

## Executive Summary

While this paper is a discussion on technology and funding issues in the K-12 environment, let us not forget that the knowledge and skills a K-12 student learns today is the basis for a college education or employment in the increasingly technological workplace. Many colleges and universities have moved to digital textbooks and the use of laptops/tablets for instruction. Many offer on-line courses for specific subjects that are Internet based and cannot be attended other than through the Internet. Our students must be prepared to enter this arena with knowledge that allows them to effectively use technology as an educational and workplace tool.

Many mobile device initiatives in the Rio Grande Valley would not be possible if not for E-Rate. With increased devices on the network comes the need for increased bandwidth. District in the Rio Grande Valley would not be able to afford the bandwidth needed to support such devices on the network.

Although school districts in the Region One area have benefitted greatly from the E-rate program, the ever changing technology and academic requirements require upgrades to maintain and expand the current networks. This requires an ongoing economic support system to be in place such as E-rate funding.

## Simplifying the Process

1. Improve internal communications within USAC. A centralized database that links the entity notes to all applications would assist USAC in streamlining the review process (specifically identifying the entity eligibility.)
2. Eliminate excessive forms. We are recommending that one form be established to cover all stages of the process including: the initial application process, reporting once funded, and invoicing. We recommend for the form to have stages of approval and that it be accessible at any given time by both USAC and the applicant (similar to a work flow system).
3. We recommend that reimbursement of funds go directly to the applicant. The current verification process should be kept. However, the check should go directly to the applicant once the verification process is complete.
4. The two-of-five rule should be eliminated. The current system does not allow for cost effective use of the funds.
5. We support keeping the current funding mechanism in place. The E-Rate program was mandated by the 1996 Telecommunications Act to fund telecommunications and internet access in U.S. schools and libraries, in a manner that the most needy schools and libraries are preferentially funded.
6. We support the implementation of a funding cap.
7. Establishment of Regional Purchasing Consortiums to leverage pricing.

## Eligible Services Considerations

### The following services should be E-rate eligible:

1. Privately owned WAN fiber should be E-rate eligible.
2. Content filters are required and therefore should be E-rate eligible.
3. To reach the goal of universal broadband access by students and educators, we recommend the E-rate funding be provided for ensuring easy access to robust broadband connectivity outside of schools including, but not limited to, the home and such publicly accessible institutions as libraries and community centers. (ie: wireless on school buses)

### The following services should not be E-rate eligible:

1. Basic Maintenance of Internal Connections.
2. Paging Services.
3. Directory Assistance Services.
4. Cellular Services.

## Possible sources for Additional E-Rate funding?

1. All vendors wanting to participate in the E-Rate program should be subject to a SPIN registration fee. This fee should be administered every time the vendor renews their SPIN. Require all vendors participating in the E-rate program to complete an annual E-rate training. This will ensure that all vendors comply with all E-rate rules and regulations. This will help eliminate waste and fraud.
2. Currently only Telecommunications providers pay into the USF fund. Should Internet service providers or internal connection providers that receive funding also contribute to the fund?  
Each vendor awarded an E-Rate project should incur an administration fee equal to 1% of the total award. These funds would go back to the general fund for the next funding year.
3. Raising the USF contribution factor will increase the funding base. The current proposed contribution level is 15.1 percent of the interstate telecommunications charges on a customer's bill. Some have advocated raising this to as much as 25%.
4. Proposals have been made to increase the number of sources from which universal service fund is collected. This could include expanding contributions to include intrastate telephone services (calls within single states), voice over IP (computer-to-computer calls), and information services such as broadband, and increasing contribution requirements from wireless communication providers. One question is whether the providers of internet access should contribute to the fund like other companies that provide access to telecommunications, if such providers also want to draw from the fund.
5. Basic Maintenance of Internal Connections should be ineligible. This would force manufacturers to provide better warranties. Since the funding for this category is fairly large, this would free up significant funding.