Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the matter of:	)	
	)	
Request for Review of Decisions	)	Docket No. 02-6
of the Universal Service Administrator	)	
	)	

Ref.:	Applicant Name:	Burnt Hills-Ballston Lake CSD
	Entity Number:	124156
	Funding Year:	FY 2004
	471 Application Number:	434258

Background:

Burnt Hills-Ballston Lake Central School District's FY 2004 E-rate Form 471 application was submitted in a timely fashion in paper format by mail. Due to an error in the use of a new computerized Form 471 process, designed specifically to produce highly legible output to conform to the SLD's OCR processing system, the rural/urban designations on Block 4 were inadvertently omitted. As a result, the SLD rejected the Burnt Hill's application, in its entirety, as a result of the "missing information" requirement of the SLD's Minimum Processing Standards ("MPS").

On April 10, 2004, a timely appeal was filed with the SLD on Burnt Hills' behalf. The appeal noted that the data expected in the rural/urban fields was immediately discernable from the correct discount rate in an adjoining column of the same Block 4 worksheet. We argued that this was precisely the type of easy correction that the SLD should be able to make, based on the FCC's *Naperville* decision, and that as a matter of information theory, there was, in fact, no "missing" information. On June 23, 2004, the SLD denied this appeal in full.

By this appeal, we ask the Commission to review and reverse the Administrator's decision, and to instruct the SLD to accept the Burnt Hills' application for data entry. As a broader issue, we suggest that the Commission take this opportunity to instruct the SLD to reevaluate its Minimum Processing Standards to better align its practices consistent with applicant fairness and administrative needs.

The "Missing" Information:

During the FY 2004 application window, E-Rate Central assisted in the preparation of over 190 Form 471 applications on behalf of its school, school district, and BOCES clients. In order to facilitate the applicant review and submission process, the majority of these applications

were filed in paper format using the new May 2003 version of the Form 471. Recognizing the SLD's objective of minimizing data entry efforts, E-Rate Central undertook a significant developmental effort using Adobe Acrobat to generate completed OCR-optimized Form 471s.

As a result of a minor system glitch involving the Burnt Hills' Block 4 Worksheet, the referenced application was rejected for failure to meet Minimum Processing Standards. As stated in the Minimum Processing Standards instructions for the Form 471, to avoid rejection, a complete Block 4 Worksheet must be submitted and no information must be missing. We argue in this appeal that the Block 4 Worksheet in question, while not "perfect," was "complete" in the sense that all necessary information was provided and/or easily discernible.

The MPS error attributed to this Worksheet was the presence of a blank, instead of "U," for the Column 3 entries. Although, as is clear in the attached Block 4, this column is blank, we contend that the application meets acceptability criteria of the FCC's *Naperville* decision, FCC 01-73. The urban designators omitted in Column 3 "could have easily [been] discerned...from the other information in the application." Specifically, the urban designation can be conclusively determined from Col. 7 of the same Worksheet that showed a 40% discount for each school. Based on the discount rate matrix, 40% can only be associated with urban schools. As such, <u>there is no missing information not otherwise discernible</u> — not only from the same application, but from the same Block 4 Worksheet.

Since the purported purpose of the MPS guidelines is to facilitate the SLD's administrative processing of numerous applications, we believe it is instructive to note the following:

- This is not the first time that Burnt Hills has applied for E-rate discounts. The same Block 4 entities appearing in its FY 2004 application had been included in previous application years and, as a result, the urban designation of these entities is already in the SLD's database. Had the application been submitted for data entry, we understand that the data entry person would have done a Block 4 copy from Burnt Hills' FY 2003 application which would have automatically pre-populated Column 3 with the proper urban designation.
- Although the presence of blanks in Column 3 might have generated a Problem Resolution call to the applicant to confirm the urban designation, we submit that this is an easy fix and is one that is considerably less burdensome than other corrective actions routinely undertaken by Problem Resolution reviewers. Indeed:
    - Had the Block 4 in this case incorrectly listed rural designations for the Burnt Hills' schools (as well as the associated, but incorrect, discount rate calculations), the form would have satisfied MPS criteria, but would have required equal, if not greater, Problem Resolution action.
    - With tongue only slightly in cheek, we ask the FCC to recognize that "neatness counts" in school and to look carefully at the quality of Burnt Hills' application as exemplified in the attached Block 4. As indicated above, E-Rate Central went to considerable length for FY 2004 to produce highly readable (by computer or people) Form 471 applications. Several Problem Resolution reviewers commented to us that our clients' applications were much easier to data enter than most other paper submissions that often included sloppy handwritten entries across the OCR fields and mathematical inconsistencies between fields, but which nevertheless met MPS criteria.

Rethinking Minimum Processing Standards:

There is growing concern within the applicant community that MPS rules and procedures are being used to punish applicants for minor errors or, perhaps, for a failure to utilize the SLD's preferred online entry systems. If, for example, an applicant successfully files a Form 470, goes through a competitive bidding process and negotiates new contracts, puts together an extensive Form 471 (including attachments), but then has all funding denied out-of-hand because of one field was left unintentionally blank, one must question whether such "punishment" fits the "crime."

While remaining highly supportive of the need for Minimum Processing Standards to streamline the SLD's handling of thousands of applications and related forms, we believe the time has come to reassess MPS criteria and the penalties for failures to comply. In particular:

- The SLD should be encouraged to review the major causes of administrative processing problems and to establish corrective standards accordingly;
- At a minimum, MPS rules should distinguish between requirements for completeness vs. perfection so that one or two clearly clerical errors are not deemed grounds for funding denial; and
- Both the SLD and the FCC should recognize that practical alternatives may exist to employing "pass/fail" measures for treating possible MPS situations. In the case of missing urban/rural information, for example, a fair and workable alternative might be to utilize, as a default, the minimum discount rates associated with an urban designation.

Summary:

By this appeal, we ask the Commission to review and reverse the Administrator's decision on the referenced Burnt Hills' application and, more broadly, to instruct the SLD to reevaluate its Minimum Processing Standards so as to better align its practices consistent with applicant fairness and administrative needs.

Respectfully submitted,

By: _____
Winston E. Himsworth on behalf of
Burnt Hills-Ballston Lake CSD

Dated: August 19, 2004

Attachment: Block 4 Worksheet for Form 471 application # 434258.

Entity Number	124156	Applicant's Form Identifier	2004-Burnt
Contact Person	Bretton L. Himsworth	Phone Number	516 - 832 - 2882

Block 4: Discount Calculation Worksheet A for Schools/School Districts

Worksheet #A- 1

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(For Administrator's Use)

Instructions: If you are filing a School/School District application, use this worksheet to calculate the discount rate for site-specific services and/or to determine the weighted average discount calculations for shared services.

10a If you are:

- **Applying for discounts ONLY for an individual school, or ONLY site-specific services:** Complete columns 1-7 only for each school. Add and number pages as needed. Then use each school's Entity Number and its discount from Column 7 to complete Block 5 site-specific service to that school.
- **Applying for discounts on services shared by ALL schools in the district (with or without site-specific services as well):** Complete all columns 1-8 for all schools in the district. Then use the Weighted Average Discount in **10c** (below) to complete Block 5 for shared services.
- **Applying for discounts on different shared services shared by different groups of schools (with or without site-specific services as well):** Complete one worksheet, columns 1-8 PLUS 10c, for EACH different group of schools sharing a service. Designate this worksheet A-1, A-2, A-3, etc.

10b List entities and calculate discount(s).

School District Name: Burnt Hills CSD School District Entity Number: 124156

1	2	3	4	5	6	7	8
Name of Eligible School	Entity Number	Urban or Rural U or R	Total # of Students	# of Students Eligible for NSLP	% Students Eligible for NSLP (Col. 5 ÷ Col. 4)	Discount % from Discount Matrix	Weighted Product for Calculating Shared Discount (Col. 4 x Col. 7)
Burnt Hills-Ballston HS	13491		1177	40	3	40	47080
Charlton Heights Elem.	13495		482	23	5	40	19280
Pashley Elem.	13769		497	30	6	40	19880
Richard O'Rourke M.S.	13493		837	49	6	40	33480
Francis L. Stevens Elem.	13494		547	35	6	40	21880
Totals for calculating Weighted Average Discount			3540				141600

10c Weighted Average Discount % for Shared Services (Col. 8 total divided by Col. 4 total. Round to nearest %) → 40

0 4 7 1 0 1 0 3 0 3