

## Meeting Minutes September 19, 2016 EORC

Committee Members in Attendance: Chris Campbell, Will Goodman, Scott Woolstenhulme, Ryan Zimmerle, Ann Joslin, Dale Layne, Andy Mehl, Jim Doramus

Guest Sign-in Sheet Attached.

The meeting was convened at 9 am and Deputy Superintendent Pete Koehler welcomed the committee.

Secretary Jo Ann Bujarski went over some Housekeeping items related to committee information.

There was Unanimous Consent to amend the agenda to review the statute creating the committee before the election of Chairman and Vice Chairman.

Chris Campbell discussed Title 33, Chapter 56-Education Opportunity Resource Act which created the committee and set forth the requirements of membership and the powers and duties of the committee.

IC § 33-5603(2) states “the committee shall elect a chairperson and a vice chairperson who shall each hold such position for two (2) year terms and may be reelected.

Will Goodman moved, seconded by Scott Woolhenstulme to elect Chris Campbell Chairperson. Motion carried.

Ann Joslin moved, seconded by Ryan Zimmerle to elect Will Goodman Vice Chairperson. Motion carried.

Todd Lawrence, E-rate Coordinator for the State Department of Education (SDE) gave a brief overview of the E-rate process, the different categories, forms and deadlines. FCC Forms Chart Information Attached.

Ann Joslin of the Idaho Libraries Commission spoke on her E-rate team. Ms. Joslin said there are 103 public library jurisdictions in the state with 145 buildings and 10 mobile sites, approximately ½ of which are independent taxing entities.

In FY 2017 the Idaho Libraries Commission received \$180,000 for bandwidth cost reimbursement to the libraries, no funds for operations. The first quarter reimbursements have been made already. Some city libraries are getting bandwidth through their cities so they are not applying for E-rate reimbursement.

Chairperson Campbell reviewed the 2017 budget overview for public schools. There is \$2.9 million in the budget, \$2.7 million for reimbursement to the schools and \$230,000 for operating expenses. In the past, this money was only for high schools that had a 12<sup>th</sup> grade, now it is available to all K-12 schools.

The Chairperson also announced that Todd Lawrence of the SDE is the State Educational Technology Directors Association (SETDA) incoming Board Chair. The FCC has adopted SETDA guidelines.

Brady Kraft, IT Manager of the Broadband Program, SDE, spoke on statistics related to broadband purchased which the SDE has compiled from 2015-2017. The presentation is attached.

There was a discussion on the definition of “in good faith” as used in the statute. There may be a case-by-case review of questionable applications to determine “good faith”.

Mr. Zimmerle asked if a school did not have a school lunch program, how would the E-rate discount be determined? Mr. Lawrence said an income survey to the households should be done. Even if few surveys are returned, a 1% free or reduced lunch rate still gives a school a 20% discount on E-rate.

If a school does not apply for E-rate because their monthly charges are very small, and it actually costs them more to hire someone to facilitate the application, are they still eligible for reimbursement through the state? The answer is no, because the statute specifically says they must apply for E-rate.

Scott Woolstenhulme moved that any district that asks for state reimbursement who did not apply for E-rate will be automatically denied and they may appeal to the EORC. Andy Mehl seconded, motion carried.

It was stated that Chapter 33, Section 5605 (1) (B) contains the process if a district is looking to expand their bandwidth.

There was a lunch break from 11:45-12:45.

Vice Chairperson Goodman led a discussion of recommendations for approval or review, including minimum and maximum bandwidth. The committee discussed the risks of over or under provisioning bandwidth. With a definition of the minimum bandwidth, the committee does not want the districts to under purchase services because they do not know what they could do with more bandwidth. The statute is based on procurement, not utilization.

Ms. Joslin made a motion to set the maximum bandwidth to the 2017 SETDA recommendations for the on-site schools. Dale Layne seconded, motion carried. The minimum would be different for virtual schools since their students are not on-site.

The libraries will be reimbursed for what they’ve already procured. The discussion on min/max rates for libraries was tabled until the next meeting.

There was a discussion on quality of services measurements, which can’t be changed this year.

Mr. Kraft said that historically the 95<sup>th</sup> percentile was used for usage data and a benchmarks of 75% of provisioned bandwidth to indicate that an increase in bandwidth may be required. Additionally, sustained peak usage of 80% is looked at as a second indicator.

Idaho Code § 5604(3) states:

*Compile and analyze broadband utilization statistics from E-rate eligible entities to determine the levels of internet services necessary for such entities and report the statistics to the state department of education, and E-rate eligible entities shall cooperate with the committee in carrying out its duty to compile and analyze such information;*

SDE will need to work with all vendors and entities to determine method of utilization. As of now, the broadband program will use the current utilization of bandwidth during school hours. If a school is on a four-day week, only those four days will be measured. Most public libraries are not tracking utilization; they are purchasing the bandwidth they can afford.

Vice Chairperson Goodman moved to accept the minimum of .025 Mbps/student, maximum of 1 Mbps/student and utilization benchmarks as presented. Mr. Zimmerle seconded, motion carried.

There was a discussion of resources currently available:

Mike Bartz of the SDE works on the reimbursement process with the schools.

Mike Costa of the SDE works on technical support.

Todd Lawrence provides regional training on E-Rate.

Ms. Joslin said the Commission can give guidance on E-rate, but has no resources available for technical support. Approximately 50% of the libraries filed for E-rate.

It was determined by the EORC that the initial appeals process for now would be to send a denial letter, then the denied entities can appeal first in writing, then in person to the EORC. The process will be the same for both denied entities and those entities who would like a mid-year upgrade in their bandwidth.

Future Topics Discussed:

- Utilization Information
- Security
- Procurement Laws
- Contract Guidance
- Assistance with Budget Recommendations
- Data Reporting Requirements
- Technical Guidance

The next meeting of the EORC was set for Friday, October 28, beginning at 9 am at the State Department of Education.

Vice Chairperson Goodman made the motion to adjourn.

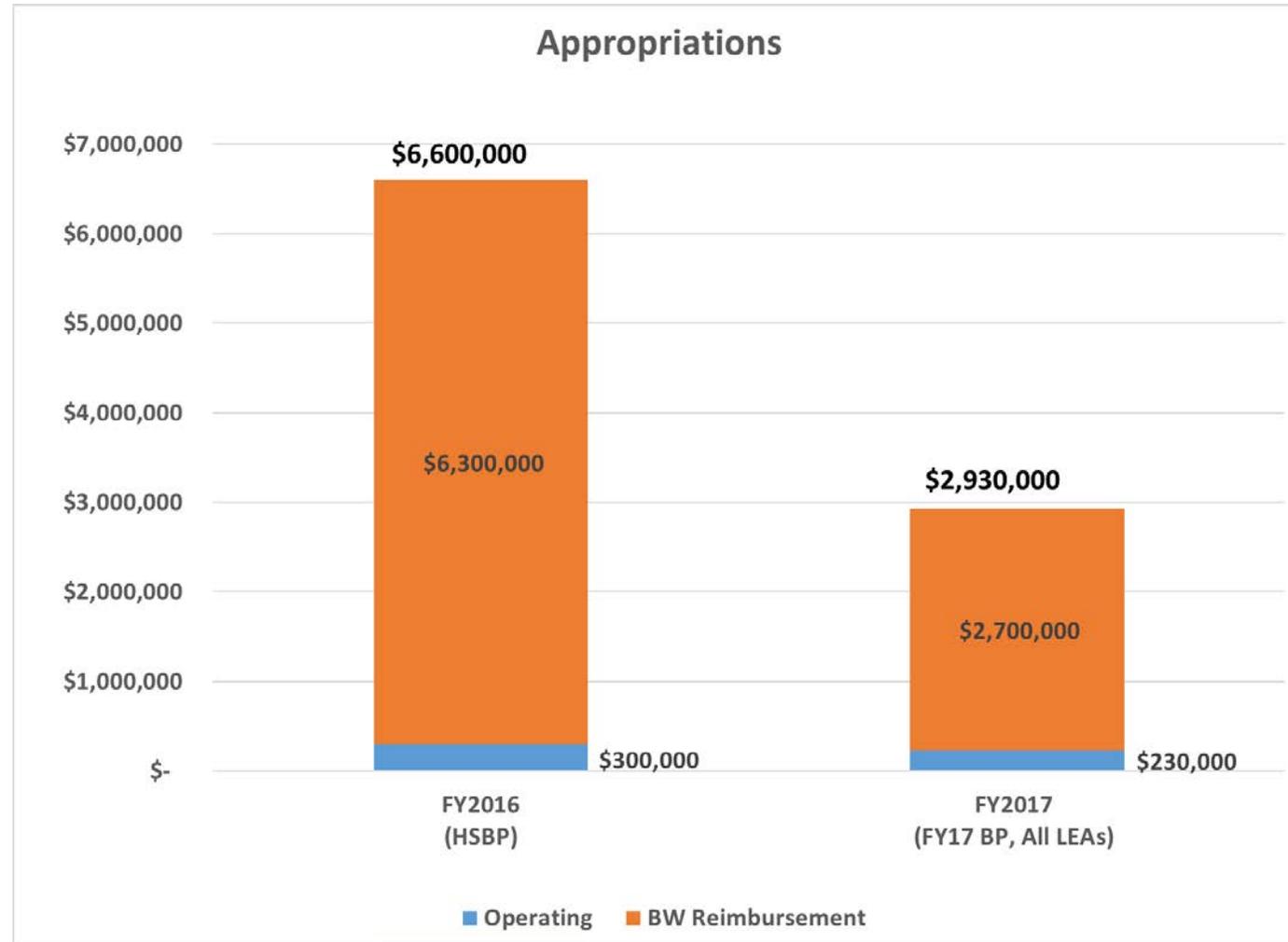
The meeting was adjourned at 3:35 pm.

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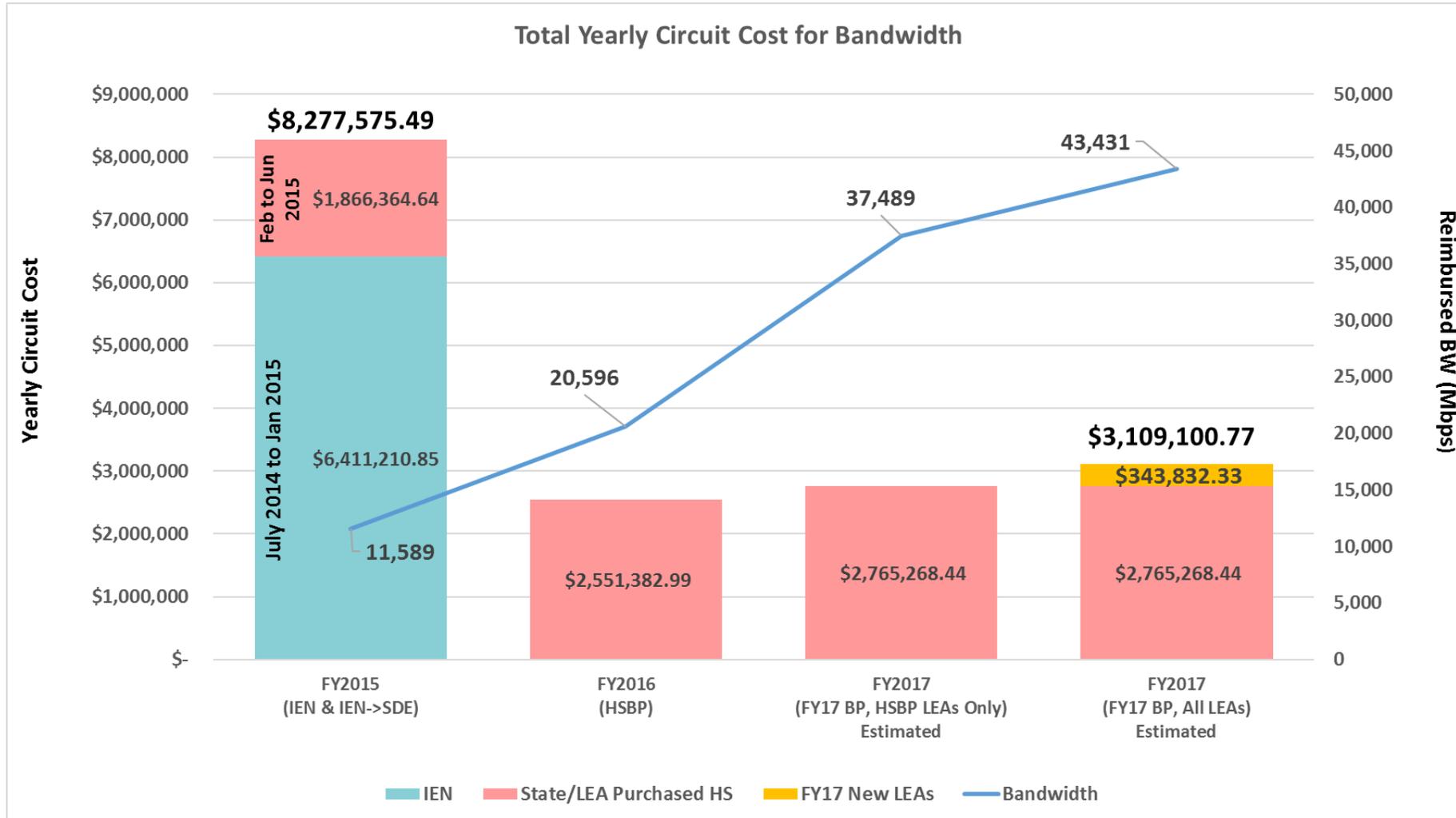
**September 19, 2016**



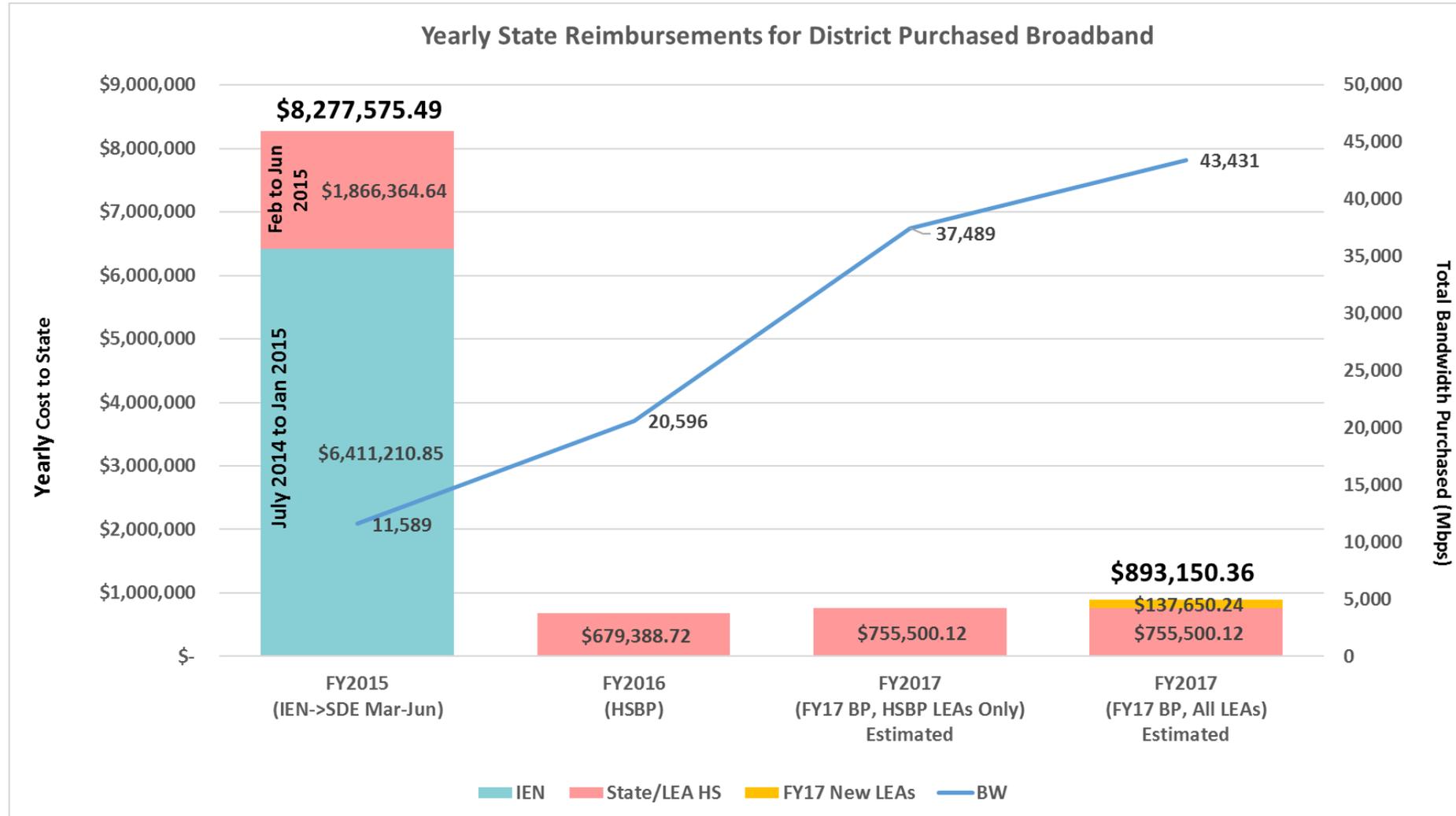
# FY2017 Budget Overview



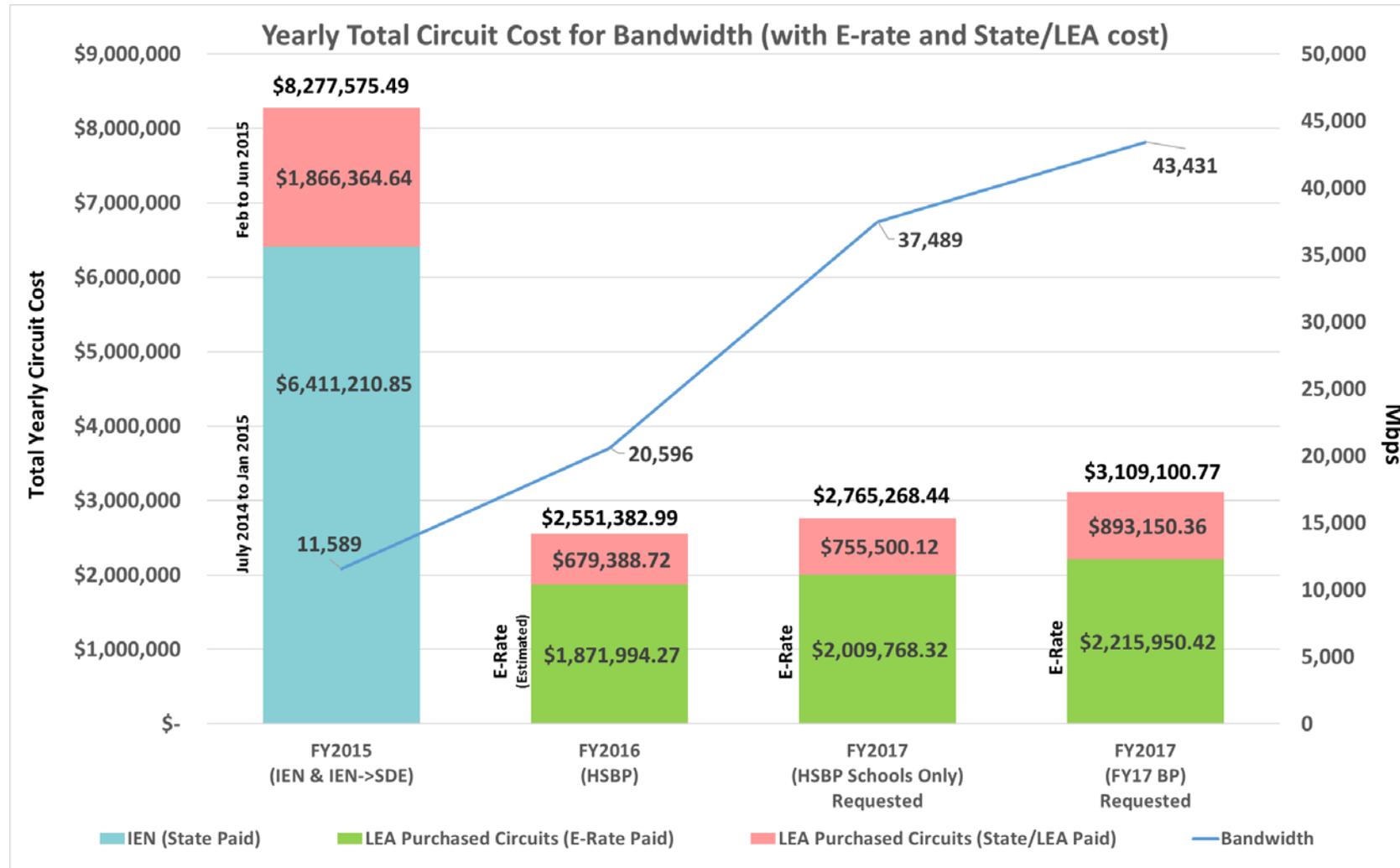
# FY2015 to FY2017 Total Circuit Costs



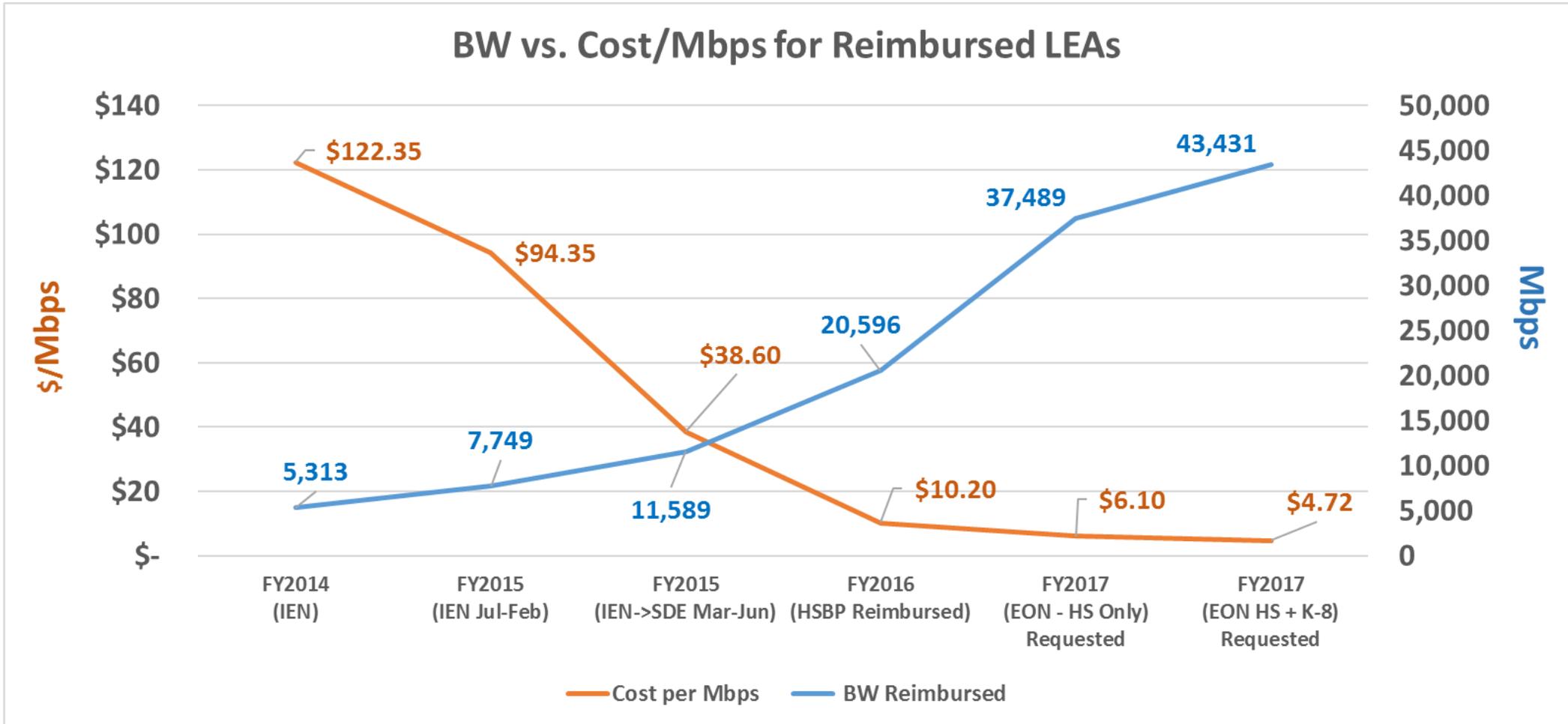
# FY2015 to FY2017 State Costs



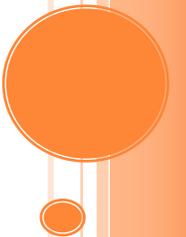
# FY2015 to FY2017 E-Rate & State/LEA Costs



# FY2016 to FY2017 BW and Cost/Mbps Trends



# FY2016 High School Broadband Program Review



# FY2016 Reimbursement Program Review

## Criteria as per SB 1171

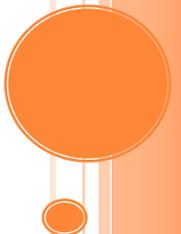
- Schools could procure, and be reimbursed for, broadband services equivalent to what was procured as of March 26, 2015
- All purchases are in compliance with Idaho procurement law
- The SDE shall require documentation to support funds disbursed
- Payments shall be for the non discounted portion of E-rate services
- Equivalent services shall be determined by the SDE at the level of services necessary to meet the educational needs of students
- SDE may approve reimbursements for services, or the expansion of services, after a cost/benefit analysis is conducted
- SDE has the authority to advance funds



# FY2016 Reimbursement Program Review

## What, When and How

- Reimbursement benchmarks
  - Primary benchmark – Spring 2015 reimbursed BW
    - Equivalent BW benchmark – Spring 2015 reimbursed BW + 40%
  - Secondary benchmark – Spring 2015 Cost
- Reimbursements were disbursed in advance on a quarterly basis
  - Allowed LEAs to have funds in hand for next quarter
  - Allowed flexibility to modify the reimbursement if necessary
- Utilized quarterly surveys to collect initial and ongoing data
  - Survey response was required before next reimbursement was sent
  - Allowed SDE to verify prior reimbursements with paid invoices



# FY2016 Reimbursement Program Review

## Verifications, Data Collection and Certifications

Prior to the initial reimbursement, the SDE

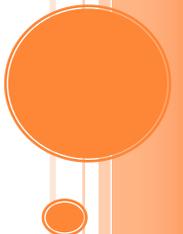
- verified LEA's eligibility for FY2016 reimbursement,
- verified eligible LEAs filed Form 471 for E-rate reimbursement,
- collected initial entity and reimbursement requests,
- collected copies of LEA's broadband contracts or invoices, and
- required LEAs to certify, via survey or e-mail, that their FY2016 contracts were awarded in compliance with state procurement laws.



# FY2016 Reimbursement Program Review

## Initial Cost/Benefit Analysis and Peer Review

- LEAs were categorized into one of the following premises:
  - Premise 1: Same or Less Bandwidth at a Lower Cost.
  - Premise 2: More Bandwidth at a Lower Cost.
  - Premise 3: Same or Less Bandwidth at a Higher Cost
  - Premise 4: More Bandwidth at a Higher Cost
- A peer review committee, made up of three (3) Technical Directors, reviewed and approved the cost/benefit analysis conclusions
- LEAs were notified of the approved reimbursement and allowed to appeal
- LEAs were reimbursed for the first quarters costs



# FY2016 Reimbursement Program Review

## Ongoing Verification, BW Increases and Peer Review

- Prior to subsequent disbursements, the SDE used invoices (submitted by LEAs) and USAC funding commitments to verify BW, costs and E-rate reimbursement
  - If necessary, reimbursements were adjusted
- LEAs were allowed to request reimbursement increases for more BW
  - SDE conducted a cost/benefit analysis of the request
  - Conducted a peer review
  - If approved, SDE adjusted reimbursement



# FY2017 Broadband Program



# FY2017 Broadband Program

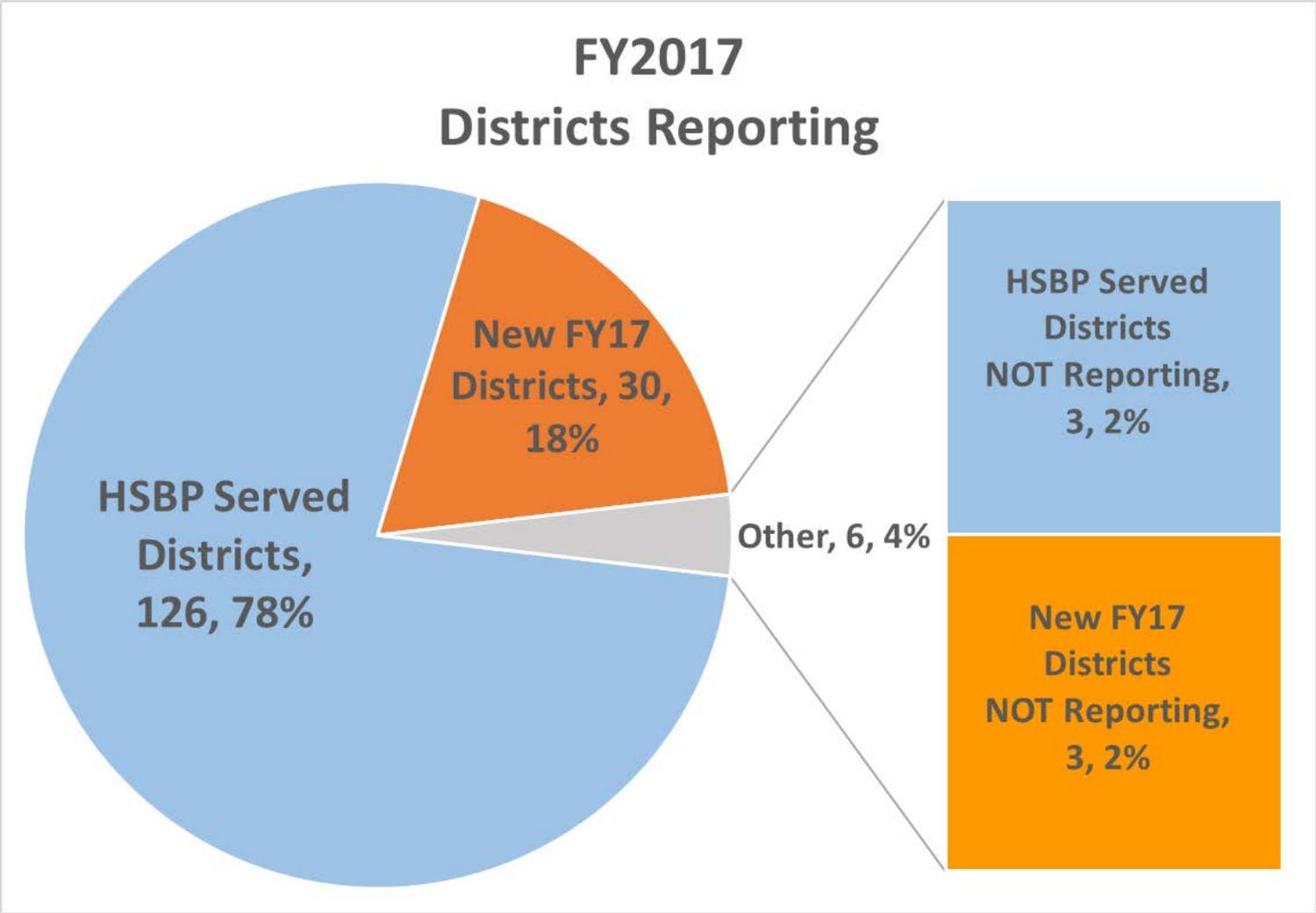
## Verifications, Data Collection and Certifications

The SDE has:

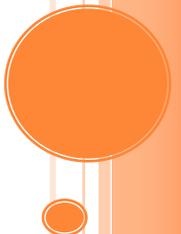
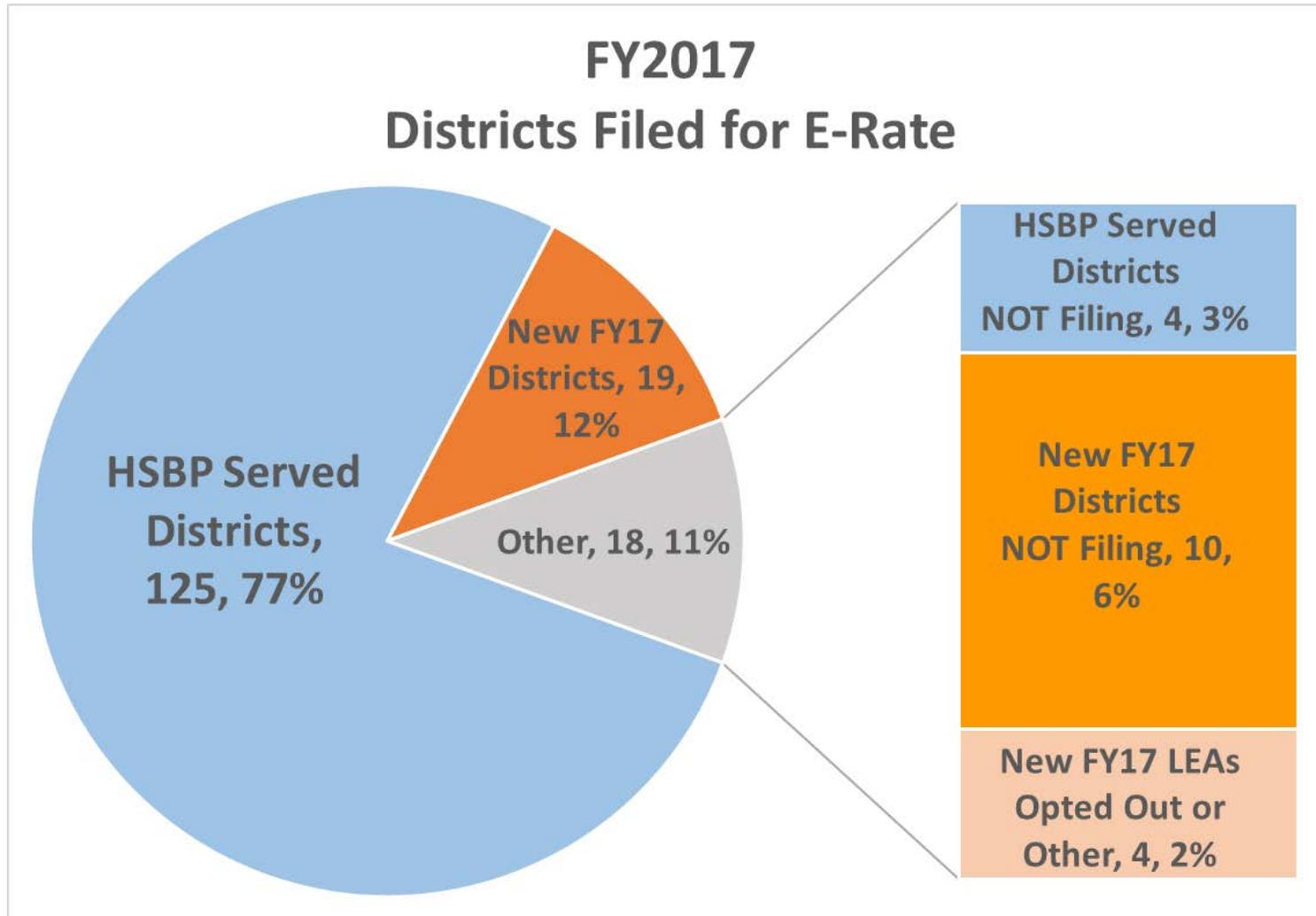
- verified LEA's eligibility for FY2017 reimbursement,
- verified eligible LEAs filed Form 471 for E-rate reimbursement,
- collected initial entity and reimbursement requests,
- collected copies of LEA's broadband contracts or invoices, and
- required LEAs to certify, via survey, that their FY2017 contracts were awarded in compliance with state procurement laws.



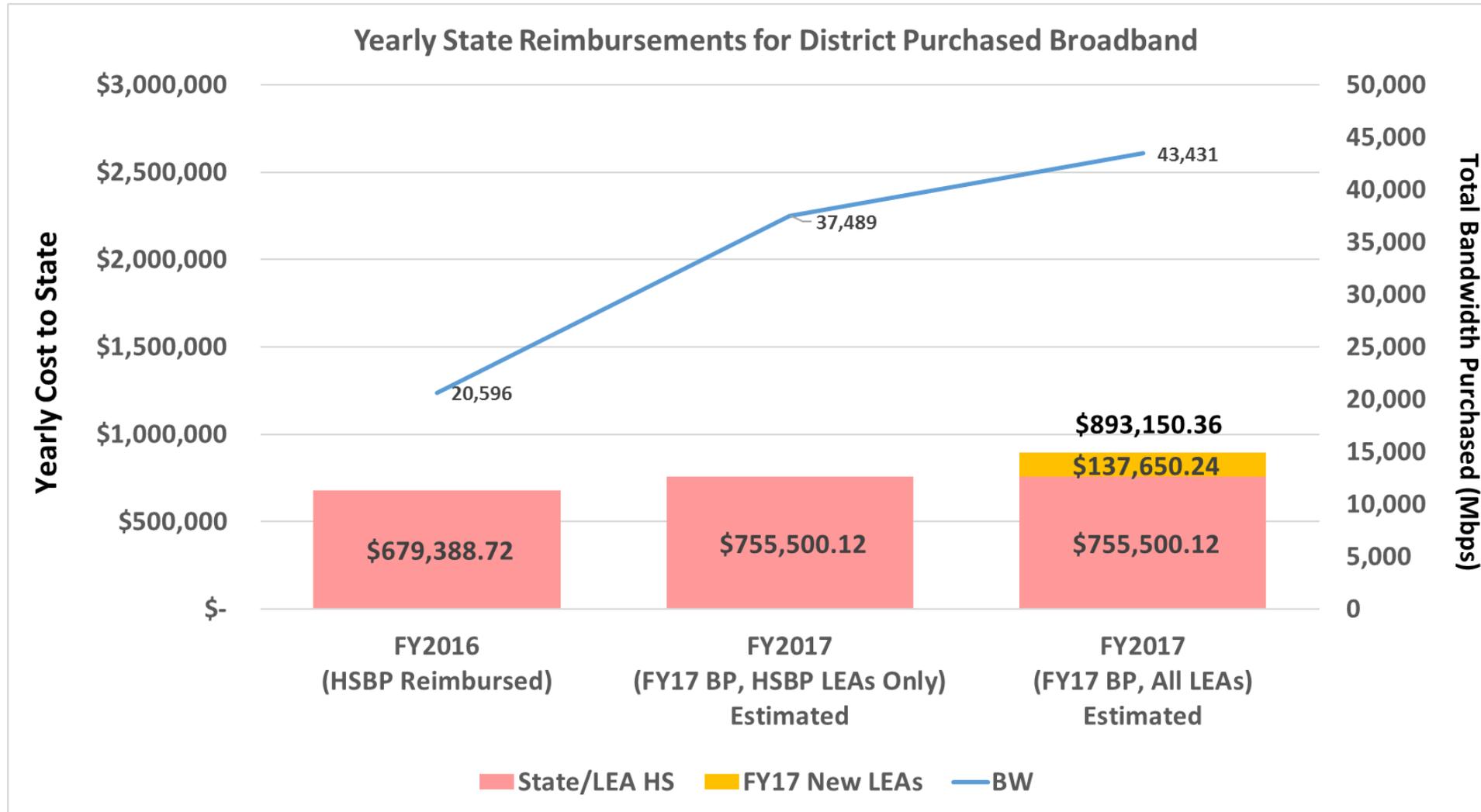
# FY2017 Districts Reporting



# FY2017 Districts Filed for E-Rate



# Requested FY2017 Reimbursements



# FY2017 Reimbursement Methodology

EORC shall establish reimbursement methodology that includes, but is not limited to:

- Distribution of appropriated moneys to E-rate eligible entities that have received E-rate funding;
- Distribution of such moneys must be in an amount equal to the non-E-rate reimbursed cost of internet services; and
- If E-rate funding is not available to an E-rate eligible entity, reimburse the entity for its internet service costs;
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## FCC Forms Chart

Listed in order of completion by applicant

1. 470 – window opens (typically) July of previous year
2. 471 – window usually opens in January (early to mid) and closes in March/April
3. 486 – Form to acknowledge that services have begun. Used for Child Internet Privacy Act (CIPA) acknowledgement
4. 498 – Financial form to provide banking information for direct deposits from USAC (only required if applicant is doing the FCC Form 472)-Billed Entity Application Reimbursement Form (BEAR)
5. 472 – aka BEAR form. This form is filed after invoices from provider are received. This can be completed monthly, quarterly, or yearly.
6. 474 – aka Service Provider Invoice Form (SPI). This FCC Form is completed when provider is paying for 100% of the costs and only invoices applicant their e-rate determined discounted portion

\*Funding Year is the term used for e-rate year of funding

\*Example: Funding Year 2016 equates to July 1, 2016 to June 30, 2017

There are two categories for E-rate reimbursement:

**Category 1** = Broadband or internet, Wide Area Network (WAN), and Voice services.

**Category 2** = Internal connections of broadband services which includes local area networks/wireless local area networks (LAN/WLAN), eligible broadband internal connections components (switches access points, cabling), basic maintenance of components, and managed internal broadband services.

E-rate reimbursement is based on the school's free/reduced lunch percentage. For example, a district with 50% free/reduced lunches can get an 80% discount on broadband costs. The average discount is 60-80%.