

DOCKET FILE COPY ORIGINAL

Lucia Mar Unified School District
602 ORCHARD ST., ARROYO GRANDE, CA 93420
(805) 474-3000 FAX (805) 4734397

ARROYO GRANDE

NIPOMO

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PISMO BEACH

April 14, 2003

RECEIVED

APR 16 2003

Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Federal Communications Commission
Office of General Counsel

Ref: CC Docket Nos: 96-45, 97-21

Re: E-Rate 471 Application Number 253047, Funding Request Number: 623971

E-Rate 471 Application Number 249712, FRNs: 610674,610728,610771

E-Rate 471 Application Number 252218, FRNs: 620344,620463,620547,620594

Dear Madam Secretary:

I am writing to seek a waiver to the 60-day time limit for appeals of Universal Service Administrative Company, Schools & Libraries Division E-Rate decisions. If this waiver is granted, I am also requesting an appeal of the denial by the SLD of our prior appeal for the Year Four applications cited above.

Waiver

We received the notification of appeal denial for our Year Four applications from SLC in a letter dated January 22, 2003. This denial covered all but basic telecommunications services. It took several days for us to receive it and then another three for me to obtain it from the person it was sent to (we are changing E-Rate contacts at this time). It then took me a week to research the appeals process, come to the understanding that the SLD rules prevented us from obtaining a favorable verdict, and realize that I should ask Senator Feinstein's office for assistance. I was unclear as to whether I could appeal to the FCC on the basis of the rules themselves, an appeal that is not allowed to the SLD. I spoke to a staff member at Senator Feinstein's office on February 18 and then faxed a letter explaining the issue and my question. On February 28, I received a reply which advised me that a response would probably take four to six weeks. Clearly, this would not likely meet the 60-day deadline for appealing (approximately March 23).

On April 8, I received an email and voice mail from Mr. Greg Lipscomb at the FCC. I left two telephone messages for him and we connected by telephone on April 10. Mr. Lipscomb advised me that I could indeed appeal the SLD rules but that my 60-day appeal time had expired and I needed to ask for a waiver. I was just finishing a large project due April 11, and so have sent this letter as soon as possible after we talked. Given my confusion about how best to proceed and the length of time required to obtain assistance, I do not know how I could have met the 60-day deadline, though I am only 22 days late. I respectfully ask you to waive the 60-day requirement and consider the following appeal.

No. of Copies rec'd 0/5
Lip-MSBE

Lucia ~~Mar~~ Unified School District
Page 2

Appeal of SLD Ruling

The Lucia ~~Mar~~ Unified School District **is** appealing the decision of the SLD to deny our appeal for E-Rate ~~Year Four~~ **funding** beyond basic telecommunications services on the grounds that two SLD rules are fundamentally flawed. *Our* school district has successfully applied for E-Rate finds in ~~Years~~ **3** and **5**, but was denied all but basic funding for year **4** (2001-2002). In Year **4**, we applied for infrastructure funding, triggering an **Item 25** review. We were notified that *our* E-Rate request **was** denied in January, **2002** for infrastructure and for several telecommunications/internet access services beyond basic services. All telecommunications/internet access services that were denied were later approved for Year **5** funding. The letter did not state why funding was denied other than:

"Since you did not respond to our repealed requests for further information, we were unable to determine that you secured access to the resources outlined below."

"Budget: You did not demonstrate that you have the financial resources on hand to pay for the non-discounted charges on your application, as well as the rest of the items that you outlined in your technology budget."

We attempted many times to have **this** clarified **by** the SLD, **as** we did not have any specific reason on which we could base an appeal. There had been staff turnover and we thought that perhaps **some** information was missing. but **our** attempts to find this out by telephone were not successful and our letter was not answered. In desperation, we wrote an appeal to the SLD that addressed the issues outlined for **us**: responding to information requests and demonstrating financial resources. Our appeal explained that we had responded to numerous requests from various people and that we had more than sufficient financial resources on hand. (Please see attached appeal.)

We did not hear anything for one year, and were finally informed in a letter dated January **22, 2003** that our appeal was denied. For **the** first time, a full explanation was given. When we had originally filed for E-Rate, we had applied for infrastructure wiring for several schools. At the time of the **Item 25** Review, we withdrew the applications for all but one school, the only one that had a chance of being funded. **This** was done to permit new bidding on reconfigured plans for schools that would not be **funded, as** the E-Rate bids were excessively **high**. We documented our share of finds for all E-Rate services at **\$150,840** on the **Item 25** Review. However, **SLD** says that **we** needed to document funds of \$697,120 to demonstrate adequate financial resources for the schools whose Form **471s** we had cancelled. *"While program rules allow for the cancellation of the district's Form 471, they do not allow for Item 25 modifications based on this cancellation."*

The need **to** document funding for all schools, regardless of cancellation status, was explained to us in a sentence *in* one letter during **the** **Item 25** review (though **we were** not told that this was a program rule). Unfortunately, this was so **long** ago (May, 2001) that I do not know why we did not respond or if we did and do not have the documentation. Since we did not know that the **Item 25** modification **was** the problem, we did not base **our** appeal on this issue. We did show substantial resources, but **the SLD** wrote that: *"as*

FROM

Lucia Mar Unified School District
Page 3

this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal." In other words, appealing wouldn't have helped to correct our mistake.

We are a **small** school district with limited resources for learning all the rules of the SLD, but neither of these **rules** is explained anywhere that we have seen. More important, these rules do not make sense. If **rules** allow for the cancellation of a project, which they do, we do not believe that any applicant should have to demonstrate financial resources for a cancelled project. And if **an** applicant makes a mistake according to **SLD** rules, we believe that the applicant should be allowed to correct the error in the appeal. There is no point in having a charade of an appeal process when in reality no consideration of the circumstances is permitted.

The E-Rate process is labyrinthine, hostile, and incredibly **challenging** for small school districts. The **SLD** needs **some** mechanism for applicants to have a second chance at compliance with these complicated and unexplained **rules**. **The** fact that *our* identical telecommunications/internet access requests were permitted the **year** after the one in question (without the **infrastructure** to trigger an **Item 25** Review) demonstrates the absurdity of following rigid rules without a clear, fair appeals process.

We ask that you reconsider both **SLD** rules. Please permit **Item 25** modifications based on Form **471** cancellations, and please permit consideration of new information during **an** SLD appeal.

Thank you for your consideration of this appeal. I did not fax the appendix to our **original** **SLD** appeal, **as** it is quite large; please let me know if it would assist my appeal to mail it. If you have any questions, please do not hesitate to contact me. My phone number is (805) 474-3000 x.1094, my cell phone is (805) **674-0776**, and my email is bcarsel@lmusd.org.

Sincerely,



Becca Carsel
Grants Coordinator

cc: **Sonia** Martinez, Senator Feinstein's office

Lucia Mar Unified School District
Curriculum/Instructional Materials
602 Orchard Street
Arroyo Grande, CA 93420

Phone: (805) 474-3000, Ext. 1094
FAX (805) 473-4397

FAX Cover Sheet

Date: 4-14-03

Cover plus 16 pages

To: Greg Lipscomb, FCC
202-418-6957

From: BECCA CARSE!

Message: Mr. Lipscomb,

Thank you for your help with this
appeal. Could you let me know whether I
should send this hard copy w/ full appendix
of the SLD appeal?

Becca



T

LIPSCOMB GREG x4188200

From: UNKNOWN

Time/Date Received: 4/14/03 18:29

Attributes:

Subject:

This Message contains the following components:

[Fax: 17 pages]

From: Greg Lipscomb
To: internet:bcarsel@lmsud.org
Date: 4/8/03 3:27PM
Subject: Lucia Mar Unified School District E-rate Application and Appeal

Dear Ms. Carcel:

I am at the Federal Communications Commission, and I have your February 18, 2003 letter to Senator Feinstein.

Per my voice mail to you today (4/8/03), I have a couple of questions:

1) Were you able to **go** ahead and file some sort of appeal to the FCC within the 60-day period after January 22, 2003, the date of the letter to you from the Schools and Libraries Division? If **so**, grateful if you could fax your appeal papers (unless they are too voluminous) to me at 202/418-6957.

2) We also have record of an appeal filed by Lucia Mar Unified School District on 5/26/02. The SLD 471 application numbers for that case are 249712 and 252798. **Is** that case somehow related to the situation about which you wrote to Senator Feinstein, or is that a different matter.

Grateful for any enlightenment, and thanks.

Greg Lipscomb, FCC, 202/418-8200

Greg Lipscomb, FCC/WCB/TAPD; (all 202) Off Ph 418-8200;
Fax 418-6957; Pager 825-7623; Hm 462-6681.

CC: Adrian Wright; Antoinette Stevens; Greg Lipscomb; Suzon Cameron

From: Greg Lipscomb
To: Greg Lipscomb
Date: 4/16/03 11:09AM
Subject: Lucia Mar Unified School District...

Becca... Thanks for your faxed materials, which I am having stamped into the FCC Secretary's office.

No need to send separate hard copy.

We will send you a stamped copy for your records.

Your waiver/appeal request will be logged in here, and put on our list of pending appeals. Bit of a backlog here, so will be months, not weeks, but feel free to check with me anytime.

Thanks again, Greg

Greg Lipscomb, FCC/WCB/TAPD; (all 202) Off Ph 418-8200;
Fax 418-6957; Pager 825-7623; Hm 462-6681.

CC: Adrian Wright; Greg Lipscomb

**E-Rate Letter of Appeal
Lucia Mar Unified School District
APPENDIX**

- **Financial Overview - Technology Funding, Year 4**
 - **District 2001-2002 Budget Reports**
 - **SLD Contact List**
 - **Item 25 Review, May 2,2001**
- **Item 25 Additional Information, May 16,2001**

FROM



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - ~~Funding Year~~ **2001-2002**

January 22, 2003

Jon Hitchen
Lucia ~~Mar~~ Unified School District
602 Orchard St.
Arroyo Grande, CA 93420

Re: Billed ~~Entity~~ Number: 143955
471 Application Number: **252218**
Funding Request Number(s): 620344, 620463, 620547, 620594
Your Correspondence Dated: January 31, 2002

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 SLD's Year Four **Funding Commitment** Decision for the Application Numbe**nd**icated above. This letter explains the basis of SLD's ~~decision~~. The date of this letter begins the 60-day time period for **appealing this decision** to the Federal Communications **Commission ("FCC")**. If **your** letter of **appeal included** more **than** one Application Number, **please note that** for each application **for** which an appeal is submitted, a separate letter is sent.

Funding Request Number: 620344,620463,620547,620594
Decision on Appeal: Denied in full
Explanation:

- In your letter of appeal you acknowledge that the district **has** been denied funding for failing to provide the requested budget-information and state that **you** have responded to all SLD requests. **You** have stated that you have had extensive contact with SLD **staff** and have responded to all requests **for** information. **You** further state that you have provided the requested budget information in your Item 25 response and follow up documentation. **You** have also had extensive contact with 7 SLD staff members. The letter of appeal addresses **your** ability to pay the nondiscounted charges. Financial resources **are** described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. **You** have included extensive support documentation with **your** appeal, which includes a financial **overview**, **2001-2002** budget report, contact list, Item **25** review, and additional Item **25** information dated 5/16/2001.

- Upon review of the appeal it was determined that you have failed to verify that the district has secured access to funding to cover the non-discounted portion of your funding requests. You had originally filed 5 Form 471 applications in Funding Year 2001. The non-discounted portion of these applications was \$697,120.79. During Item 25 review you requested the cancellation of application # 253311 and modified your Item 25 worksheet to reflect your share of nondiscounted funding as \$150,840.19. You were subsequently contacted by fax on 5/03/2001 and asked to provide additional documentation. Included in this request was notification that Item 25 review is based on the original funding requests, and therefore, the district must verify that they had secured funding in the amount of \$697,120.79. Your faxed response of 5/16/2001 (included with appeal) failed to address the budget issues. The district was subsequently denied funding for all but basic telecommunications services, which were funded. During Item 25 review the SLD identified line items totaling \$309,678.00, which would be applied to your non-discounted share of E-Rate funding. The district's non-discounted share for the originally requested funding is \$697,120.79. You could only verify that the district had secured funding for its funding requests with the cancellation of application # 253311. The correspondence requesting this cancellation stated that anticipated State funding was unavailable and that funding for E-Rate projects would have to be reallocated to other projects. This validates the SLDs position that the district had failed to secure access to funding to cover the non-discounted portion of its funding requests. It is clear that the district has funding to cover its share of funding requested in your modified Item 25 worksheet. However, while program rules allow for the cancellation of the district's Form 471 # 253311, they do not allow for Item 25 modifications based on this cancellation. Consequently, the district was responsible for verifying that it had secured funding for the originally requested amount of \$697,120.79. Your faxed response to the SLD failed to address this issue. On appeal you have acknowledged that funding was denied because the district failed to respond to the SLD's request for budget information. However, while you specifically address financial resources for Hardware, Professional Development, Software, Retrofitting, and Maintenance in their letter of appeal, you have not addressed the budget itself, or your failure to provide this information to the SLD when requested. You have included a copy of the district's financial overview for Funding Year 4, as well as the districts 2001-2002 budget reports with your letter of appeal. However, as this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal. You have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests as required by program rules. During Item 25 review you have provided documentation that has been modified from the original requests, which is not allowed per program rules. You then failed to address this issue when contacted by the SLD. On appeal you have again submitted this Item 25 worksheet. It is clear that you have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests before filing the Form 471 applications in Funding Year 2001. Consequently, the appeal is denied.

FROM

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC) via United States Postal Service: FCC, Office of the **Secretary**, 445-12th Street SW, Washington, DC **20554**. If you **are** submitting your appeal to the FCC by other than United States Postal Service, **check** the SLD web site for more information. Please reference CC Docket **Nos. 96-45 and 97-21** on the first page of your appeal. The FCC must **RECEIVE** your appeal **WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER** for your appeal to be **tiled in a timely fashion**. **Further** information and new options for filing an appeal directly with the FCC can be **found in** the "Appeals Procedure" posted in the Reference Area of the SLD web site. www.sl.universalservice.org.

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

Schools and Libraries Division
Universal Service Administrative Company



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision an Appeal - Funding Year 2001-2002

January 22, 2003

Jon Hitchen
Lucia Mar ~~Unified~~ School District
602 Orchard St.
Arroyo Grande, CA 93420

Re: Billed Entity Number: 143955
471 Application Number: 253047
Funding Request Number(s): 623971
Your Correspondence Dated: January 31, 2002

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 SLD's Year Four Funding Commitment, Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 623971
Decision on Appeal: Denied in full
Explanation:

- In your letter of appeal you acknowledge that the district has been denied funding for failing to provide the requested budget information and state that you have responded to all SLD requests. You have stated that you have had extensive contact with SLD staff and have responded to all requests for information. You further state that you have provided the requested budget information in your Item 25 response and follow up documentation. You have also had extensive contact with 7 SLD staff members. The letter of appeal addresses your ability to pay the non-discounted charges. Financial resources are described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. You have included extensive support documentation with your appeal, which includes a financial overview, 2001-2002 budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.

FROM

- Upon review of the appeal it was determined that you have failed to verify that the district has secured access to funding to cover the non-discounted portion of your funding requests. You had originally filed 5 Form 471 applications in Funding Year 2001. The non-discounted portion of these applications was \$697,120.79. During Item 25 review you requested the cancellation of application # 253311 and modified your Item 25 worksheet to reflect your share of non-discounted funding as \$150,840.19. You were subsequently contacted by fax on 5/03/2001 and asked to provide additional documentation. Included in this request was notification that Item 25 review is based on the original funding requests, and therefore, the district must verify that they had secured funding in the amount of \$697,120.79. Your faxed response of 5/16/2001 (included with appeal) failed to address the budget issues. The district was subsequently denied funding for all but basic telecommunications services, which were funded. During Item 25 review the SLD identified line items totaling \$309,678.00, which would be applied to your non-discounted share of E-Rate funding. The district's non-discounted share for the originally requested funding is \$697,120.79. You could only verify that the district had secured funding for its funding requests with the cancellation of application # 253311. The correspondence requesting this cancellation stated that anticipated State funding was unavailable and that funding for E-Rate projects would have to be reallocated to other projects. This validates the SLD's position that the district had failed to secure access to funding to cover the non-discounted portion of its funding requests. It is clear that the district has funding to cover its share of funding requested in your modified Item 25 worksheet. However, while program rules allow for the cancellation of the district's Form 471 # 253311, they do not allow for Item 25 modifications based on this cancellation. Consequently, the district was responsible for verifying that it had secured funding for the originally requested amount of \$697,120.79. Your faxed response to the SLD failed to address this issue. On appeal you have acknowledged that funding was denied because the district failed to respond to the SLD's request for budget information. However, while you specifically address financial resources for 'Hardware, Professional Development, Software, Retrofitting, and Maintenance in their letter of appeal, you have not addressed the budget itself, or your failure to provide this information to the SLD when requested. You have included a copy of the district's financial overview for Funding Year 4, as well as the districts 2001-2002 budget reports with your letter of appeal. However, as this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal. You have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests as required by program rules. During Item 25 review you have provided documentation that has been modified from the original requests, which is not allowed per program rules. You then failed to address this issue when contacted by the SLD. On appeal you have again submitted this Item 25 worksheet. It is clear that you have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests before filing the Form 471 applications in Funding Year 2001. Consequently, the appeal is denied.

FROM

If you believe there is a basis for further examination of **your** application, **you** may file an appeal with the Federal Communications Commission (FCC) via United States Postal Service: FCC, **Office of the Secretary, 445-12th Street SW**, Washington, DC **20554**. If you **are** submitting your appeal to ~~the~~ FCC by *other* than United States ~~Postal~~ Service, check the SLD web site for more **information**. Please reference CC Docket **Nos. 96-45** and 97-21 on the first page of your appeal. **The FCC must RECEIVE your appeal WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER for your appeal to be filed in a timely fashion.** Further information **and** new options for filing an appeal **directly** with *the* FCC **can** be found **in** the "Appeals Procedure" posted **in** the Reference Area of **the SLD** web site, www.sl.universalservice.org.

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

Schools and Libraries **Division**
Universal **Service** Administrative Company



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal -Funding Year 2001-2002

January 22, 2003

Jon Hitchen
Lucia Mar Unified School District
602 Orchard St.
Arroyo Grande, CA 93420

Re: Billed Entity Number: 143955
471 Application Number: 249712
Funding Request Number(s): 610674, 610697, 610710, 610728, 610771
Your Correspondence Dated: January 31, 2002

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 SLD's Year Four Funding Commitment Decision for the Application Number indicated above. **This** letter explains the basis of **SLD's** decision. The date of **this** letter begins the **60-day** time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 610697, 610710
Decision on Appeal: Dismissed
Explanation:

- In your letter of appeal you acknowledge that the district **has** been denied funding for failing to provide the requested budget information and state that you have responded to all SLD requests. You have stated that you have had extensive contact with SLD staff and have responded to all requests **for** information. You further state that you have provided the requested budget information in your Item 25 response and follow up documentation. You have **also** had extensive contact with 7 SLD staff members. The letter of appeal addresses your **ability** to pay the non-discounted charges. Financial resources are described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. You have included extensive support documentation with your appeal, which includes a financial overview, 2001-2002 budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.

- Upon review of the appeal it was determined that these funding requests have been approved **as** submitted during initial review. **As** your Funding Commitment Decision Letter indicates they have been approved for full funding, they have not been reviewed on appeal.

Funding Request Number: 610674,610728,610771
Decision on Appeal: **Denied in full**
Explanation:

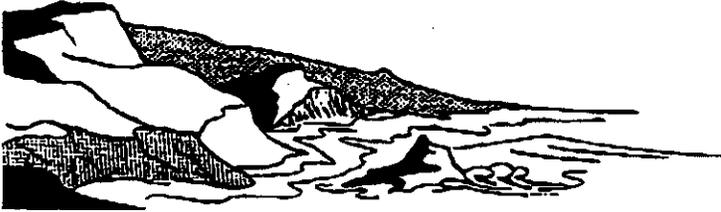
- In your letter of appeal you acknowledge that the district has been denied funding for failing to provide the requested budget information and state that you have responded to all SLD requests. You have stated that you have had extensive contact with SLD **staff** and have responded to all requests for information. You ~~further~~ state that you have provided the requested budget information in your Item 25 response and follow up documentation. You have also had extensive contact with 7 SLD staff members. The letter of appeal addresses your ability to pay the non-discounted charges. Financial resources are described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. You have included extensive support documentation with your appeal, which includes a financial overview, 2001-2002 budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.
- Upon review of the appeal it was determined that you have failed to verify that the district has secured ~~access~~ to funding ~~to~~ cover the non-discounted portion of your funding requests. You had originally filed 5 Form 471 applications in Funding Year 2001. The non-discounted portion of these applications ~~was~~ \$697,120.79. During Item 25 review you requested the cancellation of application # 253311 **and** modified your Item 25 worksheet to reflect your share of non-discounted funding as \$150,840.19. You were subsequently contacted by ~~fax~~ on 5/03/2001 and **asked** to provide additional documentation. Included in this request was notification that Item 25 review is **based** on the original funding requests, and therefore, the district must verify that they had secured funding in the amount of \$697,120.79. Your faxed response of 5/16/2001 (included with appeal) failed to address the budget issues. The district ~~was~~ subsequently denied funding ~~for~~ all but basic telecommunications services, which were **funded**. **During** Item 25 review the SLD identified line items totaling 8309,678.00, which would be applied to **your** non-discounted share of E-Rate funding. The district's non-discounted share for the originally requested funding is \$697,120.79. You could only verify ~~that~~ the district had secured funding for its funding requests with the cancellation of application # 253311. The correspondence requesting this cancellation stated that anticipated State funding was unavailable and that funding for E-Rate projects would have to be reallocated to other projects. **This** validates the SLD's position that the district had failed to secure access to funding to

cover the non-discounted portion of its funding requests. It is clear that the district has funding to cover its share of funding requested in your modified Item 25 worksheet. However, while program rules allow for the cancellation of the district's Form 471 # 25331 1, they do not allow for Item 25 modifications based on this cancellation. Consequently, the district was responsible for verifying that it had secured funding for the originally requested amount of \$697,120.79. Your faxed response to the SLD failed to address this issue. On appeal you have acknowledged that funding was denied because the district failed to respond to the SLDs request for budget information. However, while you specifically address financial resources for Hardware, Professional Development, Software, Retrofitting, and Maintenance in their letter of appeal, you have not addressed the budget itself, or your failure to provide this information to the SLD when requested. You have included a copy of the district's financial overview for Funding Year 4, as well as the districts 2001-2002 budget reports with your letter of appeal. However, as this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal. You have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests as required by program rules. During Item 25 review you have provided documentation that has been modified from the original requests, which is not allowed per program rules. You then failed to address this issue when contacted by the SLD. On appeal you have again submitted this Item 25 worksheet. It is clear that you have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests before filing the Form 471 applications in Funding Year 2001. Consequently, the appeal is denied.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC) via United States Postal Service: FCC. Office of the Secretary, 445-12th Street SW, Washington, DC 20554. If you are submitting your appeal to the FCC by other than United States Postal Service, check the SLD web site for more information. Please reference CC Docket Nos. 96-45 and 97-21 on the first page of your appeal. The FCC must RECEIVE your appeal WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER for your appeal to be filed in a timely fashion. Further information and new options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, www.sl.universalservice.org.

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

Schools and Libraries Division
Universal Service Administrative Company



Lucia Mar Unified School District

602 ORCHARD ST., ARROYO GRANDE, CA 93420
(805) 473-4390 FAX (805) 473-4397

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January 31, 2002

Schools and Libraries Division, USAC
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Dear Sir or Madam:

This letter is an appeal of the SLD decision letter dated December 14, 2001, which rejected the Form 417 Applications of the Lucia **Mar** Unified School District, Billed Entity Number 143955. The USAC decision letter of 12-14-01 applied to Form 471 Applications numbered 249712, 252218, 252798, and 253047 for **Funding Year** 2001-2002. The contact person for the Lucia **Mar** Unified School District is:

Jon Hitchen, Technology Coordinator
602 Orchard Street, Arroyo Grande, CA 93420
Telephone: (805) 473-4390 x.389
Fax: (805) 473-4297
Email: jhitchen@luciamar.k12.ca.us

According to the USAC letter dated 12/14/01, **our** applications were rejected based on the following: "**Since** you did not respond to our repeated requests for further information, we were unable to determine that **you secured** access to the resources **outlined** below." "Budget: **You did not** demonstrate that you have the financial **resources on hand** to pay for the non-discounted charges on your application, **as well as** the rest of the items that **you** outlined in your technology budget."

As documented in the attached appendix, **we** have had extensive conversations with **SLD** staff, and have responded to **all** requests for information. With regard to **our** budget, we submitted an Item 25 Certification and follow-up documentation requested by Mr. Michael **Duesinger** (see Appendix). We have also had extensive email and telephone contact with seven SLD staff members (see Appendix for names and dates).

This letter of appeal addresses the adequacy of financial resources of the Lucia **Mar** Unified School District **to** pay for non-discounted charges. Financial resources are described for each of the five categories: Hardware, Professional Development, **Software**, Retrofitting, and Maintenance. A financial overview of all five categories is **also** included.

Hardware

The District has allocated a minimum of \$365,000 for 2001-2002 to purchase **hardware** in

FROM

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accordance with the District Technology Plan. District block *grant* allocations **from** restricted General Funds monies have been **made** to wire schools and purchase computers. After **wiring** school sites, the remainder of the District block grant allocations will be used for **hardware**. A Technical Services **fund** for equipment replacement of \$76,000 is being used to replace obsolete hardware. **This** year, \$80,050 of API performance reward **funds** from the State of California were used by school sites for hardware purchases. The California Digital **High School grant** funding is providing well **over \$300,000** for hardware at **Arroyo Grande High School**, the District's Comprehensive high school, including \$75,000 which was spent last year (**see Appendix**). Lopez Continuation High School also received a Digital High School award of \$49,530 **last** year for hardware acquisition. Other school site funds may also be used to fund hardware purchases. Based on last year's hardware purchases District-wide, the District has estimated that \$400,000 will be spent **this year** on hardware, and has **an** open purchase order with Deli for this **amount**.

A 21st Century Community Learning Center grant has provided \$60,000 for computers, including 33 computers at Oceano Elementary, the site for which the District has applied for Internal Connections **funding**.

Professional Development

In accordance with the District Technology Plan, LMUSD **staff** participated in 270 days of State Supported Staff Development (SSSD) Day technology training. **For 2001-2002**, it is estimated that staff will participate in **300** days of SSSD, at a total cost to the State of California of approximately **\$66,660** (see Appendix). In excess of \$50,000 **has** been set aside by the District Professional Assistance and Review Committee to pay technology instructors on SSSD Days. The District has funded a full time education technology coordinator at a cost of **\$64,000**. **The** Digital High School grant is funding **an** additional 75 **days** of staff development at a total cost of \$5,600.

Retrofitting

This past year (2001-2002), LMUSD **has** wired **six** schools for classroom connectivity, telephone, and data. This has **been** done **through internal** labor and outside contracting. Nine schools in the district now have connections in virtually every classroom. We are continuing to connect the others. The funding for **this** has come from three sources: California State Modernization funds. District block grant allocations **from** restricted General Funds monies, and California Digital High School grant **funds**. California State Modernization funding exceeds \$13,000,000 (see appendix). A District block grant allocation of **\$434,380** **has been** designated for technology improvements, \$291,500 of which remains to be spent **this** year. The District also allocated \$250,000 from the **General Fund** for phone and **wiring** connectivity (**see Appendix**). Together, these two **funds** have been used to wire five schools. Arroyo Grande High School, our single comprehensive high school, **has** used State Modernization funds and \$400,000 from its California Digital **High School** grant **to** wire its campus. Also, \$66,100 in California **API** award monies were designated by school **sites** for wiring upgrades.

Oceano Elementary, the school which applied for E-Rate Internal Connections **funding**, has \$50,000 to cover its Applicant Share **from the** District block grant allocation (**see Appendix**). Ineligible expenses, such **as** electrical wiring, will be funded by State Modernization and District block grant funds.

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Software

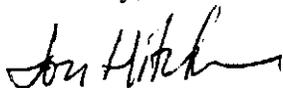
A Novell district-wide license (\$21,000) is paid for **from** Technical Services funds. **AERIES** student records software (\$6,500) and **QSS accounting software (\$24,200)** are paid for by District **funds**. Computer operating system (Windows) and Microsoft Office licenses are paid for **as part** of the equipment purchase **through** Dell's state license agreement. Digital High School purchased **600** seat licenses of Microsoft **Office** at a cost of \$18,000. The **21st Century Community Learning Centers** program spent approximately \$8,000 on licensing and support for an attendance database this year. In addition, \$14,000 of school site API award funds have been designated for **software** this year. School sites purchase additional software out of their discretionary funds.

Maintenance

Technical Services **has** 13 **staff** at a total cost of **16697,590**, with **an additional** staff hire planned for July, **2002** (see Appendix). These **staff maintain** computers for the District's students, teachers and **support staff**, as well as **maintaining** the central office **network** operating center. The follow-up to the California Digital **High** School grant, the Technology Support and Staff Training grant, will be **used** for additional maintenance costs at **Arroyo Grande High School**. The District's **HP Mainframe** **has** a yearly maintenance agreement of **\$17,225** funded through the Technical Services budget.

We **trust** that this information demonstrates **that** the Lucia Mar Unified School District has the financial resources to pay for non-discounted charges on our E-Rate application. Please contact Jon Hitchen at (805) 473-4390 x.389 or jhitchen@luciamar.k12.ca.us if you have further questions.

Sincerely,



Jon Hitchen
Technology **Coordinator**



Scott Knuckles
Director, Technical Services

Enclosures