

House K-12 Education Budget

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Room 546-S

Proponent Testimony for E-Rate Budget Enhancement for \$1M

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I am appearing in front of the committee to request the appropriation of \$1M enhancement for E-Rate funding be included in the budget. For some background, the FCC's E-Rate program makes telecommunications and information services more affordable for schools and libraries. The funding comes from your cell phone bill, where each user is charged a Universal Service Fund fee. With funding from the Universal Service Fund (fcc.gov/general/universal-service-fund), E-Rate provides discounts for telecommunications, Internet access, and internal connections to eligible schools and libraries. Eligible schools and libraries may receive discounts on telecommunications, telecommunications services, and Internet access, as well as internal connections, managed internal broadband services and basic maintenance of internal connections. Discounts range from 20 to 90 percent and are based on the schools' free and reduced lunch percentage.

Special construction charges are the upfront, non-recurring costs of deploying new fiber or upgraded network facilities to eligible entities. If school districts opt to select a special construction buildout, they are eligible for additional funding along with a dollar-for-dollar match, if a state has a matching fund. For example, a school district with an 80 percent discount rate applies for E-rate discounts for special construction charges associated with a self-provisioned network that costs \$1,000,000. The state provides funding for 10 percent of the special construction costs. **The E-rate program will match state funding on a one-to-one dollar basis**, adding 10 percent to the school's E-rate program discount. The result is that the out-of-pocket cost for the school district is now \$0 because the state is providing \$10,000 (10 percent state funding) and the E-rate program is providing \$90,000 (70 percent E-rate discount + 10 percent E-rate matching funds).

So why do a special construction project? For the school, it means you are building a network specifically built for their needs. As growing bandwidth needs are required due to embracing a digital learning world, costs rise without a long-term vision in place. In the last ten years, the recommended connectivity goals were elevated 10x from 1mb per student to 10mb per student. The needs will only continue to skyrocket, which is why special construction is such a valuable tool. It allows for efficiency to be built. For school districts that have selected WANRack as their special construction provider, **network has resulted in more than 50 percent overall savings** for some districts. This point can't be stated enough. As we continue to look for efficiencies in taxpayer dollar spending, we should be looking at ways to maximize each dollar being spent. If there are ways to match state dollars with federal dollars, while also freeing up education dollars

that already exist within the system to be spent elsewhere, while also increasing the level of service each student receives, that's a win for all parties.

The Kansas Connect and Learn Initiative is a State match for the E-Rate program for school districts across the State. If a state provides eligible schools and libraries with funding for special construction charges for high-speed broadband that meets the FCC's long-term connectivity targets, the E-rate program will increase an applicant's discount rate for these charges up to an additional ten percent to match the state funding on a one-to-one dollar basis. We have communicated with multiple school districts across our State that are very interested in using this source of funding. Unfortunately, KSDE, did not renew funding in the FY 21 budget. In January of 2022, the State Finance Council agreed to reappropriate the program through ARPA funding. This covered the last three fiscal years and provided funding to school districts across the State. Unfortunately, there are still more school districts in need of this program and are dependent on the funding. For this reason, there was a request to add \$1M to the budget for schools to continue to access this program and draw down additional federal dollars.

WANRack has used special construction to help build over 200 school districts across 23 states, including Kansas, where we are headquartered. As a provider, we are big fans of special construction. It has allowed us to not only provide great solutions to our school districts but also enables us to build community-based solutions for families and businesses in the district, with the non-school portion of the build being paid entirely by private capital. There are not many federal programs that are truly win-win and create an efficiency that is felt for years down the road. E-Rate and Special Construction are one of those few examples. We are grateful to be a trusted provider of nine school districts in the State and we stand today asking for the \$1M request for E-Rate funding be placed into the budget.