

HB

179

<TARGET><BILL>HB 179</BILL><SUBJECT>HB
179</SUBJECT><COMM>HEDC28</COMM></TARGET>

Alaska State Legislature
Representative Benjamin P. Nageak

Alaska State Capitol
Room 428
Juneau, Alaska 99801-1182



Phone: (907) 465-3473
Fax: (907) 465-2827
Toll Free: 1-888-288-3473

SPONSOR STATEMENT

CS HB 179() – *An Act providing for public school funding for Internet services*

HB 179 will assist school districts with the cost of Internet services. Under the Federal E-rate program, broadband services are reimbursed based on each community's poverty levels as determined by the free and reduced school lunch program. The E-rate program covers 60 - 90% of the costs to purchase broadband services with a statewide average of 75%.

The total cost of Internet services for schools in 2012 was reported at approximately \$50 million. The E-rate program covered approximately \$40 million of these costs. The local school districts were required to pay approximately \$10 million with instructional funds.

This legislation will have the state pay the local share for school districts that is not covered under the E-rate program and it also sets a minimum floor of 10 megabits/second. That is, HB 179 will assist school districts with their internet needs and bring all schools across Alaska to a minimum level of internet services.

I urge your support of this legislation to help improve the quality of the educational opportunities for our children.

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CS HB 179 ()

Explanation of Changes

- Removed “telecommunication” from the bill on advice from the department.
- Removed Title 1 references on advice from the department.
- For FY14 the state match would be the total of the applicant’s share. This is considered the “base amount.”
- Beginning in FY15, for those school districts whose Internet services are faster than 10 megabits-a-second the amount they are eligible to receive is limited to 10% increase from the previous year’s amount.
- Beginning in FY15, for those school districts whose Internet services are slower than 10 megabits-a-second the amount they are eligible to receive can increase more than 10% from the previous year’s amount.
- Effective date is added.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 179
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB179-EED-LAM-3 21-13
Title: BROADBAND DISCOUNTS FOR SCHOOLS
Sponsor: NAGEAK
Requester: House Education Committee

Department: Department of Education and Early Development
Appropriation: Alaska Library and Museums
Allocation: Library Operations
OMB Component Number: 208

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	
OPERATING EXPENDITURES								
Personal Services	***	***	***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	***	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	***	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By:	Linda Thibodeau, Director	Phone:	(907)465-8721
Division:	Alaska Library and Museums	Date:	03/21/2013 10:43 AM
Approved By:	Mike Hanley	Date:	03/28/13
	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB179

Analysis

The Schools and Libraries portion of the Universal Service Fund, more widely known as E-Rate, was authorized as part of the Telecommunications Act of 1996. Section 254 codified provisions for universal service, a principle that broadly means everyone should have access to advanced telecommunications services at reasonable rates regardless of their location. E-Rate schools in Alaska receive a 60-90% discount on the cost of their telecommunications and internet charges. There are 280 Title 1 schools in both urban and rural Alaska.

This legislation would provide state grants for the non-discounted portion (district share) for bandwidth of up to 200 Mbps, where available, for Title I schools or school districts.

Currently, only one district is known to have 200 Mbps (megabits per second) capabilities. Many Title I schools are lacking adequate infrastructure such as broadband, transponder space, fiber optic vs. terrestrial delays and equipment like computers, switches and routers. Many may not be able to accommodate the increased bandwidth.

This fiscal note is indeterminate at this time since the cost of broadband will depend on:

- How difficult it is to access (i.e. is fiber optic cable available, and if not, how much expansion is possible on their satellite or microwave transponders).
- What is the current maximum capacity available to districts that is not being used due to fiscal constraints?
- How many students are accessing the Internet at one time? (Smaller schools may not need as much at one time.)
- How the broadband is managed (hardware and distribution) through each service provider, consistency of equipment and filtering.

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Next Story >

Major rehab of Anchorage's Coastal Trail planned this summer

Alaska hopes to lead in digitizing classrooms

Published: March 30, 2013

By JOSHUA BERLINGER — Associated Press

JUNEAU, Alaska — Jolene Kinsland's two classrooms look like those at any other elementary school in the United States. An American flag hangs beside the window. Cubbies greet students at the open-door entrance of one room, filing cabinets at the other.

The out-of-place, old-fashioned scale that sits in the back of one room is the first clue that this school with shockingly bright yellow walls and cabinets actually isn't like every other.

Hundreds of miles away from Anchorage, across the Alaska Range - home to North America's tallest mountain, Mount McKinley - the 10 students in grades three through 10 at the Takotna Community School in face challenges unfamiliar to most in Americans but all too common for Alaska's rural youth.

Here, it takes a whole lot of effort to stay on the good side of the digital divide by keeping up to date with the latest technology, but they might be getting some help soon.

Some educators and politicians, including Gov. Sean Parnell, want to even the playing field for students in Takotna and every other of the state's approximate 500 schools by giving each student a tablet computer and establishing a unique digital learning infrastructure. It's part of a push for digital learning initiatives as a way to improve the classroom experience, better engage students, and help teachers become better instructors.

Takotna is one of the smallest communities in the Iditarod Area School District, which covers nine schools situated along the famed Iditarod Trail Sled Dog Race in Interior Alaska about 225 miles northwest of Anchorage.

There are no roads leading in or out of the village; planes come in twice a week to deliver mail or groceries. McGrath is the closest community to go grocery shopping. It's only 18 miles away, but a round-trip flight costs upward of \$200.

Takotna's school is very much like those throughout rural Alaska.

"You walk into schools, and you step back a few years," says education commissioner Mike Hanley. "Our schools are absent to technology that we use in the rest of our lives."

The Alaska Department of Education and Early Development wants to add expand three digital learning projects already in place, but the ambitious centerpiece of its effort is the Alaska 1-to-1 Digital Technology Initiative, which would put an electronic tablet in the hands of every Alaska child over a four year time period.

"Almost no businesses can function without technology," says Carl Rose, the executive director of the Association of Alaska School Boards. "If business is totally dependent on it, if government is totally dependent on it, if world communications is totally dependent on it, what about our schools?"

The school board association is partnering with the department to hopefully implement the program in districts, organize partnerships with private companies and lobby legislators for funding.

However, the program is about more than just the hardware that would be given to teachers and students; it's about building a new infrastructure for education, changing the way instructors teach and helping students develop 21st century skills by the time they graduate.

"It's not just to put a textbook on an iPad and call that new technology. We really haven't gained anything from that," Hanley said. "We're looking at helping teachers become more effective and more efficient."

With today's software, Hanley says teachers can upload work from multiple students and analyze their deficiencies much more quickly. They can choose different assignments tailored to each student and differentiate instruction to tailor the needs of children of multiple skill levels using apps and other software.

If all goes to plan, the 1-1 initiative would be rolled out over four years at a cost of around \$15.5 million. The state and districts will split the \$200 per-student cost of supplying Alaska's 129,000 K-12 kids with tablets, with the state covering 60 percent and the district contributing the rest. Teachers will be supplied with tablets and laptops as well.

One rural superintendent called the idea "revolutionary."

"I think it's going to be one of the great equalizing initiatives," says Iditarod superintendent Scott Ballard.

But some districts without extensive broadband access worry that they'll be on the hook for a device and system that requires an Internet connection.

Even the state's largest district has concerns.

The Anchorage School Board, which serves over a third of Alaska's public school students, hasn't taken an official position on the program, according to President Jeannie Mackie.

As a parent, Mackie likes the idea of engaging her kids in a way that appeals to them and focuses their education in a way that emphasizes technology skills. But like other districts, Anchorage is concerned that the project will end up costing more than what the state is willing to allocate, at a time when Anchorage is laying off staff due to budget cuts.

"Implementing something like this is much different in a small district," Mackie said.

Parnell's initial budget allocated \$5.9 million for the project, but much of that was removed in the House version of the bill. The Senate proposed \$5.16 million for digital learning tools, and it will likely be up to the conference committee of House and Senate negotiators to reach a final agreement.

The department also wants to expand three digital learning initiatives already in place - the Alaska Online With Libraries project, which would expand broadband access to some of the state's most isolated areas, the state's online homework help and the Alaska Learning Network, which broadcasts online live, interactive classes taught in other districts around the state.

"When we look at Alaska and we look at our vast geography and the challenges that we have there, we can offer a highly qualified teacher to a student in a small community that only has one in their building, we can offer them a highly qualified teacher in calculus that they don't have the opportunity to have now," Hanley said.

And that appeals to Nell Huffman, the vice president of the Iditarod school board.

"It will enable students, even in our very remote sites, to be on an equal playing field with students in the larger school," she said.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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MEMORANDUM

April 6, 2013

SUBJECT: Sectional summary of CSHB 179()
(Work Order No. 28-LS0679\U)

TO: Representative Benjamin Nageak
Attn: Maridon Boario

FROM: Jean M. Mischel
Legislative Counsel



You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Provides for state funding to an eligible school district to pay the applicant's share, as defined, of federally subsidized internet service discounts available to public schools to cover a base rate in 2014 and annual increases of 10 percent or the applicant's share of a minimum level of internet service. Also calls for a pro rata adjustment to state funding if insufficient money is appropriated for the eligible amount.

JMM:ljw
13-255.ljw

FY12 Total Broadband Cost for Alaska School Districts//E-rate Share and Applicant Share
Department of Education and Early Development
February 2013

Alaska Schools, Districts, Consortiums	Total Cost	% Discount	E-Rate Request	Applicant Share
ALASKA GATEWAY SCHOOL DISTRICT	\$408,624.00	85	\$347,330.40	\$61,293.60
ALASKA GATEWAY SCHOOL DISTRICT	\$32,781.96	83	\$27,209.03	\$5,572.93
ALEUTIAN EAST BOROUGH SCH DIST	\$336,960.00	88	\$296,524.80	\$40,435.20
ALEUTIAN EAST BOROUGH SCH DIST	\$3,357.96	88	\$2,955.00	\$402.96
ALEUTIAN EAST BOROUGH SCH DIST	\$3,447.72	83	\$2,861.61	\$586.11
ALEUTIAN EAST BOROUGH SCH DIST	\$6,090.96	88	\$5,360.04	\$730.92
ALEUTIAN EAST BOROUGH SCH DIST	\$205,560.00	88	\$180,892.80	\$24,667.20
ALEUTIAN REGION SCHOOL DIST	\$1,770.00	88	\$1,557.60	\$212.40
ALEUTIAN REGION SCHOOL DIST	\$5,278.92	80	\$4,223.14	\$1,055.78
ALEUTIAN REGION SCHOOL DIST	\$37,212.24	90	\$33,491.02	\$3,721.22
ANCHORAGE SCHOOL DISTRICT	\$276,000.00	64	\$176,640.00	\$99,360.00
ANCHORAGE SCHOOL DISTRICT	\$468,000.00	64	\$299,520.00	\$168,480.00
ANCHORAGE SCHOOL DISTRICT	\$2,669,464.00	64	\$1,708,456.96	\$961,007.04
ANNETTE ISLAND SCHOOL DISTRICT	\$3,108.84	85	\$2,642.51	\$466.33
ANNETTE ISLAND SCHOOL DISTRICT	\$149,598.14	85	\$127,158.42	\$22,439.72
BERING STRAIT SCHOOL DISTRICT	\$2,269,300.00	89	\$2,019,677.00	\$249,623.00
BERING STRAIT SCHOOL DISTRICT	\$1,317,730.00	89	\$1,172,779.70	\$144,950.30
BRISTOL BAY BOROUGH SCH DIST	\$240,132.00	76	\$182,500.32	\$57,631.68
CHATHAM SCHOOL DISTRICT	\$144,177.72	81	\$116,783.95	\$27,393.77
CHATHAM SCHOOL DISTRICT	\$145,179.36	81	\$117,595.28	\$27,584.08
CHUGACH SCHOOL DISTRICT	\$4,369.08	90	\$3,932.17	\$436.91
CHUGACH SCHOOL DISTRICT	\$223,385.76	90	\$201,047.18	\$22,338.58
CHUGACH SCHOOL DISTRICT	\$32,881.80	90	\$29,593.62	\$3,288.18
COPPER RIVER SCHOOL DISTRICT	\$1,920.00	72	\$1,382.40	\$537.60
COPPER RIVER SCHOOL DISTRICT	\$3,201.00	72	\$2,304.72	\$896.28
COPPER RIVER SCHOOL DISTRICT	\$66,450.00	72	\$47,844.00	\$18,606.00
CORDOVA CITY SCHOOL DISTRICT	\$1,774.92	75	\$1,331.19	\$443.73
CORDOVA CITY SCHOOL DISTRICT	\$3,117.96	75	\$2,338.47	\$779.49
CORDOVA CITY SCHOOL DISTRICT	\$47,700.48	75	\$35,775.36	\$11,925.12
CRAIG CITY SCHOOL DISTRICT	\$1,199.88	90	\$1,079.89	\$119.99
CRAIG CITY SCHOOL DISTRICT	\$1,319.88	90	\$1,187.89	\$131.99

FY12 Total Broadband Cost for Alaska School Districts//E-rate Share and Applicant Share
Department of Education and Early Development
February 2013

CRAIG CITY SCHOOL DISTRICT	\$51,780.00	90	\$46,602.00	\$5,178.00
CRAIG CITY SCHOOL DISTRICT	\$12,990.96	90	\$11,691.86	\$1,299.10
DELTA-GREELY SCHOOL DISTRICT	\$1,951.56	80	\$1,561.25	\$390.31
DELTA-GREELY SCHOOL DISTRICT	\$29,728.68	60	\$17,837.21	\$11,891.47
DELTA-GREELY SCHOOL DISTRICT	\$75,264.00	80	\$60,211.20	\$15,052.80
DELTA-GREELY SCHOOL DISTRICT	\$42,000.00	80	\$33,600.00	\$8,400.00
DENALI BOROUGH SCHOOL DISTRICT	\$4,247.40	57	\$2,421.02	\$1,826.38
DENALI BOROUGH SCHOOL DISTRICT	\$107,660.00	57	\$61,366.20	\$46,293.80
DENALI BOROUGH SCHOOL DISTRICT	\$12,000.00	57	\$6,840.00	\$5,160.00
DILLINGHAM CITY SCHOOL DIST	\$320,204.00	85	\$272,173.40	\$48,030.60
DILLINGHAM CITY SCHOOL DIST	\$34,342.44	85	\$29,191.07	\$5,151.37
FAIRBANKS-N STAR BORO SCH DIST	\$132,000.00	65	\$85,800.00	\$46,200.00
FAIRBANKS-N STAR BORO SCH DIST	\$182,385.00	65	\$118,550.25	\$63,834.75
FAIRBANKS-N STAR BORO SCH DIST	\$381,000.00	65	\$247,650.00	\$133,350.00
FAIRBANKS-N STAR BORO SCH DIST	\$309,048.00	65	\$200,881.20	\$108,166.80
GALENA CITY SCHOOL DISTRICT	\$26,400.00	71	\$18,744.00	\$7,656.00
GALENA CITY SCHOOL DISTRICT	\$175,510.00	71	\$124,612.10	\$50,897.90
HAINES BOROUGH SCHOOL DISTRICT	\$49,018.00	70	\$34,312.60	\$14,705.40
HAINES BOROUGH SCHOOL DISTRICT	\$13,510.32	70	\$9,457.22	\$4,053.10
HOONAH CITY SCHOOL DISTRICT	\$31,056.12	86	\$26,708.26	\$4,347.86
HYDABURG CITY SCHOOL DISTRICT	\$130,212.00	90	\$117,190.80	\$13,021.20
IDITAROD AREA SCHOOL DISTRICT	\$839.88	60	\$503.93	\$335.95
IDITAROD AREA SCHOOL DISTRICT	\$62,082.96	84	\$52,149.69	\$9,933.27
IDITAROD AREA SCHOOL DISTRICT	\$117,384.00	80	\$93,907.20	\$23,476.80
IDITAROD AREA SCHOOL DISTRICT	\$495,936.00	86	\$426,504.96	\$69,431.04
JUNEAU BOROUGH SCHOOL DISTRICT	\$54,513.60	59	\$32,163.02	\$22,350.58
JUNEAU BOROUGH SCHOOL DISTRICT	\$95,682.40	59	\$56,452.62	\$39,229.78
KAKE CITY SCHOOL DISTRICT	\$102,000.00	80	\$81,600.00	\$20,400.00
KASHUNAMIUT SCHOOL DISTRICT	\$16,092.00	90	\$14,482.80	\$1,609.20
KASHUNAMIUT SCHOOL DISTRICT	\$22,800.00	90	\$20,520.00	\$2,280.00
KASHUNAMIUT SCHOOL DISTRICT	\$320,748.00	90	\$288,673.20	\$32,074.80
KENAI PENINSULA BORO SCH DIST	\$120,000.00	68	\$81,600.00	\$38,400.00

**FY12 Total Broadband Cost for Alaska School Districts//E-rate Share and Applicant Share
 Department of Education and Early Development
 February 2013**

KENAI PENINSULA BORO SCH DIST	\$235,620.00	88	\$207,345.60	\$28,274.40
KETCHIKAN GATEWAY BOR SCH DIST	\$44,859.60	68	\$30,504.53	\$14,355.07
KETCHIKAN GATEWAY BOR SCH DIST	\$31,317.84	68	\$21,296.13	\$10,021.71
KLAWOCK CITY SCHOOL DISTRICT	\$33,000.00	80	\$26,400.00	\$6,600.00
KLAWOCK CITY SCHOOL DISTRICT	\$6,272.64	80	\$5,018.11	\$1,254.53
KODIAK ISLAND BORO SCHOOL DIST	\$8,275.44	76	\$6,289.33	\$1,986.11
KODIAK ISLAND BORO SCHOOL DIST	\$390,300.00	76	\$296,628.00	\$93,672.00
KODIAK ISLAND BORO SCHOOL DIST	\$1,686,636.00	85	\$1,433,640.60	\$252,995.40
KODIAK ISLAND BORO SCHOOL DIST	\$202,432.20	75	\$151,824.15	\$50,608.05
KUSPUK SCHOOL DISTRICT	\$73,333.32	80	\$58,666.66	\$14,666.66
KUSPUK SCHOOL DISTRICT	\$288,000.00	90	\$259,200.00	\$28,800.00
KUSPUK SCHOOL DISTRICT	\$100,170.72	80	\$80,136.58	\$20,034.14
KUSPUK SCHOOL DISTRICT	\$360,614.40	90	\$324,552.96	\$36,061.44
LAKE & PENINSULA SCHOOL DIST	\$709,140.00	81	\$574,403.40	\$134,736.60
LAKE & PENINSULA SCHOOL DIST	\$12,384.48	87	\$10,774.50	\$1,609.98
LAKE & PENINSULA SCHOOL DIST	\$12,780.12	82	\$10,479.70	\$2,300.42
LAKE & PENINSULA SCHOOL DIST	\$25,935.36	80	\$20,748.29	\$5,187.07
LOWER KUSKOKWIM SCHOOL DIST	\$19,401,707.00	87	\$16,879,485.09	\$2,522,221.91
LOWER YUKON SCHOOL DISTRICT	\$1,970,628.00	90	\$1,773,565.20	\$197,062.80
LOWER YUKON SCHOOL DISTRICT	\$2,040,000.00	90	\$1,836,000.00	\$204,000.00
MATANUSKA-SUSTINA BOROUGH SCHOOL DISTRICT	\$37,476.00	62	\$23,235.12	\$14,240.88
MATANUSKA-SUSTINA BOROUGH SCHOOL DISTRICT	\$62,415.00	62	\$38,697.30	\$23,717.70
MATANUSKA-SUSTINA BOROUGH SCHOOL DISTRICT	\$241,535.04	62	\$149,751.72	\$91,783.32
MATANUSKA-SUSTINA BOROUGH SCHOOL DISTRICT	\$954,451.00	62	\$591,759.62	\$362,691.38
NENANA CITY SCHOOL DISTRICT	\$162,515.88	48	\$78,007.62	\$84,508.26
NENANA CITY SCHOOL DISTRICT	\$20,400.00	48	\$9,792.00	\$10,608.00
NOME CITY SCHOOL DISTRICT	\$130,260.00	80	\$104,208.00	\$26,052.00
NOME CITY SCHOOL DISTRICT	\$29,328.00	80	\$23,462.40	\$5,865.60
NORTH SLOPE BOROUGH SCH DIST	\$1,022,400.00	69	\$705,456.00	\$316,944.00
NORTH SLOPE BOROUGH SCH DIST	\$1,041,624.00	69	\$718,720.56	\$322,903.44
NORTHWEST ARCTIC BORO SCH DIST	\$10,524.00	86	\$9,050.64	\$1,473.36
NORTHWEST ARCTIC BORO SCH DIST	\$30,636.00	86	\$26,346.96	\$4,289.04

**FY12 Total Broadband Cost for Alaska School Districts//E-rate Share and Applicant Share
 Department of Education and Early Development
 February 2013**

NORTHWEST ARCTIC BORO SCH DIST	\$3,724,955.16	86	\$3,203,461.44	\$521,493.72
PELICAN CITY SCHOOL DISTRICT	\$18,997.50	80	\$15,198.00	\$3,799.50
PETERSBURG CITY SCHOOL DIST	\$3,060.00	76	\$2,325.60	\$734.40
PETERSBURG CITY SCHOOL DIST	\$6,000.00	76	\$4,560.00	\$1,440.00
PETERSBURG CITY SCHOOL DIST	\$59,160.00	76	\$44,961.60	\$14,198.40
SITKA SCHOOL DISTRICT	\$18,000.00	64	\$11,520.00	\$6,480.00
SITKA SCHOOL DISTRICT	\$144,000.00	64	\$92,160.00	\$51,840.00
SKAGWAY CITY SCHOOL DISTRICT	\$25,704.00	70	\$17,992.80	\$7,711.20
SKAGWAY CITY SCHOOL DISTRICT	\$7,200.00	70	\$5,040.00	\$2,160.00
SOUTHEAST ISLAND SCHOOL DIST	\$1,140.00	82	\$934.80	\$205.20
SOUTHEAST ISLAND SCHOOL DIST	\$513,144.00	82	\$420,778.08	\$92,365.92
SOUTHEAST ISLAND SCHOOL DIST	\$176,880.00	82	\$145,041.60	\$31,838.40
SOUTHWEST REGION SCHOOL DIST	\$1,800.00	90	\$1,620.00	\$180.00
SOUTHWEST REGION SCHOOL DIST	\$1,245,408.00	90	\$1,120,867.20	\$124,540.80
ST MARYS CITY SCHOOL DISTRICT	\$177,887.00	90	\$160,098.30	\$17,788.70
TANANA CITY SCHOOL DISTRICT	\$45,000.00	90	\$40,500.00	\$4,500.00
UNALASKA CITY SCHOOL DISTRICT	\$1,996.92	55	\$1,098.31	\$898.61
UNALASKA CITY SCHOOL DISTRICT	\$2,973.60	55	\$1,635.48	\$1,338.12
UNALASKA CITY SCHOOL DISTRICT	\$6,000.00	55	\$3,300.00	\$2,700.00
UNALASKA CITY SCHOOL DISTRICT	\$96,660.00	55	\$53,163.00	\$43,497.00
UNALASKA CITY SCHOOL DISTRICT	\$21,372.84	55	\$11,755.06	\$9,617.78
VALDEZ CITY SCHOOL DISTRICT	\$126,210.00	60	\$75,726.00	\$50,484.00
VALDEZ CITY SCHOOL DISTRICT	\$38,498.16	60	\$23,098.90	\$15,399.26
WRANGELL CITY SCHOOL DISTRICT	\$2,637.84	80	\$2,110.27	\$527.57
YAKUTAT CITY SCHOOL DISTRICT	\$111,240.00	90	\$100,116.00	\$11,124.00
YUKON FLATS SCHOOL DISTRICT	\$11,412.00	85	\$9,700.20	\$1,711.80
YUKON FLATS SCHOOL DISTRICT	\$264,240.00	85	\$224,604.00	\$39,636.00
YUKON FLATS SCHOOL DISTRICT	\$725,532.00	85	\$616,702.20	\$108,829.80
YUKON-KOYUKUK SCHOOL DISTRICT	\$2,400.00	90	\$2,160.00	\$240.00
YUKON-KOYUKUK SCHOOL DISTRICT	\$13,440.00	80	\$10,752.00	\$2,688.00
YUKON-KOYUKUK SCHOOL DISTRICT	\$45,000.00	90	\$40,500.00	\$4,500.00
YUKON-KOYUKUK SCHOOL DISTRICT	\$47,280.00	90	\$42,552.00	\$4,728.00

**FY12 Total Broadband Cost for Alaska School Districts//E-rate Share and Applicant Share
 Department of Education and Early Development
 February 2013**

YUKON-KOYUKUK SCHOOL DISTRICT	\$1,267,920.00	90	\$1,141,128.00	\$126,792.00
YUPIIT SCHOOL DISTRICT	\$7,008.00	90	\$6,307.20	\$700.80
YUPIIT SCHOOL DISTRICT	\$998,310.00	90	\$898,479.00	\$99,831.00
PRIBILOFS SCHOOL DISTRICT	\$222,000.00	90	\$199,800.00	\$22,200.00
PRIBILOFS SCHOOL DISTRICT	\$224,400.00	90	\$201,960.00	\$22,440.00
MOUNT EDGE CUMBE HIGH SCHOOL	\$130,260.00	80	\$104,208.00	\$26,052.00
	\$54,553,580.96		\$45,373,297.34	\$9,180,283.62


Residents of Alaska's bigger communities pay about \$25 per month for unlimited access to the Internet, including unlimited use of email. Residents of smaller/more remote towns (such as Angoon, Pelican, Sand Point, Unalaska, White Mountain, Teller, and Brevig Mission) pay about \$45 per month for similar services. Over two dozen different companies within Alaska offer Internet service; some, including GCI, PTI, and Internet Alaska, offer service to many communities statewide. Other ISPs, such as Kenai Net serving the Kenai, Seward Net serving Seward to Moose Pass, and Mosquitonet serving Fairbanks, offer service to a smaller geographic area only.

Members of a few Southeast Alaska communities receive Internet service through a non-commercial ISP: SEAKnet, a regional computer network initially funded by a federal NTIA grant to the Alaska State Library, originally served the communities of Gustavus, Haines, Hoonah, Kake, Petersburg and Wrangell. SEAKnet is now a collaboration between the Alaska State Library, the SEAKnet communities, and the University of Alaska.

Currently, SEAKnet serves four communities since Petersburg and Wrangell elected to continue Internet service through commercial providers. Routers, terminal servers, and modems in each community allow local users to connect their own computers to the University of Alaska's computer network and, in turn, to the Internet by dialing a local telephone number. SEAKnet is currently administered by representatives in each of the four remaining communities and at the Alaska State Library, with network services provided by the University of Alaska and technical support by volunteers and library staff in each community. SEAKnet relies heavily on local libraries and volunteers to sign up users and help them get connected. Users pay a monthly fee of \$25 (plus a local contribution in some communities).

In 1999, community members in Hoonah began a spin-off from SEAKnet and now have their own non-profit community-based ISP, HoonahNet. With support from the City of Hoonah and the Liquor Board, the community installed a VSAT satellite and server. Users pay \$30 per month plus a \$35 installation fee. The organization's website reports that \$10 per month goes to administer and maintain the dial-in, web and mail servers and do the organization's bookkeeping; \$10 per month is earmarked for the 512k VSAT satellite service fees; \$7 per month pays for the dial-in phone lines from PTI; the remaining \$3 per month fee, as well as the \$35 installation fee, goes towards adding modems and dial-in lines and maintaining existing equipment.

THE FEDERAL E-RATE PROGRAM AND ASTF GRANTS: HELPING TO CONNECT ALASKA'S SCHOOLS



According to Della Matthis, Alaska State Library's E-Rate Coordinator, all school district offices and nearly every school in the state have access to the internet. She estimates that students in 95% of the school buildings in the state have Internet access; the only schools without Internet access are those located in areas with extreme physical obstacles (e.g., schools at the back of fjords in Southeast Alaska). She reports that some schools still use radio phones and a few have a single copper-grade phone line that allows only a slow connection and a long distance phone call.⁷ Ms. Matthis credits two sources of funding—the Alaska Science and Technology Foundation (ASTF) and

⁷ Ms. Matthis reports that schools without Internet access include 3 or 4 schools in the Southeast Island School District, 2 schools in the Chugach School District, one school in the Yukon Flats School District, and one in the Yukon-Koyukuk School District.

the E-rate discounts—with the Internet connectivity of Alaska schools.⁸ Ms. Matthis believes that "through the influx of Alaska Science and Technology Foundation funding and E-Rate discounts, the districts of Alaska are fast becoming connected to the greater world of information. Still to be overcome are the enormous monthly costs of such connections and the difficulty of supporting and maintaining networks off the road system."

THE FEDERAL E-RATE PROGRAM

Federal law has long recognized that communication services were vital to all Americans.⁹ The Communications Act of 1934 first codified that goal as follows:

To make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges.

These words continue to provide the ideological and legal basis for many U.S. telecommunications laws and programs. The Universal Service Fund (USF) was established in 1983 to ensure that all Americans can afford telephone service wherever they live. Prior to 1983, this was accomplished through AT&T's internal rate structure, but the divestiture of AT&T led to the establishment of the USF to keep telephone service affordable in a competitive telecommunications market.

Until 1996, the fund compensated telecommunications companies providing service to low income areas and rural communities. In 1996, Congress passed the Telecommunications Act of 1996, mandating that the Universal Service Fund also provide support for schools, libraries and rural health care providers.

The USF is comprised of contributions from all telecommunications companies in the United States, including local and long distance phone companies, wireless and paging companies, and payphone providers. All of the country's communities—including public and private schools, public libraries, rural health care providers, low-income neighborhoods, and remote communities—are now eligible to seek discounts for communications services from the Universal Service Fund.

⁸ It should be noted that although praised by most policymakers, the E-rate program has its critics. For example, David Hughes, listed as the contact for "policy and operational questions" at Old Colorado City Communications, a company offering wireless connections to the Internet, points out that "even though there are technologies (no-license wireless or microwave) that would permit a school district to buy the equipment to link all of its schools to the closest ISP, or to each other across a town, and NOT pay for a recurring cost last-mile-link service, month after month, and year after year, the telephone companies who only agreed to do this if THEY were the primary beneficiaries of E-rate, lobbied the FCC to make the rules so that a school could NOT buy the wireless-devices or microwaves they wanted, so, forcing the schools to get their service from the telephone companies or in some small part, maybe the cable companies. Many schools. . . wanted to use the first year's E-rate program funds to make the one-time purchase of [such equipment]. . . but they were prohibited from doing so by the FCC and Telephone Company, rules. So that wonderful E-rate, that has cost \$3.5 billion so far, will cost another \$3.5 billion, and another, and another every year for Eternity. So the schools are being held hostage by the telephone companies. Having installed the telephone company 'services' with that recurring annual (which the schools have to apply for every year - add the cost of its administration) subsidy, IF the Congress cuts off that program, or threatens too, all the schools and libraries will scream bloody murder to keep up that 'free' money from Washington. . . The telephone companies, once the services are installed, can't lose. . . The E-Rate program remains one of the most backward looking public policies in the nation. With a hell of a lot of smoke and mirrors hiding the dirty little secrets. But with plenty of self-congratulations being passed around" (emphasis in original, from an email authored by David Hughes, forwarded to Maria Gladziszewski by Mark Springer, March 4, 2000).

⁹ This brief history of universal service is adapted from information contained on the web site of the Universal Service Organization (<http://www.universalservice.org/info/usf.html>).

Under direction from the Federal Communications Commission, the Universal Service Administrative Company (USAC), a private, not-for-profit organization, administers the USF and the following four programs: the High Cost Program, the Low Income Program, the Rural Health Care Program, and the Schools and Libraries Program. The Universal Service Fund for Schools and Libraries—popularly known as the "E-rate" program—has greatly benefited schools in rural Alaska. Table 2 lists the funding received by schools, libraries, and rural health facilities in Alaska for each of the last two federal funding cycles. Alaska's schools and libraries received approximately \$12 million in discounts in each of the first two E-rate funding cycles, more per student than any other state.

SCHOOLS AND LIBRARIES

The Schools and Libraries Division of the USAC administers the program offering discounted telecommunications services for eligible schools and libraries. The Telecommunications Act of 1996 expanded the concept of universal service to include a mandate that all telecommunications carriers provide "services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties." Program funds, capped at \$2.25 billion annually, provide discounts of 20 to 90 percent on telecommunications services, Internet access, and internal connections within schools and library buildings. Schools and libraries in low-income areas—as measured by the number of students eligible for the National Free Lunch Program—as well as those in rural areas qualify for the highest discounts. All of Alaska, except the Anchorage area, is considered rural for the purposes of calculating the discount level.

Once approved, discounts are paid directly to the companies providing the telecommunications, Internet access or internal connections; the schools and libraries are responsible for paying the undiscounted portion. According to data published by the Schools and Libraries Division, in each of the first two years of the program, schools and libraries in Alaska received an average discount of over 70 percent for eligible services.¹⁰

RURAL HEALTH CARE

The Rural Health Care Division of USAC administers the program offering discounted telecommunications services to eligible rural health care providers. Congress mandated that discounted services for rural health care, capped at \$400 million annually, be offered so that public or non-profit rural health care providers pay no more than their urban counterparts for telecommunication services. The Rural Health Care Division aims to provide support to rural health care providers for telecommunications services related to the use of telemedicine and telehealth.

In addition, any not-for-profit health care provider—whether in a rural or urban area—qualifies for Internet access assistance if the organization must pay toll charges (long distance) in order to access an Internet Service Provider. In this case, the health care provider may qualify to receive 30 hours or \$180 per month, whichever is less, to pay for the toll charges. All of Alaska outside of the Anchorage area is classified as rural for the purposes of this program.

As you can see from Table 2, during the first year funds were available to rural health care providers, Alaska providers received \$444,000—nearly 20 percent of the total distributed nationally. Rural health care providers in House Election District 37 (including providers in Ambler, Buckland, Deering, Kivalina, Kobuk, Kiana, Kotzebue, Noatak, Noorvik, Point Hope, Selawik, and Shungnak), received nearly 43 percent of that amount, or \$188,000.

¹⁰ School and library funding data are available on-line at www.sl.universalservice.org/apply/fcyear1/state.asp and www.sl.universalservice.org/apply/fcyear2/state.asp. The data for Alaska are presented in Table 2 of this report.



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Office of Non-Public Education (ONPE)

**E-RATE PROGRAM - DISCOUNTED TELECOMMUNICATIONS SERVICES
 FEDERAL COMMUNICATIONS COMMISSION (FCC)/
 UNIVERSAL SERVICE ADMINISTRATIVE COMPANY (USAC)/
 SCHOOLS AND LIBRARIES DIVISION (SLD)**

Non-profit private schools -- along with public schools, and libraries -- can receive discounted telecommunications services through the E-rate program.

The E-rate program is administered by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC). The program was set up in 1997 when the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The Order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services. Up to \$2.25 billion annually is available to provide eligible schools and libraries with discounts under the E-rate program for authorized services.

Amount of Discounts

The E-rate provides discounts of 20 percent to 90 percent for eligible telecommunications services, depending on economic need and location (urban or rural). The level of discount is based on the percentage of students eligible for participation the National School Lunch Program or other federally approved alternative mechanisms. (Non-public schools and others not participating in the National School Lunch Program can use federally approved alternative mechanisms contained in the Improving America's Schools Act. Details of such mechanisms may be found in "Alternative Discount Mechanisms" on the SLD web site.)

INCOME Measured by % of students eligible for the National School Lunch Program	URBAN LOCATION E-Rate Discount	Rural Location E-Rate Discount
If the percentage of students in the school qualifying for the National School Lunch Program is...	...and the school is in an URBAN area, the E-rate discount will be...	...and the school is in a RURAL area, the E-rate discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Eligible Services

Discounts can be applied to commercially available telecommunications services, Internet access, and internal connections. Eligible services range from basic local and long distance phone services, and Internet access services, to acquisition and installation of equipment to provide internal connections.

An "Eligible Services List" is posted on the [SLD web site](#). Be sure to check the SLD web site for this list; updates are occurring for Year 4. Any service NOT included on this list as an eligible service should be considered ineligible. Please note that not all of the eligible services may be available in all areas throughout the country. (Note: The FCC has authority to revise service eligibility determinations. Applicants and service providers are well advised to regularly check the SLD web site to learn of any possible additions or adjustments to the Eligible Services List.)

Examples of Eligible and Ineligible Services (Eligibility may in some cases be conditional)

Eligible Services	Ineligible Services
<ul style="list-style-type: none"> ● Basic phone service, which includes local and long distance (toll) service ● Leased data circuits ● T-1, 56K, ISDN lines ● Dial-up Internet access ● Direct Internet connections ● Email 	<ul style="list-style-type: none"> ● Voicemail ● Online content ● Professional development training ● Software (see, Eligible Internal Connections)

Eligible Internal Connections	Ineligible Internal Connections
<ul style="list-style-type: none"> ● Telecommunications wiring ● Routers ● Switches ● Hubs ● Network Servers ● Certain system operating software ● Wireless LANs ● Installation & basic maintenance ● Private Branch Exchange (PBX) 	<ul style="list-style-type: none"> ● Personal computers ● FAX machines ● Modems in personal computers ● Electrical wiring ● Asbestos removal ● Cameras

Application Process

Schools that plan to participate in the E-Rate program will need to follow a series of steps in order for their request for services to be placed on the SLD website. The timeline for filing appropriate forms is announced annually by the SLD on their [website](#). While this request for services (form 470) is on the website, vendors interested in providing services can access your request and provide bids on it. At the end of the required posting period, you may choose a vendor who can provide the services you have requested. Here are the steps that must be followed:

Instructions provided by SLD on the application process or <http://www.sl.universalservice.org/apply/> (Note that the dates are for funding year 4. The SLD website will be updated in future years to show the dates for those years.)

To apply for E-rate Discounts, the applicant ("you") must:

1. **Develop a technology plan:** If you have not already developed a technology plan, you need to do so then and submit it for approval by your State or another certified approving body (see above). Note that your technology plan must be approved before you file the Form 486 and receive discounts.
2. **Submit FCC Form 470 (Description of Services Requested and Certification Form):** If you plan to file a Form 471 ONLY for services provided during Funding Year 4 under contracts signed pursuant to posted



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4756 (907) 452-2000
www.k12northstar.org



April 2, 2013

Senator Donald Olson
Representative Benjamin Nageak
State Capital Bldg.
Juneau, AK 99801

Senator Olson and Representative Nageak,

I am writing in support of both SB 82 and HB 179; companion bills that provide funding to public schools for telecommunications or internet services. As you know, school districts are facing difficult budget decisions. By providing assistance to districts with technology costs, we are able to direct additional dollars to the classroom. In the Fairbanks North Star Borough, we anticipate a savings of approximately \$200,000 as a result of this legislation.

We appreciate support for education.

Respectfully,

Pete Lewis
Superintendent of Schools

NORTH SLOPE BOROUGH SCHOOL DISTRICT



Nunamiut Wolves Amaqqut

Nunamiut School
P.O. Box 21029
Anaktuvuk Pass, Alaska 99721
(907) 661-3226
FAX (907) 661-6215

Atqasuk Eagles Tinmiaqpai/ch

Meade River School
P.O. Box 91030
Atqasuk, Alaska 99791
(907) 633-6315
FAX (907) 633-6215

Barrow Whalers Aqviqsuatit

Barrow High School
P.O. Box 960
Barrow, Alaska 99723
(907) 852-8950
FAX (907) 852-8969

HMS Wolves Amaqut

Eben Hopson, Sr., Memorial Middle School
P.O. Box 509
Barrow, Alaska 99723
(907) 852-3880
FAX (907) 852-7794

Arctic Foxes Tiqiganniak

Fred Ipalook Elementary School
P.O. Box 450
Barrow, Alaska 99723
(907) 852-4711
FAX (907) 852-4713

Kiita Snowy Owls Ukpiit/ch

Kiita Learning Community
P.O. Box 169
Barrow, Alaska 99723
(907) 852-9677
FAX (907) 852-4334

Kaveolook Rams Imnait/ch

Harold Kaveolook School
P.O. Box 20
Kaktovik, Alaska 99747
(907) 640-6626
FAX (907) 640-6718

Nuiqsut Trappers Naniqiaqtuatit

Trapper School
P.O. Box 89167
Nuiqsut, Alaska 99789
(907) 480-6712
FAX (907) 480-6621

Tikigaa Harpooners Kapuatit

Tikigaa School
P.O. Box 148
Point Hope, Alaska 99766
(907) 368-2662/2663
FAX (907) 368-2770

Kali Qavviit/ch

Kali School
P.O. Box 59077
Point Lay, Alaska 99759
(907) 833-2311
FAX (907) 833-2315

Alak Huskies Qimuktit

Alak School
P.O. Box 10
Wainwright, Alaska 99782
(907) 763-2541
FAX (907) 763-2565

April 7, 2013

Honorable Benjamin Nageak
State Capitol
Room 428
Juneau, AK 99801

Dear Representative Nageak:

I am writing to thank you for your sponsoring House Bill 179 for public school funding for internet services. This bill supports all districts in Alaska. Increasing costs and flat funding are challenging districts to continue to provide the programs our students need. This bill will provide funding for internet services that are a critical component of a 21st Century education program.

E-rate provides federal funding for a portion of a school district's telecommunication costs. Your bill will provide state funding for the balance of those expenses and allow districts to increase their bandwidth. This allows those rural districts primarily served by satellite to increase the bandwidth available to students to 10 megabytes per second. This is a very basic level of service, The Capitol has 100 megabytes per second service. Although basic, it will be a tenfold increase for some rural schools in Alaska. Ten megabytes will be three times faster than our district's current service to village schools. This is a step in the right direction to address the equity issue of educational opportunity for rural students in Alaska.

This is not only a rural bill, urban districts will also benefit. Railbelt communities also use E-rate funding and will have the local share covered. The bill allows them to get a 10% increase in 2015.

An distinct advantage of this bill is that it allows the state to leverage federal funds. The federal E-rate program will continue to pay for a percent of district's telecommunication services. If districts are able to increase the amount spent on telecommunications because of state support, the federal government will provide more funding to Alaskan schools.

I appreciate your advocacy on behalf of the students of the North Slope Borough School District and students across the state. Thank you for your leadership.

Sincerely,

Peggy Cowan
Superintendent