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**Before the**
**FEDERAL COMMUNICATION COMMISSION**
**Washington, D.C. 20554**

| | | |
|---|---|---|
| In the Matter of | ) | |
| | ) | |
| Request for Review by Colegio Corazón de Maria on Decision of the Universal Service Administrator | ) | Form 471 Application No. 408740 |
| | ) | |
| Schools and Libraries Universal Service Support Mechanism | ) | CC Docket No. 02-6 |
| | ) | |

TO: Wireline Competition Bureau

## REQUEST FOR REVIEW

Pursuant to Sections 54.719(c) and 54.721 of the Federal Communications Commission ("Commission" or "FCC") rules, 47 C.F.R. §§ 54.719(c) and 54.721 (2003), Colegio Corazon de Maria (" Corazon de Maria ") hereby appeals the decision of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company to reduce the requested discount in Funding Year 2004 (07/01/2004 – 06/30/2005) from 90% to 20%.

## I. BACKGROUND

On January 30, 2004, Corazon de Maria filed an FCC Form 471 with the SLD listing the services for which it was requesting discounts under the schools and libraries universal service support mechanism (the "E-rate program").[1] On August 11, 2004, Corazon de Maria received from the SLD the E-rate Selective Review Information Request for funding year 2004[2]. By October 15, 2004, Corazon de Maria submitted by fax to the SLD's reviewer the answers

[1] FCC, Form 471 No. 408740 for Colegio De La Salle, filed 01/30/2004 (Exhibit A).
[2] Selective Review from Jennifer Hung-PIA Selective Review, dated August 11, 2004. (Exhibit B)

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concerning the Selective Review.[3] Later on during the month of November 03, 2004, Corazon de Maria was inquired by the Consorcio to provide a socio economical study as per an SLD's PIA reviewer requesting the study for all of the Consorcio School members. [4] Specifically, the information request, which was delivered to Corazon de Maria, requested the following information:

1. The total number of enrolled.
2. Total number of surveys/applications sent out
3. Number of survey/application returned
4. Total number of students that qualifies for the National School Lunch Program, using the Income Eligibility Guidelines (IEG) of the NSLP, per returned surveys/applications
5. Are the surveys/applications and results kept on file.
6. Provide a sample copy of the FILLED OUT SURVEY/APPLICATION with the child's personal information crossed out for confidentiality.
7. A signed certification that reads: "I certify that only those students who meet the Income Eligibility of the National School Lunch Program have been included in Column 5 of item 10b, Block 4 (Worksheet A) of the Form 471."
8. The information must be in writing on the school letterhead and signed by a school official (such as the Principal, Vice – Principal Superintendent, Director of Food Services.

In its response, Corazon de Maria indicated that there were 372 students enrolled, that 372 surveys/applications were sent out and that 372 surveys/applications were returned. It also indicates from those survey/applications returned 313 students qualifies for the NSLP, that the surveys/applications and its results are kept on file and certified, that only the students who meet the IEG of the NSLP had being included in Column 5 item 10b of block 4 (worksheet A) of the Form 471. Corazon de Maria also provided a sample copy of the socio-economic survey. On the

[3] *See* Response to Selective Review sent by fax addressed to Jennifer Hung-PIA Selective Reviewer, dated October 15, 2004 (Exhibit C).

[4] *See fax* addressed to Madeline Melgen from Nancy Rocco, PIA Reviewer, dated November 03, 2004 (Exhibit D).

socio economical study provided, Corazon de Maria provided evidence that qualifies the school for a 90% of discount.[5]

On February 10, 2005, the PIA requested additional information regarding the Selective Review,[6] specifically on the school's budget information. Corazon de Maria complied immediately answering on February 23, 2005.[7]

On March 24, 2005, Corazon de Maria received a Funding Commitment Decision Letter stating as the decision and explanation to reduce the requested discount the following statements: ***FRN approved; modified by SLD. The site-specific discount was corrected.***

## II. CORAZON DE MARIA SUSTAINED ITS ELIGIBILITY FOR THE SERVICES AND PERCENTAGE DISCOUNT BEING REQUESTED.

The SLD states the FCDL that "***FRN approved; modified by SLD. The site-specific discount was corrected***". Corazon de Maria provided all the information and documentation the PIA requested during the Application No. 408740 selective review. Such information and documentation was sufficient to validate Corazon de Maria eligibility for the services solicited and the percentage discount requested.

[5] *See letter* dated December 10, 2004 (Exhibit E)

[6] *See fax* addressed to Madeline Melgen from Bob Leipow, PIA Reviewer, dated February 10, 2005 (Exhibit F).

## III. THE SLD ERRED IN FAILING TO FOLLOW FCC PRECEDENT THAT REQUIRES THE SLD TO CONTACT CORAZON DE MARIA TO REQUEST DOCUMENTATION TO SUPPORT THE REQUESTED DISCOUNT

In answering the PIA selective review questions, Corazon de Maria provided the PIA reviewer the information and/or documentation requested. Such information/documentation demonstrated the eligibility for the requested discount. In the event the SLD, when evaluates the documentation provided by the applicants, any doubt or issue arise should ask for additional information and/or documentation to clarify such doubt or concern. In this case the SLD did not requested Corazon de Maria additional information, thus the SLD denied the applicant the opportunity to provide documentation to support statement in their review.

Consistent with the information posted at http://www.sl.universalservice.org/reference/AppealsSLDGuidelines.asp, item 3 clearly states that: "When the appeal provides documentation to correct an incorrect SLD assumption made because there was insufficient information in the application file about an issue. In general, PIA will contact the applicant and ask for all information necessary to make decisions about an application. If that contact does not occur, however, and funding is denied based on an incorrect assumption, the SLD will grant an appeal when the appellant points out the incorrect assumption and provides documentation about the issue that is consistent with information originally provided but also successfully resolves the ambiguity in the original file".

## IV. THE SLD ERRONEOUSLY CONCLUDED THAT CORAZON DE MARIA FAILED ON PROVIDING SUFFCIENT DOCUMENTATION TO DETERMINE ELIGIBILITY.

Corazon de Maria, in a timely manner, submitted to the SLD the information and documentation requested. Such information the school understood was enough to support the funding request for a 90% discount.

The SLD erred on denying the 90% discount to Corazon de Maria without asking for any additional information and or documentation to clarify any doubts or inconsistency.

## V. CONCLUSION

Corazon de Maria for the reasons mentioned above states that, the SLD erred in their decision and we respectfully request the Commission to reverse the SLD's decision of reducing the discount percentage and grant its application to be funded at a 90% discount.

Respectfully submitted,

**COLEGIO CORAZON DE MARIA**

/s/ Candida Quintero

Candida Quintero
Director, Colegio Corazon de Maria
P.M.B. 266
PO Box 7891
Guaynabo, PR 00970-7891
Tel: 787-783-3275
Fax: 787-774-5682

May 12, 2005

EXHIBIT A

HOME CANCEL SAVE & EXIT HELP

# FCC Form 471

Services Ordered and Certification Form

Block 1 Block 2 & 3 Block 4 Block 5 Block 6

**Applicant's Form Identifier: TEL200472** **Entity Number: 200472**

**Contact Person: Madeline Melgen Ed D** **Phone Number: (787) 731-6100 Ext. 234**

**IMPORTANT**

**Please record this application's information in a secure place for future reference**

**471 Application Number: 408740**
**Entity Number of Billed Entity (Applicant): 200472**
**Security Code Number: 75381**

Continue >>

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# NEVESEM, INC.

MSC 608, 138 Ave. Winston Churchill, San Juan, P.R. 00926-6023 Tel. 787- 706-27

Date: December 18, 2003
Name: Colegio Corazón de María
Río Piedras, PR
Entity #: 200472
Application #: _____

## Year 2004 Quote

Item 21 Attachment

**Internet Access**

| Bundled Services | Initial Charge | Monthly Charge | Annual Charge |
|---|---|---|---|
| 256 Kbps Access & Transport | | $ 895 | $ 10,740 |
| Internet Service Maintenance | | $ 158 | $ 1,896 |
| Basic User Training | $ 1,150 | | |
| Setup Charge (Installation) | $ 4,050 | | |
| Project Management | $ 820 | | |
| **Total** | **$ 6,020** | **$ 1,053** | **$ 12,636** |
| **Grand Total** | **$** | | **18,656** |

**Schools and Libraries Universal Service Program**
**Services Ordered and Certification Form 471**
**Application Display**

Refresh Page | Close Print Preview

**Block 1: Billed Entity Information**

**Applicant's Form Identifier:**
TEL200472

**471 Application Number:** 408740
**Funding Year:** 07/01/2004 - 06/30/2005
**Billed Entity Number:** 200472
**Cert. Postmark Date:**
**Form Status:** INCOMPLETE
**RAL Date:**
**Out of Window Letter Date:**

**Name:** Colegio Corazon de Maria
**Address:** Calle Ferrer y Ferresr
**City:** Rio Piedras **State:** PR **Zip:** 00936
**Phone:** 787-783-3275 **Ext:**
**Fax:** --
**E-mail:**

**Contact Name:** Madeline Melgen Ed D
**Address:** Road 177 Building 2021, Camino Alejandrino
**City:** Guaynabo **State:** PR **Zip:** 00969 5140
**Contact Phone:** 787-731-6100 **Ext:** 234
**Contact Fax:** 787-731-0000 **Ext:**
**E-mail:** mmelgen@escuelascatolicas-sj.org
**Contact Mode:** FAX
**Alternate Contact Info.:** via e-mail

**Type of Application:** SCHOOL
**Ineligible Orgs:** N

**Block 3: Impact of Services Ordered in THIS Application**

**Number of students to be served:** 372
**Number of library patrons to be served:**

| SERVICE DESCRIPTION | BEFORE ORDER | AFTER ORDER |
|---|---|---|
| a. (Schools/districts/consortia only) Telephone service: How many classrooms had phone service before and after your order? | 5 | 5 |
| b. High-bandwidth voice/data/video service: How many buildings served before and after your order? | 1 | 4 |
| c. High-bandwidth voice/data/video service: Highest speed to a building before and after your order? | 256 | 256 |
| d. Dial-up Internet connections: How many before and after your order? | 0 | 1 |
| e. Dial-up Internet connections: Highest speed before and after your order? | 0 | 56 |
| f. Direct connections to the Internet: How many before and after your order? | 1 | 1 |
| g. Direct connections to the Internet: Highest speed before and after your order? | 256 | 256 |
| h. Internet access(for schools): How many rooms have Internet access before and after your order? | 10 | 19 |
| j. Internet Access: How many computers (or other devices) with Internet access before and after your order? | 13 | 18 |

**Block 4: Worksheets**

**Worksheet A No:** 562320 **Student Count:** 372
**Weighted Product (Sum. Column 8):** 334.8 **Shared Discount:** N/A

**1. School Name:** Colegio Corazon de Maria
**2. Entity Number:** 200472 **3. Rural/Urban:** Urban
**4. Student Count:** 372 **5. NSLP Students:** 313 **6. NSLP Students/Students:** 84.139%
**7. Discount:** 90% **8. Weighted Product:** 334.8

**Block 5: Discount Funding Request(s)**

**FRN:** 1120304 **FCDL Date:**

| | |
|---|---|
| **11. Category of Service:** Telecommunications Service | **12. 470 Application Number:** 114490000470468 |
| **13. SPIN:** 143012431 | **14. Service Provider Name:** Puerto Rico Telephone Company, Inc. |
| **15. Contract Number:** T | **16. Billing Account Number:** 787-783-3275 |
| **17. Allowable Contract Date:** 01/01/2004 | **18. Contract Award Date:** |
| **19a. Service Start Date:** 07/01/2004 | **19b. Service End Date:** 06/30/2005 |
| **20. Contract Expiration Date:** | |
| **21. Attachment #:** 1 | **22. Block 4 Entity Number:** 200472 |
| **23a. Monthly Charges:** $450.00 | **23b. Ineligible monthly amt.:** $.00 |
| **23c. Eligible monthly amt.:** $450.00 | **23d. Number of months of service:** 12 |
| **23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):** $5,400.00 | |
| **23f. Annual non-recurring (one-time) charges:** $.00 | **23g. Ineligible non-recurring amt.:** $.00 |
| **23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):** $0.00 | |
| **23i. Total program year pre-discount amount ( 23e + 23h):** $5,400.00 | |
| **23j. % discount (from Block 4):** 90 | |
| **23k. Funding Commitment Request ( 23i x 23j):** $4,860.00 | |

| | |
|---|---|
| **FRN:** 1120321 **FCDL Date:** | |
| **11. Category of Service:** Internet Access | **12. 470 Application Number:** 114490000470468 |
| **13. SPIN:** 143022659 | **14. Service Provider Name:** A New Vision in Educational Services and Materials (NEVESEM) |
| **15. Contract Number:** ~~ONE TIME~~ MTM | **16. Billing Account Number:** 200472 |
| **17. Allowable Contract Date:** 01/01/2004 | **18. Contract Award Date:** 01/22/2004 |
| **19a. Service Start Date:** 07/01/2004 | **19b. Service End Date:** |
| **20. Contract Expiration Date:** 08/30/2005 | |
| **21. Attachment #:** 2 | **22. Block 4 Entity Number:** 200472 |
| **23a. Monthly Charges:** $1,053.00 | **23b. Ineligible monthly amt.:** $.00 |
| **23c. Eligible monthly amt.:** $1,053.00 | **23d. Number of months of service:** 12 |
| **23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d):** $12,636.00 | |
| **23f. Annual non-recurring (one-time) charges:** $6,020.00 | **23g. Ineligible non-recurring amt.:** $.00 |
| **23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g):** $6,020.00 | |
| **23i. Total program year pre-discount amount ( 23e + 23h):** $18,656.00 | |
| **23j. % discount (from Block 4):** 90 | |
| **23k. Funding Commitment Request ( 23i x 23j):** $16,790.40 | |

**Block 6: Certifications and Signature**

**24a. Schools:** Y
**24b. Libraries or Library Consortia:** N

**26a. Individual Technology Plan:** N
**26b. Higher-Level Technology Plan(s):** Y
**26c. No Technology Plan Needed:**

**27a. Approved Technology Plan(s):** Y
**27b. State Approved Technology Plan:** N
**27c. No Technology Plan Needed:**

**36. Printed Name of Authorized Person:** CANDIDA QUINTERO
**37. Title or Position of Authorized Person:** DIRECTOR

**38a. Address:** URB SANTIAGO IGLESIAS
CALLE FERRER Y FERRER
**City:** RIO PIEDRAS **State:** PR **Zip:** 00921
**38b. Telephone Number of Authorized Person:** (787) 783-3275 ext.
**38c. Fax Number of Authorized Person:** (787) 774 - 5682
**38d. Email address of Authorized Person:**

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EXHIBIT B

# USAC

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

| E-RATE SELECTIVE REVIEW INFORMATION REQUEST<br>FUNDING YEAR 2004 | | | |
|---|---|---|---|
| CASE # SR-2004-200472 | | | |
| To: | Madeline Melgen Ed D | From: | Jennifer Hung |
| Your Phone Number: | 787-731-6100 | My Phone Number: | 973-884-8563 |
| Your Fax Number: | 787-731-0000 | My Fax Number: | 973-599-6515 |
| Entity Name: | Colegio Corazon de Maria | My E-Mail Address: | jhung@sl.universalservice.org |
| Today's Date: | 08/11/2004 | Total Pages: | 16 |
| **PLEASE RESPOND BY:** | **08/27/2004** | | |
| Form 471 Application Number(s): | 408740, 408830 | | |

**PLEASE CALL TO CONFIRM THAT THIS DOCUMENT HAS BEEN RECEIVED IN ITS ENTIRETY.**

### Time Sensitive – 14-Day Response Expected

It is important that we receive all of the information requested within 14 calendar days of the date of this document so that we may complete our review of your funding request(s).

### Who can respond to this request for information

This document requests information that must be provided by the applicant, or by the applicant's authorized representative. If the applicant is responding to this document, it must return the enclosed certification (Fax Back Page 4) to the Schools and Libraries Division (SLD) along with the requested material. If the applicant's authorized representative is responding to this document, the authorized representative must sign and return (1) the enclosed certification to SLD along with the requested material AND (2) a letter of agency or other agreement between the applicant and consultant authorizing them to act on the school or library's behalf.

### How to respond

Please send your responses to the questions outlined on the following pages to:

| Via Fax: | Via Expedited Mail: | Via email: |
|---|---|---|
| Jennifer Hung<br>PIA Selective Review<br>973-599-6515 | Jennifer Hung<br>SLD<br>80 S. Jefferson Road<br>Whippany, NJ 07981 | jhung@sl.universalservice.org |

Thank you for your assistance as we work to assure the integrity of the Schools and Libraries Universal Service Support Mechanism. It is important that we receive all of the information requested within 14 calendar days. A checklist of the items requested in this document is included on Fax Back Page 4.

If you have any questions with regard to this request or these worksheets, please contact the reviewer at the phone number or email address listed above.

Dear E-Rate Applicant:
In order to ensure that applicants are following certain FCC rules relating to certification statements and competitive bidding processes, you have been selected for a two-part review (Selective Review). We are seeking information about (1) your competitive bidding and vendor selection processes, and (2) information to support the certification you made on FCC Form 471, Item 25, that you have secured access to all of the necessary resources to make effective use of the requested products and services.

Both parts of the Selective Review take place at the billed entity level. An entity is considered a "billed entity" if it is responsible for making payments directly to a service provider. An entity that receives a bill, but does not make payments to the service provider on that bill, is not a billed entity. We will be requesting, and looking at information for ALL Form(s) 471 filed for the 2004-2005 funding year (Funding Year 2004) that were filed by the billed entity listed on the cover page of this document. Please notify us if you have additional Form(s) 471 for your billed entity number that we have not listed. The review will include those as well. It is important that you identify these additional applications at this time. Failure to do so may delay or jeopardize funding commitments and/or post-commitment disbursements. In addition, it may also result in future adjustments to any commitments that you may receive from us, or other action.

**Part I: Information Regarding the Competitive Bidding Process and Vendor Selection**
For each of the following items we have outlined the requested documentation you will need to supply. Please provide the information by funding request number (FRN) unless otherwise indicated. In the event that a document (e.g., contract, RFP, bid response, etc.) applies to multiple FRNs, simply indicate which FRNs the document supports on the first page of the document. If for any reason you do not have any of the documentation requested below, you MUST explain why.

**Special Note Regarding State Master Contracts (SMC):**

Remember that the filer of the Form 470 – whether state or applicant – must comply with all FCC requirements and local and state procurement laws, and that applicants must follow the applicable provisions of the State Master Contract and local and state procurement laws.

If you are procuring goods or services off a State Master Contract, and the state filed a Form 470 that lead to the award of that State Master Contract, you do not need to provide the competitive bidding and vendor selection documentation. If this is the case for some or all of your FRNs, please indicate such on your response. If, however, you filed one or more Forms 470 and then used the State Master Contract as a bid response, you must provide full documentation about your competitive bidding process and vendor selection.

Finally, note that that the State Master Contract in all of the following cases fulfills the FCC signed contract requirement, and it is not necessary for you to submit a copy of the State Master Contract with your response.

1) **Requests for Proposal (RFP)**
   a) Copies of any and all requests for proposals (RFPs), invitation to bid, request for bids, or other documentation of bid requests for services and/or products requested, or other solicitations in any way associated with the applicant's funding request(s) and/or the selection of the service provider(s) that appear(s) on the applicant's funding request(s). Be sure to include any and all amendments made to the original RFP.
   b) You do not need to provide copies of FCC Form(s) 470 that were posted to the SLD website.
   c) If RFPs, etc., are not provided, please explain why you have not provided them.

2) **Bid Responses**
   a) Complete copies of any and all proposals, bid responses, etc., received in response to the Form 470, and/or any RFP, or other solicitation in any way associated with the applicant's funding request and/or with the selection of the service provider that appears on the applicant's funding requests. Again, this information should be provided for all funding requests including tariff, month-to-month and contracted services.

3) **Vendor Selection Process**
   a) How many bids were received for each FRN Telecommunications, Internet Access and Internal Connections)?
   b) Complete documentation indicating how and why you selected your service provider(s). This documentation should include:
      i) a description of your evaluation process,
      ii) the factors you used to determine the winning bid, and
      iii) attendance sheets for any meetings regarding the Form 470 and/or RFP or other solicitation vehicles.
   c) If more than one factor was used in the evaluation process to determine the winning bid(s) please indicate how those factors were weighted (points or percentage) in the evaluation process.

4) **Contracts and/or other agreements**
   a) Signed and dated copies of any and all agreements related to each of the Form 471 funding request(s), including any and all contracts, agreements, Statements of Work, etc., and any and all agreements between the applicant and the service provider related in any way to the applicant's funding request and/or provision of E-rate related services.
   b) If the price on the contract is different from the pre-discount price on your Form(s) 471, please explain the difference and account for the difference. (For example, if the dollar amount on the contract is higher than the dollar amount on your Form(s) 471, indicate which services have been removed, if that is the case. If the dollar amount on the contract is lower than the dollar amount on your Form(s) 471, explain why).
   c) If the contract referenced on a particular funding request is a state master contract, please indicate that. There is no need to provide us with the state master contract.
   d) If contracts, etc., are not provided, please explain why you have not provided them.

5) ***Consulting Agreements***
   a) Please provide a complete copy of any consulting agreement(s) relating to the planning, implementation, and support of your E-rate funding request(s). If consulting agreement(s) were not used please indicate as such.

6) **Correspondence (Email, phone logs, etc.)**
   a) Please provide a copy of all correspondence between your entity and any service providers or consultants regarding the competitive bidding process and the application process.

If there is any other documentation that would be helpful to us in our review to ensure that you complied with the Commission's rules requiring a fair and open competitive bidding process, please provide that as well.

## Part II: Information Regarding Your Item 25 Certification

*Overview*

To ensure that E-Rate funds are allocated appropriately, and in accordance with FCC Orders, each applicant is required to certify in Item 25 of the Form(s) 471 that: "The school(s) or library(ies) I represent have secured access to all the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services." The Item 25 Certification review also looks at the applicant's ability to pay for its share of E-rate funding. In the course of the Item 25 Certification review we will ask for:

- documentation of your ability to pay for your share of E-Rate discounts and estimates of non-E-Rate eligible resources that you might use to meet this certification.
- your estimates of hardware, software, professional development, retrofitting, and maintenance investments that might not be E-Rate eligible, but are necessary to make effective use of the E-Rate discounts you have requested.
- a copy of the technology plan that supports your Funding Year 2004 (July 1, 2004 through June 30, 2005) funding requests.
- an estimate of the technology level of all schools or libraries within your organization following E-Rate.

If you identified additional application(s) not listed on the cover page of this document, you will also need to make an adjustment to the amounts we listed in the *Item 25 Worksheet Summary* Sections I-A and I-B. Please make the adjustment on the worksheet, initial it, and explain the adjustment when you return that worksheet.

**Instructions for Completing the Item 25 Worksheet Summary: Fax Back Page 1**
The *Item 25 Worksheet Summary: Fax Back Page 1* can be found on page 13 of this document. These instructions go with pages 12, 13, and 14 of this document. They are meant to help you complete and return those pages, and the necessary documentation noted below.

**Special note to Consortium applicants:** You have an option to provide us with the information requested below for the overall Consortium, or on a disaggregated basis with information pertaining to each individual entity listed on the Form(s) 471 Block 4 Worksheet C.

We understand that some consortia applicants do not collect the information requested in Sections I-VI below on a consortium basis. Therefore, you have the option of providing us with the requested information on a disaggregated basis. To do so, please make one copy of the *Item 25 Worksheet Summary: Fax Back Page 1* for each Block 4, Worksheet C entity (usually a school or library district). Be sure to complete the section at the very bottom of that page that identifies the entity. Note that in order to use this disaggregate method, you will also need to take the dollars that we have entered in to Section I-B and apportion them appropriately to each Block 4, Worksheet C entity.

Please also note that the FCC held in *Central Minnesota Computing Center (DA 01-776)* that consortium applicants must be able to provide information supporting the Item 25 certification for all of the members of their consortium, even if the resources are not under the direct control, or the responsibility, of the consortium leader.

Please contact the Selective Review team if you need further assistance in responding to this request on a disaggregated basis.

**Section I: Connectivity**

Subsection I-A. Commitment Amount Requested

We have looked at the Form(s) 471 that you filed for Funding Year 2004. We combined the commitment amounts that you requested on those Form(s) 471, by service category (the amount(s) from Form(s) 471, Block 5, Item 23k). We placed those sums next to the respective service category(ies) in Section IA, lines 1, 2, and 3 on the *Item 25 Worksheet Summary: Fax Back Page 1*. Please verify that these are the correct sums of the funding request amounts.

If your Funding Year 2004 Form(s) 471 contain duplication to account for Funding Year 2003 funding uncertainties and you do not see that duplication accounted for (i.e., the duplication removed) in the numbers in Sections I-A and I-B, please note that and provide an explanation.

As noted above, this part of the review is based on your ability to pay the non-discounted portion of the funding that you requested on your Form(s) 471. Therefore, unless and until certain FRNs are determined to be non-fundable (e.g., the funding cap prevents funding certain requests), we are asking to see that you have budgeted for all the requests that you listed on all Funding Year 2004 Form(s) 471 that you filed for your billed entity.
Also note that if you have identified Form(s) 471, in addition to those listed on the cover page of this document, please (1) make the necessary adjustments to Subsections I-A and I-B to accurately reflect all Form(s) 471 filed by your billed entity, (2) initial it, and (3) explain the adjustment when you return the worksheet.

Subsection I-B. Form 471 Applicant's Share

In Section I-B of the *Item 25 Worksheet* you are being asked to document the funds you have available to pay for the discounted charges on eligible services. These are funds for paying your share of telecommunications services, Internet access, or internal connections costs after the discount has been applied. The FCC intentionally requires applicants to pay for a portion of their services in order to encourage cost-effective practices. For further information on your obligation to pay this amount, please see "Obligation to Pay Non-Discount Portion" in the Reference Section of the SLD website at www.sl.universalservice.org. Remember that the funds to pay for your share of the E-rate cannot come directly or indirectly from your service provider.

We combined the "applicant share" of the amounts that you requested on Funding Year 2004 Form(s) 471, by service category. The applicant share is also known as the "non-discounted amount," that is, the amount that FCC rules require the applicant to pay. We placed those sums next to the respective service category(ies) in Section I-B line numbers 5, 6, and 7 on the *Item 25 Worksheet Summary: Fax Back Page 1*. Please verify that these are the correct sums of your share of the charges.

**For Section I-B of the worksheet, please include the relevant pages of your approved 2004-2005 operating or facilities budget; that is to say, the pages that document your ability to pay your share of the purchased products/services, and the pages that document your revenue.** This should include not only the budget line items that you will be referencing, but also a high level summary of your overall operating budget (e.g. total revenues and total expenses). To allow us to conduct our review, please be sure ALL of the following are included on the budget that you fax and/or send to us:

- The name of the entity to which the budget applies (Is it for a school? For a district? For one library outlet? For a library district? For a municipality?)
- The time frame that the budget covers, including a starting date and ending date (e.g., July 1, 2004-June 30, 2005)
- Both revenue and expense line items
- Place an arrow next to each fund/budget line, on BOTH the revenue and expense side of your budget, showing where you have allocated the necessary dollars for your share of E-rate. Please write the specific amount that will come from each fund/budget line. For example, if budget line A0002 contains $200,000 and $100,000 will be used to pay your share of E-rate, then please draw an arrow to it and write "E-rate, $100,000".

Please explain any discrepancies between the Form 471 Applicant Share (Section I-B of the *Item 25 Worksheet Summary: Fax Back Page 1*) and the dollars you identified on the budget that you provide. Failure to do so could delay or jeopardize the processing of your funding.

Also in this section, please provide an explanation of how any budget deficits, state-funding cuts, fund-raising effort shortfalls or other uncertainties will be addressed. Particularly we are looking for assurances that such cuts or shortcomings will NOT result in cutting the financial resources that are budgeted for your applicant share. If they will, we seek assurances, which we may later verify, that an FCC Form 500 would be filed to reduce the funding requests accordingly.

Note: If you provide a final approved budget, we may verify that budget with independent sources.

*Alternatives to an approved budget:*

If a final, approved budget is not available or is still in the approval process, we will accept certain alternative documentation as delineated below. A letter signed by a school or library official (e.g., superintendent, board president, chief business officer) must accompany the document(s).

The letter should explain (1) what phase of the approval process you are in, (2) whether your share of funding is contingent on any outside action (e.g., voter approval, board approval, state legislation, etc.) and (3) whether in the absence of such outside approval, you anticipate being able to meet your share. Please make sure that the letter identifies the specific amount that you will have available to pay your share. For example, if you have $100,000 allocated in your budget, make sure that is noted in the letter.

In addition to the letter, we require one of the following items:

- A draft budget for 2004-2005 to include ALL of the following:
  - The name of the entity to which the budget applies (Is it for a school? For a district? For one library outlet? For a library district? For a municipality?)
  - The time frame that the budget covers, including a starting date and ending date (e.g., July 1, 2004-June 30, 2005)
  - Both revenues and expense line items.
  - Place an arrow next to each fund/budget line, on BOTH the revenue and expense side, showing where you have allocated the necessary dollars for your share of E-rate. Please write the specific amount that will come from each fund/budget line. For example, if budget line A0002 contains $200,000 and $100,000 will be used to pay your share of E-rate, then please draw an arrow to it and write "E-rate, $100,000".
- A resolution of a governing Board authorizing the filing of the Form(s) 471 for a given dollar amount, for given services and/or products, and within a given timeframe. For us to consider such a resolution sufficient evidence that your entity has provided for payment of your share of E-rate, the resolution should specify the funding year, the fiscal year, or the school year during which the payment is authorized.
- A signed commitment letter to the applicant from the donor (e.g. school or library foundation), if donations (or other dollars from any contributor) are a source of funding. The letter MUST specify (1) the level and commitment of funds or other resources; (2) the timing of the delivery of such resources, along with a dispositive indication that the resources are for E-rate supported products/services or for items needed to effectively use the discounted services. (The indication as to the use of the resources might come from the donor or be reflected in a Board resolution committing donations to E-rate related purposes.) While your service provider may assist you in locating bona-fide grants, the grants or outside funding organizations must be independent of the service provider.

Subsection I-C. Amounts not covered by E-rate

In Section I-C of the *Item 25 Worksheet* you are asked to indicate the total amount of money that you will pay during Funding Year 2004 for E-Rate eligible products/services for which you are NOT requesting E-Rate funding.

- Separate the services/products into their respective service categories (telecommunications, Internet access and internal connections) and total the results of each category.
- Enter these amounts in the *Item 25 Worksheet Summary*, Section I-C in the respective service category (Numbers 9, 10, 11).
- Sum items I-C, 9 through 11 and enter this amount in #12.

**<u>Sections II through VI:</u> Hardware, Professional Development, Software, Retrofitting and Maintenance**

For Sections II through VI of the worksheet, you will be asked for investment amounts in these areas for the prior Funding Year 2003 (2003-2004) and also for the investment that coincides with Funding Year 2004 (2004-2005). It is not initially necessary to document your estimates. However, in the event of a future audit, or depending on the results of our analysis, you may be asked to provide additional documentation to clarify or substantiate your estimates.
For Sections II through VI (Hardware, Software, Professional Development, Retrofitting, and Maintenance), Securing access to necessary resources for non-eligible products and services does not mean that all resources to support the purchased services must be paid for out of current year funds. Therefore, if you can demonstrate that the computers are in place, the training has occurred, or the electrical system has been upgraded as a result of investments in previous years, then those resources are available to support the purchased services. You may attach a page to the worksheet, or cross-reference the technology plan you have provided, to document that these resources are available. You may also estimate the value of donations and in-kind contributions on the worksheet, and include these values in the subtotals for each section. These can be listed on the line marked "Contributions/In Kind" for each section.

If you have submitted your E-Rate request on behalf of a school system, a library system, or a consortium, your response on these worksheets should represent the total of all of the resources available in all of the eligible entities covered by your request. For example, you would include your estimate of all of the networked computers in your school district or library system buildings that will be covered by your funding request. If, as an applicant, you have submitted multiple Form(s) 471, a single worksheet should be used to summarize the total requests for all of your Form(s) 471, and the total resources that are available to support those requests. The exception to using a single worksheet is if you are a Consortium applicant and you decide to use the disaggregate method for demonstrating compliance with your Item 25 Certification. (See the description in the box on page 4.)

**Section II: Hardware**
Hardware includes computers, printers, fax machines, video equipment, scanners, CD-ROM drives, servers, etc., that are used to support and improve education or library service.

To use telecommunications access effectively for improved education or library service you should have computers that can take advantage of the resources available on the Internet. Legacy equipment (PCs below 486 or Macs below 040 processors) that cannot take full advantage of the Internet should not be included in the hardware available to support purchased services unless they can support text-based browsing (such as Macs with 020 processors or 386 PCs with appropriate software).

- In Section II-A, number 13a, please enter the number of computers connected to the Internet as of today. In number 13b, enter the number of computers scheduled to be connected as of June 30, 2005.
- In Section II-B, number 14a, please enter the number of servers connected to your network as of today. In number 14b, enter the number of servers scheduled to be connected to your network as June 30, 2005.
- In Section II-C, number 15a, please enter the number of data and voice drops that are currently installed as of today. In number 15b, enter the number of data and voice drops that are scheduled to be installed as of June 30, 2005.
- In Section II-D, please estimate your total expenditures for hardware during Funding Year 2003 and Funding Year 2004. Enter these numbers in Section II-D, Numbers 16a and 16b.
- Estimate the value of in-kind hardware donations received last Funding Year 2003 and expected donations in Funding Year 2004. Enter these numbers in Section II-E, numbers 17a and 17b.
- Add 16a and 17a. Enter the sum in 18a.
- Add 16b and 17b. Enter the sum in 18b.

If you have made a significant investment in technology prior to Funding Year 2003, please summarize the resources that are already in place in the section titled, *Resource Plan: Fax Back Page 2*. Please also describe any other resources to support this area that are not represented on the *Item 25 Worksheet*, but of which we should be aware. If you have applied for matching funds or grants from other sources that have not yet been approved, please note that as well.

**Section III: Professional Development**

Professional Development, which is not eligible for E-rate discounts, is necessary to ensure that you are prepared to make effective use of purchased services. Professional development should provide for ongoing and sustained training for not just the technical staff, but teachers or librarians as well.

Your budget should provide for professional development that goes beyond the acquisition of generic computer skills to include mastery of technology applications specifically designed to improve teaching, learning or library service. Training that is limited to the acquisition of basic computer skills is not sufficient. Training should be coordinated with the availability of appropriate technology in the school, classroom, or library.

The following are possible professional development costs that might have been incurred by your organization: seminars and conferences; faculty hired to conduct in-service or on-site training; technology related courses attended by your staff and paid for by your organization; books and other instructional materials; and full time professional development staff. Peer tutoring and peer monitoring is another method for delivering training, and you may include this in your estimate of Professional Development Contributions and in-kind donations. However, for these purposes, please do not include any non-technology course costs.

- Estimate the percent of your instructional or library service staff that have been trained to use technology to improve education or library services and list the results in Section III-A Staff Training Hours (the combined total should equal 100%). Please note that here we are looking for the CURRENT percentages of teacher or librarian training.

- Estimate the value of your professional development expenditures for Funding Year 2003 and Funding Year 2004. Enter these numbers in 20a and 20b.
- Estimate any in-kind or pro-bono professional development received in Funding Year 2003 and any anticipated during Funding Year 2004. Enter these numbers in 21a and 21b.
- Add 20a and 21a. Place the sum in 22a.
- Add 20b and 21b. Place the sum in 22b.

If you have made a significant investment in professional development prior to Funding Year 2003 please summarize these resources in the section titled, *Resource Plan: Fax Back Page 2*. Please also describe any other resources to support this area that are not represented on the *Item 25 Worksheet*, but of which we should be aware. If you have applied for matching funds or grants from other sources that have not been approved yet, please note that as well.

**Section IV: Software**

Some software (such as productivity tools, curriculum software, library content, etc.) is not eligible for discounts, but is necessary to make effective use of the purchased services. (Software to operate a network server is eligible and would be included in Connectivity above).

- Estimate the value of your software expenditures for Funding Year 2003 and Funding Year 2004. Enter these numbers in 23a and 23b.
- Estimate any in-kind contributions of software products received during Funding Year 2003 and any anticipated contributions during Funding Year 2004. Enter these numbers in 24a and 24b.
- Add 23a and 24a. Place the sum in 25a.
- Add 23b and 24b. Place the sum in 25b.

If you have made a significant investment in software prior to Funding Year 2003, please summarize these resources that are already in place in the section titled, *Resource Plan: Fax Back Page 2*. Please also describe any other resources to support this area that are not represented on the *Item 25 Worksheet*, but of which we should be aware. If you have applied for matching funds or grants from other sources that have not been approved yet, please note that as well.

**Section V: Retrofitting**

Retrofitting that may be necessary to make effective use of purchased services is not eligible for E-rate discounts, but it is necessary to make effective use of the purchased services. **Retrofitting includes electrical wiring, asbestos removal, building modifications, renovations and repairs necessary to use the requested E-rate products and services**. Retrofitting is not the costs that you incurred to upgrade your computer wiring or network hardware.

- Estimate your retrofitting investment during Funding Year 2003 and your anticipated investment for Funding Year 2004. Enter these numbers in 26a and 26b.
- Estimate any in-kind or pro-bono work in the area of retrofitting received during Funding Year 2003 or any anticipated during Funding Year 2004. Enter these numbers in 27a and 27b.
- Add 26a and 27a. Place the sum in 28a.

- Add 26b and 27b. Place the sum in 28b.

If you have made a significant investment in retrofitting prior to Funding Year 2003, please summarize these resources that are already in place in the section titled, *Resource Plan: Fax Back Page 2*. Please also describe any other resources to support this area that are not represented on the *Item 25 Worksheet*, but of which we should be aware. If you have applied for matching funds or grants from other sources that have not been approved yet, please note that as well.

**Section VI: Maintenance**

Systems maintenance and operations costs for ineligible hardware and software, and salaries of staff are ineligible for E-rate discounts. Nevertheless, they are necessary to make effective use of the purchased services (maintenance costs for E-rate eligible equipment and services; that do not include applicant staff salaries, should be included in Connectivity above).

- Estimate your expenditures for systems maintenance and operations in Funding Year 2003 and your anticipated expenditures in Funding Year 2004. Place these numbers in 29a and 29b.
- Estimate any pro-bono maintenance or the value of donated time for maintenance during Funding Year 2003 and any anticipated during Funding Year 2004. Place these numbers in 30a and 30b.
- Add 29a and 30a. Place the sum in 31a.
- Add 29b and 30b. Place the sum in 31b

If you have made a significant investment in maintenance and operations prior to Funding Year 2003, please summarize these resources that are already in place in the section titled, *Resource Plan: Fax Back Page 2*. Please also describe any other resources to support this area that are not represented on the *Item 25 Worksheet*, but of which we should be aware. If you have applied for matching funds or grants from other sources that have not been approved yet, please note that as well.

**Technology Plan**

Please include a copy of your technology plan that supports your funding requests made in Funding Year 2004. Your technology plan helps us better understand the resources that are available to support the funding requests that you have submitted on your Form(s) 471.

## Technology Implementation Level Worksheet

- In column A, list the number of schools or libraries that currently fall into the technology levels described below.
- In column B, indicate where you anticipate your schools/libraries to be as a result of the technology requests you made on your Funding Year 2004 Form(s) 471.

If you are responding on behalf of a consortium, a school district or a library system that has schools or libraries (outlets/branches) at different levels, please list the number of sites that are at each level.

| Please list the *number* of schools and libraries that are currently and *will be* at each level *after* the requested services are installed. | | (A) | (B) |
|---|---|---|---|
| | | Current Number of Schools/Libraries | After 2004-2005 E-rate products/services are installed number of Schools/Libraries |
| Level 1 | Phone Service, and Single Point Internet Access | | |
| | | Enter the above number in "Level 1 current:" on the bottom of Fax Back Page 1. | Enter the above number in "Level 1 by 6/30/05:" on the bottom of Fax Back Page 1. |
| Level 2 | Phone Service, and multiple computers connected directly to the Internet in a networked lab or single location in a library. | | |
| | | Enter the above number in "Level 2 current:" on the bottom of Fax Back Page 1. | Enter the above number in "Level 2 by 6/30/05:" on the bottom of Fax Back Page 1. |
| Level 3 | Phone Service, and direct Internet connection on building LAN with some classrooms networked or distributed centers in a library. | | |
| | | Enter the above number in "Level 3 current:" on the bottom of Fax Back Page 1. | Enter the above number in "Level 3 by 6/30/05:" on the bottom of Fax Back Page 1. |
| Level 4 | Phone Service, and direct Internet connection on building LAN with access from all classrooms or library centers. | | |
| | | Enter the above number in "Level 4 current:" on the bottom of Fax Back Page 1. | Enter the above number in "Level 4 by 6/30/05:" on the bottom of Fax Back Page 1. |

## ITEM 25 WORKSHEET SUMMARY: FAX BACK PAGE 1

| **Item 25 Worksheet Summary**<br>Please Add Subtotals of Sections I through VI | **Funding Year 2003**<br>**(07/01/03–06/30/04)** | | **Funding Year 2004**<br>**(07/01/04–06/30/05)** |
|---|---|---|---|
| **Section I: Connectivity** | | | |
| I-A. Commitment Amount Requested | | | |
| • Telecom | | 1 | $4,860.00 |
| • Internet Access | | 2 | $16,790.40 |
| • Internal Connections | | 3 | $13,056.30 |
| **Total of Funding Requests (I-A)** | | **4** | **$34,706.70** |
| I-B. Form 471 Applicant's Share | | | |
| • Telecom | | 5 | $540.00 |
| • Internet Access | | 6 | $1,865.60 |
| • Internal Connections | | 7 | $1,450.70 |
| **Total of Applicant Share (I-B)** | | **8** | **$3,856.30** |
| I-C. Amounts not covered by E-Rate | | | |
| • Telecom | | 9 | $ |
| • Internet Access | | 10 | $ |
| • Internal Connections | | 11 | $ |
| **Total of Amounts Not Covered (I-C)** | | **12** | **$** |
| **Total Connectivity (I-A + I-B + I-C)** | **$** | | **$** |
| **Section II: Hardware** | | | |
| II-A. Number of Computers Connected | 13a. # 19 | | 13b. # [illegible] |
| II-B. Number of Servers Connected | 14a. # 2 | | 14b. # 2 |
| II-C. Number of Data/Voice Drops Installed | 15a. # 50 | | 15b. # 72 |
| II-D. Applicant Expenditure | 16a. $ | | 16b. $ 1,400.00 |
| II-E. Contribution / In-Kind Donations | 17a. $ 2,937.34 | | 17b. $ 1,496.90 |
| **Total Hardware (II-D + II-E)** | 18a. $ [illegible] | | 18b. $ 2,896.90 |
| **Section III: Professional Development** | | | |
| III-A. Staff Training Hours (Total 100%): | | | |
| 0-5 Hrs.____% 5-15 Hrs.____% 15-25 Hrs. 30 % 25-50 Hrs. 70 % 50+ Hrs.____% | | | |
| III-B. Applicant Expenditure | 20a. $ [illegible] | | 20b. $ 1,575.00 |
| III-C. Contribution / In-Kind Donations | 21a. $ — | | 21b. $ — |
| **Total Professional Development (III-B + III-C)** | 22a. $ [illegible] | | 22b. $ 1,575.00 |
| **Section IV: Software** | | | |
| IV-A. Applicant Expenditure | 23a. $ — | | 23b. $ — |
| IV-B. Contribution / In-Kind Donations | 24a. $ 500.00 | | 24b. $ 2,149.00 |
| **Total Software (IV-A + IV-B)** | 25a. $ 500.00 | | 25b. $ [illegible] |
| **Section V: Retrofitting** | | | |
| V-A. Applicant Expenditure | 26a. $ 10,000.00 | | 26b. $ [illegible] |
| V-B. Contribution / In-Kind Donations | 27a. $ — | | 27b. $ — |
| **Total Retrofitting (V-A + V-B)** | 28a. $ [illegible] | | 28b. $ [illegible] |
| **Section VI: Maintenance** | | | |
| VI-A. Applicant Expenditure | 29a. $ 1,200.00 | | 29b. $ 4,000.00 |
| VI-B. Contribution / In-Kind Donations | 30a. $ — | | 30b. $ — |
| **Total Maintenance (VI-A + VI-B)** | 31a. $ 1,200.00 | | 31b. $ 4,000.00 |
| **Total of E-Rate Initiative (Total of Section I to VI)** | 32a. $ | | 32b. $ |

**Technology Implementation Level** (Enter Number of schools/libraries at each level from worksheet)

| | | | |
|---|---|---|---|
| **Level 1 current:** | **Level 2 current:** | **Level 3 current:** X | **Level 4 current:** |
| **Level 1 by 6/30/05:** | **Level 2 by 6/30/05:** | **Level 3 by 6/30/05:** X | **Level 4 by 6/30/05:** |

**For Consortium applicants choosing to provide a response on a disaggregated basis:**
Block 4 Entity Name: _____ Entity Number: _____
Item 25 Worksheet Summary page: _____ of _____

## RESOURCE PLAN: FAX BACK PAGE 2

**Resource Plans and Investments:** On this worksheet you are asked to estimate any relevant investments in the resources you need to make effective use of requested E-rate services that happened prior to Funding Year 2003 covered on the *Item 25 Worksheet Summary: Fax Back Page 1* as well as any other resources that are available to you but which are not represented on the *Item 25 Worksheet*. Please use this space, or attach an additional page, to provide narrative information about both your plans and strategies for securing the necessary resources to make effective use of the requested services and previous years' investments in technology. You may use the space below to cross reference sections of your approved technology plan, your budget, or other relevant documentation. If you have made a significant investment in technology prior to Funding Year 2003, please summarize these resources that are already in place. If you have applied for matching funds or grants from other sources that have not been approved yet, please note it. Include all information about resources that you have available to make effective use of E-rate funding.