has been to build a strong functional infrastructure platform upon which a dynamic curriculum can be built that reflects complex information processes and develops student skills for a successful entry into the workforce and post-secondary learning institutions. To continue development toward this goal, E-Rate funding is essential.

The Commission's report on e-learning concludes that "The use of technology in education must remain a national priority. It must be at the core of the educational experience, not at the periphery."⁴

Respectfully submitted by:

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on behalf of the
Cleveland Municipal School District

4/4/02
Date

⁴ <http://www.ed.gov/Technology/elearning/index.html>