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## **A New Way for Schools to Pay for Technology.**

The federal e-rate program that provides money to schools and libraries for Internet connectivity is about to undergo a major overhaul that could mean the end of subsidies for pagers and mobile phones in favor of broadband wireless infrastructure.

Federal Communications Commission (FCC) Chairman Tom Wheeler announced the change in March during a speech he delivered at a Council of Chief State School Officers conference. The e-rate program provides discounts of up to 90 percent to help eligible schools and libraries obtain telecommunications and information services.

But in the years since the e-rate program was launched in 1996 as part of the Telecommunications Act, "Technology has changed; the needs of schools have changed; [and] the e-rate program must reflect this change," Wheeler said. He recalled an incident in Michigan when elementary school students were midway through a 45-minute online math test when the system crashed as a result of inadequate bandwidth. The students had to retake the entire exam.

The telecommunications portion of the program, which includes everything from pagers and mobile phones to 800 numbers and email, is out of date in a world where communications is increasingly Internet-based, mobile and expected to be fast — whether it involves a phone call, text or video clip.

The e-rate program receives about \$2.25 billion annually from the Universal Service Fund, an \$8.5 billion program that uses a tax on various phone services to expand telecommunications in rural and high-cost areas of the country. The FCC created the fund during the 1930s to meet universal service goals of accessible phone service for rural areas and for low-income families. In less than 20 years, high-speed, mobile technology has passed by many of the original services subsidized by the fund.

The FCC wants to overhaul funding to focus on broadband connectivity, especially wireless service inside schools. "Wi-Fi has transformed computing and education, creating the possibility of one-to-one learning in classrooms and libraries, and freeing desks from wired connections," the FCC explained in a report issued in March. More than half the public schools in the country, though, don't believe their existing wireless networks have the capacity to handle new, technology-based custom teaching.

The wireless upgrade is part of a broad set of modernization goals set by the FCC that include: 1) giving schools and libraries affordable access to high-speed broadband to support digital learning; 2) maximizing the cost-effectiveness of e-rate funds; and 3) streamlining administration of the program.

Wheeler said the e-rate program spends about \$600 million on outdated services. He acknowledged that moving some of the money away from programs that are no longer central to the needs of schools and libraries will antagonize certain groups in the education community, such as the producers and users of narrowband pagers, PBX switchboards and 800 number services. Dropping subsidies for outdated technology is one part of a broader focus on funding that the agency believes can free up an additional \$2 billion over the next two years to help support broadband networks. The FCC also wants the distribution formula for wireless services to be more equitable. Currently, 80

percent of funding for wireless technology goes to urban school districts. Schools in rural communities have not benefited as well from the program as it's currently structured, according to Wheeler.

What the FCC does not want to do (yet) is request more funds for the e-rate program. The FCC has said it will search for savings in the program before considering expansion. That may be prudent, given that Congress, especially the Republican-led House, has been cool to the idea of tacking on any more fees to cellphone subscriber phone bills. But advocates for increasing the funding point out that demand for e-rate funding has continuously exceeded the program's cap of \$2.25 billion.

Last year, President Barack Obama got the ball rolling on the new e-rate program when he proposed expanding the amount of funding by up to \$6 billion by increasing the monthly universal service fees to cellphone users. The proposal was part of the president's ConnectED initiative, which is aimed at connecting 99 percent of public school students to broadband speeds of at least 100 megabits per second, with a target of 1 gigabit per second within five years.

However, former Republican Congressman Tom Tauke told the Technology Policy Institute forum last year that proposing to tack on more fees on phone bills was likely to antagonize Republicans who want to limit government spending. Fred Upton, the Republican chairman of the House Energy and Commerce Committee, in speaking out against the president's proposal, told *The Washington Post*, "Most consumers would balk at higher costs, higher phone bills."

Republicans might not want to raise fees to boost the e-rate program, but the plan to change funding has received widespread support from the major organizations that represent the education and library communities. The American Library Association (ALA) called for swift action on e-rate reforms, including an increase in funding. The ALA pointed out that the average public library has about the same connectivity as the average home. "High-capacity broadband drives innovation and underpins modern library services in public and school libraries," said ALA President Barbara Stripling.

The National Association of Elementary School Principals (NAESP) and the National Association of Secondary School Principals both pledged their support for modernization. While they support FCC Wheeler's call to modernize the program, more funding is crucial, according to Gail Connelly, executive director of NAESP. "We hope the [FCC] chairman and commission members make a serious attempt to not only improve inefficiencies, but increase e-rate funding to meet current school and library needs, which is an estimated \$5 billion," she said.

The U.S. Conference of Mayors has also weighed in on the issue, sending a letter to the FCC that called for swift action. Citing the fact that the other advanced countries have much better technology infrastructure in their schools, the mayors called broadband as important as chalkboards and textbooks.

Can the FCC modernize the e-rate program without asking Congress for more money? The commission believes it can, though Chairman Wheeler has indicated he won't hesitate to ask if more money is needed. Given the fierce drive to hold down the cost of government in Congress, it may be a while before more funds flow to schools and libraries to pay for technology.

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