



**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of

Modernizing the E-rate
Program for Schools and Libraries

WC Docket No. 13-184

Comments from

Boston Renaissance Charter Public School
1415 Hyde Park Avenue
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116.

Below we seek comment on six options for revising the structure for distributing funds under the E-rate program by: (1) revising the discount matrix to increase certain applicants' matching requirements; (2) providing support on a district-wide basis; (3) revising our approach to supporting rural schools and libraries; (4) incorporating a per-student or per-building cap on funding into the discount matrix; (5) providing more equitable access to priority two funding; and (6) allocating funds to all eligible schools and libraries up front. These options are not necessarily exclusive of one another and we encourage interested parties to address comprehensively the various proposals, particularly if aspects of one are in tension with another. We also ask that parties consider the impact of changes to the discount matrix on libraries, and we seek comment on what particular challenges libraries will face if we change the discount matrix.

1. Modifying the Discount Matrix

117. To have sufficient funds to meet applicants' needs for high-capacity broadband and equitably distribute funding across schools and libraries, we seek comment on whether we should gradually increase, over time, the minimum percentage of matching funds that E-rate applicants must provide when seeking support from the E-rate program. We seek comment on whether this would better serve – on a cost benefit basis – our statutory mandate to “ensure affordable access to and use of” E-rate services.¹⁶⁷ We also seek comment on other possible changes to the discount matrix.

Comment

The Boston Renaissance Charter Public School (BRCPS) is the largest elementary school in Boston (including all charter public and traditional public schools). We are an urban K-6 school committed to providing a vibrant educational experience for Boston, children. We strive to nurture and develop children academically, socially and emotionally. We have a rigorous academic curriculum coupled with vibrant environment activities that include foreign language, dance, fine arts, vocal and instrumental music, technology and martial arts. We are a public-type school, not private. Our students/families do not pay to attend, nor, as the food subsidy percentage demonstrates, are we to expect financial contributions from them.

90 per-cent of our student population receives subsidized meals. Increasing the percentage for our portion of technology infrastructure purchases would dramatically hinder our ability to keep up with changing technology. Education and the well-being of our students are our primary financial focus.

High capacity broadband being delivered to the school is most welcome, but we also need to maintain the systems which deliver the Internet content to the classrooms up to date, along with the systems which enable us to manage our student population.

118. *Increasing applicants' matching requirement.* Gradually increasing the minimum matching funds provided by applicants would broaden the availability of E-rate support. In funding year 2011, for example, USAC committed approximately \$818 million in support for applicants at the 90 percent discount level, and \$790 million in support for applicants at 80-89 percent discount levels.¹⁶⁸

Thus, nearly two thirds of all funding went to applicants at these funding levels. Some previous commenters have suggested reducing the maximum discount rate to 80 or even 70 percent.¹⁶⁹ If the ¹⁶²maximum discount rate had been 80 percent in funding year 2011, there would have been approximately \$150 million in funding to spread more widely to applicants who did not receive support for priority two services.

Comment

Being a 90 percent discount school, we face the financial income limitations of our environment. Without the considerable support from E-rate we have applied for previously, our network, telephone, and school management technologies would not have been built at a level where they will last for years without likely catastrophic failures. Our school network cabling, telephone system servers, WiFi, and several servers were installed using current technology standards, without compromising the quality of the material and devices. If we had to face paying a larger percentage for these approved systems, we would not have been able afford and install them. We would be plagued by the network problems we faced prior to our school's moving to another location, and the systems we use for telephone and servers would be of considerably lower ability, quality, and most likely, lesser longevity.

119. Increasing the matching requirement could also encourage applicants to make more efficient and smarter decisions. In 2003, a USAC task force on the prevention of waste, fraud and abuse found that increasing the percentage of costs that schools and libraries pay for E-rate supported services would encourage more careful and cost-efficient purchasing of E-rate supported services and would thereby reduce the risk of waste, fraud and abuse of E-rate funds.¹⁷⁰ Therefore, it recommended requiring applicants to pay at least 20 percent of the price of priority two E-rate services.¹⁷¹ We seek comment on that analysis.

Comment

Our school functions on a fixed income based on a per-student headcount. Doubling or increasing the portion we pay to keep our systems up to date and running would be detrimental to our ability to maintain our systems.

120. More recently, Funds for Learning, an E-rate consultant, issued a report demonstrating that school districts with high discount rates spend, on average, far more on E-rate supported services than schools that have to pay a higher percentage of the costs of the supported services they purchase.¹⁷² We seek comment on that analysis and whether it supports a decision to reduce the maximum discount level. Funds for Learning also notes, however, that the majority of high-discount schools are not, in its words, “big spenders.”¹⁷³

Comment

We are eligible for more systems/equipment than we submit requests for. We adhere to the recommendations of our advisors regarding purchasing, which includes E-rate. In our case, it may only cost us 10% for an item, but you must have the 10% to be able to spend it.

121. Recent changes to the Rural Health Care program provide an example of the potential benefits of reducing the maximum discount level. In adopting the *Healthcare Connect Fund Order* last year, the Commission required fund recipients to contribute 35 percent of the costs of the supported services.¹⁷⁴ The Commission found that requiring recipients of Healthcare Connect funds to contribute 35 percent of the costs of services gave health care providers a strong incentive to control the total costs of the supported services and “appropriately balances the objectives of enhancing access to advanced telecommunications and information services with ensuring fiscal responsibility and maximizing the efficiency of the program.”¹⁷⁵

Comment

This would make our maintaining/updating our systems very difficult, as noted above, we are on a “fixed” income per student.

122. We anticipate several advantages to increasing the matching requirement even if we do so over time. For example, requiring the schools and libraries with the highest discount rate to pay for a greater share of their purchases could help drive down the purchase price for E-rate supported services. Applicants receiving substantial (80-90 percent) discounts have greatly reduced incentives to ensure they are receiving the lowest priced services or that they are getting only services they need. We also seek comment on the other benefits, as well as the drawbacks, to increasing schools’ and libraries’ minimum matching requirement for E-rate supported services.

Comment

We realize we’re “only” paying for 10% of an item, but again, with budget limitations, we have to be sure we can justify the 10% properly, which includes the cost of the item and the services associated with it. Paying more for something because it’s just 10% of the number is not an option.

123. For any revisions we may ultimately make to the discount an applicant can receive for E-rate supported services, we propose to phase in such changes over some period of time, such as three years. Is this enough of a phase-in to allow applicants to adjust their requests? Does the length

of the necessary phase-in depend on the extent of reduction in the maximum discount level? We seek comment on such a phase-in for each of the different suggested revisions noted above.

Comment

It would present a great hardship to us to have our portion of payment increase, as noted above. Deferring any increase is in our best interest. The phase-in does not make it easier for us to meet our obligations to our students, and regardless of the time to phase in the change, the costs will affect our ability to “keep up” our current level of technology.

124. *Other modifications to the discount matrix.* We also seek comment on other potential adjustments to the discount matrix to ensure that we can provide some funding to all eligible schools and libraries for all supported services. Should we, for example, reduce the lowest discount rate from 20 percent to 10 percent? How would that change affect the ability of schools and libraries with the lowest number of students qualifying for free and reduced lunch to receive affordable high-capacity broadband? Should we reduce the top discount to 85 percent, 75 percent, or 65 percent?¹⁷⁶ If so, should there be a reasonable transition period? Should we consider reducing each discount level by a set percentage, such as five percent or ten percent? We estimate that if all the discount rates were five percent lower in 2011, USAC would have been able to distribute an additional \$169 million in priority two funding. We estimate that if all discount rates were ten percent lower, in 2011 USAC would have been able to distribute an additional \$338.5 million in priority two funding. Would reducing the discount rate across the board result in a disparate impact on applicants depending on the discount level? What would the impact be if we reduced the number of discount levels? Would such a decision simplify the discount calculation process for applicants? Should we consider combining applicants at similar discount levels into a single discount level? Should we require all applicants eligible for a discount between 75 percent and 85 percent, for example, to apply using only an 80 percent discount? Should we have a flat rate discount, or one flat rate discount for rural schools and libraries and one for all other schools and libraries? Are there other ways to adjust the discounts applicants are eligible for? In order to encourage consortium purchasing, should we have a higher minimum discount rate for consortia applications than for individual school and school district applications?¹⁷⁷

Comment

Providing high-capacity broadband to any eligible educational facility is critical to the growth of students and their access to learning. I cannot see how increasing our percentage will benefit us due to our fixed income funding. I do understand that having more funding available will benefit more facilities. In our case, I do not see a compromise except for more money to be provided to the fund.

125. There are other possible ways to modify the matching funds requirement, and we invite commenters to offer other proposals. We also invite commenters to refresh the record on previous proposals. For example, in response to the *E-rate Broadband NPRM*, SECA proposed simplifying the discount matrix by setting applicants’ discount rate at the sum of the applicant’s NSLP discount percentage plus 20 percent for non-urban areas, and 25 percent for rural areas, up to a maximum discount rate.¹⁷⁸ We invite comments on that proposal, and specifically seek comment on

how such a change would affect applicants and the fund. What should the maximum discount rate be? Are there other ways that SECA's proposal should be adjusted?

Comment

Without knowing my school's own numbers, I cannot comment.

Conclusion:

We appreciate the time and consideration dedicated by the Commission to these issues and welcome additional improvements to the program which will continue this critical program for schools and libraries across the nation and the students and library patrons they serve.

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