**Increase the E-Rate’s Annual Cap**

**Message**

**Raise the E-Rate’s annual cap to ensure that schools and libraries are able to provide a technological infrastructure sufficient to preparing all students for college and careers.**

**Background**

The E-Rate is part of the federal universal service program, a support mechanism that was created in 1934 to ensure that rural consumers had affordable phone service. Authorized under the Telecommunications Act of 1996, E-Rate is an extension of universal service. It provides public and private schools and libraries with discounts of 20%-90% (with discounts based on poverty measures) for telecommunications services and Internet access (i.e., Priority I Services) and internal connections (i.e., Priority II Services). The program funds all Priority I service requests first and then expends remaining funds on Priority II requests, with those applications prioritized based on need. E-Rate funds are not appropriated, but are fees collected (along with other universal service programs) from consumer phone bills.

Since its implementation in 1998, E-Rate has played a major role in increasing public school classroom Internet connections from 14% in 1998 to nearly 100% today. The E-Rate has also helped low-income, minority and rural students gain near equal access in their classrooms to their peers around the country. Despite these impressive figures, E-Rate’s mission is incomplete. School bandwidth needs are continuing to skyrocket as educators incorporate into classrooms cutting-edge digital tools and devices, online content and videos, blended learning models and more to further personalize the learning experience. Moreover, schools are moving towards intensive online and adaptive assessments which, while allowing teachers to customize instruction and ensure that all students graduate high school college-and-career ready, are bandwidth intensive. According to Education SuperHighway’s National School Speed Test, only 13% of schools meet the State Educational Technology Directors Association’s recommended standard of 100mbps per 1000 students for digital learning. This data tracks with a 2010 FCC survey in which 80% of E-Rate participants indicated that their broadband connections do not fully meet their needs.

The E-Rate remains desperately underfunded to meet school broadband needs, with demand outstripping available current funding by a factor of 2 to 1. The E-Rate’s $2.25 billion annual cap, established in 1998 and based on a now outmoded 15 year old cost estimate, has not increased appreciably since that time. An annual cap adjustment, based on inflation, that the Commission approved in 2010 has only added a fraction of the support necessary to meet surging demand.

As a result of E-Rate’s funding shortfall, school and library broadband needs are going unmet. In 2012, for example, applicants applied for more than $5.2 billion. Even after the FCC rolled over more than $1 billion of reserved funds, approximately $2 billion of that demand remained unfulfilled. For Priority II in 2012, only 90% eligible applicants received support. With telecommunications/Internet access demand continuing to grow under the current cap and dwindling reserve dollars available, E-Rate may soon be unable to fund fully any internal connections support requests.

**E-Rate Commitments to New Hampshire**

Over the course of E-Rate’s existence, the state of New Hampshire has received E-Rate commitments of around $34 million. Over the past six years, New Hampshire has received on average $3 million from the E-Rate program, which helps provide a modern education for all of the state’s students.

Here is an annual breakdown as of 4/2/13:

1998 -- $1.6 M 2007 -- $2.4 M

1999 -- $1.4 M 2008 -- $2.8 M

2000 -- $1.3 M 2009 -- $2.9 M

2001 -- $1.3 M 2010 -- $3.5 M

2002 -- $1.7 M 2011 -- $3.2 M

2003 -- $2.3 M 2012 -- $3.4 M

2004 -- $2.3 M

2005 -- $2 M

2006 -- $2.3 M

**The Consortium for School Networking (CoSN)** is the premier professional association for school system technology leaders. The mission of CoSN is to empower educational leaders to leverage technology to realize engaging learning environments. Visit [www.cosn.org](http://www.cosn.org)

**The International Society for Technology in Education (ISTE®)** is the premier membership association for educators and education leaders engaged in advancing excellence in learning and teaching through the innovative and effective uses of technology in PK–12 and teacher education. Home to ISTE’s Annual Conference and Exposition and the widely adopted NETS, ISTE represents more than 100,000 professionals worldwide. For more information, please visit [www.iste.org](http://www.iste.org)

**The Software & Information Industry Association (SIIA)** is the principal trade association for the software and digital content industry. SIIA provides global services in government relations, business development, corporate education, and intellectual property protection to more than 700 leading software and information companies. For more information, visit [www.siia.net/education](http://www.siia.net/education)

**The State Educational Technology Directors Association (SETDA)**, founded in 2001, is the national non-profit association representing the interests of U.S. state and territorial educational technology leadership. SETDA’s mission is to build and increase the capacity of state and national leaders to improve education through technology policy and practice. For more information, please visit [www.setda.org](http://www.setda.org" \t "_blank).