DALLAS ISD E-RATE QUARTERLY REPORT

1st Quarter
July 1, 2014 – September 30, 2014
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ATTACHMENTS ON CD DISK
1. Summary

The First E-Rate Quarterly Report covers the time period of July 1, 2014 – September 30, 2014. The report describes the progress Dallas Independent School District (Dallas ISD) has made in their obligation and commitment to all E-Rate Program rules, requirements, local compliance policies and the District’s E-Rate Compliance Agreement. The E-Rate Program for Dallas ISD has completed its first quarter of the E-Rate funding year for 2014/2015 and the District has or will apply for E-rate funds by following all E-Rate program rules and regulations.

Dr. James Terry is the E-Rate Compliance Officer for Dallas ISD and has been since October 30th, 2013. The main focus of the ERCO is to keep Dallas ISD in compliance with all FCC rules and regulations of the Schools and Libraries Division E-Rate Program (SLD). Rhonda Scholwinski is the Director of E-Rate for the Dallas ISD and has been since May 1, 2012.

In summary, since July 1, 2014, Dallas ISD has:

1. Updated executives on E-Rate issues
2. Trained new E-Rate Eligible Employees (EEE)
3. Submitted for review to the Superintendent of Schools the last quarterly report for the period ending July 31, 2014
4. Followed-up on any E-Rate complaints, conflict of interest notifications, gifts to the District from outside sources, and any Hotline tips
5. Reviewed all donations received in the District per policy CDC (Local)
6. Submitted questions to USAC for guidance on areas of concern. This provided documentation as to the correct procedure for advancement.
7. Submitted Form 500(s) as required by E-Rate Program
8. Submitted SPIN change request
9. Sent documentation to USAC as required by E-Rate Program
10. Completed Campaign Contributions Review of Board of Trustees

Dallas ISD has been notified of Funding Commitment Decision Letters (FCDL) being released for previous years, 2005, 2007, 2008, 2009, 2010, 2011, and 2012. The
only outstanding decisions are for five (5) FRN(s) from 2013 and five (5) FRN(s) for the 2014 funding year. (All Priority Two funding requests were denied to ALL applicants due to the lack of USAC/SLD funding available, therefore all of Dallas ISD Priority II FRN’s were denied for 2013 and 2014).

2. Purpose

The purpose of this report is to document the policies and procedures that have been initiated and completed by Dallas ISD in its compliance with its E-Rate obligations to follow and fulfil its agreement with FCC, USAC and the SLD:

- Dallas ISD compliance with all E-Rate Program Rules and Requirements applicable to the current funding year.

- Dallas ISD compliance with the terms of the E-Rate Compliance Agreement and the Dallas ISD E-Rate Compliance Policy during the July 1, 2014 through September 30, 2014 funding year quarter.

3. E-Rate Procurements

The Dallas ISD Procurement process requires that all E-Rate procurements follow USAC rules and regulations, including the District’s Compliance Agreement, and the policies and procedures set forth in its procurement manual. The District did meet all the standards set forth in the evaluations of bids, the insertion of required E-Rate language in all contracts, and the proper documentation of E-Rate records, unless cited in the following paragraphs. Verification and monitoring was accomplished by the ERCO along with both Dallas ISD Legal Services Department and external E-Rate counsel, Robert Luna, along with the Procurement Department and Director of E-Rate programs. If errors were made and discovered during any of the above processes, the ERCO took steps to correct each error and document the correction and report it to the FCC as required in the Compliance Agreement and, if necessary, on a Receipt Acknowledgement Letter (RAL) or through the Selective Review process.
4. On-going Review of Compliance Objectives

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>All EEE signed up for USAC newsletter</td>
<td>Completed, verified and on-going</td>
</tr>
<tr>
<td>E-Rate Training for New Employees- for the quarter</td>
<td>Completed and ongoing</td>
</tr>
<tr>
<td>HR EEE Oracle Tracking system Program</td>
<td>Completed and ongoing</td>
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<tr>
<td>established-and continued testing</td>
<td></td>
</tr>
<tr>
<td>Electronic database of all EEE.</td>
<td></td>
</tr>
<tr>
<td>Regular meeting with Superintendent of Schools and</td>
<td>Completed and On-going</td>
</tr>
<tr>
<td>E-Rate Executives on E-Rate Administration</td>
<td></td>
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5. Training of E-Rate Eligible Employees

A critical requirement of the Compliance Agreement is that all Dallas ISD E-Rate Eligible Employees (EEEs) are to be trained upon entering the program within the five day window for training.

The ERCO, or designee, covered the obligations of the E-Rate program to include having a fair and open bidding process that allows all procurements to be free of influences based on conflict of interests and gifting. The training material also covers proper submission of all E-Rate Forms within the filing window dates as mandated by Universal Service Administrative Company (USAC) to ensure that the District will qualify for E-Rate funds.

Key aspects of the Dallas ISD E-Rate Policy and what is required of each employee, the Compliance Agreement, and the District’s “Zero” Gifting Policy are all explained in the training.

All Dallas ISD employees are required to receive E-Rate training before being classified as an EEE and performing any E-Rate related work. The training covers all E-Rate program rules and regulations. Also, starting on December 6, 2011, Dallas ISD requires that all new members sign the Gifting statement, the Conflict of Interests statement and the Dallas ISD EEE agreement. Supervisors of trained EEE’s sign a statement attesting that they have not allowed any untrained employee...
do any work relative to the E-Rate program until trained and certified by the ERCO as an EEE.

During the first quarter there were a total of two (2) EEEs receiving the required training. Each new EEE filled out gift statements and conflict of interest statements at the E-Rate training.

One of these EEEs was a Board of Trustee member. The Board Member received training on September 22, 2014, but it was determined by Deloitte Auditors that this member should have received training by 8-26-2014. The Compliance Agreement states that all E-Rate Eligible Employees should receive training within 60 calendar days. Since the Board of Trustees does not meet in July and there were no E-Rate items on the August Board Agenda, the E-Rate Department did not consider this person an E-Rate Eligible Employee. In September there were Board Agenda items that related to E-Rate, therefore, previous to the Board Meeting, the E-Rate Department trained the Board Member. However, Deloitte Auditors determined that this training needed to occur within 60 calendar days of “swearing in” of this Board of Trustee Member. Therefore this was noted as a “finding” in the Deloitte E-Rate Audit. It was also noted (in the audit) that there was not concrete, “physical” evidence of this Board Member receiving information on the E-Rate policies. Since this Board of Trustee Member was trained individually, the policy information was personally handed to the Board Member and there was no evidence (paper) of this occurrence. The E-Rate Specialist will attest to giving the Board Member the required documentation.

Additionally, informational training has also been conducted, whenever requested by staff, to keep as many individuals informed of the E-Rate Program as possible.

6. Forms

There was one (1) Form 500 filed with USAC/SLD. This was filed to extend the Service Delivery Deadline for a 2008 FRN. This FRN was for Cabling. There was also request to do a Service Provider Identification Number (SPIN) change from Woodlands Network to Desert Communications Inc. for this Cabling request. (Woodlands went out of business)

7. Selective Reviews by USAC

There were five (5) responses to Selective Review Requests from USAC. The requests were follow-up requests (requesting additional information) from the initial Selective Reviews for Priority One requests and Priority Two requests.
8. Coordination and Communications

The ERCO (or designee) has updated the District-wide e-mail communication system which gives each EEE knowledge of all policy updates and changes to any internal E-Rate documents. This is also a means by which each EEE can directly and quickly communicate with the ERCO on any issue concerning any EEE. The ERCO (or designee) has also updated the District web page which is a source of many E-Rate policies and the E-Rate Manual. The E-Rate web page also has an updated listing of all E-Rate vendors and potential E-Rate vendors.

When asked, the ERCO has briefed the Board of Trustees and various Trustees throughout this reporting quarter on the progress of the E-Rate program. Discussions included updating the Board on the progress of the District’s filing submissions to USAC and other matters as well as Annual E-Rate Training for the Board of Trustees.

The Director of E-Rate Programs continues to have meetings, when necessary, with the Dallas ISD E-Rate Team. Members consist of: PEIMS, Technology, Finance, Bond, Procurement, Facilities, Document Retention, Legal, and E-Rate. Meetings and/or email communication continue to be done on an as needed basis to establish a clear line of communication for all departments involved in E-Rate matters. Additionally, meetings with each department are held whenever documentation needs to be reviewed and approved. Each department member is required to review and confirm E-Rate documentation as it applies to their department. This continues to assist in correct filings of all E-Rate documentation to USAC as well as establish a form of “check and balance” with E-Rate procedures.

A secure internal drive continues to house all E-Rate Documentation. Each E-Rate Team member has access to this drive. This allows for easy access to E-Rate documents, knowledge of the location of the documents, and a better understanding of E-Rate and E-Rate procedures. It also negates the “single point contact” when faced with the issue of absence of an employee.

Communication with the FCC continues to be carried out by the District’s retained external law firm of Robert Luna, PC.

9. Monitoring By ERCO

The ERCO continues to monitor all E-Rate related matters received by the District’s Hotline and forwards any actionable reports to USAC. During this reporting period, the District’s Hotline did not receive any calls regarding E-Rate reporting.
The District remains in compliance with CIPA and District policy concerning Internet safety. The District continues to use the software filtering program “IronPort” and continues to monitor the web filtering logs. The public input meeting required per CIPA, to include Cyberbullying and social media training was accomplished in September 2011, and was a one-time requirement.

The CH (Local) policy now requires the ERCO’s review and written approval whenever a request to purchase E-Rate eligible goods, services, equipment, or pilot programs, for which the District will seek E-Rate reimbursement, before it is submitted to the Board of Trustees.

The CDC (Local) policy now requires the ERCO’s prior approval on all technology donations in excess of $5000 from any source and all donations, regardless of value, from any E-rate vendor.

In conjunction with the CDC (Local) (Regulation) policies, the ERCO continues to review all Board agenda donations for the current funding year. The requirement for Board of Trustee approval starts at the $25,000.00 level.

A total of four (4) donation reports were received and approved by the ERCO prior to receipt of the donations.

10. INTERNAL/EXTERNAL AUDIT REPORTS (HL&B/DELOITTE)

The CPA firm of BDO (formerly Hartman, Leito, and Bolt, LLP - HL&B) continues to perform the E-Rate internal audit function for the District’s E-Rate program in accordance with the Dallas Compliance Agreement and CAA (LOCAL). BDO will coordinate its audit plan with the District’s internal auditors in order to prevent any unnecessary duplication concerning the E-rate program.

Dallas ISD’s Internal Audit department conducted a review of Board of Trustees Campaign Contributions that covered the period January 16, 2014 – July 15, 2014. There were no findings in this review.

During this quarter, Deloitte has conducted the majority of the External Audit, however, the report will not be complete until the Second Quarter period (October, 2014).

11. Non Compliance Issues by Dallas ISD

There were seven (7) incidents of non-compliance that needed to be reported to the FCC by the ERCO for this quarter. Three (3) incidents were concerning the cell phone towers. One (1) was a preliminary report stating investigation of unapproved
expenditures may have occurred. Once the investigation was complete, the FCC was notified of one (1) unapproved expenditure and one (1) report (which included four supplemental notices) which included corrective actions taken. These “Supplemental” Reports were actions that were taken by the Board of trustees to waive and/or ratify local policy so that Dallas ISD would then be in compliance with all Local Policies and therefore be in compliance with the E-Rate Program rules. The final incident was a report on a vendor video which had occurred. All incidents were reported to the proper recipients.

12. Violations of E-Rate Program Rules Requirements

The ERCO is not aware of any reports of violations of E-Rate program rules during this quarter’s reporting period that were not addressed above.

ATTACHMENTS:

FOLDER A. DONATIONS
FOLDER B. FORMS
FOLDER C. TRAINING DOCUMENTATION
FOLDER D. SELECTIVE REVIEW DOCUMENTATION
FOLDER E. AUDIT
FOLDER F. FCC NOTIFICATIONS