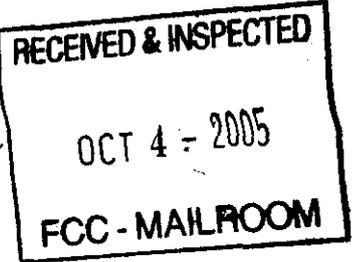


WALTON COUNTY SCHOOL DISTRICT
Technology Resource Center

145 Park Street, Suite 5
DeFuniak Springs, Florida 32433
Pattersl@walton.k12.fl.us



September 28, 2005

FCC, Office of the Secretary
445 12th Street SW
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

RE: CC Docket No. 02-6

Applicant Name: Walton County School District
Form 471 Application Number: 420785 and 419947
Billed Entity Number: 127635
Funding Request Number: 1159674, and 1157213

To Whom It May Concern at FCC:

Walton County School District is extremely disappointed in the non-reimbursement for telecommunication services.

My name is Linda Patterson. My background is in teaching and presently I am an Instructional Technology Coordinator for Walton School District. I have a Secretary, Janie Griffith, that assists in preparing our 470's each year.

With e-rate funding, Walton School District needed to find a reliable way to integrate and optimize our network infrastructure for the 21st century. Walton County School District (WCSD) has a communication infrastructure that is **multi-vendor dependent** in order to deliver computer data and telephone services to 6,500 rural students, teachers and administrative staff.

Until 2002-03, WCSD had **ONE vendor, Sprint**, for traditional, separate physical networks for computer data, telephone system and videoconferencing. The 3 stand-alone networks were UNRELIABLE and EXPENSIVE to operate.

In 2003-04, WCSD submitted a 470 and a formal bid process to phase in a converged wireless network. The lowest and best bids were awarded to **multi-vendors, Sprint, Trillion Digital Communications and ITC DeltaCom**. Since the implementation of a converged wireless network, **WCSD has not received** any telecommunications funding from SLD. WCSD believes that we made an informed decision about integrated networking, yet **SLD continues to only fund ONE vendor, Sprint**.

No. of Copies rec'd 0
List A B C D E

WCSD has shown SLD in the Selective Review Process May 21, 2004 and October 18, 2004 that a converged wireless network has allowed a rural school district to implement a simple-to-manage, operated 24 x 7 x 365 monitored system at a cost that is competitive with previous expenditures.

Our informed decisions to create an integrated wireless network were based on the following telecommunication services usually funded by SLD:

- **Phone Service:** Before the converged wireless network, WCSD had to use the one and only Plain Old Telephone Services (POTS) that was circuit-switched by **Sprint**, tried-and-true, more expensive, **yet funded by SLD**. As a separate physical network, **calls within** our LAN/WAN (Local Area Networks – each school and Wide Area Network – the district) had numerous charges for local, regional, toll, and long-distance carrier services not to mention the regulatory fees.
- **Video Conferencing:** WCSD was paying for T-3 lines for video conferencing services that were not monitored 24 x 7 x 365. The distance between 4 rural school sites averages 25 miles. The circuits between the 4 county high schools and the local community college were down more than they were up and caused students and teachers such frustration that WCSD may never attempt to hold another distance learning course. The **Sprint** T-3 lines were extremely expensive and highly unreliable, **yet funded by SLD**.
- **Computer/Data Services:** WCSD was paying monthly recurring expenses to **Sprint** to belong to the OMAN, the Okaloosa Metropolitan Area Network. These regional charges were costly and did not provide the band-width necessary to deliver average data packets much less video streaming, **yet funded by SLD**.

The challenge for our small technology department in a rural school district is to leverage existing applications, user-training, and infrastructure investments while deploying new solutions that will meet our future needs. With SLD and e-rate, WCSD saw an opportunity to integrate the computer data, voice and video systems. Using one network has strengthened the WCSD infrastructure and it has reduced our dependence on ONE vendor. **WCSD does not regret it's decision to implement a single converged wireless network, but requests that SLD reconsider funding ALL THREE VENDORS that provides telecommunications to our school district.**

Presently, Sprint provides our DIDs and PRI lines (POTS) for outside local calls, Trillion Digital Communications provides our WAN for voice, video and data, and ITC DeltaCom is our long distance call provider.

In our Appeal Letter dated March 7, 2005 the WCSD indicated that we have paid more than the districts share of the non-discounted portion of the bill for telecommunications. WCSD submitted applications for telecommunications only 4 were funded. All applications are required to provide telecommunication services to our students, faculty and staff.

Application #420785, #419947, was for telecommunications
Reasons for denial was

- that we did not submit supporting documentation that WCSD has the financial resources to pay for all reported Hardware, Professional Development, Software, Retrofitting and Maintenance investments.
- we unable to show evidence that the full applicant share was secured before filing the Form 471.
- Item 25 portion of the Selective Review was not sufficient to demonstrate that, at the time you submitted the Form 471 we had secured access to these funds.

Telecommunications is not on your list – a School District can not exist without telecommunications. In a letter dated March 9, 2005 from Jim McCall, Director of Finance it was stated that WCSD had spent \$34,851.62 with Sprint as of that date for telecommunications – much more than the discounted amount requested. Walton County School District pays all Telecommunications, Hardware, Professional Development, Software, Retrofitting and Maintenance investments in full and are reimbursed through the BEAR Form.

Reasons for denial noted above is not clear to my secretary and me. WCSD has provided reams of documents to justify our telecommunications. Legally WCSD cannot operate a network on a daily basis without a sufficient budget being funded and board approved.

Please find Attachment I, a copy of the packet sent to Schools and Libraries and Attachment II, a copy of the Operating Budget for School Year 2004-05.

Thanking you in advance for another review to fund all telecommunication requests.

Linda S. Patterson

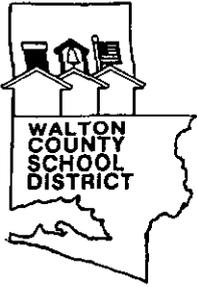
Linda S. Patterson
Media and Technology Coordinator
Walton County School District

CC: Melinda Crowley, Florida Department of Education, Office of Educational
Technology, Chief

Maureen Gibbons, E-Rate Director, Florida Department of Education

888-203-8100 Attachment ~~IX~~

Case 21-263535
Janet Whitlo
Debbie Wilburn



WALTON COUNTY SCHOOL DISTRICT

Instructional Technology Center

145 Park Street, Suite 5
DeFuniak Springs, Florida 32433
Pattersl@walton.k12.fl.us

Jennifer 6/13 Pending
Daniel 6/28

March 7, 2005

Letter of Appeal, Schools and Libraries Division
Box 125-Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981

Contact Information:

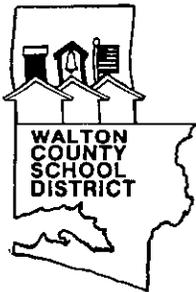
Linda Patterson, Media & Technology Coordinator
Walton County School District
145 Park Street, Suite 5
DeFuniak Springs, FL 32433
Telephone: (850) 892-1151
Fax: (850) 892-1193
E-mail: pattersl@walton.k12.fl.us

Applicant Name: Walton County School District
Form 471 Application Number: 412592, 420555, 420632, 420706, 420785, 419947, 418140, 419877, and 419980
Billed Entity Number: 127635
Funding Request Number: 1150478, 1159006, 1159145, 1159449, 1159674, 1157213, 1156645, 1156849, 1157036, 1157284,

Schools and Libraries Division Representatives:

On March 4, 2005 Walton County School District received a Funding Commitment Decision Letter in regards to our telecommunications services. Funding for these applications was denied because "During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so." We take exception to this conclusion and are appealing the denial our applications. Our appeal is based on substantial compliance with program requirements and denial will create an undue hardship on our school district.

- On July 15, 2004 we received a FAX from Chris Wittrien requesting a finalized operating budget for 2004-2005.
- In a letter dated July 21, 2004 from Jim McCall, Director of Finance Mr. McCall informed Chris Wittrien, Selective Reviewer that the Walton County Board has conducted a Budget Workshops with a Tentative Budget to be approved on August 3, 2004, final to be approved September 14, 2004. Please see attached information requested by Ms. Wittrien. (See Item #1)
- On October 15, 2004 Ms. Wittrien requested a copy of the final approved budget for 2004-2005.
- A copy of the approved budget spreadsheet from Jim McCall was UPSed out to Ms. Wittrien on October 21, 2005. (See Item #2)
- After checking the tracking number we see that the package was sent out from DeFuniak Springs on October 21, arrived in Whippany, NJ on October 26 and was signed for by Siaicz in the Mail Room. (See Item #3)
- Please see copy of UPS Shipping record (See Item #4)



WALTON COUNTY SCHOOL DISTRICT

Instructional Technology Center

145 Park Street, Suite 5
DeFuniak Springs, Florida 32433
Pattersl@walton.k12.fl.us

Undue Hardship

Walton County is one of the top five Florida counties for population growth. Our school district has approximately 6,300 students enrolled. We offer a comprehensive curriculum meeting the needs of all students. The telecommunication services, which we requested funding through the E-rate program, will become the foundation for our future technology in meeting the continuing needs of our students.

As most school districts in today's educational environment, our resources are limited and funds are at a premium. We have previously provided information reflecting that the services requested would result in \$313,811.76 of annual savings to our school district. **This is significant in terms of our funding abilities.**

In fact, Walton County School District has repeatedly filed for internal connections which has been **NOT FUNDED**, but is desperately needed to maintain a 21st Century learning environment in a small rural community.

It is without question that a denial of funding would create an undue hardship on our school district and will result in educational cutbacks. In consideration of our substantial compliance with all program guidelines, the denial will create financial decisions on our school district that could impact the educational programs of our students.

Case # SR-2004-127635

RE: March 1, 2005 Letter (See Item #5)

- **Budget:** Walton County School District has financial resources to pay all investments reported for Hardware, Professional Development, Software, Retrofitting and Maintenance.

Vendors List with amount paid for services from July 1, 2004 – March 9, 2005 are noted below:

- Southern Communications Services, Inc. (Telecommunications) - \$33,614.53
- ITC DeltaCom Communications, Inc. (Telecommunications) - \$5,951.53
- Dell Marketing L.P. 9 (Hardware) - \$691,396.97
- Novell, Inc (Software) - \$28,597.50
- AllTel Communications (Telecommunications) - \$7,818.26
- Sprint – Local Telephone Division (Telecommunications) - \$34,851.62
- Trillion Digital Communications, Inc. (Telecommunications) - \$178,560.00

NOTE: In this memo, Schools and Libraries Division of the Universal Service Administrative Company did not mention telecommunication vendors. Five of the seven vendors noted above have been and will continue to be paid with Walton County School District financial resources.

Please see letter from Jim McCall, Finance Director for Walton County School District, to confirm the amounts above. (See Item #6)

FORM 472 (BEAR Form)

Notification Letter (See Item #7)

March 1, 2005

RE: Sprint – Local Telephone

RE: Year 2003-2004

- Was accepted for \$17,750.00
- Walton County School District budgets yearly for telecommunications

In summary, we are requesting a reconsideration of our initial funding denial. If there is any additional information that you may require, please do not hesitate to contact me.

Respectfully Submitted,

Linda S. Patterson

Linda S. Patterson

Media & Technology Coordinator

Item #1



Universal Service Administrative Company

Schools & Libraries Division

CASE SR-2004-BEN# 127635

Date: 07/15/04
 To: Linda Patterson
 Entity: Walton County School District
 Fax #: 850/ 892-1193
 Sender: Chris Wittrien
 Phone: 973/ 884-8361
 Fax: 973-599-6515
 Subject: Funding year 2004 E-Rate

*** **

This fax is a follow up to the information you provided in reference to the E-Rate Selective Review Information Request Funding Year 2004. Please provide the information requested by the close of business 07/22/04. If we do not receive the information by that date, your application will be reviewed based on the information we currently have, which may impact the approval of your application.

Your reply to consulting agreements was N/A, was this because you had no consulting agreements or because you did not use a consultant?

Budget: Please submit a finalized operating budget for 2004-2005 showing both revenues and expenses indicating where your portion of e-rate is coming from on both the revenues and expenses sides of the budget (amount of e-rate share next to each line item in both revenue and expenses). If a finalized operating budget for 2004-2005 is not available or in the early stages of an approval process, please provide a letter signed by a school or library official (superintendent, board president, chief business administrator). The letter should explain what phase of the approval process you are in, whether your share of funding is contingent on any outside action (e.g. voter approval, board approval, state legislation, etc.) and whether in the absence of such outside approval, you anticipate being able to meet your share. Also make sure that the letter identifies the specific amount that you will have available to pay your share. For example, if you have \$100,000 that you will be putting in your budget, make sure that that is noted in the letter. In addition to that letter (and in lieu of a finalized budget) please provide one of the following as noted below:

Tech Plan

- A draft budget for FY 2004-2005 showing both revenues and expenses indicating where your portion of e-rate is coming from on both the revenues and expenses sides

of the budget.

- A resolution of a governing Board authorizing the filing of a Form(s) 471 for a given dollar amount, for given services and/or products, within a given timeframe. For us to consider such a resolution sufficient evidence that your entity has provided for payment of your share of E-rate, the resolution should specify the funding year, the fiscal year, or the school year during which the payment is authorized.
- If donations (or other dollars from any contributor) are a source, a signed commitment letter from the donor (e.g. school or library foundation) to the applicant specifying 1) the level and commitment of funds or other resources; 2) the timing of the delivery of such resources, along with a dispositive indication that the resources are for E-rate supported products/services or for items needed to use effectively the discounted services. (The indication as to the use of the resources might come from the donor or be reflected in a Board resolution committing donations to E-rate related purposes.)

Note: if a final, approved budget is provided, we may verify that budget with independent sources.

If a final, approved budget is **not** available, we require a combination of a letter (described above) **AND** one of the bulleted examples above. We require **both**, **not** one or the other.

For FRN# 1159145, you state that you received two bids, Please provide complete documentation indicating how and why you selected the service provider, ITC Delta Com instead of Sprint.

250-000-03-1

For FRNS # 1193906, 1194101, 1191192, 1192500 and 1192945, since you posted a form 470, please provide the number of bids, or confirm none were received, copies of all bids received and if applicable the vendor selection process outlined below.

Dell servers - Dell servers Hamlin Hamlin Novell

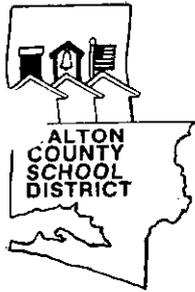
Vendor Selection: Please provide complete documentation indicating how and why you selected the service provider(s) selected for ALL funding requests (Telecommunications Services, Internet Access, and Internal Connections), including month to month and tariff services. This documentation should include a description of your evaluation process and the factors you used to determine the winning bid(s). If more than one factor was used to determine the winning bids please indicate the weighting of those factors in percentages indicating which factor was the primary factor for the selection of the winning bids. If evaluation sheet(s) were used please provide those.

For FRNS# 1156645, 1156849 and 1157036, these FRNs are listed as contracted services, please provide the requested documentation detailed below.

Trillion Trillion Trillion

Contracts: Please provide signed and dated copies of all contracts relating to your Funding Year 2004 Form(s) 471. If the price on the contract is different from the pre-discount price on your Form(s) 471 please explain the difference and account for the

Rick Ka



**Instructional
Communications and Technology Center**
145 Park Street, Suite 5
DeFuniak Springs, FL 32433
850-892-1151
Fax: 850-892-1193
pattersl@walton.k12.fl.us

FAX
Total Pages 24,
including cover sheet

Date: July 21, 2004
To: Chris Wittrien
Selective Review
973-599-6515 FAX
From: Linda S. Patterson/Janie Griffith
Subject: Funding Year 2004 E-Rate

Linda S. Patterson

In Response to information needed for the Selective Review for Request Funding Year 2004

- We did not use a Consultant.

Budget:

Please find on the attached pages

- a letter from the Director of Finance indicating that telecommunication expenses are budgeted by school site from the General Operating Budget.
- The 2004-2005 FINAL Technology Budget Acquisition (capital outlay) budget spreadsheet for school year 2004-05
- Financial Impact Statement Board Approved March 2, 2004
- Copies of the District Communications and Technology Plan on Budget: 4.1, 4.2, 10.1

FRN # 1159145

Two bids were received. ITC Delta Com provided the lowest and best service.

FRN #1193806 & FRN #1194101

Dell Servers are being purchased for schools in Walton County School District. Dell is on the State of Florida Contract; therefore a bid does not have to be requested to receive services/equipment from Dell. State of Florida Contract #250-000-03-1

<http://www1.us.dell.com/content/default.aspx?c=us&cs=RC957061&l=en&s=k12> .

FRN #1191192 & FRN #1192500

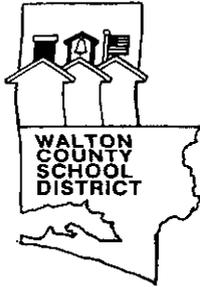
Hamlin Company provides technical support to Walton County School District. Hamlin Company is on the State of Florida Contract; therefore a bid does not have to be requested to receive services/equipment from Hamlin Company. State of Florida Contract #9912061-5.

FRN #1192945

Novell Netware is the standard operating system for the WAN. BIDS are not required. SOLE Source.

FRNS# 1156645, 1156849, #1157036

Attached is a signed Master Services Agreement.



WALTON COUNTY SCHOOL DISTRICT

COY M. YATES – SUPERINTENDENT OF SCHOOLS

~~~~~

145 Park Street, Suite 3  
DeFuniak Springs, Florida 32435  
Telephone: (850) 892-8310  
FAX: (850) 892-8311

To: Chis Wittrien, Selective Reviewer: E-Rate Year 2004  
From: Jim McCall, Director of Finance  
Date: July 21, 2004

The Walton County School Board has conducted Budget Workshops with a TENTATIVE BUDGET to be approved August 3, 2004, final to be approved Sept 14, 2004. Bills are approved by school sites and paid at the district office. Funding for telephones and communications are obtained from **General Operating Allocations**. The share of funding is not contingent on any outside action except from the Walton County School Board.

The Director of **Capital Outlay** allocates a **District Technology Budget** which is board approved annually in the Communications and Technology Plan and in the overall district budget previously mentioned. Approximately \$780,000 per year is allocated for hardware, software, maintenance, service and support, and telecommunications for approximately 6,300 students and 15 sites. E-Rate funds are being used to supplement these district efforts to maintain technology.

E-Rate funds have been used to upgrade internal connections such as switches and hubs to a Gigabit backbone, phone systems and phone in 2 sites, upgrades to a 45 megabit backbone on the WAN, and file servers to current state-of-the-art standards. Recently, E-Rate funds are being used to retrofit Freeport Middle School for an estimated \$225,225. Without E-Rate funding, our district would not be able to maintain a high level of connectivity and access for students, teachers and the community.

#### Attachments:

- A FINAL Technology budget
- A Copy of the Financial Impact Statement for Year 2004-05 is attached and was Board Approved 3/2/04. Our entity has provided for payment of our share of E-Rate in all areas noted on the Impact Statement. As previously stated, E-Rate funds are being used to supplement these district efforts to maintain technology.
- Donations are not a source for these high-end commitments.
- Competitive Federal Grants supplement technology training, etc.
- Our Technology Plan is available for inspection at <http://www.walton.k12.fl.us/Technology/default.htm>
- All levels of technology may be view on our StaR Survey <http://www.starsurvey.net/>

"COMMITTED TO EXCELLENCE IN STUDENT ACHIEVEMENT"

DONNIE RICHARDSON  
DISTRICT 1

MILDRED WILKERSON  
DISTRICT 2

DARRELL BARNHILL  
DISTRICT 3

MARK D. DAVIS  
DISTRICT 4

JERRY JONES  
DISTRICT 5

DIANE HARE  
SECRETARY

2004-05 Technology Budget

*James F. McCall*

| Project #  | Name                               | District Allocations | Bay Early Edu. Ctr. | Butler Elem. | Freeport Elem. | Freeport Middle | Freeport High School | Maude Saunders Elementary |
|------------|------------------------------------|----------------------|---------------------|--------------|----------------|-----------------|----------------------|---------------------------|
|            | <b>2004-2005</b>                   |                      |                     | 0151/0371    | 0291/0372      | 0146/0380       | 0141/0373            | 0281/0374                 |
| 9015305    | School Capital Outlay              | 450,000              | 10,000              | 29,740       | 29,960         | 23,120          | 24,120               | 31,300                    |
| 9015305    | 21st Century Classrooms            | 95,000               |                     |              |                |                 |                      |                           |
| 9015305    | 95/98 Workstation Up Grade Project | 248,814              | X                   | X            | X              | X               | X                    | X                         |
| 7900/370   | Telecommunications - District      |                      |                     |              |                |                 |                      |                           |
| 9122105    | School Maintenance                 | 80,000               | 3,000               | 3,000        | 3,000          | 3,000           | 3,000                | 3,000                     |
| 7900/370   | Telecommunications - Dist          | 52,000               |                     | X            | X              | X               | X                    | X                         |
| 9110105    | Pub. Sch. Tech.                    | 122,421              | X                   | X            | X              | X               | X                    | X                         |
|            | Bus. Lab Replacement (MS/HS)       | 60,000               |                     |              |                | ('04)           | ('05)                |                           |
| Staff Dev. | Training/Consultants               | 36,600               | X                   | X            | X              | X               | X                    | X                         |
| 641        | Digital/TV Presentation Devices    | 15,821               |                     | ('03)        |                | ('03)           |                      | 01                        |
| 641        | LMC Replacements                   | 10,000               |                     | ('02)        | ('03)          | ('03)           | ('02)                |                           |
| 8406105    | <b>Technology</b>                  | 75,000               | X                   | X            | X              | X               | X                    | X                         |
| 1. 310     | LAN/WAN MSS                        | 20,000               | X                   | X            | X              | X               | X                    | X                         |
| 2. 350     | Sophos Virus Protect.              | 18,000               | X                   | X            | X              | X               | X                    | X                         |
| 3. 350     | Netware/Groupwise/GroupLink        | 5,000                | X                   | X            | X              | X               | X                    | X                         |
| 4. 692     | Novel License                      | 15,000               | X                   | X            | X              | X               | X                    | X                         |
| 5. 310     | ArcServe Backup                    | 17,000               | X                   | X            | X              | X               | X                    | X                         |
| 9290404    | RATT                               | 300,000              |                     |              |                |                 |                      | X                         |
| 9291404    | HOTT                               | 300,000              |                     |              |                |                 |                      |                           |
| 9271403    | EETT, Part I                       | 49,787               |                     |              |                |                 |                      |                           |
|            | Technology Integration Specialist  |                      |                     |              |                |                 |                      |                           |
| 8432405    | Tech. Integrated Specialist - 50%  | 35,700               |                     |              |                |                 |                      |                           |
|            | Title II Part A                    |                      |                     |              |                |                 |                      |                           |
|            | Learning Specialist                | 60,783               |                     |              |                |                 |                      |                           |
|            | Principal/Teacher Training         | 311,727              |                     |              |                |                 |                      |                           |
|            | Highly Qualified Teachers Cert.    |                      |                     |              |                |                 |                      |                           |
|            | Instr. Literacy Coaches            |                      |                     |              |                |                 |                      |                           |
|            | On-Line PD Incentive Plan          | 30,000               |                     |              |                |                 |                      |                           |
| 8425405    | Innovative/On-Line Resources       | 27,599               |                     |              |                |                 |                      |                           |
|            | Digital Curriculum                 | 11,000               |                     |              |                |                 |                      |                           |
|            | Grolier                            | 5,000                |                     |              |                |                 |                      |                           |
|            | Library                            | 12,100               |                     |              |                |                 |                      |                           |

2004-05 Technology Budget

| Project #  | Name                                     | District Allocations | Paxton School | South Walton | Walton High School | Walton Middle School | Walton VO-Tech | West DeFuniak Elementary |
|------------|------------------------------------------|----------------------|---------------|--------------|--------------------|----------------------|----------------|--------------------------|
|            | <b>2004-2005</b>                         |                      | 0101/0375     | 0153/0381    | 0271/0376          | 0201/0377            | 0301/0378      | 0061/0379                |
| 9015305    | School Capital Outlay                    | 450,000              | 30,380        | 29,940       | 29,560             | 31,780               | 19,960         | 31,420                   |
| 9015305    | 21st Century Classrooms                  | 95,000               |               |              |                    |                      |                |                          |
| 9015305    | 95/98 Workstation Up Grade Project       | 248,814              | X             | X            | X                  | X                    | X              | X                        |
| 7900/370   | Telecommunications - District'           |                      |               |              |                    |                      |                |                          |
| 9122105    | School Maintenance                       | 80,000               | 3,000         | 3,000        | 3,000              | 3,000                | 3,000          | 3,000                    |
| 7900/370   | Telecommunications - Dist                | 52,000               | X             | X            | X                  | X                    | X              | X                        |
| 9110105    | Pub. Sch. Tech.                          | 122,421              | X             | X            | X                  | X                    | X              | X                        |
|            | Bus. Lab Replacement (MS/HS)             | 60,000               | ('02)         | ('03)        | ('04)              | ('05)                |                |                          |
| Staff Dev. | Training/Consultants                     | 36,600               | X             | X            | X                  | X                    | X              | X                        |
| 641        | Digital/TV Presentation Devices          | 15,821               | ('03)         |              |                    |                      |                |                          |
| 641        | LMC Replacements                         | 10,000               | ('05)         | ('03)        | ('04)              |                      |                |                          |
| 8406105    | <b>Technology</b>                        | 75,000               | X             | X            | X                  | X                    | X              | X                        |
| 1. 310     | LAN/WAN MSS                              | 20,000               | X             | X            | X                  | X                    | X              | X                        |
| 2. 350     | Sophos Virus Protect.                    | 18,000               | X             | X            | X                  | X                    | X              | X                        |
| 3. 350     | Netware/Groupwise/GroupLink              | 5,000                | X             | X            | X                  | X                    | X              | X                        |
| 4. 692     | Novel License                            | 15,000               | X             | X            | X                  | X                    | X              | X                        |
| 5. 310     | ArcServe Backup                          | 17,000               | X             | X            | X                  | X                    | X              | X                        |
| 9290404    | RATT                                     | 300,000              | X             |              |                    | X                    |                | X                        |
| 9291404    | HOTT                                     | 300,000              |               |              |                    |                      | X              |                          |
| 9271403    | EETT, Part I                             | 49,787               |               |              |                    |                      |                |                          |
|            | Technology Integration Specialist        |                      |               |              |                    |                      |                |                          |
| 8432405    | <b>Tech. Integrated Specialist - 50%</b> | 35,700               |               |              |                    |                      |                |                          |
|            | Title II Part A                          |                      |               |              |                    |                      |                |                          |
|            | Learning Specialist                      | 60,783               |               |              |                    |                      |                |                          |
|            | Principal/Teacher Training               | 311,727              |               |              |                    |                      |                |                          |
|            | Highly Qualified Teachers Cert.          |                      |               |              |                    |                      |                |                          |
|            | Instr. Literacy Coaches                  |                      |               |              |                    |                      |                |                          |
|            | On-Line PD Incentive Plan                | 30,000               |               |              |                    |                      |                |                          |
| 8425405    | <b>Innovative/On-Line Resources</b>      | 27,599               |               |              |                    |                      |                |                          |
|            | Digital Curriculum                       | 11,000               |               |              |                    |                      |                |                          |
|            | Grolier                                  | 5,000                |               |              |                    |                      |                |                          |
|            | E-Library                                | 12,100               |               |              |                    |                      |                |                          |



ORIGINAL

APPROVED BY

MAR 02 2004

AGENDA SUBMISSION FORM  
SCHOOL DISTRICT OF WALTON COUNTY, FLORIDA  
WALTON COUNTY SCHOOL BOARD

WALTON COUNTY SCHOOL BOARD

MEETING DATE: March 2, 2004

*Consent*  
AGENDA ITEM NUMBER: 14.02

TITLE:  
E-Rate Discounts for Year 7 – 7/01/04 – 06/30/2005

REQUESTED ACTION: Approval of Federal Discount E-Rate Funding for 3 types of Services: Telecommunications (phone and video conferencing), Internet Access, Internal Connections (networking)

SUMMARY OF EXPLANATION AND BACKGROUND: FCC rules require that requests for NEW services be posted on the SLD (Schools & Libraries Division) Web Site for a period of 28 days before contracts are signed with service providers and that we adhere to WCSD Procurement Policies and State Regulations/Contracts. The services requested have been placed in the WCSD Technology and Communications Plan and have been approved by the state and local agencies.

1<sup>st</sup>: Form 470 was posted on 8/13/2003

2<sup>nd</sup>: Contracts may be signed for request services on or after 09/10/2003

3<sup>rd</sup>: Form 471 Received by SLD by 02/11/2004

4<sup>th</sup>: Form 471 Reviewed by SLD

5<sup>th</sup>: Application Approved or Rejected

60-80% Discount

EXHIBITS ATTACHED:  
Contingency Request for Proposals is provided on the Financial Impact Statement

1. Instructional Program Impact Statement: See above.
2. Staffing Impact Statement:
3. Financial Impact Statement: See Attachments

PREPARED BY: Linda S. Patterson, Coordinator of Media and Technology

BOARD ACTION: SOURCE OF ADDITIONAL INFORMATION:

**Financial Impact Statement**  
**2004-2005 - Year 7**

|                                                     | <b>(100%)<br/>No E-Rate<br/>Funding or<br/>Discount</b> | <b>(60-80%)<br/>E-Rate<br/>Discount</b> | <b>(40-20%)<br/>Discounted<br/>Cost<br/>To School<br/>District</b> | <b>SLD<br/>Approved for<br/>Reimbursement</b> |
|-----------------------------------------------------|---------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|
| <b>I. Telecommunications</b>                        |                                                         |                                         |                                                                    |                                               |
| Trillion - WAN                                      | 232,704.00                                              | 169,873.92                              | 62,830.08                                                          |                                               |
| Trillion - Trillion Phone<br>System for all Schools | 65,520.00                                               | 47,829.60                               | 17,690.40                                                          |                                               |
| Trillion - Telecommunication                        | 39,960.00                                               | 29,170.80                               | 10,789.20                                                          |                                               |
| ITC Delta Com Local                                 | 2,052.96                                                | 1,519.19                                | 533.77                                                             |                                               |
| ITC Delta Com Long Distance                         | 2,892.60                                                | 2,140.52                                | 752.08                                                             |                                               |
| Sprint PRI Lines                                    | 22,932.00                                               | 16,969.68                               | 5,962.32                                                           |                                               |
| All Tel Communications                              | 20,404.32                                               | 15,099.20                               | 5,305.12                                                           |                                               |
| Southern Communications                             | 42,174.12                                               | 31,208.85                               | 10,965.27                                                          |                                               |
|                                                     |                                                         |                                         |                                                                    |                                               |
| <b>Sub-Totals</b>                                   | 428,640.00                                              | 313,811.76                              | 114,828.24                                                         |                                               |
|                                                     |                                                         |                                         |                                                                    |                                               |
| <b>II. Internet</b>                                 |                                                         |                                         |                                                                    |                                               |
| Trillion - Internet                                 | 36,936.00                                               | 29,963.28                               | 6,972.72                                                           | Contingent on FIRN2<br>Application            |
|                                                     |                                                         |                                         |                                                                    |                                               |
| <b>II. Internal Connections</b>                     |                                                         |                                         |                                                                    |                                               |
| Caching Servers/DELL                                | 29,196.47                                               | 28,612.72                               | 583.75                                                             |                                               |
|                                                     |                                                         |                                         |                                                                    |                                               |
| • <b>Maintenance</b>                                |                                                         |                                         |                                                                    |                                               |
| Novell Operating System                             | 19,421.12                                               | 14,421.12                               | 5,000.00                                                           |                                               |
| Hamlin                                              | 84,000.00                                               | 68,400.00                               | 15,600.00                                                          |                                               |
|                                                     |                                                         |                                         |                                                                    |                                               |
| <b>Sub-Total</b>                                    | 132,617.59                                              | 111,433.84                              | 21,183.75                                                          |                                               |
|                                                     |                                                         |                                         |                                                                    |                                               |
| <b>Total</b>                                        | <b>598,193.59</b>                                       | <b>455,208.88</b>                       | <b>142,984.71</b>                                                  |                                               |

**APPROVED BY**  
MAR 0 2 2004  
WALTON COUNTY SCHOOLBOARD

## Funding Plan: Identification of Sources

4.1 Identification of major sources of funding for district-wide technology needs. Funding sources should be categorized as recurring or nonrecurring and include real and projected dollar amounts for the technology plan period.

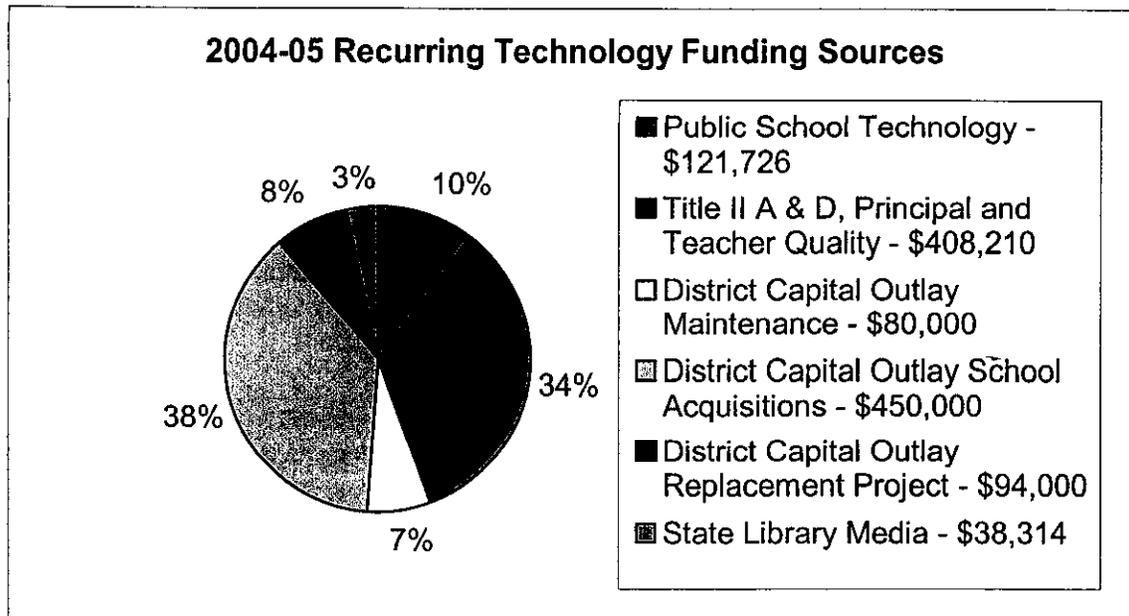
### Funding Sources (See also Appendix H: Budget for Real Allocations)

The School Improvement Plan at each school directs the implementation of technology. The district plan specifically stipulates priority of expenditures in the areas of hardware and software. Funding for these technological improvements are provided through various federal, state, and local projects.

| Major Funding Sources                                                              | Actual<br>2003-04       | Prediction                                     |
|------------------------------------------------------------------------------------|-------------------------|------------------------------------------------|
| State Public School Technology (R) - 9110                                          | 146,117.10              | 121,000                                        |
| State Library/Media (R) - 9046                                                     | 45,915.71               | 38,314.00                                      |
| Federal Title II, A: Training Principals/Teachers (R) - 8432                       | 410,740.57              | 408,210.49                                     |
| Federal Title V: Innovative Projects - 8425                                        | 38,938.16               | 36,798.00                                      |
| District Capital Outlay (R) – 9122 Maintenance, Service,<br>Support for Technology | 79,500                  | 80,000                                         |
| District Capital Outlay (R) - 9015 School Acquisitions                             | 401,000                 | 400,000                                        |
| District Capital Outlay (R) – 9015 Replacement Project                             | -0-                     | \$94,000                                       |
| District Technology Center (R) - 8046                                              | 78,833                  | 75,000                                         |
| Federal Grants: Enhancing Education Through Technology                             |                         | cannot predict                                 |
| Federal Title II, D, EETT Part I, (R) Entitlement - 9271                           | 49,787.26               | 49,787.26                                      |
| Federal Title II, EETT Part II (NR) Competitive                                    |                         | cannot predict                                 |
| • ATT, Accountability and Teacher Training                                         | 300,000                 |                                                |
| • TechCheck                                                                        | 300,000                 |                                                |
| • RATT, Reading, Accountability & Teacher Training                                 | 300,000                 |                                                |
| • HOTT, Higher Order Thinking with Technology                                      | 300,000                 |                                                |
| PAEC (NR)                                                                          | cannot predict          | cannot predict                                 |
| Florida Learning Alliance (NR)                                                     | cannot predict          | No longer a Grant                              |
| Foundations (NR)                                                                   | cannot predict          | cannot predict                                 |
| E-Rate 60% – 80 % - 91939 (R @ 11-2003)                                            | Requested<br>557,335.78 | 72,604.64<br>commitment<br>letters<br>received |

(NR) – non-recurring

(R) – recurring



\* As referenced on previous page

### Regional (NR)

- **Panhandle Area Educational Cooperative (NR)**

PAEC has appropriated money to assist in distance learning initiatives (Florida Education Channel) and to provide instructional programming through an ITFS, Instructional Television Fixed Service, and PAEC provides software training and technology consultation. See also [www.paec.org](http://www.paec.org).

- **Foundations (NR)**

The Walton Education Foundation is a nonprofit corporation established for the purposes of providing supplemental funding to the public schools of the Walton County School District. Contributions to the Foundation are tax-exempt under Section 501(c)(3) of the Internal Revenue code. The donor for special projects may earmark contributions.

The St. Joe Community Foundation earmarks approximately \$15,000/semester for Teaching and Learning Mini Grants.

- **Florida Learning Alliance (NR) is NO longer a Grant**

FLA, an educational collaboration among 31 of the state's school districts and The Florida Virtual School, provides channels for new educational partnership. The FLA, formed in 1998, is committed to developing a technology infrastructure and dedicated electronic learning pathways that will benefit both teachers and students. See also [www.FLALearningAlliance.org](http://www.FLALearningAlliance.org).

- **E-Rate (NR) monies are allocated to communications and technology infrastructure updates. See also Appendix E: E-Rate Program**

## Funding Plan: Sufficient Budget

**4.2 A sufficient budget to acquire and maintain the hardware, software, professional development, and other services that will be needed to implement the strategy for improved educational services.**

**Organization: See also Appendix H for Real Allocations each year**

| \$ Resources                                                                                                                                                                                                     | Goal Implementation (see 3.3 District Goals)                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. District Capital Outlay (R) <ul style="list-style-type: none"> <li>▪ Acquisitions (R)</li> <li>▪ Scheduled Maintenance (R)</li> <li>▪ Internal Connections upgraded with renovations/new buildings</li> </ul> | 1. Student Achievement<br>* Acquisitions: Allocated by FTE + base per school site to purchase hardware/software, maintenance, support, and service                                                                 |
| 2. Federal Title II, EETT, Part I (R)<br>Technology Integration Specialist                                                                                                                                       | 1. Student Achievement<br>2. Curriculum Integration<br>3. Professional Development<br>4. User Support                                                                                                              |
| 3. Federal Entitlements (R)<br>Title VI, Innovative<br>Title II, Principal/Teacher Training                                                                                                                      | * Acquisitions: District Online Resources<br>1. Professional Development: Technology, Math, Science, Content Integration<br>2. Student Achievement<br>3. User Support<br>4. Curriculum Integration                 |
| 4. Walton Education Foundation<br>Teacher Mini-Grants (R)                                                                                                                                                        | 1. Curriculum Integration<br>2. * Student Achievement                                                                                                                                                              |
| 5. State Public School Technology Funds (PSTF) see 4.3 (R)                                                                                                                                                       | * Acquisitions: Replacements/upgrades<br>1. Professional Development<br>2. * Student Achievement                                                                                                                   |
| 6. District Local Funds (R)<br>LAN/WAN/Maintenance, Service, Support District Licenses<br>Satellite/District WAN upgrades                                                                                        | 1. User Support - WAN<br><br>* Acquisitions -- Annual License Renewal of Novell                                                                                                                                    |
| 7. District Local Funds (R)<br>8. State Funds: FIRN (R)                                                                                                                                                          | Telecommunications – phones, long distance, local, WAN connectivity, cell phones, FIRN<br>Internet Access<br>1. Professional Development<br>2. Student Achievement<br>3. User Support<br>4. Curriculum Integration |
| 9. Competitive Grants (NR)<br>EETT, Enhancing Education Through Technology                                                                                                                                       | 1. Infrastructure upgrades<br>2. Professional Development<br>3. Hardware/Software                                                                                                                                  |

R= Recurring

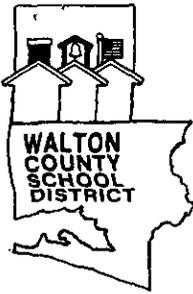
NR= Non Recurring

## 10.1 Addendum E-rate Funding Year 2004-2005

- 10.1 Clear goals and a realistic strategy for using the telecommunications and information technology to improve education or library services;
- 10.2 A professional development strategy to ensure that staff know how to use these new technologies to improve education or library services;
- 10.3 An assessment of the telecommunications services, hardware, software, and other services that will be needed to improve education or library services;
- 10.4 A sufficient budget to acquire and support the non-discounted elements of the plan: the hardware, software, professional development, and other services that will be needed to implement the strategy; and
- 10.5 An evaluation process that enables the school or library to monitor progress toward the specific goals (of the eligible entity) and make mid-course (i.e. mid-year) corrections in response to new developments and opportunities as they arise.

| <u>Telecom Services, Internet Access &amp; Internal Connections</u><br><u>Walton School District Communications &amp; Tech Plan</u><br><u>Supports E-Rate</u>                                                                                                 | <u>Goals &amp; Strategies</u>                                                                                                                                                                                                                                                                                                                                                                                         | <u>Professional Development</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>Budget</u>                                                                                                                                                                                                  | <u>Monitoring &amp; Evaluation</u>                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>See Essential Components (#s) and Appendices (letters)</u><br>See Appendix E: E-Rate Sufficient Budget/Sites Impacted<br>School Board Approved Annually                                                                                                    | <u>See 3:</u><br><u>Needs Assessment and Goals</u><br><br>Reviewed annually                                                                                                                                                                                                                                                                                                                                           | <u>See 8:</u><br><u>Professional Development (Goal 1)</u><br>Training is tracked via ePDC, an electronic tool developed by the consortium (PAEC) and tied to Florida Standards and Student Achievement.                                                                                                                                                                                                                                                                          | <u>See 4:</u><br><u>Funding Plan</u><br>Reviewed & Developed Annually                                                                                                                                          | <u>See 9: Program Evaluation Appendix D: STaR</u><br>Reviewed & Evaluated Annually                                                                                      |
| <b>I. Telecommunications</b><br>Trillion – WAN<br>Trillion – Phone System<br>Trillion- Telecommunications<br>ITC Delta Com Local<br>ITC Delta Com Long Distance<br>Sprint PRI lines/DIDs<br>ALL Tel Communications<br>Southern Communications<br>ALL 15 Sites | <ul style="list-style-type: none"> <li>• <b>Technology Capacity Goal:</b> Voice, Video and Data Services will be used to conduct day-to-day operations. (Goal 2- Curriculum Integrtrion)</li> <li>• <b>See Goal 3: Student Achievement</b></li> <li>• <b>See Goal 5: Community uses Resources</b></li> <li>• <b>See 6.1: Access</b></li> <li>• <b>See 11: Addendum Accountability and Teacher Training</b></li> </ul> | See <a href="http://150.176.104.58/trng">http://150.176.104.58/trng</a><br><b>Technology Training Calendar</b><br>See <a href="http://www.walton.k12.fl.us/training/index.htm">http://www.walton.k12.fl.us/training/index.htm</a><br>For Technology Training Activities for Voice, Video and Data skills Training is ongoing, sustained, intensive, high quality, based on relevant research and target the integration of emerging technologies into curricula and instruction. | <ul style="list-style-type: none"> <li>• <b>See E:</b> E-Rate - Financial Impact – Board Approved - Sufficient Budget for E-Rate Services</li> <li>• <b>See H:</b> Budgets Budgets Past and Present</li> </ul> | See 3:<br>Self-evaluaton is with a Rubric PAEC performs grant evaluations WCSD has the ability to make mid-course corrections in response to developments. STaR surveys |

| <u>Telecom Services, Internet Access &amp; Internal Connections</u><br><u>Walton School District Communications &amp; Tech Plan</u><br><u>Supports E-Rate</u>                                                                                                                                                                                                                                                                            | <u>Goals &amp; Strategies</u>                                                                                                                                                                                                                                                                                                                                                                            | <u>Professional Development</u>                                                                                                                                                                                                                                                                                                                           | <u>Budget</u>                                                                                                                                                                                                                                                             | <u>Monitoring &amp; Evaluation</u>                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>II. Internet</b><br>Trillion – Internet<br>17 Sites, Add Walton Learning & Walton Academy to WAN                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• <b>Technology Capacity</b><br/> <b>Goal:</b> Voice, Video and Data Services will be used to conduct day-to-day operations.</li> <li>• <b>See Goal 3: Student Achievement</b></li> <li>• <b>See Goal 5: Community uses Resources</b></li> <li>• <b>See 6.1: Access</b></li> <li>• <b>See Goal 4: User Support</b></li> </ul>                                     | Training is provided via <ul style="list-style-type: none"> <li>• Internet with Online Courses</li> <li>• Face-to-Face utilizing web sites</li> <li>• Satellite or video via the web</li> <li>• WebX</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>• <b>See E: E-Rate</b><br/>           - Financial Impact<br/>           – Board Approved<br/>           - Sufficient Budget for E-Rate Services</li> <li>• <b>See H: Budget</b><br/>           Budgets Past and Present</li> </ul> | <ul style="list-style-type: none"> <li>• <b>See 3:</b><br/>           Self-evaluation is with a Rubric</li> <li>• PAEC performs grant evaluations</li> <li>• WCSD has the ability to make mid-course corrections in response to developments.</li> <li>• STaR surveys</li> </ul> |
| <b>III. Internal Connections</b><br>Caching Servers/DELL <ul style="list-style-type: none"> <li>• 4 sites</li> </ul> Caching Servers/DELL <ul style="list-style-type: none"> <li>• 1 site</li> </ul> Maintenance, Service, Support (Goal 4) <ul style="list-style-type: none"> <li>• 7sites \$1,000/site</li> <li>• outsourcing</li> </ul> Novell Operating System Licenses <ul style="list-style-type: none"> <li>• 15 sites</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Technology Capacity</b><br/> <b>Goal:</b> Video and Data Services will be used to conduct day-to-day operations.</li> <li>• <b>See Goal 3: Student Achievement</b></li> <li>• <b>See Goal 4: User Support</b></li> <li>• <b>See Goal 5: Community uses Resources</b></li> <li>• <b>See 6.1: Access</b></li> <li>• <b>See 7: User Support Plan</b></li> </ul> | Employees conduct curriculum activities and professional development activities without knowing that content is “cached” for easy/faster access.<br><br>Management of networked file servers for viruses, back up and recovery and day-to-day operations is mandatory in order to provide training/learning activities for students, staff and community. | <ul style="list-style-type: none"> <li>• <b>See E: E-Rate</b><br/>           - Financial Impact<br/>           – Board Approved<br/>           - Sufficient Budget for E-Rate Services</li> <li>• <b>See H: Budget</b><br/>           Budgets Past and Present</li> </ul> | <ul style="list-style-type: none"> <li>• <b>See 3:</b><br/>           Self-evaluation is with a Rubric</li> <li>• PAEC performs grant evaluations</li> <li>• WCSD has the ability to make mid-course corrections in response to developments.</li> <li>• STaR surveys</li> </ul> |



# WALTON COUNTY SCHOOL DISTRICT

COY M. YATES – SUPERINTENDENT OF SCHOOLS

~~~~~

145 Park Street, Suite 3
DeFuniak Springs, Florida 32435
Telephone: (850) 892-8310
FAX: (850) 892-8311

A Telecommunications Proposal for Walton County School Board for Local & Long Distance

Service Area: Walton County, FL
470 Application #170190000471869

Proposal submitted by: **Melea Segers Glover**
Vendor Name: **ITC^DeltaCom**
SLD Telecommunications Spin Number: 143001196
Address: **325 John Knox Rd Bldg 100 Ste 100, Tallahassee, FL 32303**
Phone: **(850) 701-3212**
Fax: **(850) 701-3230**
E-mail: **mglover@itcdeltacom.com**

1. Local Line Cost: **\$13.16**
2. Number of Local Lines: **20**
3. Long Distance Cost Per Minute: **Interstate:** **.046** **Intrastate:** **.052**
4. Technical Support Notes:
24 hour/365 days Customer Support – (800) 239-3000
5. On Site Response Time:
Interconnect Agreement with Sprint (See FCC Interconnect Agreements)

Walton County School District Approval: _____

“COMMITTED TO EXCELLENCE IN STUDENT ACHIEVEMENT”

DONNIE RICHARDSON
DISTRICT 1

MILDRED WILKERSON
DISTRICT 2

DARRELL BARNHILL
DISTRICT 3

MARK D. DAVIS
DISTRICT 4

JERRY JONES
DISTRICT 5

DIANE HARE
SECRETARY



WHO HAS YOUR LONG DISTANCE COVERAGE?

ALL CALLS, ANY TIME, ALL DAY LONG!!!

Small business communications your way: domestic and international long distance, local toll calling, toll-free, Internet access, calling card, wireless long distance, directory assistance, and more.

- All services on one simple, easy-to-understand monthly bill.
- Now, when you sign up for Sprint Adjustable Rate PlanSM, you'll receive simple, flat, per-minute interstate and intrastate rates - 24 hrs/day, 7/days a week! Spend more, save more!
- TOLL-FREE SERVICE (optional) Toll-free usage is the same rates as your outbound calling. Monthly recurring charges are \$5.95 per month for one to five Toll Free Numbers.

Intrastate (within FL) calls are 6.0 cents per min. always.

Interstate (outside of FL) rates are as follows;

Spend between \$25 and \$50? Interstate rate would be 6.3 cents/min.

Spend \$50-\$150 and get an Interstate of 5.3 cents/min!

Spend \$150-\$350 and the Interstate rate goes down to 4.8 cents/min!!

Spend over \$350/month, get an Interstate rate of 4.4 cents/min!!!

All rates based on a One-Year commitment..

Please contact us if you spend greater than \$1,000 for a more cost effective plan.

Pay For What You Use

SPRINT BILLS IN SIX SECOND INCREMENTS, THEREFORE, IF YOU TALK ONLY THIRTY SECONDS, THEN YOU ONLY GET BILLED FOR THIRTY SECONDS, NOT A FULL MINUTE!

Rewarding You for Using Sprint

EARN BUSINESS REWARD POINTS FOR EVERY LD DOLLAR YOU SPEND TO: PAY FOR YOUR LD BILL, TRAVEL, OFFICE SUPPLIES, GIFT CERTIFICATES, AND FREE MEALS AT RESTAURANTS!

PLUS > Save an additional \$10/month with Sprint 's 1.5m DSL service and \$5/month on the 512k DSL service when purchased at the same time!

Garnett Stewart
Education Enterprise Account Mgr.
Phone: (850) 599-1707
FAX: (850) 847-0940

Danielle Barnhart
Inside Education Account Mgr.
Phone: (800) 529-4259 ext. 3757
Fax: (888) 340-3498

MASTER SERVICES AGREEMENT

The MASTER SERVICES AGREEMENT (the "Agreement") dated as of JAN 30, 2004 by and between Trillion Digital Communications, Inc., an Alabama corporation ("Trillion"), and The School Board of Walton County (the "School Board").

Trillion has submitted a proposal to School Board for the delivery of certain telecommunication services and the lease of certain equipment to School Board for its schools. Trillion and School Board contemplate that funding for a substantial portion of the fees payable by School Board to Trillion for such services and equipment will be provided by the Schools and Libraries Universal Service Support Mechanism, a federal government program commonly referred to as E-rate ("E-rate"), which is administered for the Federal Communications Commission by the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company. School Board wishes to accept Trillion's proposal and to engage Trillion on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby represent, warrant, covenant and agree as follows:

1. **Delivery of Services.** School Board hereby engages Trillion to provide during the Term (as defined below) the services listed in Exhibit A attached hereto under the heading Services Provided (collectively, the "Services"), at the schools and other locations listed in Exhibit A under the heading Service Locations (collectively, the "Service Locations"). Trillion hereby accepts such engagement on the terms and conditions set forth herein.

2. **Lease of Leased Equipment; Pole and Radio Equipment License.**

2.1 Trillion hereby leases to School Board, and School Board hereby leases from Trillion, for the Term and upon the terms and conditions set forth herein, the items of equipment to be set forth in the appendix provided for in Section 3 hereof (collectively, the "Leased Equipment").

2.2 School Board hereby grants to Trillion an exclusive, non-revocable license ("License") to use those certain parcels of real property at the Service Locations to be set forth in the appendix provided for in Section 3 hereof (the "Land") in order to install, operate and maintain certain poles and antennae (collectively, the "Poles") thereon and to place certain buildings or enclosures (the "Buildings") thereon; in addition to the Leased Equipment, Trillion may also install and maintain on the Land, on the Poles, and within the Buildings such other equipment (the "Radio Equipment") as Trillion determines may be necessary or compatible with the conduct of Trillion's business such as emergency generators and other broadcasting, relay, receiving, and related equipment. Trillion or its agents or representatives shall be entitled to enter the parcels of Land during reasonable business hours to inspect, install, maintain and service the Poles, Buildings, and Radio Equipment.

2.3 It is expressly understood that all rights granted to Trillion under this License are irrevocable until one year after the expiration or earlier termination of the lease of the Leased Equipment and provision of the Services as provided for in this Agreement. Trillion may use the Poles, Buildings, and Land for any activity in connection with the provision of telecommunications and other communications services as Trillion determines may be necessary or compatible with the conduct of Trillion's business. Trillion may make any substitutions to or modifications of the Poles and the Radio Equipment as it determines may be necessary or compatible with the conduct of Trillion's business.

2.4 In addition to the aforesaid License, School Board hereby grants to Trillion a non-exclusive right to install transmission cables and lines between the Poles and the Service Locations in connection with Trillion's use, maintenance, and operation of the Leased Equipment.

3. Appendix.

3.1 School Board acknowledges and agrees that the detailed list of Leased Equipment cannot be finalized until Trillion completes its engineering and design component of the Services with respect to each Service Location, and that such engineering and design component of the Services will not be completed until some period of time after School Board receives from SLD the funding commitment decision letter or similar SLD document (the "*SLD Funding Commitment*"). School Board further acknowledges and agrees that the determination of the specific location of the parcels of Land at each Service Location will be made in conjunction with Trillion's performance of the engineering and design component of the Services with respect to each Service Location. Promptly following the conclusion by Trillion of its engineering and design component of the Services with respect to each Service Location, Trillion shall prepare and deliver to School Board the proposed appendix, which shall identify, for each Service Location, the specific items of Leased Equipment and the specific location of the Land (the "*Appendix*"). In any event, prior to the commencement of actual construction, the School Board's Supervisor of Administration and Operations or his designee must approve the actual location of any poles or other equipment for each site.

3.2 School Board shall promptly review and notify Trillion of any objections to the proposed Appendix. If School Board has not notified Trillion of any objections to the proposed Appendix within 14 days of School Board's receipt of the proposed Appendix, School Board shall be deemed to have accepted the proposed Appendix. If School Board notifies Trillion of any objections to the proposed Appendix within such 14 day period, the parties shall use commercially reasonable efforts to resolve School Board's objections and finalize the Appendix. As soon as the Appendix is finalized and agreed upon by School Board and Trillion, each party shall initial each page of the Appendix and attach the Appendix to this Agreement. The Appendix, upon its attachment to this Agreement, shall become part of this Agreement.

4. Term.

4.1 The initial term (the "*Initial Term*") of this Agreement with respect to the provision of the Services and the lease of the Leased Equipment shall be for a period of 4 years, beginning on the date listed in Exhibit A attached hereto opposite the heading Commencement Date (the "*Commencement Date*"), and ending on the day prior to the fifth anniversary of the Commencement Date, unless sooner terminated in accordance with the terms and conditions as herein set forth.

4.2 With respect to the provision of the Services and the lease of the Leased Equipment, this Agreement shall automatically renew for 3 additional consecutive periods of 5 years each (individually, a "*Renewal Term*") upon the same terms and conditions as herein set forth, except as provided in Section 5 hereof regarding monthly payments to Trillion, unless School Board gives written notice of termination at least 30 days prior to the end of the Initial Term or a Renewal Term, as applicable.

4.3 The Initial Term and the Renewal Terms are collectively referred to herein as the "*Term*."

5. Payments to Trillion.

5.1 For and in consideration of Trillion's delivery of the Services and its lease of the Leased Equipment in accordance with the terms of this Agreement, School Board shall pay to Trillion, each year during the Term, the amount set forth in Exhibit A opposite the heading Annual Payment, as adjusted in accordance with Section 5.4 hereof (the "*Annual Payment*"). Notwithstanding the preceding sentence, School Board is obligated to pay only that portion of each Annual Payment net of the E-rate funding actually provided by SLD for the benefit of School Board (the "*Net Annual Payment*").

5.2 With respect to the first year of the Initial Term, 50% of the projected Net Annual Payment shall be due and payable to Trillion upon School Board's receipt of the SLD Funding

Commitment. The balance of the Net Annual Payment for the first year of the Initial Term shall be due and payable on the date on which each of the following has occurred (the "Acceptance Date"): (i) all Leased Equipment has been installed at the Service Locations; (ii) School Board accepts the Leased Equipment as installed, (iii) Internet access is available at each Service Location by means of the Leased Equipment; and (iv) the Appendix has been finalized, initialed and attached to this Agreement in accordance with Section 3.2 hereof.

5.3 With respect to each of the second through fifth years of the Initial Term and each year of any and all Renewal Terms, each such year beginning on July 1 and ending on June 30, the Net Annual Payment shall be due and payable to Trillion on the July 1 that begins each such year.

5.4 The Annual Payment shall be adjusted as of the first day of any Renewal Term (the "Adjustment Date") so that the Annual Payment shall be increased or decreased by the percentage increase of the Consumer Price Index ("CPI") as measured from the CPI published for January in the calendar year of the Commencement Date to the CPI published for January in the calendar year of the Adjustment Date. For purposes of this calculation, the CPI used shall be the Consumer Price Index--U.S. City Average for Urban Wage Earners and Clerical Workers, all items (1982 - 1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics, or in the event such index shall no longer be published, such replacement or similar index as TV may choose in its reasonable discretion.

6. Representations, Warranties, Disclaimers and Covenants of Trillion.

6.1 Trillion hereby represents and warrants to School Board that Trillion has good and marketable title to the Leased Equipment, and that Trillion is authorized to enter into this Agreement, to provide the Services as provided for in this Agreement, and to lease the Leased Equipment as provided for in this Agreement.

6.2 Except as set forth in Section 6.1 hereof, **LESSOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY AGAINST INTERFERENCE OR INFRINGEMENT, AND TRILLION NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY WARRANTY OR LIABILITY IN CONNECTION WITH SUCH LEASED EQUIPMENT, AND SUCH LEASED EQUIPMENT IS BEING LEASED ON AN AS-IS BASIS AND WITH ALL FAULTS. TRILLION SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES SUCH AS, BUT NOT LIMITED TO, DAMAGE OR LOSS OF OTHER PROPERTY OR EQUIPMENT, LOSS OF PROFIT OR REVENUE, COST OF REPLACED GOODS OR CLAIMS OF THIRD PARTIES, ARISING OR RESULTING FROM THIS AGREEMENT OR USE OF THE LEASED EQUIPMENT.** If the Leased Equipment is covered by a manufacturer's warranty, such warranty is strictly made and delivered on behalf of such manufacturer and in no manner affects the disclaims or warranties made by Trillion herein. No defect or unfitness of the Leased Equipment shall relieve School Board of any allegation to pay the Net Annual Payments or of any other obligation under this Agreement.

6.3 Except as provided in Sections 7.4 and 7.6 hereof, Trillion shall, at its expense, repair, maintain and, if necessary, replace the Leased Equipment during the Term.

7. Representations, Warranties and Covenants of School Board.

7.1 School Board hereby represents and warrants to Trillion as follows:

(a) School Board has all requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement. The execution and delivery of this Agreement by School Board and the consummation by School Board of the transactions contemplated

hereby have been duly authorized by School Board, and no other proceedings on the part of School Board are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by School Board and constitutes a legal, valid and binding agreement of School Board, enforceable against School Board in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and except as may be limited by general principals of equity. School Board has complied in full with all applicable public bidding and other applicable legal requirements with respect to this Agreement and the transactions contemplated hereby.

(b) School Board has sufficient appropriations and other funds available to it to pay the Net Annual Payment for the first year of the Initial Term.

7.2 School Board, at its expense, shall keep the Leased Equipment insured during the Term with companies and in such amounts as are satisfactory to Trillion for the full replacement cost thereof, against fire and theft with extended or combined additional coverage and against such other risks in such amounts as Trillion may specify. School Board shall on request of Trillion deliver to Trillion the policies or evidence of insurance together with receipts for the premiums thereunder. Such policies shall contain a standard long-form endorsement, showing losses with respect to the Leased Equipment, if any, payable to Trillion, and shall be payable to Trillion irrespective of any breach, default or fraud on the part of School Board. All insurance policies must provide that no cancellation thereof shall be effective without 30 days prior notice to Trillion. All proceeds of insurance with respect to the Leased Equipment shall be paid to Trillion, which shall use such proceeds, at its option, to repair, restore or replace the Leased Equipment.

7.3 School Board covenants and agrees that the Leased Equipment shall be used only for the purposes contemplated hereby. School Board shall not make any alterations, additions or improvements to the Leased Equipment or remove the Leased Equipment from its respective Service Location without, in either case, the prior written consent of Trillion.

7.4 In the event School Board or its employees, agents, students or contractors, through negligence, wanton or intentional conduct or otherwise, shall injure, damage or destroy any Leased Equipment, the repair or replacement of such Leased Equipment shall be at School Board's expense.

7.5 Trillion or its agents or representatives shall be entitled to enter the Service Locations during reasonable business hours to inspect the Leased Equipment, to observe its use and operation, and to replace or perform maintenance or repairs on the Leased Equipment.

7.6 School Board shall bear the entire risk of loss, theft, or damage (collectively, a "Casualty Loss") of the Leased Equipment. School Board shall give Trillion immediate written notice of any Casualty Loss. Upon its receipt of such notice, Trillion shall be authorized by School Board, at Trillion's option, (i) to repair the Leased Equipment at School Board's sole expense, or (ii) replace the Leased Equipment with like equipment, at School Board's sole expense.

7.7 Title to all of the Leased Equipment shall remain exclusively in Trillion. School Board shall keep the Leased Equipment and its interest therein free from any and all liens, claims and encumbrances, and shall not do or permit any act or thing whereby Trillion's title or rights may be encumbered or impaired.

7.8 School Board acknowledges that Trillion is delivering to School Board, as part of the Leased Equipment, content filtering software products of third parties, and that Trillion is not responsible for the satisfactory performance, or lack thereof, of such content filtering software. School Board further acknowledges that it (and not Trillion) is responsible for establishing, implementing, and/or utilizing any and all practices and procedures, rules, and other methods necessary to prevent any (i) unauthorized use of the Leased Equipment by any person, and (ii) any access by School Board (and its students, employees,