Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the matter of	)	
	)	Form 471 Application No.: 458589
Request for Review	)	
Of the Decision of	)	
The Universal Service Administrator	)	Decision Dated Feb. 28, 2006
	)	
Alternatively, Request for a Waiver, by	)	
	)	CC Docket No. 96-45
LIFE SKILLS CENTER OF	)	CC Docket No. 02-6
SUMMIT COUNTY	)	
Billed Entity Number: 16021028	)	
	)	

REQUEST FOR REVIEW

Pursuant to Sections 54.719(c) and 54.721 of the Federal Communications Commission (hereinafter at times referred to as the "Commission") Rules, 47 C.F.R. §§ 54.719(c) and 54.721 (2005), Life Skills Center of Summit County ("Appellant") hereby appeals the decision of the Schools and Libraries Division (hereinafter referred to as "SLD") of the Universal Service Administrative Company to reduce Appellant's requested discount funding for Funding Year 2005 (July 1, 2004 – June 30, 2005) from 90% to 20% for Appellant's Form 471 Application Number 458589.[1]

I. BACKGROUND

On or about February 5, 2005, Appellant filed a Form 471 with the SLD, said form requesting discounts under the Federal E-Rate Program (hereinafter referred to as "E-Rate").[2] Appellant's Form 471 Application Number 458589 requested a discount percentage under E-Rate of 90%. Appellant's requested discount rate was based upon a finding by Appellant that 75.362% of the students attending Appellant's school were

[1] The Funding Request Numbers in question in this proceeding are 1259380, 1259382, 1259383 and 1259385.
[2] 47 C.F.R. § 54.500 , *et seq.*

eligible for participation in the National School Lunch Program ("NSLP").[3] Discount percentages for schools under the E-Rate program are determined by indicators of "level of poverty" and "high cost".[4] Eligibility for participation in the NSLP is the basis for determining the "level of poverty" under the E-Rate Program.[5] Many schools participate in the NSLP, Appellant's school does not. For schools that do not participate in the NSLP, the Commission's Rules provide that said schools may use "an actual count of students eligible for the NSLP or use a federally-approved alternative mechanism to determine the percentage of their student enrollment that is eligible for a free or reduced lunch under the National school lunch program".[6] Appellant contends that it undertook both an actual count of the students eligible for NSLP and a survey to determine the percentage of students that would be eligible.

In its instructions for completing Form 471, the SLD refers schools that are applicants for the E-Rate program to 34 C.F.R. § 200.28(a)(2)(i)(B)[7] (the Improving America's Schools Act) for guidance on determining the number of students that would be eligible for NSLP.[8] Referring to the language in question, 34 C.F.R. § 200.

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[3] 7 C.F.R. § 210, *et seq.*
[4] 47 C.F.R. § 54.505(c)
[5] 47 C.F.R. § 54.505(b)
[6] 47 C.F.R. § 54.505(b)(1) states, in pertinent part, "For schools and school districts, the level of poverty shall be measured by the percentage of their student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism."
[7] The instructions for completion of Form 471 have remained the same during all pertinent funding years. The section in question (34 C.F.R. § 200.28(a)(2)(i)(B)) has been amended and re-codified as 34 C.F.R. § 200.78 (a)(2)(ii)(B), however, the re-codification makes little sense in light of SLD's intended purpose. Appellant questions why the SLD has not changed their instructions for Form 471 to account for changes to Title 34 of the Code of Federal Regulations. In this discussion Appellant will use the language of 34 C.F.R. § 200.28(a)(2)(i)(B) as it existed when first used in the SLD's Instructions for Form 471.
[8] http://www.universalservice.org/_res/documents/sl/pdf/471i_fy05.pdf stating: "**Item 9a, Column 5:** Provide the number of students eligible for NSLP as of the October 1st prior to the filing of this form, or use the most current figure available. For "New School Construction" or for an "Administrative Entity," enter "0" in this item. You may choose to use an actual count of students eligible for the NSLP or use federally approved alternative mechanisms to determine the level of poverty for purposes of the universal service discount program. Schools using a federally approved alternative mechanism may use participation in other income-assistance programs, such as Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance (Section 8), or Low Income Home Energy Assistance Program (LIHEAP) to determine

28(a)(2)(i)(B), Appellant determined that it could use and actual count of students **eligible**[9] for NSLP or "comparable data— (*1*) Collected through alternative means such as a survey". The use of survey data has been affirmed by the Commission both in administrative review,[10] and in formal orders, "(a) school relying upon one of these alternative mechanisms could, for example, conduct a survey of the income levels of its students' families."[11]

Appellant school, located in Akron, Ohio, provides a non-traditional, technology based learning environment for students that are not able to succeed in traditional schools. Appellant school makes extraordinary use of new technologies such as the internet to provide this enhanced learning environment to these underserved students. Appellant's use of technology involves multiple aspects; many of those are services are eligible for discounts under the Commission's E-Rate program. Teachers and students at the school access our on-line services such as our student record database and our Learning Management System *via* the internet to enhance the educational opportunities available to our students.

Many of Appellant's students are from families with extremely limited financial means. Failure to allow Appellant school e-rate discounts that adequately reflect the financial need of its students would place an extreme and unfair burden upon the school and, more importantly, our students.

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the number of students that would be eligible for the NSLP. See 34 C.F.R. § 200.28(a)(2)(i)(B). For more information, please refer to the "Alternative Discount Mechanisms Fact Sheet" posted on the SLD section of the USAC web site. "

[9] There is no requirement that an actual count of eligible students be an actual count of participating students. Although appellant has determined that a high percentage of our students are **eligible** for NSLP, Appellant school does not participate in the NSLP.

[10] *See,* School for Language and Communication Development, DA 02-1785, Order, 17 FCC Rcd 15166 (released Aug 6, 2002) at page 2 and footnotes 7 and 8.

[11] *See, Universal Service Order*, FCC 97-157, Paragraph 510 "We conclude that a school may use either an actual count of students eligible for the national school lunch program or federally-approved alternative mechanisms…. These alternative mechanisms permit schools to choose from among existing sources of poverty data a surrogate for determining the number of students who would be eligible for the national school lunch program. A school relying upon one of these alternative mechanisms could, for example, conduct a survey of the income levels of its students' families."

II. LIFE SKILLS CENTER OF SUMMIT COUNTY USED AN ACTUAL COUNT OF STUDENTS

For schools that do not participate in NSLP, the Commission sanctions use of other mechanisms for determining level of need. The Commission stated that "[A] school may use either an actual count of students eligible for the national school lunch program or federally-approved alternative mechanisms to determine the level of poverty for purposes of the universal service discount program."[12]

Appellant undertook an actual count of students that were eligible for NSLP. As the Appellant reported to the SLD, by an actual count, over 75% of Appellant's students were indeed eligible for the NSLP. As stated above, Appellant school does not participate in the NSLP; however, Appellant did make an actual count of those students that were **eligible** for the program – thus meeting the Commission's requirements as set forth in FCC 97-157.

III. LIFE SKILLS CENTER OF SUMMIT COUNTY USED AN AUTHORIZED ALTERNATIVE MECHANISM TO DETERMINE LEVEL OF POVERTY

Appellant undertook to survey all its students to determine the percentage of students meeting an indication of poverty, eligibility to participate in the NSLP. The survey instrument used by Appellant is attached as Exhibit 1. The form used by Appellant is in fact modeled after a form recommended by the Ohio Department of Education for determining eligibility for Title I funding under 34 C.F.R. § 200.28 (currently codified as 34 C.F.R. § 200.78), the Improving Americas Schools Act. A copy of Ohio's recommended Title I survey form is attached as Exhibit 2. In point of fact, with some minor exceptions for students who were 18 or older at the time of Appellant's survey, the results of Appellant's survey were used to secure Title I funding under 34 C.F.R. § 200.28 (currently codified as 34 C.F.R. § 200.78), the Improving Americas Schools Act.

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[12] *Id.*

Appellant's survey form was sent to all of Appellants 276 students. Of that number, all of Appellant's students returned the form enabling Appellant to determine that 208 of its students met the mandated indicia of poverty, eligibility to participate in the NSLP.[13]

IV. ARGUMENT

The SLD does not contest Appellants determination that 208 of Appellant's 276 students were eligible for NSLP.[14] Instead, the SLD states that "(t)he survey that you provided during the PIA review did not contain the address of the family. Therefore, the information you submitted was incomplete."[15] To the contrary, the requirement of an "address of the family" is no where contained in the Commissions Regulations, enabling provisions of the United States Code, pertinent reports and orders of the Commission, nor the SLD's own instructions for completing Form 471. In point of fact, Appellant used a preferable instrument, one that met the expressed purposes of the Commission in that Appellant's mechanism is in the nature of a "federally-approved alternative mechanisms, which rely upon actual counts of low-income children, provide more accurate measures of poverty and less risk of overcounting, than other methods suggested by some commenters that merely approximate the percentage of low-income children in a particular area."[16] (Emphasis added.)

In the instance of 471 Application No. 294102 from the funding year 07/01/2002 – 06/30/2003 for Colegio San Antonia Abad, the SLD allowed the school to use survey forms that contained neither "a request for the address of the family and the grade level

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[13] See, Administrator's Decision on Appeal – Funding Year 2005-2006 issued January 25, 2006. Attached as Exhibit 3.
[14] *Id,* at page 1.
[15] *Id,* at page 2.
[16] *See,* FCC 97-157 at Paragraph 510..

of each child."[17] Notwithstanding Colegio San Antonio Abad's failure to request the address of the family and the grade level of each child, the SLD approved an E-Rate discount rate of 60% for Colegio San Antonio Abad.[18]

Congress' clear intent in enabling the E-Rate program was to provide a discount mechanism that enhances the provision of telecommunications services to children in schools with high indicia of poverty. Appellant accurately determined the indicia of poverty mandated by the Commission – the percentage of students that are eligible for the NSLP. The SLD does not refute that Appellant's determination was accurate. The SLD's action in this matter not only goes beyond their statutory and regulatory authority, but violates the clear public purpose of both Congress and the Commission. The SLD's requirement of family address is arbitrary, capricious, and baseless and clearly exceeds the authority granted to them by statute and by the Commission.

Additionally, it should be noted, that in the single instance where the SLD mentions that surveys should contain family address information, it is listed as a "guideline" not as a requirement.[19] A "guideline" that violates both the letter and the clear intent of statute and regulation should not serve to deny deserving students their access to telecommunications and information services.

V. REQUEST FOR WAIVER

Should the Commission elect not to grant Appellant's request to overturn the decision of the SLD in this matter, Appellant hereby requests a waiver of any rule requiring an address on Appellant's surveys determining eligibility for NSLP. In *WAIT*

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[17] See, In the Matter of Request for Review by Colegio San Antonio Abad of Decision of the Universal Service Administrator, filed 13 Dec 2004, page 4. This reference cites a statement to Colegio San Antonio Abad from the SLD that is quoted in that Request for Review.
[18] *Id,* at page 2.
[19] *See,* http://www.universalservice.org/sl/applicants/step05/alternative-discount-mechanisms.aspx, "Alternative Discount Mechanism Fact Sheet" at "3. Survey Guidelines." Attached as Exhibit 4.

Radio v. FCC,[20] the Circuit Court for the District of Columbia held that the Commission may take into account considerations of hardship, equity, or more efficient implementation of overall policy on an individual basis. In the matter of *Sandhill Regional Library System*[21], the Commission stated that "a request for a waiver must be supported by a showing of good cause." The Commission went on to state that "(t)he public interest is served by the effective operation of the schools and libraries universal support mechanism(.)" In fact, the Commission's rules specifically allow for a waiver as requested by Appellant in Section 1.3 of the Commission's Rules.[22]

In this instance, Appellant, in good faith, used a form to make an actual count of NSLP eligible students and to determine eligibility percentage for NSLP. This form was the exact form that is specified by the Commission, the Title I eligibility form. In DA 02-1785, the Commission stated that "(t)he level of poverty for schools and school districts is measured by the percentage of student enrollment that is eligible for a free or reduced lunch under the National Schools Lunch Program (NSLP) or a federally-approved alternative mechanism outlined in Title I of the Improving America's Schools Act (IASA)." Certainly this is a case in which a waiver should be granted "on motion if good cause therfor(e) is shown."[23]

As stated above, Appellant in fact used the exact form used by itself and all Ohio schools to determine eligibility under Title I of the Improving Americas Schools Act. Certainly neither equity nor the public purpose interest of effective operation of schools was be served by the uncalled for imposition of the SLD's arbitrary and meaningless requirement of an address appearing on the forms in question. In this instance, a waiver of any requirement for an address on Appellant's income determination forms is in order.

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[20] *WAIT Radio v. FCC*, 418 F2d 1153, 1159 (D.C. Cir. 1969).
[21] *In the Matter of Sandhill Regional Library System*, DA 02-1463 (2002) (Sandhill Regional Library System).
[22] 47 C.F.R. §1.3.
[23] *Id.*

As stated above, Appellant school makes extraordinary use of new technologies such as the internet to provide an enhanced learning environment to students that have failed to succeed in other learning environments. Failure to allow Appellant school e-rate discounts that adequately reflect the financial need of its students would place an extreme and unfair burden upon the school and its students.

VI. PRAYER FOR RELIEF

Appellant Life Skills Center of Summit County respectfully requests that it be granted relief overturning the decision of the SLD and the Administrator's Decision in this matter. In the alternative, the Appellant requests that it be granted a waiver of any applicable rule to allow a discount percentage of 90 to be applied to Funding Request Numbers 1259380, 1259382, 1259383 and 1259385.

CERTIFICATE OF SERVICE

I, Patrick Michael Vitone, Attorney for Appellant, hereby certify that a true and correct copy of this **Request for Review** was served this day, 13 April 2006, *via* the Commission's Electronic Comment Filing Service upon Marlene H. Dortch, Secretary to the Federal Communications Commission, Office of the Secretary, 445 12th Street, SW, Washington, D.C. 20554.

/s/ Patrick Michael Vitone
Attorney for Appellant
(Ohio Registration No. 0023558)
c/o White Hat Management, LLC
159 South Main Street, #600
Akron, Ohio 44308
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Exhibit 1.

Student Income Form for School Year 2004-2005
The Life Skills Center of Summit County

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To the Parent/Guardian: We are requesting income information in order to determine if our school will receive additional federal funding for reading, mathematics and/or other services/resources to help the students in the school. Please fill out this form completely and accurately, and return it to your child's school **immediately**. One form should be completed for each child in your family enrolled in the school. Please fill out completely and accurately. Thank you for your cooperation.

Student Information: Please **print** the full name of the child for whom the form is being completed.

Last Name	First Name	Date of Birth	Sex (M/F)	Grade
[redacted]	[redacted]	10/11/88	M	9th

Circle if child is: Foster Child Ward of Court Ohio Works First Recipient Food stamp Recipient

Calculating Household Income: Average household income determines whether or not a school qualifies for Title I funding, and other federal programs. You will have to calculate the total amount of income in your household in order to determine if the school your child attends will receive Title I funds. Include **all** income for **all** household members (include yourself, all children in the home, your spouse, grandparents, and all others related and unrelated in your household). See lists below sheet for the types of income to report.

Earnings From Work
Wages/salaries/tips
Strike benefits
Unemployment compensation
Worker's compensation
Net income from self-owned business or farm

Pensions/Retirement/Social Security
Pensions
Supplemental Security Income (SSI)
Retirement income
Social Security

Public Assistance/Child Support/Alimony
Public assistance/welfare payments
Alimony/child support payments

Other Income
Disability benefits
Cash withdrawn from savings
Interest dividends
Income from estates/trusts/investments
Regular contributions from persons not living in household
Net royalties/annuities/net rental income

Household Income: 1) Please circle the **total number** of household members, whether they receive income or not. 2) Circle the amount next to that number that is closest to the **total income** of all those household members without going over that income. Do not circle numbers in the bottom row. The income can be the amount received weekly, monthly, or yearly, (choose only one number to circle) but should be the total before taxes or anything else is taken out (gross income).

Effective from July 1, 2004 to June 30, 2005

Circle Your Household size	Circle Your Household Income Without Going Over the Amount		
(Circle one number only)	Annual	Monthly	Weekly
1	$17,224	$1,436	$332
2	$23,107	$1,926	$445
3	$28,990	$2,416	$558
4	$34,873	$2,907	$671
5	$40,756	$3,397	$784
6	$46,639	$3,887	$897
7	$52,522	$4,377	$1,011
8	$58,405	$4,868	$1,124
If there are 9 or more household members, for each additional person, add:	+$5,883	+$491	+$114

Certification and Signature: I certify that all of the above information is true and correct, and that all income is reported. I understand that this information is being given for the receipt of federal funds, and that school officials may verify the information on the form.

X Kay Lynn Lipley — Signature of Parent/Guardian (minor student) — 10/19/04 Date

X _____ Signature of Student (student 18 or over) — _____ Date

Name of school (if any) this student attended last October 2003 (ADM week) Kenmore High

SCHOOL USE ONLY: Student's Public School District of Residence for School Year 20032004:

Exhibit 2.

Name of School

Title I Student Income Form--School Year 2005-2006

To the Parent/Guardian: In order to determine if the school your child attends will receive federal No Child Left Behind Act-Title I funds for reading and/or mathematics or other services, specific income information is needed from you. Please complete this form and return it to your child's school immediately. One form should be completed for each child in your family. Thank you for your cooperation.

- **Student Information:** Please print the name of the child for whom the form is being completed.

Name	Date of Birth	Sex	Grade	School

Circle if child is: • Foster Child • Ward of Court • Welfare Recipient • Food Stamp Recipient

- **Calculating Household Income**: In order to determine if the school your child attends will receive Title I funds, you will have to calculate the total amount of income in your household. Include all income for all household members (including yourself, all children in the home, your spouse, grandparents, and all others related and unrelated in your household). See lists below of the types of income to report:

Earnings from Work
- Wages/salaries/tips
- Strike benefits
- Unemployment Compensation
- Worker's Compensation
- Net income from self-owned business or farm

Pensions/Retirement/Social Security
- Pensions
- Supplemental Security Income
- Retirement income
- Social Security

Welfare/Child Support/Alimony
- Public assistance payments
- Welfare payments
- Alimony/child support payments

Other Income
- Disability benefits
- Cash withdrawn from savings
- Interest dividends
- Income from estates/trusts/investments
- Regular contributions from persons not living in the household
- Net royalties/annuities/net rental income
- Any other income

- **Household Income**: In column 1 below, enter the total number of people living in the household, whether they receive income or not. In column 2, enter the total amount of income for all those household members. The income can be the amount received per year, per month or per week, but should be the total before taxes or anything else is taken out.

Effective from July 1, 2005 to June 30, 2006

1	2	Income Guidelines for Title I—for building eligibility FOR SCHOOL USE ONLY					
Total no. of people living in the household: _____	Total household income and frequency: $_____ ☐ Annual ☐ Monthly ☐ Twice per month ☐ Every two weeks ☐ Weekly	House-hold size	Annual	Monthly	Twice per month	Every two weeks	Weekly
		1.....	$17,705	$1,476	$738	$681	$341
		2.....	$23,736	$1,978	$989	$913	$457
		3.....	$29,767	$2,481	$1,241	$1,145	$573
		4.....	$35,798	$2,984	$1,492	$1,377	$689
		5.....	$41,829	$3,486	$1,743	$1,609	$805
		6.....	$47,860	$3,989	$1,995	$1,841	$921
		7.....	$53,891	$4,491	$2,246	$2,073	$1,037
		8.....	$59,922	$4,994	$2,497	$2,305	$1,153
		For each add'l family member add	+$6,031	+$503	$252	$232	$116

- **Certification and Signature**: I certify that all of the above information is true and correct, and that all income is reported. I understand that this information is being given for the receipt of federal funds and that school officials may verify the information on the form.

Signature of Parent/Guardian: X _____ Date: _____

Signature of School District: X _____ Within guidelines: Yes No

Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2005-2006

February 28, 2006

Linas Vysnionis
White Hat Management
159 South Main Street, Suite 600
Akron, OH 44308

Re:	Applicant Name:	LIFE SKILLS CENTER SUMMIT COUNTY
	Billed Entity Number:	16021028
	Form 471 Application Number:	458589
	Funding Request Number(s):	1259380, 1259382, 1259383, 1259385
	Your Correspondence Dated:	January 04, 2006

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 Funding Year 2005 Funding Commitment Decision Letter 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 you will receive a separate letter for each application.

Funding Request Number(s): 1259380, 1259382, 1259383, 1259385
Decision on Appeal: **Denied**
Explanation:

- On appeal, you seek reversal of the SLD's decision to reduce the requested site-specific discount from 90% to 20%. In support of your appeal, you state that you complied with SLD request for additional documentation in a timely fashion. You also state the survey form used in order to determine your school percentage of students that qualify for the National School Lunch Program was based on a form developed by Ohio Department of Education. You further state as an additional argument that SLD did not give you any reason why the process used to determine school level of need or form used was not sufficient to support the requested discount. You enclose a certification from a school official and a survey sample.

- After a thorough review of the appeal letter, the documentation submitted during your Form 471 review process and during the appeal process, SLD determined that Life Skills Center Summit County (BEN 16021028) percentage discount should be 20%. As indicated in this documentation, Life Skills Center Summit County used a federally-approved alternative mechanism to determine the level of poverty. The Schools and Libraries support mechanism requires that if a school chooses to do a survey, the survey must contain the following information: address of family. Since the survey the school provided did not meet this survey guideline, the survey cannot be accepted as valid documentation to support the requested discount. Please visit SLD's Alternative Discount Mechanisms Fact Sheet at http://www.sl.universalservice.org/reference/alt.asp.

- SLD's review of your application determined that your discount eligibility percentage was not supported by appropriate documentation. SLD modified your discount eligibility percentage using the following documentation: a filled out survey form that was submitted during your form initial review. Since you did not demonstrate in your appeal that the adjustment SLD made to your discount eligibility percentage was incorrect, SLD denies your appeal.

- You indicated on your Form 471 that your discount eligibility is 90% based upon a survey. FCC rules provide that the discount available to an applicant is determined by indicators of poverty and high cost. 47 C.F.R. § 54.505(b). The level of poverty is measured by the percentage of students enrolled in a school or school district that are eligible for a free or reduced price lunch under the National School Lunch Program, or a federally-approved alternative mechanism. Alternatively, the level of poverty is measured according to participation in Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance or Section 8, or Low Income Home Energy Assistance Program (LIHEAP). *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776, FCC 97-157,n.1334 (rel. May 8,1997). The high cost determination is made pursuant to FCC rules that classify a school or school district as rural or urban. 47 C.F.R. § 54.505(b)(3). An applicant's discount rate is determined by reference to a matrix based upon the level of poverty and whether a school is classified as rural or urban. 47 C.F.R. § 54.505(c).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

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

Schools and Libraries Division
Universal Service Administrative Company

Box 125 – Correspondence Unit, 80 South Jefferson Road, Whippany, New Jersey 07981
Visit us online at: *www.sl.universalservice.org*

USAC

Step 5: Alternative Discount Mechanisms Fact Sheet

Schools may use alternative calculation methods to determine the level of need for calculating discounts for eligible products and services.

This fact sheet provides the following information on alternative calculation methods for determining the level of need for calculating discounts for eligible products and services.

1. Primary measure for Schools and Libraries discounts
2. Alternative methods
3. Survey guidelines
4. Acceptable alternative measures of poverty
5. Existing sources
6. Matching siblings
7. Projections based on surveys
8. Unacceptable alternative methods

1. Primary measure for Schools and Libraries discounts
The primary measure for determining discounts is the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP), calculated by individual school. Students from family units whose income is at or below 185% of the federal poverty guideline are eligible for the NSLP.

2. Alternative methods
The Federal Communications Commission (FCC) also allows other methods to determine a school's level of need, as long as those methods are based on - or do not exceed - the same measure of poverty used by NSLP.

These federally-approved alternative methods use data comparable to NSLP data which are:

- collected through alternative means such as a survey; or
- from existing sources such as Aid to Families with Dependent Children or tuition scholarship programs.

3. Survey guidelines
If a school chooses to do a survey, the following guidelines apply:

1. The survey must be sent to all families whose children attend the school.
2. The survey must attain a response rate of at least 50%.
3. The survey must, at a minimum, contain the following information:
   - Address of family
   - Grade level of each child
   - Size of the family
   - Income level of the parents
4. The survey must assure confidentiality (e.g., the names of the families are not required)

4. Acceptable alternative measures of poverty
The following measures of poverty are currently acceptable alternatives to NSLP eligibility:

1. Family income level at or below 185% of the federal poverty guideline.
2. Participation in one or more of the following programs:
   - Medicaid
   - Food stamps
   - Supplementary Security Income (SSI)
   - Federal public housing assistance or Section 8 (a federal housing assistance program administered by the Department of Housing and Urban Development)
   - Low Income Home Energy Assistance Program

5. Existing sources
Schools may also use existing sources of data that measure levels of poverty, such as TANF or need-based tuition assistance programs. However, these measures are acceptable for Schools and Libraries Program discount purposes only

if the family income of participants is at or below the Income Eligibility Guidelines (IEG) for NSLP.

6. Matching siblings
The siblings of a student in a school that has established that the student's family income is at or below the IEG for NSLP may also be counted as eligible for discount purposes by the respective schools the siblings attend.

For example, an elementary school has established through a survey that a student's family income is at or below the IEG for NSLP. That student has a brother and a sister who attend the local high school. The high school may use the status of the elementary school sibling to count his high school siblings as eligible for discount purposes, without collecting its own data on that family.

7. Projections based on surveys
If a school has sent a questionnaire to all of its families and it receives a response rate of at least 50 percent, it may use that data to project the percentage of eligibility for discount purposes for all students in the school.

For example, a school with 100 students sends a questionnaire to the 100 homes of those students and 75 of those families return the questionnaire. The school finds that the incomes of 25 of those 75 families are at or below the IEG for NSLP. Consequently, 33 percent of the students from those families are eligible for Schools and Libraries support purposes. The school may then project from that sample to conclude that 33 percent of the total enrollment, or 33 of the 100 students in the school, are eligible for the purpose of calculating discounts.

8. Unacceptable alternative methods
The following alternative measures of poverty are NOT acceptable for determining discounts. They rely on projections rather than on the collection of actual data:

- **Feeder school method**. This method projects the number of low-income students in a middle or high school based on the average poverty rate of the elementary school(s) which "feeds" students to the middle or high school.
- **Proportional method**. This method projects the number of low-income students in a school using an estimate of local poverty.
- **Extrapolation from non-random samples**. This method uses a non-random sample of students chosen to derive the percentage of poverty in a school, such as those families personally known by the principal ("Principal's method") or the families of students that apply for financial aid (a non-random sample).
- **Title 1 eligibility**. This method uses eligibility for Title 1 funds as the criterion for estimating the level of poverty in a particular school. Some measures of poverty eligible under Title 1 are indirect estimates of poverty and do not necessarily equate to the measure of poverty for the Schools and Libraries program discounts, namely eligibility for NSLP.

Step 4 Select a Service Provider Process Step 6 Determine Your Eligible Services

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