

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

In the Matter of)	
)	WC Docket No. 13-184
Modernizing the E-rate)	
Program for Schools and Libraries)	CC Docket No. 02-6
)	

**COMMENTS OF THE
COUNCIL OF THE GREAT CITY SCHOOLS**

The Council of the Great City Schools is pleased to submit comments to the Further Notice of Proposed Rulemaking, as adopted by the Federal Communications Commission on July 11, 2014 (WC Docket No. 13-184, CC Docket No. 02-6), regarding meeting the future funding needs of the E-Rate Program, as well as other simplification issues for schools and libraries.

Introduction

The Council of the Great City Schools appreciates the hard work undertaken by the Commission and staff over the past year in developing the original Notice of Proposed Rulemaking (NPRM) in 2013, this year’s Public Notice, and July’s Report and Order and the accompanying Further Notice of Proposed Rulemaking (FNPRM). We are encouraged by this last document’s inquiry into the need for additional funding, and continue to offer input to assist the Commission’s decision-making.

As stated in the Notice, the financial support the E-Rate has helped many schools be a part of the immense technological advancements our society has seen in the last 15 years, and provided educators with access to modern communications that they may not have been able to obtain otherwise. However, strengthening the E-Rate program and continuing this success cannot occur without additional investment in our schools, specifically in the next-generation broadband and high-speed wireless that is necessary to make classrooms “future-ready.”

The Council of the Great City Schools includes 67 of the nation’s largest urban school districts that represent less than one-half of one percent of the approximately 14,000 school districts in the U.S., yet enroll almost 7 million students, including approximately 25 percent of the nation’s Hispanic students, 30 percent of the nation’s African American students, and 25 percent of the nation’s children living in poverty. The value of the E-Rate is apparent every day to the members

of the Council, as we serve the highest numbers and concentrations of disadvantaged children, employ the largest number of teachers, and operate in the greatest number of outdated and deteriorating buildings.

The Council supports the goals outlined in the Administration's ConnectED initiative, and remains eager to help the Commission convert the laudable proposal into effective policy. As the president has often said, our nation has an interest in improving our schools to make sure America has the skills needed to expand opportunities, grow our economy and compete in the international marketplace. In urban school districts, this means making sure that our students and teachers learn and work in safe, secure and modern classrooms that prepare graduates for college and careers after their K-12 experience.

The Council sees the ConnectED initiative as an opportunity to expand the E-Rate to provide additional benefits to schools and help them with the kind of innovative changes urban districts want to make, like online assessments and computer adaptive testing, interactive instruction, blended learning, and 1:1 computing practices. The President's original announcement sought to help districts make these practices a reality by getting the necessary next-generation broadband and high-speed wireless in 100% of schools by the end of five years. The Report and Order focused the program's existing resources on wireless deployment, but eliminated support for other existing services, shifting a significant financial burden onto district budgets and potentially putting the broadband targets out of reach.

In these proceedings, we once again urge the Commission to consider a permanent increase in the funding cap to help further the nation's progress towards the ambitious goals laid out by the President. The comments we have provided over the past year have tried to preserve the focus on schools with the greatest numbers and concentrations of poor children, while helping the Commission address the need to update the program and improve efficiency. But efficiencies and service changes are not sufficient for the E-Rate to meet the necessary technology needs throughout the country, and our comments will provide examples that demonstrate the demand for additional funding that still exists in urban schools.

Impact of Insufficient Funding for the Program

As the Commission is aware, current E-Rate funding is inadequate for the neediest applicants, let alone everyone else in the country. We understand that part of the Commission's intent this past year has been to gather more information and get a clearer picture of the full cost of modernizing the program and connecting all schools to high-speed broadband. Since the program's inception, however, there has been a resounding and overwhelming call from the applicant and provider community to raise the E-Rate's cap and add more money to the program. The original \$2.25 billion cap resulted from an outdated and inadequate analysis in the 1990's, and simply did not account for the need that existed or the pervasive technology usage that was headed to schools and libraries.

Since the annual E-Rate limit was first set, subsequent requests to increase funding were routinely rejected, even as annual requests for reimbursements exceeded the original cap. Almost

two decades have passed with very little funding increases for inflation, reducing the purchasing power of the scarce E-Rate funds over the years. In this same period, student and teacher demand for high-tech learning accelerated exponentially, and the gap between what applicants needed and what the E-Rate could support grew even larger. This shortfall is compounded even further by the fact that state and local education aid has declined significantly as a result of the lagging economy. A 2013 study by the Center for Budget and Policy Priorities actually found that state funding for education is currently below the levels that schools received in 2008.

As a result of this disparity, applicants did the best they could with the money that was available from the program, and from within their own finances, to update classrooms, school buildings, and district networks. The varied and contrasting level of broadband speeds in schools today is a direct result of the uneven and inadequate history of support for technology in education. The variation in school district broadband capacity is no different in urban schools. Some districts may be at or close to the short-term goals, but no city school systems meet the long-term connectivity guidelines adopted in the Report and Order, and many have a lot of work to do in order to reach the approved targets.

Bandwidth Targets and Costs

In the Report and Order, the FCC adopted the SETDA target recommendation of Internet access for schools of at least 100 Mbps per 1,000 users in the short term, and 1 Gbps Internet access per 1,000 users in the longer term. The Commission adopted as a target for WAN connectivity schools that have a connection capable of providing a dedicated data service scalable to the SETDA long-term WAN target of 10 Gbps per 1,000 students.

A number of urban school systems provided us with information regarding their current status and ability to meet these benchmarks, and as discussed above, district “readiness” differs, as does the associated costs with meeting the targets.

Internet Access Targets

Some urban districts are close to the short-term benchmarks, and additional funding could help ensure they can continue to work towards the long-term goals set out by the Commission. One such district indicated that all of their schools were at the short-term goal, while none of their 7 high schools meet the long-term goal. Another district indicated that almost all of their schools met the short-term targets, but none (approximately 100 schools) met the long-term goal. A similar reply came from a district that seemed confident they could meet the short-term targets, but none of that district’s 200 schools were ready for the 1 Gbps goal.

Quite a few districts, however, still have more work to do on both targets for Internet access, and as is often the case in urban school systems, the number of sites involved adds up quickly. One district indicated that only their elementary schools met the target of 100 Mbps per 1,000 users, but none of their approximately 60 middle schools or 60 high schools met the short-term target. In that same district, none of the schools – over 300 sites total – are equipped with 1 Gbps per 1,000 users. Another large district assessed their Internet access and found approximately 400

schools – almost half of the district – are not at the short-term target. None of that district’s schools are at the long-term target.

Internet Access Costs

The size of the district, the number of schools, and the distance to the benchmarks are obviously significant factors in determining how much funding a district would need to reach the Commission’s goal. One district indicated that their 70 schools were currently at 50MB per 1,000 students, but based on their own monitoring of bandwidth usage, the district projected that between \$500,000-\$1 million would be a sufficient annual amount (pre-discount) to meet the benchmarks for Internet access. These figures are lower than the projected costs estimated by most urban districts, however.

A number of similarly sized districts (with an average of 100,000 in student enrollment) had estimates for meeting the short-term benchmarks of about \$2-3 million annually. The same districts had a range of \$2 million to \$14 million in cost estimates for their schools to meet the long-term targets. There were a few districts that had significantly higher estimates, which stretched from between \$20-100 million. Many districts explained that additional work or additional costs would be required to meet the long-term targets, increasing the cost for reaching the 1 Gbps benchmark. These costs include upgrading the district’s core, network, and infrastructure. Another district explained that their costs could increase by a factor of 10 in the absence of using shared municipal fiber and microwave connectivity.

Wide Area Network (WAN) Targets and Costs

None of the districts that provided us with bandwidth information have any schools equipped at the SETDA WAN target of 10 Gbps per 1,000 students. A number of districts have existing fiber to their schools that is capable of being scaled-up to 10 Gbps, but require additional funding for the network electronics and infrastructure costs. Many more districts will require significant infrastructure work and will incur major costs to get fiber connections to their sites that are capable of meeting these benchmarks.

For school sites with fiber networks that are scalable to 10 Gbps, one district estimated that beyond the necessary electronics upgrades, it would cost approximately \$4,800 per month per school, or approximately \$58,000 per year for 10 Gbps. This school district has just over 100 schools, and the annual cost would be about \$5.8 million. A smaller district estimated the equipment upgrades would cost just under \$2 million, but was unsure of the monthly/annual costs. Another district anticipated that just upgrading their core electronics, including 10 Gbps optics, would cost approximately \$80,000 per school.

Two districts, both operating between 150-200 school sites, stated that they did not have connections capable of providing dedicated data service of 10 Gbps, and estimated the one-time costs to do so would reach between \$25-30 million. Finally, one district felt they had so much work to do that they were not confident estimating the total costs for upgrading their network, but felt that updating the core would cost \$8-10 million alone.

At a time when our nation’s educators are attempting to raise academic standards for all students, the variance among schools and districts to handle the demands of modern instruction is stark.

We anticipate that regardless of the source of the comments – urban, rural, and suburban – the Commission will find in this rulemaking that significant increases in E-Rate funding are necessary to ensure that these disparities do not continue to grow.

It is also worth noting that the lack of sufficient funds in the E-Rate program will have an impact on both Categories of funding. In the Report and Order, the Commission made significant changes to speed the deployment of wireless connectivity within schools, but also stipulated that extreme demand on Category 1 broadband services would reduce the funding available for wi-fi reimbursements under Category 2. Raising the cap will ensure that funds will be available to make all of the necessary upgrades and will reach those needing to make technology improvements in either category.

Category 2 and WI-FI

The Council appreciates the opportunity provided in the FNPRM to offer input on the \$150 per-pupil amount adopted for internal connections in the Report and Order. As the Order itself stated, costs for wi-fi deployment can be significantly higher in urban schools, yet for many of the poorest city school districts, the reimbursements available through the E-Rate have been reduced to 85%. Urban school systems that already have significant wi-fi systems in place indicated that the \$150 per-pupil allocation for Category 2 might be sufficient to keep their access layer current, pay for maintenance costs, or upgrade old wireless systems. But paying for all three over the next five years, or attempting to deploy wireless throughout dozens or hundreds of the nation's oldest school buildings typically exceeds the amount approved by the Commission.

Overcrowded classrooms are common in urban schools, with up to or more than 40 students, and sometimes two access points must be installed to ensure stability. In many urban schools, the condition of facilities and the construction materials used in the nation's oldest sites also has an impact on density needs. The cost of routers can also be higher in urban areas since schools with thousands of users need enterprise-class routers to ensure stable and secure access to the network. In some parts of the country, a school's outside and assembly areas are used for instructional time and need to be covered, also increasing the per-student amount.

There are additional factors in urban schools that can drive up the costs beyond the \$150 amount. Most major cities have labor stabilization agreements, mandating the wages paid to all contractors and workers, as well as the terms, conditions and costs on public projects. Due to the age of urban schools, installation projects have routinely higher costs because workers must be certified and insured to work in buildings with lead and asbestos. Despite the popular notion that cities have an abundance of service providers, many urban schools also see prices go up on major projects due to a limited pool of bidders. Finally, some cities and school districts have approved tougher radio frequency exposure standards, which also results in higher costs.

The result of these factors leads to an increase in costs for internal connections in urban areas, as the Commission found itself. One Council district with 50,000 students enrolled in 100 school sites received bids in 2013 for a subset of schools, and was able to project a district-wide cost of about \$30 million to install wireless service. This equals about \$600 per-student (pre-discount).

Another district estimated a similar cost of approximately \$700 per-pupil, based on a 30 students-per-classroom assumption. One district stated that the \$150 amount was sufficient for two years, but that the five-year estimate for deploying, maintaining, and upgrading wireless networks to cover their entire school system was closer to \$400 per student. A number of urban districts had estimates in this \$300-400 range, including one that recently completed their district-wide wi-fi installation for approximately \$325 per-student.

The importance of providing students and teachers with wireless access to district networks is well known to the education community and the Commission, and these services were made a priority in the Report and Order. But the funding that was determined for these internal connections and maintenance will be inadequate for urban schools, and will hinder the progress that important E-Rate stakeholders must make in order to modernize classroom instruction.

National School Lunch Program Data

The Council appreciates the changes made in the Report and Order to recognize the new reimbursement mechanism called the Community Eligibility Program (CEP). In our 2013 comments, the Council had urged the Commission to allow schools to use the CEP level of poverty (after the multiplier has been included). One of the main reasons that schools elect to participate in CEP is to get a more efficient account of the poverty level of their students in order to identify those in need of subsidized meals for the National School Lunch Program (NSLP).

This more up-to-date count of the poverty level in schools is also why we oppose the Commission's proposal requiring all schools and libraries to calculate their E-rate discounts using NSLP information that is reported by their state agency. In some states, this information may be recent and districts are satisfied with basing their E-Rate applications off of the state data. In a small number of urban districts, there is limited fluctuation in school enrollment on an annual basis, and the inclusion of year-old data is acceptable for planning and application purposes.

However, there is a reason why some schools and libraries choose not to use state-reported NSLP data when calculating their discount rates. In urban areas, poverty enrollment levels can fluctuate significantly from one year to the next, due to high levels of homeless and transient students, public housing patterns, gentrifying neighborhoods, the creation of non-district charter schools, and even the establishment of immigrant settlement zones. These kinds of factors are outside of a school district's control, and when combined with district decisions regarding opening or closing specific schools, result in major changes in an individual school's poverty level from year to year. This current school year, many urban school districts experienced major enrollment and poverty increases because of the influx of unaccompanied minors that have been reunited with families in local cities.

As the Commission noted, state poverty information is typically one year old, but a number of districts indicated that their states do not meet the November deadline and districts are forced to use even older data. One example from this year: a state did not have NSLP worksheets available until February 12, 2014, and the deadlines for posting Form 470s and Form 471s was February

26th and March 26th, respectively. The state’s timeframe for releasing information would not provide applicants with sufficient time to accurately plan, procure, contract, and apply for E-Rate services. As a result, districts had to use data from the previous year’s worksheets in order to meet the program’s deadlines, even though this data included students that had graduated and schools that had been closed, and did not include new students that had enrolled for the first time throughout the districts.

Because of the enrollment changes that are common in urban schools, and the problems or delays that may occur when relying on state-approved data, the Commission should continue to allow districts the option to use more recent information for their E-Rate applications. Many districts have and will continue to use the state-reported and verified information. The recent inclusion of CEP data in the E-Rate program may also help states speed up their review process and increase the amount of “pre-verified” data that USAC receives. But many districts prefer to use the best available data to implement their technology plan and better serve the population enrolled in their schools, even if doing so results in additional review from USAC.

Finally, we would like to note that USAC proposed this same NSLP data change for E-Rate applications a few years ago. At that time, Council staff and a number of urban districts met with the Commission to outline all of the above concerns, and in the end, no change was made. We believe the FCC recognized there was a need to balance both the verification responsibilities of the Administrator and the districts’ desire to include the most accurate number of vulnerable students. We ask the Commission to ensure that balance is preserved in this proceeding.

Conclusion

As one of the E-Rate program’s most dedicated stakeholders and supporters, urban public schools appreciate the opportunity to provide input on the Commission’s Further Notice of Proposed Rulemaking. The E-Rate allows city school districts to access the benefits of digital learning, and the program has helped many students and schools – regardless of income or location – integrate technology, media, and information-rich instructional content that is a necessary part of contemporary education. The President’s call to deploy high-capacity wireless and broadband to all students, teachers, and schools is a sound investment for our nation, and one we wholly support. We also share the Commission’s sense of urgency, and underscore that both action and significantly increased funding is needed immediately to meet the president’s goals. We must not waste this opportunity to make sure all students can benefit from modern instruction and learn in classrooms that mirror the technology-prevalent world beyond the school walls.

Respectfully Submitted,



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The Council of the Great City Schools is the only national organization exclusively representing the needs of urban public schools. Composed of 67 large city school districts, its mission is to promote the cause of urban schools and to advocate for inner-city students through legislation, research and media relations. The organization also provides a network for school districts sharing common problems to exchange information, and to collectively address new challenges as they emerge in order to deliver the best possible education for urban youth.

Member districts: Albuquerque, Anchorage, Atlanta, Austin, Baltimore, Birmingham, Boston, Bridgeport, Broward County (Ft. Lauderdale), Buffalo, Charleston County (S.C.), Charlotte-Mecklenburg, Chicago, Cincinnati, Clark County (Las Vegas), Cleveland, Columbus, Dallas, Dayton, Denver, Des Moines, Detroit, Duval County (Jacksonville), East Baton Rouge, El Paso, Fort Worth, Fresno, Guilford County (Greensboro, N.C.), Hawaii, Hillsborough County (Tampa), Houston, Indianapolis, Jackson, Jefferson County (Louisville), Kansas City, Long Beach, Los Angeles, Miami-Dade County, Milwaukee, Minneapolis, Nashville, Newark, New Orleans, New York City, Norfolk, Oakland, Oklahoma City, Omaha, Orange County (Orlando), Palm Beach County, Philadelphia, Pittsburgh, Portland, Providence, Richmond, Rochester, Sacramento, San Diego, San Francisco, Santa Ana, Seattle, Shelby County (Memphis), St. Louis, St. Paul, Toledo, Washington, D.C., and Wichita.