A RESOLUTION

Urging the Auditor General to conduct an audit of the Department of Education's administration of the Educational Technology Fund and to report the findings of the audit to the House of Representatives.

WHEREAS, Under 66 Pa.C.S. § 3014(j), the Department of Education was directed to establish the Education Technology Program to provide grants to school entities for specified purposes through the Education Technology Fund (E-Fund), which was established under 66 Pa.C.S. § 3015(d); and

WHEREAS, Beginning in 2005 and continuing through 2010, the Pennsylvania Public Utility Commission was directed to annually assess each nonrural telecommunications carrier that filed an amended network modernization plan an amount based on retail access lines served, with the amount of the assessment to be deposited in the E-Fund; and

WHEREAS, Between 2005 and 2011, the E-Fund provided $60 million in private sector support through competitively awarded grants to eligible local educational agencies in this
Commonwealth to:

(1) purchase or lease telecommunications services, infrastructure or facilities to establish and support broadband networks between, among and within school entities;

(2) purchase or lease telecommunications network equipment and end-user equipment to enable the effective use of broadband networks between, among and within school entities;

(3) establish distance learning initiatives that use the broadband networks; and

(4) procure related technical support services;

and

WHEREAS, E-Fund prioritization was given to school entities seeking funds:

(1) for discounted broadband services or infrastructure, facilities or equipment from local exchange telecommunications companies that contributed to the E-Fund;

(2) to establish regional networks that serve multiple school districts and school entities; or

(3) to deploy high-speed broadband in school entities lacking broadband services or that had broadband service with bandwidths less than 1.544 megabits per second;

and

WHEREAS, The legislative intent underlying the creation of the E-Fund was to:

(1) increase the capacity of schools in this Commonwealth to use network technologies to help students learn;

(2) close the equity gap by narrowing the digital divide and encourage a culture of collaboration; and
(3) drive down costs and incentivize the deployment of affordable, high-speed broadband services to underserved areas for both schools and consumers in this Commonwealth; and

WHEREAS, E-Fund recipients were required to provide 100% matching funds to ensure that they had adequate resources to sustain their projects beyond initial implementation; and

WHEREAS, Matching funds were primarily secured through the Federal Schools and Libraries Program, also known as the E-rate program, which was administered by the Universal Service Administrative Company under the direction of the Federal Communications Commission to effect a digital transformation in schools by providing discounts on services and products that enable classrooms and libraries to receive communications services; and

WHEREAS, Since the E-Fund's inception, there have been no annual reports or audits of the E-Fund to determine whether the funding was disbursed under the statutory requirements contained in 66 Pa.C.S. Ch. 30 or to ensure that the $60 million program, which required at least $60 million in matching funds, met its goals of providing schools and communities in this Commonwealth with high-speed Internet connectivity that enhances educational opportunities for students in urban, suburban and rural school districts; and

WHEREAS, Reliable high-speed Internet is imperative to school districts in this Commonwealth and is a critical resource to ensure that all students are able to compete in the 21st-century global workforce; and

WHEREAS, Schools in this Commonwealth continue to struggle to obtain and maintain high-speed broadband as defined by the
WHEREAS, Pennsylvania's pursuit of public policies that further close the digital divide is contingent on having an inventory and an audit of the $60 million E-Fund expended from 2005 through 2011 to further advance the deployment of high-speed broadband throughout this Commonwealth; and

WHEREAS, The Department of the Auditor General is responsible for conducting audits to ensure that State money is spent legally and properly to serve the residents of this Commonwealth by improving government accountability and transparency and the effective use of taxpayer dollars; therefore be it

RESOLVED, That the House of Representatives urge the Auditor General to conduct an audit of the Department of Education's administration of the E-Fund; and be it further

RESOLVED, That the Auditor General issue a report regarding the audit, which shall include the following information for the lifetime of the Education Technology Program and the E-Fund:

(1) a listing of each school entity that received grant money, the amount of grant money received and an identification of whether the grant money was used to establish, maintain or expand a program authorized under 66 Pa.C.S. § 3014(j)(2);

(2) for each school entity that received grant money:
   (i) an identification of whether the school entity was given priority in grant funding as authorized under 66 Pa.C.S. § 3014(j)(4);
   (ii) the program or programs authorized under 66 Pa.C.S. § 3014(j)(2) on which the grant money was expended; and
   (iii) the number of students impacted by the program...
or programs authorized under 66 Pa.C.S. § 3014(j)(2) on which the grant money was expended;

(3) the criteria used to determine:

   (i) the eligibility of a school entity to receive grant money; and

   (ii) the amount of grant money that a school entity received;

(4) the criteria used to ensure that the school entities that received grant money were geographically dispersed throughout this Commonwealth as required under 66 Pa.C.S. § 3014(j)(4);

(5) the amount of matching funds provided by each school entity that received grant money and a description of the source of the matching funds;

(6) the process that a school entity used to apply for grant money;

(7) for programs funded with grant money, an identification of any waiver or reduction by a school entity of financial bond requirements imposed on a bidder in the school entity's requests for proposal and the reasons for the waiver or reduction;

(8) the names of each school entity belonging to a consortium which was the applicant for the E-Fund grants;

(9) the breakdown by school of E-Fund grants to a consortium;

(10) the names of each school entity that withdrew from membership in a consortium before or after the E-Fund grant award announcement;

(11) when a school entity withdrew from membership in a consortium after an E-Fund grant was awarded, along with the
amount of E-Fund grants paid to the school entity that withdrew from the consortium or the amount returned to the E-Fund by the consortium as a result of the school entity's withdrawal;

(12) the criteria used to analyze award recipient's financial fitness or stability and under what conditions an exemption from review of specific criteria was granted to specific award recipients; and

(13) the names of award recipients who defaulted on their award contracts and the amount penalized for each infraction;

and be it further RESOLVED, That the Auditor General report its findings to the Speaker of the House of Representatives, the Consumer Affairs Committee of the House of Representatives and the Secretary of Education no later than December 31, 2018.