NEBRASKA RURAL COMMUNITY SCHOOLS ASSOCIATION
455 S. 11th St. Suite B
Lincoln, NE 68508

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

April 7, 2014

Dear Sir/Madame,

This letter is in response to the FCC's Public Notice (PN): Wireline Competition Bureau Seeks Focused Comment on E-Rate Modernization which, among other things, examines how to distribute $2 billion in found funding for the E-Rate program. The E-Rate program currently represents the only source of federal funding aimed at educational technology and is critical in providing discounts to assist schools across outstate Nebraska to obtain affordable telecommunications and Internet access.

The Nebraska Rural Community Schools Association, and its 180 member Pk-12 public school districts and Educational Service Units, continues to depend upon the E-rate program to support current and planned technology. We are highly concerned that rural Nebraska is losing funding opportunities through E-rate, but also concerned that some districts have become so discouraged about the application process that they have felt forced to use that time in other pursuits. This continues to be a concern that a program that has to address the urban and suburban circumstances does not leave enough funds for rural needs.

As the FCC moves forward with this PN, we urge you to ensure that changes to modernize the program are focused on expanding a successful program that has yet to reach its full potential. E-Rate has served as the cornerstone to the rapid and dramatic expansion of school and library connectivity. The current program, while needing some marginal updates to its structure, is most strained by increasing demand for E-Rate-supported services and persistently low funding. The single most effective step the FCC can take to bolster E-Rates current and future success is to provide $5 billion in funding, an amount commensurate with current demand. The final proposal must include both programmatic restructuring and a permanent increase in the program's funding cap. One without the other is not adequate to the need.

The $2 billion (over two years) in found funding for E-Rate is a strong step in the right direction, as is focusing the funds on Priority Two (internal connections). Connectivity is an annual expense, though, and we are concerned that the proper focus on modernization and build out will come with sustained increased program demand that far exceeds the current program funding level and the inevitable funding cliff that will come when the $2 billion is spent down. In fact, the most recent application cycle for E-Rate (closing March 26, 2014) totaled more than $2.225 billion for one year, already exceeding the $2 billion the FCC proposes for two years.

We hope that the final changes to the E-Rate program position to program to continue to fulfill its original promise of connectivity in the broader context of equity, local decision-making, and technological neutrality. More specifically to the FCC's proposal:

- <u>Support technological neutrality</u>: Technological neutrality (allowing a variety of technologies as opposed to prescribing a limited number) and local decision-making are an efficiency: Local school system and library leaders are best positioned to know their respective technological needs, the process for implementing the technology plan, and the related costs. Tech neutrality and local decision making empower districts like mine to maximize the benefit of E-Rate dollars, for connections both *to* and *within* schools and libraries.

- Oppose any effort to set aside a specific portion of E-Rate dollars for Priority Two: The concept of a carve out/set aside for Priority Two sets up the very real threat of 'robbing Peter to pay Paul', whereby the set aside for Priority Two would encroach on Priority One, leaving both priorities to be rationed.
- Oppose any proposal that would distribute E-Rate funding on the basis of a per-capita (ie, per-student) basis: Beyond an inability to recognize high-cost service factors that often impact rural and small schools, a per-capita approach is a step away from E-Rate's historical focus on equity. As both AASA and AESA wrote in their comments, "Concentration of poverty is reflected in the percentage of eligibility, as opposed to a straight count of students in poverty. That is, 100 low-income students in a district of 1,000 students is a different level of poverty than 100 low-income students in a district of 10,000. Specific to the idea of a per pupil cap: With a historic focus on concentrations of poverty, the very act of diluting funding to a pupil (or class, or building) level is antithetical to combating concentrations of poverty. It reflects the presence, but not necessarily the concentration, of poverty. Per capita limits are poor proxies for ensuring that funds remain targeted on the neediest populations."
- Support Streamlining Administrative Process: Streamlining of the administrative process including online filing and reduced administrative burden[1], as well as allowing for multi-year applications and providing an 'EZ' renewal form for applicants making no changes to a previous year's application.
- Support Voice Services: Voice remains an important E-Rate service for schools and libraries. Removing voice services from the eligible services list does not negate my district's very real need for working phones, for everything from simple contact to emergency communication. The shift would translate into increased fiscal pressure on my district's budget.
- Oppose demonstration projects within E-Rate funding: Any of the pilot projects siphon limited dollars away from the historically oversubscribed E-Rate program. Any incursion on the E-rate program – whether it be from a new service, a new class of applicants, or a new program (as the proposed pilot would be) – would significantly destabilize the program.

In the face of increasing demand for additional education opportunity, we in Nebraska are likely not much different than other states. However, the access issue is absolutely critical for rural areas of our state, encompassing 80% of our geography. In fact, rural becomes remote, sometimes one school district site per county. Our students cannot be minimized because the setting is rural, yet we find that is becoming the case regarding federal support. We trust that all students matter, regardless of location and proximity. Fully accessible and fully funded should become the standards for E-rate.

Thank you for considering my response as you move forward with your decision on the E-Rate program. I applaud the FCC for its continued efforts to protect the already oversubscribed E-Rate program by ensuring the future of this successful program. I urge you to support significant increased funding for the E-Rate program, and to ensure that the program and its limited resources are protected and preserved.

Sincerely,

Dr. Jon Habben, Executive Director
Nebraska Rural Community Schools Association