



## E-Rate: The Facts about America's Successful Education Technology Program

### **What has the E-Rate Program done?**

In 1996, only 28 percent of public library systems offered public Internet access. Today, thanks to increased resources and the E-Rate, nearly all library buildings offer public access computing, and 14 million Americans regularly use these computers at no fee. Further, only *three percent* of instructional classrooms were wired in 1994. As of 2003, 93% of instructional classrooms are wired. Between 1998 (when the E-Rate launched) and 2003, statistics show that classroom Internet access disparities between rural, urban, and suburban schools and high and low-poverty districts have been dramatically reduced.

### **Why is the E-Rate Program still needed?**

There are still instructional rooms and libraries that remain unconnected. And for those that are connected, most rely on E-Rate discounts to maintain connectivity. Furthermore, much more needs to be done to determine the quality and speed of connectivity. All students, educators, and library patrons should have high-speed Internet connectivity to fully participate and learn in an information-dominated economy and world.

In the wake of Hurricanes Katrina and Rita, many emergency aid personnel referred shelter residents to local public libraries to fill out online assistance requests from government agencies, locate family members, look for housing, and other vital tasks. Public libraries rely upon E-Rate funding to maintain connectivity and provide communities with ongoing and emergency assistance.

### **Have there been incidents of waste, fraud, or abuse?**

Yes, but the total amounts pale in comparison to the amount dispersed. Roughly \$15 billion has been committed or dispersed to schools and libraries since the inception of the E-Rate program. The Universal Service Administrative Company (USAC) which administers the program has engaged in more than 200 audits to ensure the program's integrity. As a result of those audits, the FCC has concluded that less than one percent (0.67 percent) of E-Rate funds were subject to recovery for program violations. In fact, the Federal Communications Commission acknowledged in its proposed rulemaking notice of June 14, 2005 that the "recommended recovery amounts are small in comparison to the more than \$31 billion in funds dispersed since 1997 (for all Universal Service program, of which E-Rate is just one), demonstrating that the great majority of E-Rate, High Cost, Low Income, and Rural Health Care program recipients follow our rules and have not engaged in fraud." (§ 70 of the Notice of Proposed Rulemaking, June 14, 2005)

## What is being done to combat waste, fraud, and abuse?

USAC has:

- established an extensive application and invoicing review procedures to prevent funding commitments and disbursements in violation of program rules.
- established a whistleblower hotline with follow-up investigations
- made commitment adjustments or recoveries following investigations
- engaged in conducting site visits to approximately 80 sites per month to verify that equipment and services have been provided
- completed over 200 audits of applicants and service providers
- entered into a 3-way agreement with the FCC OIG and a private auditing company to conduct audits for all four support mechanisms
- provided support to law enforcement investigations through close working relationship with the FCC OIG and law enforcement authorities. USAC provides documentation and analysis, answers questions, meets with investigators, and submits petitions as necessary. USAC has received restitution as a result of some guilty pleas/civil settlements.

In addition, the FCC has suspension and debarment powers that apply to individuals and corporations that are convicted of crimes related to E-rate and/or found civilly liable. Companies that have been debarred

## Is there more that can be done to further protect the integrity of the E-Rate program and help prevent waste, fraud, and abuse?

Yes. EdLiNC believes that strong and appropriate sanctions for program rule violators are vital to ensuring the integrity of the E-Rate program. We also believe that a full range of penalties for E-Rate program violations should be easily and publicly accessible. EdLiNC has published a set of Guiding Principles for policy makers seeking to improve the E-Rate program.

([www.edlinc.org/pdf/GuidingPrinciples.pdf](http://www.edlinc.org/pdf/GuidingPrinciples.pdf))

For more information about the EdLiNC coalition please contact the EdLiNC Co-Chairs.

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