



E-Rate Update

TEXAS EDUCATION AGENCY

HOUSE APPROPRIATIONS COMMITTEE, SEPTEMBER 5, 2018

The *Texas Classroom Connectivity Initiative* is a partnership between:



- Texas Education Agency
- Regional education service centers (ESCs)
- EducationSuperHighway

The partnership was announced in March 2016 by Governor Greg Abbott.

- TEA has implemented the Classroom Connectivity Initiative with existing staff.

E-Rate

HB 1926 (83rd Legislature) directed the Agency to conduct the Public-School Network Capabilities Study.

- The study revealed that 74% of the campuses were below target Internet connectivity requirements.
- EducationSuperHighway, a non-profit, analyzed the districts in Texas that had not applied for Category 1 E-Rate funding and estimated it would cost up to \$250 million to build or buy the necessary fiber networks to provide high-speed access.

E-Rate

From the 103 applications requesting state match (Category 1 Funds):



- **468** districts will benefit from new fiber
- Allows for high speed bandwidth

EducationSuperHighway estimates when the special construction projects are completed:

- **99%** of schools will have fiber-optic connections
- The number of districts having at least one campus not connected to fiber **will be reduced from 123 to 44**



Districts having at least one campus not connected to fiber (44 total)

Avery ISD
Bangs ISD
Brazos ISD
Breckenridge ISD
Bryson ISD
Chireno ISD
Clifton ISD
Crawford ISD
Cushing ISD
Divide ISD
Doss CISD

Frost ISD
Garner ISD
Gause ISD
Gholson ISD
Giddings ISD
Graford ISD
Hallsburg ISD
Hico ISD
Hooks ISD
Hull-Daisetta ISD
Industrial ISD

Iredell ISD
Joaquin ISD
Martinsville ISD
Millsap ISD
Moulton ISD
Mount Calm ISD
Pawnee ISD
Perrin-Whitt CISD
Prairie Valley ISD
Prairie Lea ISD
Richards ISD

Round Top-Carmine ISD
Sam Rayburn ISD
Sanford-Fritch ISD
Santo ISD
Scurry-Rosser ISD
Springtown ISD
Strawn ISD
Tom Bean ISD
Westphalia ISD
Whiteface CISD
Whitney ISD

Rider 69

Rider 85th Texas Legislative Session, the Texas Legislature appropriated \$25 million in funding to the Classroom Connectivity Initiative

- If the Commissioner is unable to secure funding through the federal E-Rate Initiative, the \$25M will lapse at the end of FY 2018.
- The Agency shall report to the LBB and the OOG on the funding status by 8/1/2018



Texas E-rate Filing for Districts and Consortia (Excludes Libraries)

E-rate Funding Year	Number of Distinct Applicants	Total Number of Applicant Requests**	Total Project Costs	Total E-rate Funding Requested	Total State Match Funding Requested
2017*	40	42	\$60.1M	\$49.05M	\$5.31M
2018***	65	84	\$194.2M	\$165.4M	\$18.1M
Total	105	126	\$254.3M	\$214.45M	\$23.41M

* Total Project Costs in 2017 that USAC approved from Districts requests.

** Applicants may submit more than one project request.

*** E-rate Funding Year 18 Applicant requests certified in the filing window. As of 8/1/2018 all FY 2018 projects requests are pending USAC approval.



Texas E-rate Total Project Costs and Estimated Number of Fiber

E-rate Funding Year	Fiber Project Costs	State Match \$\$
2017*	\$60.1M	\$5.31M
2018**	\$194.2M	\$18.1M
Total	\$254.3M	\$23.41M

* Total Project Costs in 2017 that USAC approved from Districts requests.

** E-rate Funding Year 18 Applicant requests certified in the filing window. As of 8/1/2018 all FY 2018 projects requests are pending USAC approval.



Timeline Risks - USAC goal is to review all projects by September 1st of each year

E-rate Funding Year	# Applicants	# approved by 9/1/2017	# approved by 12/31/17	# approved by 3/28/18
2017	40 Applicants	0	26	14

Three Largest E-rate Funding Year 17 Projects

Applicant	Project Value	State Match \$\$*	Approval Date	Last Date to Invoice	Falls w/in State Fiscal Year
ESC 11	\$20 M	\$2 M	2/2/2018	5/31/2020	FY20
Northside ISD	\$11 M	\$1.1 M	1/13/2018	5/31/2020	FY20
Aldine ISD	\$6.5M	\$326 K	12/29/2017	5/31/2020	FY20

** Total Project Costs in 2017 that USAC approved from District requests.*

Largest E-rate Funding Year 18 Projects (>\$5M)

Applicant	Project Value	State Match \$\$
NetXV (ESC Region 15)	\$40.4 M	\$4 M
ESC Region 20 Fiber Consortium	\$38.4 M	\$3.8 M
West Texas Telecommunications Consortium	\$15. M	\$1.5 M
Round Rock ISD	\$ 10.1 M	\$1 M
ESC Region 10	\$28M	\$2.8M
ESC Region 4	\$7M	\$434K

** As of 8/1/2018 all FY 2018 projects requests are pending USAC approval.*