

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of:

Schools and Libraries Universal Service)
Support Mechanism) CC Docket No. 02-6

**COMMENTS OF MILWAUKEE PUBLIC SCHOOLS
IN RESPONSE TO PUBLIC NOTICE DA 11-331**

Milwaukee Public Schools serves 184 schools and over 85,000 students, 88% of whom are minorities. As the fourth poorest city in the nation (behind only Detroit, Cleveland and Buffalo), and with nearly 63,000 students living in poverty, the E-rate program is critical not only to the survival of our schools but also to the future of our students. Our school budget, for which we anticipate a \$74 million cut for the upcoming year, must deal not only with traditional education but also with the need to provide support for other programs and needs brought about by the overall poverty of our area.

We appreciate this opportunity to respond to this Public Notice seeking comment related to the Petition filed by Funds for Learning, Inc. to reject the Universal Service Administrative Company’s Priority Two discount threshold recommendation for the Schools and Libraries Program for Funding Year 2010.

Need

We appreciate the concern raised by Funds for Learning that not all applicants will receive support for Priority Two services and that with limited funds it is the neediest schools that benefit from the receipt of Priority Two funding. While we may not have a “monopoly on poverty” as Funds for Learning suggests, we believe that the fundamental principles set out by both Congress and the Joint Board call for those with the highest degree of poverty to receive funding.

In its petition, Funds for Learning calls for those funds that may become available during this year and that are already slated for rollover to Funding Year 2011 under the FCC's rule, be used to fund 80% schools in Funding Year 2010.

While we can appreciate that our argument may be viewed as self serving given our high degree of poverty and therefore our corresponding E-rate discount level, we fail to see the argument that somehow the 80% discount level is unique as opposed to the 79% or 81% discount levels.

We assume that the budget and the administrative authority for most schools resides with their school district and that, except for single-school, school districts, or for smaller parochial or charter schools, the discount percentage for the services received at schools is based on the weighting of multiple schools receiving a service within their school district. If a school district is asking for services that impact both their 80% and 90% schools, it is unlikely that the weighted average discount is going to be 80%; instead, unless the district is gaming their application, the discount will likely fall into the 81%-89% range. Again, we appreciate the budget and service delivery dilemma that comes with not having Priority Two services funded for all applicants. But, asking the FCC to waive their rule in order to take critical money away from Funding Year 2011 for the purpose of funding less impoverished applicants in Funding Year 2010 is concerning to us.

First, as the need for Priority One services grows, we are concerned about new rules the FCC will be forced to put in place to spread funding for Priority One applicants if sufficient funds are not available to fund all Priority 1 requests. No rules are currently in place to deal with this eventuality – an eventuality that would be hastened by the proposal to use Funding Year 2011 funds for Funding Year 2010. Second, as it relates to Priority Two funding, we fail to understand how “robbing Peter to pay Paul” – essentially stealing from the 2011 Funding Year in order to provide additional funding in the 2010 Funding Year – meets the requirements of funding those schools with the highest levels of poverty.

We agree with Funds for Learning that there are costs associated with “budgeting, planning and procurement” for E-rate purposes. It is for that very reason that we believe that the FCC’s rule which calls for quarterly reports by USAC of unused funds and a further identification in the second quarter of the year as to the amount of funds available for rollover in the subsequent year is so critical to our budgeting and procurement processes. Without some understanding as to how much funding will be available in each funding year – an amount that varies each year based largely on the rollover – it is impossible for us as a school district to make the necessary procedural, personnel, and financial decisions as to whether or not we undertake a project that can only be completed with the help of the E-rate program. If there is no hope of receiving funding, we must often forego needed projects due to the severe local limitations on our technology budget. But, going through the necessary processes only to later find that the FCC put rollover funds into the current year for which there is no longer hope of filing an application, rather than into the subsequent year as provided for in the program rules, is impossible to plan for locally.

We believe that the notion of predictability has been lost with some of the recent changes to the program. While we recognize that there are over 37,000 applications filed each year, we are having greater difficulty navigating all of the exceptions that are being made to the rules and determining what is a rule and what is not making it more difficult to ensure program compliance.

We appreciate the opportunity to offer these comments and urge the FCC to follow their rule such that unused funds will be carried forward into Funding Year 2011, rather than repurposed for Funding Year 2010.

Sincerely,

James Davis
Director of Technology
Milwaukee Public Schools