

Paul Stankus
CSM
3130-C Inland Empire Blvd.
Ontario, CA 91764

Billed Entity Number: 16021229
Form 471 Application Number: 826680
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2012-2013

December 15, 2014

Paul Stankus
CSM
3130-C Inland Empire Blvd.
Ontario, CA 91764

Re: Applicant Name: GREEN DOT PUBLIC SCHOOLS
Billed Entity Number: 16021229
Form 471 Application Number: 826680
Funding Request Number(s): 2368681, 2368701
Your Correspondence Dated: October 01, 2014

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2012 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2368681, 2368701
Decision on Appeal: **Denied**
Explanation:

- After multiple requests for documentation and application review, USAC has determined that these funding commitments must be rescinded in full. Funds were erroneously committed for FRNs 2368681 and 2368701, which were not justified as cost effective. Specifically, Green Dot Public Schools (the district) sought E-rate funding for (cellular and data service) from multiple service providers for the same locations and time periods on its FCC Form 471 Application No. 826680. The documents that the District provided to USAC indicate that the District selected AT&T and Sprint to each provide the requested (cellular and data service) to the same locations during the same time periods. In addition, the documents provided to USAC do not indicate that AT&T and Sprint were unable to provide all of the requested cellular and data services to Green Dot Public Schools. Therefore, because Sprint services were more expensive than AT&T

services, Sprint services were not the most-cost effective offering as required by the FCC's rules and the Macomb Order. FCC rules require that, in selecting the service provider, the applicant must select the most cost effective service or equipment offering, with price being the primary factor, which will result in it being the most effective means of meeting educational needs and technology plan goals. Additionally, the applicant's technology plans for requested services should be based on an assessment of their reasonable needs. Applicants that request services that are beyond their reasonable needs and thus not cost effective have violated the above rules. Since FRNs 2368681 and 2368701 exceeded the applicants reasonable needs, these funding commitments were rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant. You have not demonstrated on appeal that USAC's determination was incorrect. Consequently, USAC denies your appeal.

- FCC rules state that, in selecting a service provider, the applicant must carefully consider all bids submitted and must select the most cost-effective service or equipment offering, with price being the primary factor, which will result in being the most cost-effective means of meeting educational needs and the technology plan goals. *See* 47 C.F.R. secs. 54.511(a), 54.503(c)(2)(vii), 54.504(a)(1)(xi). *See also* Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, et al., CC Docket Nos. 96-45 and 97-21, Order, 18 FCC Rcd 26407, FCC 03-313 paras. 47-55 (Dec. 8, 2003) (*Ysleta Order*). Service providers shall not charge the entities a price above the lowest corresponding price. *See* 47 C.F.R. sec. 54.511 (b). In order to ensure that applicants are not requesting discounts for services beyond their reasonable needs, USAC denies funding request(s) for not being cost-effective. The costs of the products and services in a funding request should not be significantly higher than the costs generally available in the applicant's marketplace for the same or similar products or services. For example, equipment at prices two or three times greater than the prices available from commercial vendors would not be cost effective, unless there were extenuating circumstances. *See* Ysleta Order para. 54.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Emily Vaughn Henry