



E-Rate Central

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)

Modernizing the E-rate Program for Schools)
and Libraries)
_____)

WC Docket No. 13-184

**REPLY COMMENTS IN SUPPORT OF THE PETITION FOR RECONSIDERATION
WITH REGARD TO THE REQUEST FOR CLARIFICATION AND/OR CHANGE OF
THE CATEGORY 2 BUDGET RULE EXCLUDING PART-TIME STUDENTS**

E-Rate Central submits these Reply Comments in support of the Petition for Reconsideration submitted by Infinity Communications and Consulting, Inc. (“Infinity”) and the associated Comments filed by the State E-Rate Coordinators’ Alliance (“SECA”) concerning the exclusion of part-time students in the calculation of Category 2 budgets beginning in FY 2021.

E-Rate Central’s primary concern is with Category 2 budget (and discount rate) calculations for independent Educational Service Agency (“ESA”) districts serving a mix of full-time and part-time students. Unlike more traditional schools that might occasionally serve a small number of part-time students, many ESA schools serve a large enrollment of part-time, typically half-day, student populations. In these cases, part-time students often make up the majority of an ESA district’s enrollment. We agree with SECA that the exclusion of these part-time students from the Category 2 budget calculations would dramatically and adversely undercut the Commission’s goal

of providing adequate funding of schoolwide Wi-Fi networks. Not counting large populations of part-time students, that in small incremental numbers might be justified in the interests of simplicity, would significantly disadvantage such special purpose districts.

As SECA noted in its comments, USAC attempted to address both Category 2 budget and discount rate issues of schools with large numbers of part-time students in its [News Brief of March 23, 2016](#). Specifically, the News Brief provided the following guidance:

Scenario 2: Independent schools that serve only part-time students (for example, a regional vocational school shared by multiple school districts).

In this scenario, students attend their home school for part of the day, and then attend the regional vocational school for the rest of the day. In contrast to the previous scenario, the vocational school does not belong to a school district or Educational Service Agency (ESA), and draws students from a number of different school districts.

Discount: List the total number of students that attend this school as the school's full-time student count, along with the number of those students that are eligible for NSLP. Do not enter anything in part-time or peak part-time student counts. Because this school is not part of a school district, the discount rate is based on the students that attend this school, along with the school's urban/rural status.

C2 Budget: Because all students are counted as full-time students, enter zero for both peak part-time and part-time students. The C2 budget for all schools is based on the number of full-time students plus the peak part-time students. Entering the students again as part-time or peak part-time students would result in overcalculating the C2 budget for the school.

As we noted in our weekly newsletter at the time ([March 28, 2016](#)), this was welcome advice but that counting all part-time students as full-time for Category 2 budget purposes, particularly in a school with half-day morning and afternoon classes, overstates the comparable student count of a more traditional school. However, calculating the discount rate on the basis of all part-time students by treating them as full-time does provide a sound basis for determining an accurate measure of the school's poverty level.

One problem with using this guidance going forward is that it is overly simplified. Most of the ESA schools and/or districts we see have a mix of part-time and full-time students. On such cases, USAC guidance is silent — and needed if a similar approach is to be adopted by the Commission for FY 2021 and beyond.

To examine how applicants are handling the reporting of student data for schools with significant numbers of both full-time and part-time students, we examined current EPC profiles of three dozen ESA districts. We found the following:

1. The majority of the ESA districts, known to have large part-time enrollments, report total student counts as full-time only. In our view, this is in line with USAC's 2016 guidance but has two possible drawbacks, namely:
 - a. Only the truly full-time students are likely enrolled in the schools' lunch programs with NSLP data being reported at the state level. NSLP eligibility of all or most of the part-time students can be determined only by reference to data from those students' home districts. This approach is used by a number of ESA districts but makes validation or audit more difficult.
 - b. As indicated above, to the extent part-time student enrollment is split between morning and afternoon sessions, the schools' peak enrollment is overstated for Category 2 budget purposes.

2. A minority of the ESA districts report full-time and part-time students separately. As reported within EPC, three different student counts are shown: full-time, part-time, and peak part-time. USAC's system uses this data two ways. It bases a school's discount rate on the percentage of eligible full-time students only and bases a school's Category 2 budget on the total number of full-time students and peak part-time students. In our view, this approach:
 - a. May distort the appropriate discount rate assigned to a school (or district) by ignoring (in many cases) the majority of a school's normal day-to-day enrollment.
 - b. More accurately reflects the networking requirements of a school. Peak enrollment during the day for a typical ESA school compares favorably with the full-time student count of more traditional schools.


Conclusions:

E-Rate Central agrees with both Infinity and SECA that the Commission needs to reexamine, clarify, or at least limit its decision to exclude all part-time students from districtwide calculations

of Category 2 budgets. To provide adequate internal networking budgets to schools and/or districts with a high percentage of part-time students, Category 2 budgets should be based on a full-time equivalent (“FTE”) student model best expressed within the existing EPC system as the sum of full-time students and peak part-time students.

E-Rate Central also urges the Commission to clarify the companion discount rate issue in similar schools and districts by focusing on the full-time enrollment of students (i.e., “FTE” students) whether their daily attendance be full-time or part-time.¹

Respectfully submitted by:



Winston E. Himsworth
Executive Director

E-Rate Central
400 Post Avenue, Suite 410
Westbury, NY 11590-2291
(516) 801-7801
whimsworth@e-ratecentral.com

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¹ As many ESAs are currently doing, NSL eligibility of part-time students may be determined in several ways including (a) family surveys of the students, (b) applications for ESA attendance submitted by the students’ home districts, or (c) by using student-weighted averages of the discount rates of the students’ home districts.