Chapter 7

Large School District Struggles to Obtain E-Rate Funds After Bid-Rigging Probe

Dallas McPheeters
Sr. Learning Consultant, Cerner Corporation, USA

EXECUTIVE SUMMARY

E-Rate is a funding source established by the Federal Communications Commission (FCC) on May 7, 1997. The purpose of the funding is to ensure Universal Telecommunications Service is available to public schools and libraries. Telecommunication services include voice, data, internet, and classroom learning solutions. Schools and libraries apply for E-Rate assistance when adding tele-communications infrastructure upgrades. If approved, applicants are required to follow and maintain strict accounting procedures and any red flags raised during the continual compliance assurance process can immediately stop funding until a resolution is found. The potential for a good deal of tension among education stakeholders exists when E-Rate funding is put on hold due to such audit questions. Such experiences are common as detailed in this case study.

BACKGROUND INFORMATION

E-Rate is a funding source established by the Federal Communications Commission (FCC) on May 7, 1997. Money for the fund is generated from phone bill taxes collected by the government. The purpose of the funding is to ensure Universal Telecommunications Service is available to public schools and libraries. Telecommunication services include voice, data, internet, and classroom learning solutions. Schools and libraries apply for E-Rate assistance when adding telecommunications infrastructure upgrades. The fund is applied as a discount off upgraded services required and can range from 20-90% depending on economic and geographic factors of the applicants.

Once approved, applicants are required to follow and maintain strict accounting procedures and any red flags raised during the on-going compliance assurance process can immediately stop funding until a resolution is found. For this reason, applicants often hire E-Rate vendors who are experienced in the detailed record-keeping required by the federal guidelines. These E-Rate vendors generally include in their bids, a promise to handle any compliance challenges as they arise. The potential for a good deal of tension among education stakeholders exists when E-Rate funding is put on hold because of audit questions. Such common experiences bring us to the following case study.

THE CASE

A prominent school district in the southwest (we'll call District 1 for the purposes of this case study) was approved for $9 million in annual E-Rate funding for a period of five years. Local officials were thrilled with the award and looked forward to improving District 1's technology infrastructure to match needed 21st Century learning technologies. Such learning technologies require fast bandwidth in order to stream data-intensive applications to schools and students. The district's 100 school buildings were quite dated and required electrical upgrades to accommodate 21st Century hardware and software demands. The district's Chief Technology Officer (CTO), Mr. Secor, expressed his delight at the prospects the E-Rate funding would provide for modernizing District 1 and a five year technology plan was developed and approved by local governing authorities.

Based on the E-Rate funding award, District 1's new technology budget was approved by the community's education stakeholders and infrastructure upgrades were ordered by district officials to bring high-speed Internet to the schools. Installation of the costly upgrades began as local contractors got to work retrofitting old buildings with new network infrastructure. Yet, just after the first year of upgrades

Related Content

Modeling the KDD Process
Vasudha Bhatnagarand S. K. Gupta (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1337-1345).*
www.irma-international.org/chapter/modeling-kdd-process/10995

Mining Software Specifications
David Lo (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1303-1309).*
www.irma-international.org/chapter/mining-software-specifications/10990

Sampling Methods in Approximate Query Answering Systems
Gautam Das (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1702-1707).*
www.irma-international.org/chapter/sampling-methods-approximate-query-answering/11047

Evolutionary Development of ANNs for Data Mining
Daniel Rivero (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 829-835).*
www.irma-international.org/chapter/evolutionary-development-anns-data-mining/10916

Online Analytical Processing Systems
Rebecca Boon-Noi Tan (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1447-1455).*
www.irma-international.org/chapter/online-analytical-processing-systems/11011