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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 431 Session of  
2017

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INTRODUCED BY PHILLIPS-HILL, SNYDER, BIZZARRO, R. BROWN, DAVIS,  
DRISCOLL, A. HARRIS, IRVIN, RAPP, RYAN, THOMAS, NEILSON,  
WATSON, PICKETT, WARD AND GROVE, AUGUST 15, 2017

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REFERRED TO COMMITTEE ON EDUCATION, AUGUST 15, 2017

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A RESOLUTION

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

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

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

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

1 Commonwealth to:

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

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

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

11 (4) procure related technical support services;

12 and

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

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

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

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

23 and

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

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

29 (2) close the equity gap by narrowing the digital divide  
30 and encourage a culture of collaboration; and

1           (3) drive down costs and incentivize the deployment of  
2       affordable, high-speed broadband services to underserved  
3       areas for both schools and consumers in this Commonwealth;  
4       and

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

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

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

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

29      WHEREAS, Schools in this Commonwealth continue to struggle to  
30      obtain and maintain high-speed broadband as defined by the

1 Federal Government; and

2 WHEREAS, Pennsylvania's pursuit of public policies that  
3 further close the digital divide is contingent on having an  
4 inventory and an audit of the \$60 million E-Fund expended from  
5 2005 through 2011 to further advance the deployment of high-  
6 speed broadband throughout this Commonwealth; and

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

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

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

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

23 (2) for each school entity that received grant money:  
24 (i) an identification of whether the school entity  
25 was given priority in grant funding as authorized under  
26 66 Pa.C.S. § 3014(j)(4);

27 (ii) the program or programs authorized under 66  
28 Pa.C.S. § 3014(j)(2) on which the grant money was  
29 expended; and

30 (iii) the number of students impacted by the program

1 or programs authorized under 66 Pa.C.S. § 3014(j) (2) on  
2 which the grant money was expended;

3 (3) the criteria used to determine:

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

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

8 (4) the criteria used to ensure that the school entities  
9 that received grant money were geographically dispersed  
10 throughout this Commonwealth as required under 66 Pa.C.S. §  
11 3014(j) (4);

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

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

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

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

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

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

29 (11) when a school entity withdrew from membership in a  
30 consortium after an E-Fund grant was awarded, along with the

1 amount of E-Fund grants paid to the school entity that  
2 withdrew from the consortium or the amount returned to the E-  
3 Fund by the consortium as a result of the school entity's  
4 withdrawal;

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

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

12 and be it further

13 RESOLVED, That the Auditor General report its findings to  
14 the Speaker of the House of Representatives, the Consumer  
15 Affairs Committee of the House of Representatives and the  
16 Secretary of Education no later than December 31, 2018.