

Subject: FFL Proposal Follow-Up

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From: John Harrington <jharrington@fundsforlearning.com>

To: Nick Degani (nick.degani@fcc.gov) <nick.degani@fcc.gov>

CC: Orin Heend <oheend@fundsforlearning.com>

Hello Nick,

Thank you for making time to meet today. It was a pleasure meeting you.

One of the items mentioned today was the flexibility of the FFL proposal to work at varying funding levels. At its core, the FFL proposal is a mechanism for encouraging a fair and equitable distribution of funding -- regardless of how much money is in the USAC coffers at any one time. We envision the Per Student cap fluctuating each year, either in big ways (due a surge of funding) or in little ways (due to the rollover of unused funds). Attached is a brief summary of the proposal.

To help you see the impact of the FFL proposal, I pulled together a table of current and future Per Student funding requests. See below. The second column in the chart provides the FY2013 Per Student Priority One funding requests by all schools, based on their location. You will notice that rural remote schools funding requests (\$106.24 per student) were much higher than most of their counterparts.

**Per Student Funding Requests (FY2013) and
Estimated FY2014 Funding Requests (Under the FFL Proposal)**

Location Type	FY 2013 Request	FFL Proposal FY2013 funding	FFL Proposal \$4.5 Billion Cap
11-City: Large	\$55.32	\$57.30	\$91.71
12-City: Mid-size	\$36.26	\$52.09	\$83.71
13-City: Small	\$35.82	\$50.55	\$82.14
21-Suburb: Large	\$27.27	\$45.29	\$73.61
22-Suburb: Mid-size	\$26.82	\$46.90	\$76.32
23-Suburb: Small	\$32.45	\$47.05	\$76.63
31-Town: Fringe	\$31.54	\$45.94	\$74.86
32-Town: Distant	\$46.00	\$53.58	\$86.95
33-Town: Remote	\$45.58	\$55.97	\$90.63
41-Rural: Fringe	\$36.01	\$49.16	\$78.76
42-Rural: Distant	\$50.04	\$56.01	\$87.93
43-Rural: Remote	\$106.24	\$114.59	\$147.52
Other: Rural	\$54.01	\$78.03	\$110.35
Other: Urban	\$53.67	\$58.67	\$89.91
NYCBOE	\$233.31	\$58.10	\$95.45
Overall Average	\$42.68	\$51.89	\$82.83

The third and fourth columns of the table show the estimated impact of the FFL proposal on these different schools:

- “FFL Proposal FY2013 Funding” is based on a \$2.8 billion fund. It has a per student factor of \$70 and a per applicant floor of \$34,000.
- “FFL Proposal \$4.5 Billion Cap” option has a per student cap of \$115 and a per applicant floor of \$40,000.

The FFL proposal would allow every applicant to use their E-rate discounts as they see fit, including the purchase of internal connections. It would increase predictability of funding commitments, encourage cost-effective decision making, reward applicants for accurate funding requests, and allow for faster funding decisions by USAC (as well as many other benefits.)

Under the FFL proposal, an applicant’s total E-rate support would no longer be determined by the service category of its funding requests. Instead, applicants could set their own funding priorities. Their annual E-rate discounts would be limited based solely on their own needs, as well as their discount rate, enrollment size, and location - not by some arbitrary “discount threshold” which they can’t control.

Once again, thank you for meeting today. Please let me know if you have any other questions, or if there is any additional information that I can provide you or Commissioner Pai.

Kind regards,
John



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FFL uses its best efforts to ensure that all of the E-rate-related information that it provides is accurate, current, and complete. However, because of the dynamic nature of E-rate program rules, regulations, and procedures, FFL can neither warrant nor guarantee the accuracy, currency, or completeness of this information.