

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

**In the Matter of  
Request for Waiver of the Decision of the  
Universal Service Administrator by**

**Los Fresnos Consolidated Independent  
School District, Los Fresnos, Texas**

**Schools and Libraries Universal Service  
Support Mechanism**

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**File No. SLD \_\_\_\_\_**

**CC Docket No. 02-6**

**REQUEST FOR WAIVER AND REVIEW OF DECISION OF  
THE UNIVERSAL SERVICE ADMINISTRATOR**

Los Fresnos Consolidated Independent School District (“Los Fresnos” or “District”), is a consolidated school district which consists of several previously separate districts located in the rural Rio Grande Valley in South Texas, encompassing over 460 square miles and serving 9,000 students. The District a beneficiary of the Schools and Libraries Universal Service Support Program (“E-Rate Program”). On October 1, 2007, the Universal Service Administration Company (“USAC” or “Administrator”), in its capacity as administrator of the E-Rate Program, notified the District of its determination, based on a compliance audit for Funding Year 2003, that the District failed to comply with the FCC Rule 54.504(c) by not having a signed contract with its service provider in hand prior to submitting FCC Form 471, finding that Los Fresnos did not enter into a written contract with Avnet (its selected E-rate vendor) for Schools and Libraries supported equipment and services until January 30, 2004.<sup>1</sup> The notification further stated that

<sup>1</sup> Finding No. 1416565-2005-01 contained in “Detailed Information Relative to Material Noncompliance (Findings) contained in the KPMG, L.L.P., Independent Accountant’s Report and referenced in USAC Management Response dated July 30, 2007 a copy of which is attached hereto as **Exhibit A**.

USAC intended to seek recovery of \$263,277.00 disbursed in connection with Funding Request No. 994981.<sup>2</sup> It is this determination of non-compliance from which the District appeals. Los Fresnos respectfully requests that the Federal Communications Commission (“FCC” or “Commission”) reverse the USAC’s decision to seek recovery of disbursed funds and grant a limited waiver of the deadline for having a written contract in place prior to filing FCC Form 471.

Under the E-Rate program, eligible schools may apply for discounts for approved telecommunications services, internet access and internal connection. Applicants are required to comply with certain FCC competitive bidding requirements designed to prevent waste, fraud and abuse of the program funds, before entering into an agreement with an e-rate service provider for the eligible services.<sup>3</sup> Once the school district has complied with these requirements, it must submit an FCC Form 471 requesting support for the services ordered by the beneficiary.<sup>4</sup> The FCC Form 471 instructions require that the applicant have a “signed contract” or a “legally binding agreement” with the service provider at the time of its Form 471 submittal.<sup>5</sup>

The Commission, under its rules is permitted to waive any provision of the Rules on its own motion and for good cause shown,<sup>6</sup> or where the specific facts make strict compliance inconsistent with the public interest.<sup>7</sup> The Commission has previously opined that while the competitive bidding requirements are a central tenet of the E-Rate Program, ensure efficient pricing and help deter waste fraud and abuse, rigid adherence to the rule in these cases does not

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<sup>2</sup> See, Noncompliance Letter for Funding Request No. 994981 is attached hereto as **Exhibit B**.

<sup>3</sup> 47 C.F.R. §54.504.

<sup>4</sup> 47 C.F. R. §54.504 (c).

<sup>5</sup> Instructions for Completing the Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-8006 (October 2003)

<sup>6</sup> 47 C.F.R. §1.3.

<sup>7</sup> *Northeast Cellular Telephone Co. v. FCC*, 897 F2d 1164,1166 (D. C. Cir. 1996)

further the purposes of the statutory goal mandated by Congress to preserve and advance universal service for schools and libraries.<sup>8</sup>

**Background:**

On August 23, 2006, the District received a letter from Wayne Scott, Vice-President for Internal Audit for the Universal Service Administrative Company's (USAC) Schools and Libraries Division (SLD) notifying the District that it had engaged KPMG, LLC to perform a compliance attestation examination involving E-Rate funds the district received during funding year 2003. The auditors examined disbursements of \$263,277 for internal connections services during the fiscal year ending September 30, 2005, and the application and service provider selection processes of Los Fresnos for Funding Year 2003, and found the District non-compliant for failing to have a "signed contract" or a "legally binding agreement" with the service provider prior to filing its Form 471.<sup>9</sup>

**Argument:**

The District concedes that it did not have a signed written contract at the time it filed its Form 471 for the project, however, it had awarded the contract to the selected provider, subject only to Board approval, complying with the spirit, if not the letter Section 54.719(c). Notwithstanding Los Fresnos' technical mistake, it is undisputed that the District complied with all of the substantive procurement requirements of the E-Rate Program. Further, on January 30, 2003, in compliance with the Texas procurement laws,<sup>10</sup> the E-Rate Vendor Selection Committee ("Committee") evaluated proposals from respondents to its solicitation and selected Avnet, Inc.

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<sup>8</sup> *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order, 19 FCC Rcd. 15808 (2004) ("Fifth Report").

<sup>9</sup> See, KPMG, L.L.P. Independent Accountant's Report, dated October 2, 2006 a copy of which is attached hereto as **Exhibit C**.

<sup>10</sup> Tex. Ed. Code, §44.031 (Vernon Supp. 2000)

as the proposal offering the best value to the District.<sup>11</sup> That same day, Steven Capps, the District's Technology Director at the time, met with the District Superintendent to brief her on the Committee's selection and recommendations.<sup>12</sup> Immediately following that meeting, Mr. Capps placed a telephone call to the Avent representative, informing him that Avent's proposal had been selected as written, subject only to final board approval.<sup>13</sup> On January 31, 2003, FCC Form 471 was certified, listing the date of its selection of the successful proposer and acceptance of its proposal as the contract award date, rather than the date the contract was approved by the Board.<sup>14</sup> Since the District is, in part, funded by the State of Texas and is, in fact, a political subdivision of the state, it is required to follow state procedures for approval of a provider selection and authorization for execution of a written contract. Following receipt of confirmation E-Rate Funding Commitment,<sup>15</sup> the Mr. Capps presented the staff's recommendation that the contract be given final approval to the Board of Trustees. The Board formally approved the selection and contract on October 13, 2003, which was during the funding year (as extended)<sup>16</sup> and before the vendor began providing services.<sup>17</sup>

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<sup>11</sup> See, Affidavit of David Young, E-Rate Vendor Selection Committee Member and former Computer Services Director for Los Fresnos, attached hereto as **Exhibit D.** ("Young Affidavit")

<sup>12</sup> See, Affidavit of Steven Capps, former Computer Services Director for Los Fresnos, attached hereto as **Exhibit E.** ("Capps Affidavit")

<sup>13</sup> See *Id.*

<sup>14</sup> See, FCC Form 471 submitted by Los Fresnos attached hereto as **Exhibit F.**

<sup>15</sup> See copy of E-Rate Funding Commitment Report which is attached as **Exhibit G.**

<sup>16</sup> Work completed under E-Rate funding year 2003 ordinarily should have been completed no later than September 30, 2004, but because of construction delays, the district filed for and was granted extensions which extended the last allowable date for project completion to September 30, 2005; See also, Requests for Extension, Form 500, *Universal Service for Schools and Libraries Adjustment to funding Commitment and Modification to Receipt of Service Confirmation Form* dated May 27, 2004 and September 22, 2004, which are attached hereto as **Exhibits H and H-1.**

<sup>17</sup> See copy of Minutes of the Regular School Board Meeting for the Los Fresnos Consolidated Independent School District, dated October 13, 2003, which are attached as **Exhibit I.**

Under Texas laws the elements of a valid and enforceable contract are: (1) an offer; (2) an acceptance of the offer; (3) a meeting of the minds; (4) each parties' consent to the terms; and (5) execution and delivery of the contract with the intent that it be mutual and binding.<sup>18</sup> The same elements are required for both written and oral contracts.<sup>19</sup> The existence of an oral contract is determined by the communications between the parties, the action of the parties and the circumstances surrounding the parties' communications.<sup>20</sup> In this case the award of the contract and acceptance of Avent's proposal was clearly communicated to its representative, on the day the selection was made. There was a meeting of the minds on the terms offered in the proposal and all parties subsequently took action in furtherance of the contract indicating a mutual intent to be bound. Based on all of these circumstances, the District contends that it had, indeed, entered a legally binding agreement with a service provider prior to filing its FCC Form 471.

Even if the District is not deemed by the Commission to have entered into a legally binding agreement prior to its filing of Form 471, the USAC does not have authority to require reimbursement of the disbursed amount. In its Fifth Report and Order released August 13, 2004, the FCC adopted guidelines for the Administrator specifically relating to the recovery of funds and other measures to strengthen the integrity of the E-Rate Program. The Commission pointed out that recovery of funds for a technical violation of its Rules, in the absence of other overarching factors, does not justify disgorgement of funds.<sup>21</sup> In its report, the Commission sets out, by way of example, a list of violations for which USAC could recover all or a part of

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<sup>18</sup> *Searcy v. DDA, Inc.*, 201 S.W.3rd 319, 322 (Tex. App.–Dallas, 2006, no pet.)

<sup>19</sup> *Id.*

<sup>20</sup> *Palestine Water Well Services, Inc. v. Vance Sand and Rock, Inc.*, 188 S.W.3d 321, 325 (Tex. App.–Tyler, 2003, no pet.)

<sup>21</sup> Fifth Report at 15815.

disbursed funds. The list included, but was not limited to, a situation where a beneficiary failed to comply with the Commission's competitive bidding requirements; where a conclusion is drawn that a lack of necessary resources are available to the District to use the supported services; where services are substituted and parties have had the opportunity to make legitimate changes to requested services but fail to do so; where the beneficiary fails to pay its non-discounted share; where the services are found to be duplicative; where a beneficiary fails to complete the service within the funding year; in the event of a discount calculation violation; and, where a beneficiary, having been funded for a full year of service and billed by a provider for a full year, the provider fails to provide a full year of service.<sup>22</sup> There are no allegations of any of these kinds of violations by Los Fresnos and no findings of any evidence of waste fraud or abuse of the program funds -- only allegations of procedural oversight in failing to have a written contract in place before the deadline. The Commission specifically noted in this same Report and Order that "if a procedural violation is inadvertently overlooked during the application phase and funds are disbursed, the Commission will not require that they be recovered, except to the extent that such rules are essential to the financial integrity of the program, as designated by the agency, or that the circumstances suggest the possibility of waste, fraud or abuse, which will be evaluated on a case by case basis."<sup>23</sup>

The Commission has issued numerous orders reversing decisions of the USAC denying or rescinding funding on the grounds the applicants violated the Commission's requirement that

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<sup>22</sup> *Id.* at Paragraph 21 through 29.

<sup>23</sup> *See Id.* at Paragraph 19.

a legally binding agreement be in place when the FCC Form 471 application is submitted.<sup>24</sup> In the Adams County Order, the FCC reversed decisions of the USAC in which it had denied or sought recovery of funding from seventy-two petitioners, based on its conclusions that the applicants failed to have a legally binding agreement in place when their respective FCC Form 471 applications were submitted.<sup>25</sup> The Commission observed that petitioners technically missed the program deadline for having a written contract in place for a variety of reasons including, that they were adhering to local or state procurement laws; that they had to have commitments with service providers approved by governing boards, and that the agreements with service providers were contingent on getting USAC's approval of funding before they could enter a contract. Other petitioners were denied funding because of ministerial mistakes. The Commission determined that these mistakes made by petitioners did not warrant a complete rejection of their applications, specifically noting that the appeals did not involve a misuse of program funds or that any of the petitioners had engaged in activity aimed at defrauding or abusing the E-Rate Program. In keeping with its policy announced in the Fifth Order, the Commission concluded, that to rule otherwise would result in the creation of an undue hardship on the applicants and prevent otherwise eligible schools and libraries from receiving E-Rate

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<sup>24</sup> *Request for Review of a Decision of the Universal Service Administrator by Dallas Independent School District*, Dallas, Texas, File No. SLD-400939, CC Docket No. 02-6, Order 21, FCC RCD 14405 (2006); (extension of pre-existing contract sufficient binding agreement); *Request for Review by Richmond County School District Hamlet*, North Carolina, File No. SLD-451211, et al., CC Docket No. 02-06, Order 21, FCC RCD 6570 (2006); *Request for Review of a Decision by the Universal Service Administrator by Gayville-Bolin School District*, 63-1 Gayville, South Dakota, File No. SLD-471545, CC Docket No. 02-6, Order 21 FCC RCD 9242 (2006).

<sup>25</sup> *Request for Waiver of the Decision of the Universal Service Administrator by Adams County School District, 14*, Commerce City, Colorado, et al. File Nos. SLD-145151, et al., CC Docket No. 02-6 (2007) ("Adams County Order").

funding, it should grant a limited waiver of the “signed contract requirement” contained in 47 C.F.R. §54.504 (c).

In Illinois School Order, the Commission using similar reasoning granted the applicant’s appeal, waiving its section 54.504 (c) requirement of a written contract, and directing the USAC to reinstate the funding commitment.<sup>26</sup> In this case the Illinois School was required by state regulations to wait until it received official notification from USAC that its application was fully funded before entering into an agreement with its service provider.<sup>27</sup> The Commission, recognizing that the Illinois school technically missed the program deadline, noted that a legally binding contract was in place during the funding year and before the vendor began providing services. Finding that good cause existed for it to waive the Section 54.504 requirement, the Commission recognized that under the circumstances the policy behind the rule was satisfied even if the requirements of the rule were not technically met by the Illinois School.

The facts of the instant case, which in many ways mirror the factual scenarios previously decided by this Commission, establish good cause for granting a waiver of the technical requirements of 47 C.F.R §54.504(c). The applicant in this case, had an agreement as to all essential terms of the contract that was ultimately signed, subject only to approval by its Board of Trustees, when the FCC Form 471 was filed. The contract was submitted for approval to the Board of Trustees in accordance with the District’s standard procedures and before any goods or services were delivered. All state law and the procurement requirements of the E-Rate Program were followed by the applicant and there has been no suggestion by either the auditors or the

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<sup>26</sup> *Request for Waiver of the Decision of the Universal Service Administrator by Illinois School For The Visually Impaired, Jacksonville, IL*, File Nos. SLD-419654, et al., CC Docket No. 02-6 (2006) (“Illinois School Order”).

<sup>27</sup> *Id.*

USAC that the District's failure to have a written contract in place compromised the integrity of the process or that any waste fraud or abuse was an issue.

For all these reasons, the District respectfully submits that the Commission revise the decision rescinding funding. In closing, the District asserts that granting a waiver in this case would have a minimal effect on the Universal Service Fund; however, Los Fresnos, which shares contribution funding under the e-rate program at only 10% based on its level of need, will clearly suffer undue hardship should this funding be rescinded. Replacement of these funds will place a substantial financial burden on an already under-funded rural border school district which is simply striving for technological excellence and opportunities for its students in the face of overwhelming odds. Taking into account considerations of hardship, equity, and more effective implementation of the Commission's overall policy, this case provides adequate special circumstances to warrant a deviation from the general rule, particularly where rigid adherence to the rule would not further the Congress' statutory goal of preserving and advancing universal services for schools and libraries.

**Conclusion:**

The circumstances that led to the delayed execution of the contract have been remedied by the District. The District procedures now require execution of a written document setting out the essential terms of the agreement and attaching the vendor's proposal and Board approval before submission of the FCC Form 471.<sup>28</sup> It is unlikely that this same oversight will be repeated in the future, and the District commits to scrupulously following the relevant FCC Rules regarding e-rate filings in the future. The District urges the Commission not to penalize the District's students for its oversight, and to waive strict compliance with the written contract requirements of 47 C.F.R §54.504(c). Based on the foregoing, the District requests the

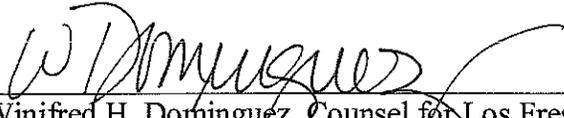
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<sup>28</sup> See copy of *E-Rate Administrative Procedures* adopted attached to the Young Affidavit.

Commission reverse the USAC's decision to seek recovery of the \$263, 277.00 in disbursed e-rate funding.

Respectfully submitted,

**LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

By:   
Winifred H. Dominguez, Counsel for Los Fresnos CISD  
Texas State Bar No. 05965700  
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Los Fresnos, Texas 78566  
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November 28, 2005

**CERTIFICATE OF SERVICE**

I hereby certify that on the 29<sup>th</sup> day of November, 2007, a true and correct copy of the above and foregoing pleading was served upon the Universal Service Administrative Company by placing same in the United States mail, certified, return receipt requested, postage prepaid and addressed as follows:

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY  
Schools and Libraries Division  
2000 L. Street, Ste. 200  
Washington, DC 20036

CERTIFIED MAIL NO. 7006 0810 0002 2818 7530  
RETURN RECEIPT REQUESTED

  
Winifred H. Dominguez



Universal Service Administrative Company

## USAC Management Response

Date: July 30, 2007

Subject: IPIA (Improper Payment Information Act) Audit of the Schools and Libraries Program at Los Fresnos Consolidated Independent SD for FRN 994981 Audit ID SL2006375.

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USAC management has reviewed the IPIA Audit of the Los Fresnos Consolidated Independent SD for FRN 994981 in Funding Year 2003. Our response to the audit is as follows:

**Finding No. 141656-2005-01**

The Los Fresnos Consolidated Independent School District ("Beneficiary" or "District") did not have a signed contract for the requested discounted equipment and services prior to submitting a completed FCC Form 471 to the Universal Service Administrative Company ("USAC"). The Beneficiary entered into a contract with AVNET for Schools and Libraries Program supported equipment and services on January 30, 2004, which was one year after it submitted a completed FCC Form 471 to USAC on January 31, 2003.

**Management Response:**

Program rules require Beneficiaries to have a signed contract in place prior to filing FCC Form 471. Therefore, USAC management concurs with the finding, effect and recommendation and will seek recovery of \$263,277 disbursed for FRN 994981.

**Comment No. 141656-2005-01**

The District did not properly complete the FCC Form 470. The District prepared and utilized a Request for Quote, but stated on its Form 470 that it had no RFP for the services being requested.

**Management Response:**

Going forward, the applicant should follow FCC Form 470 instructions to ensure compliance with FCC rules. USAC management concurs with the comment, effect and recommendation.

**Comment No. 141656-2005-02**

Two of the District's equipment items for which discounts were received were installed at the Network Core Administrative building, which was not listed on the FCC Form 471 Block 4. The District purchased two Cisco MCS-7835-1266 Call Managers with Schools & Libraries Program funding under the selected FRN 994981. Liberty Memorial Middle School was the originally intended destination for that equipment; however, the equipment was installed in the Network Core Administrative building.

**Management Response:**

USAC management concurs with the comment, effect and recommendation.

This concludes the USAC management response to the audit.

**EX. A**



Universal Service Administrative Company

Schools and Libraries Division

October 1, 2007

David Young  
Los Fresnos Consolidated Independent School District  
600 N. Mesquite Street  
Los Fresnos, TX 78566

RE: Beneficiary Audit

Dear Mr. Young:

The school, school district, or library for which you serve as the authorized representative was recently audited to evaluate your entity's compliance with Federal Communications Commission (FCC) rules relating to the Schools and Libraries Program (E-rate). The audit focused on Funding Year 2003 and found that your entity was not in compliance with FCC rules because:

- You did not have a signed contract with your service provider before submitting Form 471.
- Your entity did not properly complete Form 470.

Enclosed with this letter is a copy of the Audit Report. As a result of your entity's non-compliance, the Universal Service Administrative Company (USAC) is seeking recovery of funds consistent with the FCC's Orders.<sup>1</sup>

This letter notifies you, as the authorized representative of your entity, that as of the date of this letter, USAC will take no action on pending or future FCC Forms 471 submitted by your entity until USAC determines that your entity has reasonably complied with the requests explained below. USAC may also heighten its scrutiny of any invoices submitted for services provided to your entity.

USAC is responsible for ensuring that funding commitments and disbursements are made in compliance with program rules.<sup>2</sup> In addition, USAC has a fiduciary duty to protect the Universal Service Fund from waste, fraud and abuse.<sup>3</sup> You (and perhaps others), as the authorized representative of your entity, have made a number of certifications on the FCC Forms 471 and other program forms that you have submitted to USAC on behalf of your entity. False or incorrect certifications may result in numerous consequences, including denial of funding, recovery of funds already disbursed and/or other enforcement actions. The audit resulting in your entity's non-compliance indicate that you failed to comply with one or more of the certifications that

<sup>1</sup> See *In re Federal-State Joint Board on Universal Service, Changes to the Board of Directors for the National Exchange Carrier Association, Inc., Schools and Libraries Universal Service Support Mechanism*, CC Docket Nos. 96-45, 97-21, 02-6, FCC 04-181 (rel. July 30, 2004).

<sup>2</sup> See generally 47 U.S.C. § 254; 47 C.F.R. § 54.500 *et seq.*

<sup>3</sup> See 47 C.F.R. § 54.702.

**EX. B**

you made on program forms and/or that your entity has otherwise failed to comply with program requirements.

USAC requests that you provide the information and documentation explained below so that USAC can resume consideration of your entity's FCC Forms 471. If no response is received within 90 days of the date of this letter, or if no reasonable explanation for delay is provided within 90 days of the date of this letter, USAC will deny pending applications.

If you have received this letter during the FCC Form 471 filing window, you should submit your FCC Form(s) 471. Receipt of this letter does not indicate that you may not submit FCC Form(s) 471.

So that your service providers may make informed decisions about how to proceed, a copy of this letter is being sent to all service providers listed on currently pending FCC Forms 471.

Please note that, depending upon USAC's review of the information that you provide, USAC may also need to request information and documentation for prior funding years.

#### **WHAT TO ADDRESS REGARDING THE AUDIT**

Below is an explanation of what to address regarding the audit so that a determination can be made regarding the hold on your entity's commitments.

- Your entity's non-compliance is the result of your submitting Form 471 before signing and dating a contract with your service provider to support your entity's funding request(s). In order to address this finding, your entity must develop a plan to strengthen internal controls to ensure that, when your entity submits an FCC Form 471 that includes a funding request for contracted services, your entity has a signed and dated contract with your service provider and that your entity properly maintains its records.

You should consult FCC rules and orders available at the FCC website for details regarding these requirements.<sup>4</sup> You must provide USAC with proof that you have taken these steps. This proof should consist, at a minimum, of a copy of your entity's plan to address this audit finding, and a description of how this plan has been implemented.

- Your entity's non-compliance is the result of your not properly completing Form 470. Specifically, you utilized a Request for Quote, but failed to indicate this on Form 470. Going forward, your entity should develop a plan to strengthen internal controls to ensure that your entity properly submits its FCC Form 470, particularly with regards to its indication of your usage of an RFP (Request for Proposal).

You should also provide any other information you believe would be useful to USAC in determining whether or not you have adequately addressed the audit issues that resulted in your entity's non-compliance. You must provide this proof within 90 days of the date of this letter, or you must provide a reasonable explanation for delay and a date

<sup>4</sup> See 47 C.F.R. § 54.504(c); Schools and Libraries Universal Service, Services Ordered and Certification Form 471 and Instructions, OMB 3060-0806 (November 2004) (FCC Form 471).

certain by which you will provide the required information. Failure to provide the required information within the designated time period may result in denial of pending requests for funding.

The information and documentation requested above should be sent to:

Universal Service Administrative Company  
Schools and Libraries Division  
Attn: Brian Murphy, Audit Response  
2000 L Street, N.W., Suite 200  
Washington, DC 20036

#### **USAC'S REVIEW OF YOUR COMPLIANCE WITH THIS REQUEST**

USAC will review your submission to determine whether it reasonably complies with the requirements set forth in this letter and demonstrates that you have adequately addressed the audit finding(s) that resulted in your entity's non-compliance. USAC may seek additional information and documentation from you as it makes this determination.

If USAC determines that you have reasonably complied with this request and that you have adequately addressed the audit finding(s) that resulted in your entity's non-compliance, you will be provided with written notification, and USAC will commence reviewing pending FCC Forms 471. If USAC determines that you have not reasonably complied with this request and have not adequately addressed the audit findings, your pending funding requests will be denied. Should this occur, you will be able to request review of USAC's decisions consistent with the procedure set out below.

#### **TO APPEAL THIS DECISION**

If you wish to appeal the decision that you have not adequately addressed the audit findings, your appeal must be received by the Schools and Libraries Division (SLD) and postmarked within 60 days of USAC's written notification. Failure to meet this requirement will result in automatic dismissal of your appeal.

In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available), e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
  - appellant name,
  - applicant or service provider name,
  - BEN and/or SPIN,
  - application or form number as assigned by the SLD,
  - name of the letter and funding year (both are located at the top of the letter),

**AND**

  - the exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.

4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are a service provider, please provide a copy of your appeal to the applicant affected by the SLD's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on the web site at [www.sl.universalservice.org](http://www.sl.universalservice.org). Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

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

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly 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 by the FCC and postmarked within 60 days of USAC's written notification. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. If you are submitting your appeal via United States Postal Service, send it to: Federal Communications Commission, Office of the Secretary, 445 12th Street, S.W., Washington, DC 20554.

#### **THE FCC's RED LIGHT RULE**

If you have received a Commitment Adjustment Notification Letter or a Recovery of Improperly Disbursed Funds Letter as a result of the audit findings, please be aware that FCC rules require you to pay the debt or make satisfactory arrangements to pay the debt if you do not appeal the recovery. The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC.<sup>5</sup> However, FCC Form 471 applications are not dismissed pursuant to the Red Light Rule if the applicant timely appeals the existence or amount of the debt.<sup>6</sup> This information is provided on recovery notification letters and is being provided here as additional information.

<sup>5</sup> See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Fifth Report and Order, 19 FCC Rcd 15808 ¶ 42 (2004) (*Schools and Libraries Fifth Report and Order*).

<sup>6</sup> See *Schools and Libraries Fifth Report and Order* ¶ 43.

David Young  
Page 5 of 5  
October 1, 2007

Sincerely,

Schools and Libraries Division  
Audit Response

Enc: as stated

cc: Gonzalo Salazar, Superintendent  
Dell Marketing LP  
Southwestern Bell Telephone, L.P.  
SBC Long Distance, LLC  
Education Service Center  
Gaggle.net, Inc.  
T-Mobile USA, Inc.  
Calence, LLC



KPMG LLP  
1660 International Drive  
McLean, VA 22102

Los Fresnos Consolidated Independent School District  
600 North Mesquite Street  
Los Fresnos, TX 78566

October 2, 2006

Ladies and Gentlemen:

We have examined Los Fresnos Consolidated Independent School District's (Beneficiary Number 141656) compliance with the applicable requirements of the Universal Service Fund Schools and Libraries Support Mechanism ("SLSM"), as set forth in 47 C.F.R. Section 54.500 through 54.523 of the Federal Communications Commission's ("FCC") Rules and Regulations, as amended, and related FCC Orders, related to disbursements from the Universal Service Fund during the fiscal year ended September 30, 2005 relative to Funding Request Number ("FRN") 994981 and the related Funding Year 2003 application for funding and service provider selection for such FRN and have issued our report thereon dated October 2, 2006. In planning and performing our examination, we considered internal control in order to determine our examination procedures for the purpose of expressing our opinion on compliance. An examination does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our examination we noted certain matters involving internal control and matters related to immaterial noncompliance with SLSM requirements that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in improved compliance with SLSM requirements and are summarized as follows:

**Comment No.** 141656-2005-01

**Condition** Los Fresnos Consolidated Independent School District ("District") did not properly complete the FCC Form 470. The District prepared and utilized a Request for Quote, but stated on its Form 470 that it had no RFP for the services being requested.

**Criteria** Per FCC Rules 54.504 (a) and (b), beneficiaries are required to submit a properly completed FCC Form 470.

**Ex C**



**Comment No.** 141656-2005-02

**Condition** Two of the District's equipment items for which discounts were received were installed at the Network Core Administrative building, which was not listed on the FCC Form 471 Block 4. The District purchased two Cisco MCS-7835-1266 Call Managers with Schools & Libraries Program funding under the selected FRN 994981. Liberty Memorial Middle School was the originally intended destination for that equipment; however, the equipment was installed in the Network Core Administrative building.

**Criteria** Per FCC Form 471 instructions, in order to receive Schools and Libraries Program equipment and services, an eligible administrative building must be included on the FCC Form 471 as a receiving entity. The building must be labeled "Administrative Entity", followed by the name, in parenthesis, of the district office or other administrative building.

**Cause** According to District personnel, the Call Managers were installed at the Network Core Administrative building because it is a central location and all phone lines are routed through the Call Managers.

**Effect** There is no monetary effect due to this matter since no FCC Rule was violated and the purchased equipment was used for the educational purposes for which it was acquired and the administrative building would have qualified for having Schools & Libraries Program funded equipment had it been included on the FCC Form 471.

**Recommendation** We recommend that the District list the Network Core Administrative building as an entity when filling out the FCC Form 471 Block 4 if it intends to request Schools and Libraries Program funding for equipment and services for that entity.

**Beneficiary Response** The application for funding was done in November of 2002 prior to the existence of the Network Core which was not established until August of 2004. The original intention of the district was to place the items in question (Cisco Call Managers) at Liberty Memorial Middle School as indicated. However, administrative changes and the decision to centrally locate all of the districts network services in one building made it more logical to place the call managers at the network core. The district concurs with the auditors finding and will comply with their recommendation.



**Cause** The District maintains that a Request for Quote ("RFQ") is to be differentiated from the definition of a Request for Proposal ("RFP"). Schools and Libraries Division does not specify the exact nature of the RFP process, but the Texas Education Agency does provide such guidance in the *Texas Education Agency Financial Accountability Resource Guide*. Since the guidance, as defined in the resource guide for RFPs was not followed, no claim was made that an RFP was issued on the FCC Form 470.

**Effect** There is no monetary effect due to this matter since the District conducted a competitive bid in accordance with state and local procurement policies for the services provided under the selected FRN for Funding Year ("FY") 2003. KPMG notes, however, that upon issuance of FCC Order 03-313 which was effective for FY 2004, failure to indicate the existence of an RFP, when indeed one (or its equivalent) exists, is considered a violation of competitive bidding requirements and funds disbursed by USAC relative to such FRNs would be subject to recovery by USAC.

**Recommendation** We recommend that the District ensure that it properly completes the FCC Form 470 by checking the box stating that it has a Request for Proposal RFP, when this indeed is the case, and indicate where the RFP may be found for potential bidders.

**Beneficiary Response** Title 34 CFR, Part 80 provides for a competitive procurement process which is the most practical and feasible. The FASRG is a guideline used by Texas School Districts and not a law. The CFR governs in this case. The District followed Section 44.031 of the Texas Education Code, which is the procurement law which pertains to large purchases. The USAC published requirements specifically state that a beneficiary is to follow applicable state and local procurement law. The District did so by following section 44.01 of the Texas Education Code.

Therefore, the District takes exception to this finding and maintains that it is in compliance until such time as the FCC has ruled on an appeal for the same matter for which it was denied funding by USAC in funding year 2005. The district intends to file this appeal in October of 2006. Until that time the district recognizes a dispute exists in the interpretation of this rule and has already acted in the affirmative on the auditor's recommendation by following this guidance in funding year 2006.



\*\*\*\*\*

Our examination procedures are designed primarily to enable us to form an opinion about the District's compliance with the applicable requirements of the SLSM, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of your organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of Los Fresnos Consolidated Independent School District's management, and others within the organization, Universal Service Administrative Company and the FCC, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**KPMG LLP**

**Detailed Information Relative to Material Noncompliance (Findings)**

**(presented in accordance with the standards applicable to attestation engagements contained in  
*Government Auditing Standards*)**

**Finding No.**                    **141656-2005-01**

**Condition**                    The Los Fresnos Consolidated Independent School District ("District") did not have a signed contract for the requested discounted equipment and services prior to submitting a completed FCC Form 471 to the Universal Service Administrative Company ("USAC"). The District entered into a contract with AVNET for Schools and Libraries Program supported equipment and services on January 30, 2004, which was one year after it submitted a completed FCC Form 471 to USAC on January 31, 2003.

**Criteria**                    Per FCC Rule 54.504 (c), beneficiaries are required to submit a completed FCC Form 471 only after signing a contract for eligible goods and/or services.

**Cause**                    The District did not want to take the project to the board for approval until USAC approved funding for it and the annual budget had been approved by the board. The District had a verbal contract with Avnet, but the written contract was not done until after the board approved it on October 13, 2003. Not having a process in place to ensure timely approval of contracts relative to submission of the FCC Form 471, represents a deficiency in internal controls over compliance with FCC Rules within the District's application process.

**Effect**                    The monetary impact as a result of this finding is that the entire disbursed amount under FRN 994981, including the \$263,277 disbursed during the year ended September 30, 2005, is subject to recovery by USAC.

**Recommendation**        We recommend that the District ensure that a signed contract is obtained for Schools and Libraries Program supported eligible goods and/or services prior to seeking discounts for such goods and services via submission of a completed FCC Form 471 to USAC.

KPMG recommends that USAC seek recovery based on this finding consistent with applicable FCC Rules and Orders.

**Detailed Information Relative to Material Noncompliance (Findings), continued**  
**(presented in accordance with the standards applicable to attestation engagements contained in**  
**Government Auditing Standards)**

**Beneficiary Response** Based on the questions asked and certifications given in block 6, the district believed it had complied with the requirements of the application.

The representations provided by the District in its 471 application for Appl Numb 366160, Block 5 were as follows:

#18-the contract award date was listed as 1/30/2003;

#19a-the service start date was 7/1/03;

#19b- the original contract expiration date was 6/30/04.

The certification that currently exists states:

*"I certify that I and the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities."* {Block 6, item #30, FCC Form 471 – OMB 3060-0806}

This representation was not part of the certifications required on the FCC Form 471 during funding year 2003. WED 10

The time periods for this contract fell after the end of the 2002-03 school year. Chapter 44 of the Texas Ed. Code controls adoption of budgets for school districts. The district annual budget for school year 2003-04 (E-rate funding year 2003) was not approved until August, 2003 which is when the district approved this particular expenditure since the contract period concerned the 2003-04 school year.

Pursuant to 44.0011 of the Tex. Ed. Code, Los Fresnos CISD's fiscal year does not start until September 1st. As such the expenditure was not approved until after September 1, 2003.

The school district has already implemented approval of contracts prior to submitting E-Rate applications and will continue to do so in compliance with the Auditor's Recommendation.

**Detailed Information Relative to Material Noncompliance (Findings), continued**  
**(presented in accordance with the standards applicable to attestation engagements contained in**  
***Government Auditing Standards*)**

**KPMG Comment on  
Beneficiary Response**

The contract award date of January 30, 2003 and the original contract expiration date of June 30, 2004 noted above and on the FCC Form 471 were not evidenced by any written and signed contracts. In addition, the District was unable to provide us with any evidence that a verbal contract existed that was enforceable under state or local laws. Finally, while the FCC Form 471 certification for Funding Year 2003 may not have contained the language currently in the certification, FCC Rule 54.504 (c) has been effective since February 12, 1998.

**AFFIDAVIT OF STEVEN CAPPS**

THE STATE OF TEXAS

COUNTY OF CAMERON

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned affiant, who swore on oath that the following facts are true:

A1. My name is Steven Capps. I was employed as the Technology Director at Los Fresnos Consolidated Independent School District between October 2001 and June 2004. I am of sound mind, capable of making this affidavit, and fully competent to testify to the matters stated herein. I have personal knowledge of the matters herein by virtue of my position with the District at the time of the events referenced in this Affidavit and my involvement with the contract related to FRN 994981. During the initial time period covered by the audit which is the subject of this appeal, I was the district's Technology Director and consequently was involved in E-Rate program compliance.

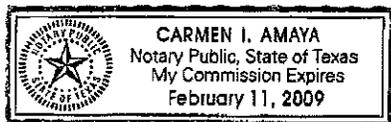
"On January 30, 2003, in compliance with the Texas procurement laws, the E-Rate Vendor Selection Committee ("Committee") evaluated proposals from respondents to its solicitation and selected Avnet, Inc., as the proposal offering the best value to the District. On that same day, after receiving the Committee's recommendation, I personally met with the District Superintendent to brief her on the Committee's selection and recommendations. After leaving her office, I immediately contacted the Avnet representative, and informed him that Avnet's proposal had been accepted as written, subject only to ~~final~~ board approval and that the formal agreement would be signed at that time. On January 31, 2003, I signed the FCC Form 471, listing the date of the selection of the successful proposer and my acceptance of its proposal as the contract award date, rather than the date that a written contract would be approved.

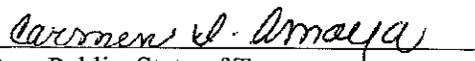
"On October 13, 2003, following receipt of a commitment for of the E-Rate funding, and before the vendor began providing services to the District, I personally presented the Committee's recommendation to the Board of Trustees, with the form of the contract, stating the terms of the vendor's proposal. After due consideration, the Board formally approved the Committee's selection of Avnet, Inc. and the written contract.

Further affiant sayeth naught."

  
Steven Capps, Affiant

SIGNED AND SWORN to before me on November 29, 2007.



  
Notary Public, State of Texas

**AFFIDAVIT OF DAVID YOUNG**

THE STATE OF TEXAS  
COUNTY OF CAMERON

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned affiant, who swore on oath that the following facts are true:

A1. My name is David Young. I am the Assistant Chief Financial Officer and former Computer Services Director for the Los Fresnos Consolidated Independent School District. I am of sound mind, capable of making this affidavit, and fully competent to testify to the matters stated herein. I have personal knowledge of the matters herein by virtue of my position with the District, my involvement in the evaluation and selection of the e-rate proposals for FRN 994981 as a member of the district Technology Committee and the E-Rate Vendor Selection Committee.

“During the time period covered by the audit which is the subject of this appeal, Steven Capps was the district’s Technology Director and consequently was responsible for E-Rate program compliance. Mr. Capps left the district in June 2004, at which time I took over the Technology Department and later signed for the final payouts for FRN 994981.

“On January 30, 2003, in compliance with the Texas procurement laws, the E-Rate Vendor Selection Committee evaluated proposals from respondents to its solicitation and selected Avnet, Inc., as the proposal offering the best value to the District.

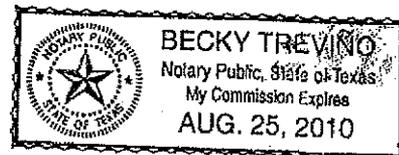
“In response to the audit the District has adopted new administrative procedures to address all of the issues raised by the auditor, including the adoption of a policy requiring Board approval and execution of a written agreement prior to filing Form 471. A true and correct copy of such policy is attached to this affidavit.

“Further Affiant Sayeth Naught.”



David Young, Affiant

SIGNED AND SWORN to before me on November 29, 2007.

  
Notary Public, State of Texas

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**ADMINISTRATIVE PROCEDURES  
FOR E-RATE COMPLIANCE,  
DOCUMENTATION AND AUDIT  
REQUIREMENTS**

**LOS FRESNOS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT**

**NOVEMBER 2007**

# **ADMINISTRATIVE PROCEDURES FOR E-RATE COMPLIANCE, DOCUMENTATION AND AUDIT REQUIREMENTS**

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# **Administrative Procedures for E-Rate: Compliance, Documentation and Audit Requirements**

## ***Authorization***

District Board Policy CQ (Local) authorizes the Superintendent of Schools as follows:

“The Superintendent or designee shall implement, monitor, and evaluate electronic media resources for instructional and administrative purposes.”

## ***Designation of “District E-Rate Coordinator”***

For the purpose of participation in the Universal Service E-Rate program, the Superintendent of Schools shall assign a designee to serve as “District E-Rate Coordinator”. The default designee shall be the district’s Technology Director.

## ***Duties and Responsibilities***

The District E-Rate Coordinator will be the district’s main contact with the Universal Services Administrative Corporation (USAC) for all E-Rate matters. In addition, he/she will be responsible for ensuring compliance with all E-Rate program rules and regulations as documented on the Schools and Libraries division of the USAC’s website and as they relate to the Federal Communications Commission’s (FCC) 47 C.F.R. Part 54 Rules and Related Orders.

The District Purchasing Coordinator shall advise and assist with the preparation and evaluation of all E-Rate related procurements, including Requests for Proposals, as needed, to ensure that the rules and regulations regarding competitive procurement methods are satisfied. In addition, the Purchasing Coordinator shall verify that the Form 470 was posted for a minimum of 28 days and that in the case of contracted services, a written contract signed by both parties exists prior to the filing of the Form 471.

The Chief Financial Officer or the Superintendent of Schools shall review the recommendations of the District E-Rate Coordinator and authorize the filing of all Form 470, Form 471, Form 472 (BEAR), Form 486 and Form 500 prior to filing the forms with USAC.

In the case of contracted services, a recommendation prepared by the District E-Rate Coordinator and endorsed by the Purchasing Coordinator and Chief Financial Officer shall be presented to the Superintendent of Schools requesting approval by the Board of Trustees. This recommendation shall include a list of bidders, the criteria used to select the winning proposal, the evaluation matrix and the contract being recommended for board approval. Only after board approval may the District E-Rate Coordinator file the associated Form 471 for contracted services.

## ***Training Proficiency***

The District E-Rate Coordinator and other district personnel involved in the processing of E-Rate applications and contracting, property management, cash disbursements and internal audits shall participate in appropriate E-Rate training on an annual basis.

## ***Planning and Implementation***

The District E-Rate Coordinator shall ensure that the following steps are implemented and documented in order and in accordance with E-Rate rules and regulations:

1. Establish a Technology Plan using staff expertise or an outside technology expert. Update the plan on an ongoing basis. The plan should include, but not be limited to, the following:
  - Clear goals and a realistic strategy for achieving those goals
  - A professional development strategy to ensure that staff know how to use these new technologies to improve education or library services
  - An assessment of the telecommunications services, hardware, software, and other services that will be needed to improve education or library services
  - A detailed budget which supports the plan and features the acquisition and maintenance of equipment, staff training, and other needs addressed in the plan
  - Methods for evaluating the progress of the plan and for making changes or corrections to the strategy outlined in the original plan in response to new developments and opportunities including a description of the approval process for such changes and corrections
  
2. Serve as contact person listed on forms filed with USAC and be responsible for oversight of the application process in order to take accountability and responsibility to ensure that it is accurate and that the equipment and services are eligible for funding.
  
3. Maintain a file of the Description of Services Requested and Certification Form (Form 470) and the Services Ordered and Certification Form (Form 471) applications. This file should include, but not be limited to, the following:
  - A copy of the Form 470 application
  - A copy of the Form 471 application
  - Request For Proposal, if applicable
  - Copies of all bids
  - Documentation on the award process and the rationale for the bid award
  - Copies of all related contracts
  - Copies of all service provider invoices
  - Copy of the board resolution for any contract award

**NOTE:** Regarding block 2 of Form 470; for each type of service there is a check box that asks the filer to check if “*Yes, I have released or intend to release an RFP for these services*” or another for “*No, I have not released and do not intend to release an RFP for these services*”.

Any documentation developed to supplement the information on the Form 470 and give the vendors more information about the goods and desired services may be considered a RFP. Do not check the "No" box if you have or intend to have and distribute such information.

4. Maintain a log of all communications with USAC. This includes communication between USAC and any contact person who is not the designated contact with USAC. Each entry should include the name of the person who placed the call, the time of the call, the name of the person who responded, and the substance of the communication.
5. Maintain an updated list or file of the status of all work, in order to monitor both the progress of the project and the expenditure of approved funds related to the project.
6. Ensure that detailed asset registers (including make, model, serial number, and location) for all sites are maintained and updated to facilitate the tracking of equipment purchased with USF support. In addition, diagrams that clearly show how equipment is actually connected and used should become part of the registers if those diagrams are available.

The District E-Rate Coordinator shall file the necessary paperwork with the SLD prior to relocating an E-Rate funded asset from one eligible entity to another eligible entity. Transfers of E-Rate funded assets from an eligible entity to an ineligible entity are not allowed. Documentation on allowed transfers must be maintained for 3 or 5 (post FY 2005) years from the last date to receive service.

7. If the applicant seeks reimbursement via the Billing Entity Applicant Reimbursement (BEAR) Form (Form 472), review and approve the form to ensure that the work has been completed, that the service provider's bill has been paid in full, and that the reimbursement amount requested is correct.
8. Alternatively, if not filing Forms 472 for reimbursement, review the Quarterly Disbursement Report provided by the Schools and Libraries Program to ensure any payments to service providers are consistent with work actually performed and discounts provided on bills received.
9. Maintain a file for each Form 472 (BEAR) submitted to USAC. This file should contain a completed copy of the Form (including the signature of the service provider) and all supporting documentation.
10. Maintain a spreadsheet which tracks either the Form 472 (BEAR) requests for reimbursement or the discounts (in the form of discounts on bills, checks, or credits) provided by the service provider to ensure the committed amount on the FRN(s) has not been exceeded.
11. Verify - either through an approved internal process or by an independent third party-- that all work has been completed and that all equipment is operating properly.

## **Documentation Requirements**

**NOTE: Beginning in Funding Year 2005 and forward, applicants and service providers are required to maintain program documentation for five years after the last date to receive service. (See Fifth Report and Order, released August 13, 2004.)**

Documentation is an ongoing continuous process. As program milestones are encountered, the District E-Rate Coordinator shall create and/or maintain the following minimum required documents as described below. These documentation requirements shall be reviewed and modified as needed, at minimum, on an annual basis or as required by new rules and/or orders issued by the FCC or USAC.

The following documentation shall be readily available for internal and external auditors:

### **Bidding**

- Overview of the service provider selection process including criteria and weighting of the criteria
- RFPs issued
- Copies of all bids received (winning and losing)
- Contracts for supported services
- Copy of procurement policy and procedure
- Bid evaluation documentation including evaluation worksheets
- List of all service providers supplying discounted services including contact information
- Copies of state and local procurement regulations and procedures, if applicable
- Any other available documentation concerning bid evaluation

### **Disbursements**

- Detailed procedures for validating and processing vendor bills and submitting invoices to USAC (if applicable)
- Documentation verifying date of receipt of equipment
- Copies of invoices for supported services
- Reconciliation by FRN of vendor bills to invoices submitted to USAC
- Documentation of any SPIN change request including copy of notice to original service provider
- Documentation of payment (canceled checks) for services to service providers
- Documentation or receipt and deposit of any amounts received for BEAR invoices

### **Children's Internet Protection Act (CIPA)**

- Copy of the Internet safety policy
- Documentation of the adoption of the Internet safety policy
- A copy of the minutes and the date of the public hearing regarding the Internet safety policy
- Copies of Forms 479, Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act (CIPA) and/or Forms 486, Receipt of Service Confirmation, as applicable

## **Services**

- Copy of the technology plan(s) and approval letter(s) covering the complete year under review
- Summary of the technology environment and a high-level network diagram
- Any other documentation on the services (such as training and workstations) necessary to make effective use of Universal Service Fund (USF) discounts
- List of USF supported equipment including references to vendor bill, USAC invoice, serial number, and current physical location

## **Other**

- OMB A-133 audit, if applicable
- Reports of any other audits conducted that relate to either the Schools and Libraries program or the National School Lunch Program (NSLP)
- Copies of financial statements and annual budgets for the year(s) under review
- Documentation and supporting worksheets for the discount calculation
- Copy of the records retention policy
- List of individuals including staff, service providers, and consultants that work on USF-funding request, as well as their roles and responsibilities
- Any correspondence from or to USAC, the FCC, potential service providers, or any individuals listed above
- For consortia, letters of agency

## **Record of Responsible Individuals**

Additionally, the names of the following people shall be recorded so in the event of an audit they may be available to answer questions:

- Person who managed the bidding and award process
- Person who reviews and approves vendor bills
- Person who prepares invoices
- Person who writes checks, makes deposits, and reconciles the bank account
- Person knowledgeable about the network and the location of equipment

## ***Internal Control Audit Requirements***

In addition to the sample internal control questions provided below, the district shall continually develop directive, preventive, compensating, detective and corrective controls based on the Federal Communications Commission's (FCC) 47 C.F.R. Part 54 Rules and Related Orders.

The district Chief Financial Officer shall be responsible for ensuring that the following internal controls are tested on a regular basis and that the results are reported to the Superintendent of Schools.

### **SAMPLE INTERROGATIVES FOR E-RATE COORDINATOR**

- How do you maintain an updated list on file of the status of all work, in order to monitor both the progress of the project and the expenditure of approved funds related to the project?
- How have you verified – either through an approved internal process or by an independent third party - that all work has been completed and that all equipment is operating properly?
- How do you maintain a file of the Services Requested and Certification Form (Form 470) and the Services Ordered and Certification Form (Form 471) applications?
- How do you review and approve the Form 472 to ensure that the work has been completed, that the service provider's bill has been paid in full, and that the reimbursement amount requested is correct?
- Have you maintained a file for each Form 472 (BEAR) submitted to USAC. This file should contain a completed copy of the Form (including the signature of the service provider) and all supporting documentation?
- How do you review the Quarterly Disbursements Report provided by the Schools and Libraries Program to ensure any payments to service providers are consistent with work actually performed and discounts provided on bills received?
- Have you maintained a spreadsheet which tracks either the Form 472 (BEAR) requests for reimbursement or the discounts (in the form of discounts on bills, checks, or credits) provided by the service provider to ensure the committed amount on the FRN(s) has not been exceeded?
- Have you provided the district finance office with an updated detailed asset register (including make, model, serial number, and location) for all sites to facilitate the tracking of equipment purchased with E-Rate funding?

## SAMPLE E-RATE APPLICATION & CONTRACTING TESTS

Control Question	Description of Control
1) Is a specific individual responsible for the E-rate application process?	Technology Director
2) Is the responsible individual knowledgeable in E-rate requirements and processes?	Trainings provided by Texas E-Rate Coordinator, are hosted by the Region 1 Education Service Center and attended annually.
3) Are the Form 470 and Form 471 reviewed and approved by an appropriate official? Do you have a policies and procedures manual which summarizes the procurement process?	The CFO, the Superintendent and the Board of Trustees must approve Director's recommendations prior to the filing of the 471's.
4) Do you have a policies and procedures manual that summarizes the procurement process?	District Business Operations Manual
5) Do you maintain an E-rate application file containing the following documents? a) Form 470 b) Form 471 c) Requests for Proposal, if applicable d) Copies of all bids e) Documentation of the award process and the rationale for the bid award f) Copies of all related contracts g) Copies of all service provider invoices h) Copy of the board resolution for any contract award, and i) Any other related documentation	All E-Rate documents are kept in binders specific to that funding year.
6) Do you maintain a log of all communications with USAC, including the name of the person making the call, the time and date of the call, the name of the USAC employee who responded to the call, and the substance of the communication?	All correspondence is kept in the e-rate binder.
7) Do you maintain a file of all change orders or documentation for verbal change orders?	Verbal change orders are not done; documentation is required for any change and is kept in the E-Rate binder.

## SAMPLE PROPERTY MANAGEMENT TESTS

Control Question	Description of Control
1) Do you have a property management system that records acquisitions, disposals, and locations of physical assets?	Fixed Assets program incorporated into Financial Accounting Software.
2) Are physical assets funded through the E-Rate program included in the property management system?	Fixed Assets program incorporated into Financial Accounting Software.
3) Are E-Rate assets designated as such in the system?	E-Rate items are identified by special coding.
4) Are there policies and procedures that define usage of the property management system?	District Fixed Assets Manual
5) Does the property management system include an identification number (such as a serial number or a property ID tag number)?	All items are tagged at Central Receiving upon receipt.
6) Does the property management system capture the method of acquiring each physical asset and the date of the acquisition?	Captures PO# and date of acquisition.
7) Can individual assets in the property management system be traced to invoices and/or other records of receipt?	References PO# and with PO# is linked to invoices, Fiscal Year and Funding Source.
8) Are there controls to ensure that the property management system is updated if physical assets are moved or disposed of?	Transfer forms for movement and disposal. Board of Trustees approves all disposals.
9) Do you perform physical inventories and reconcile the counts to the property management system and how often?	On an annual basis, fixed asset items are spot checked in different categories each year.
10) Does the property management system provide an audit trail of additions, changes, and dispositions of the physical assets?	Financial Account software has historical information that provides an audit trail.
11) Are physical assets protected from theft?	Campuses and Departments are responsible for security of all assets. Fraud Hotline is in place and the district has formed its own Police Department.
12) Do you maintain any excess inventory of E-Rate assets in a secure environment?	No excess inventory or excess inventory is minimal and secured with limited access.

## SAMPLE ACCOUNTS PAYABLE/CASH DISBURSEMENTS TESTS

Control Question	Description of Control
1) Are there policies and procedures that define how billings are recorded and vendor payments are made?	Accounts Payable Procedures require receiving documents, invoice and copy of purchase order signed off by recipient.
2) Are all disbursements reviewed and approved before payment?	Accounting Coordinator reviews weekly.
3) Do you ever use Form 472 (BEAR) for reimbursement of E-Rate eligible expenses?	Documentation in BEAR file.
4) Before you submit a Form 472 (BEAR), do you ensure that the work has been completed, that the service provider's bill has been paid in full, and that the reimbursement requested is correct?	Documentation in BEAR file.
5) Do you maintain a file for each Form 472, which includes the following supporting documents, a) vendor invoice or a worksheet supporting the claim, b) proof of payment to the service provider, c) correspondence with vendor regarding payments of the related invoices?	Documentation in BEAR file.
6) Do you have a process to identify and remove non E-rate eligible charges on invoices before submitting each FCC Form 472?	Ineligible charges are clearly identified.
7) When receiving discounted services from the service provider, do you maintain files that contain a) vendor invoice or reconciliation worksheet supporting the undiscounted portion of the E-rate expenditure, b) proof of payment for the undiscounted portion, c) support that the discounted services billed were received and were approved by the Funding Commitment Letter, and d) if possible, copies of the invoice submitted by the service provider to the Schools and Libraries Division?	All these documents are kept in separate locations; invoices and proof of payments are kept by accounts payable while the Work Approval Forms are kept in the E-Rate binder.

<b>Control Question</b>	<b>Description of Control</b>
8) Do you review the "Quarterly Disbursements Report" provided by the Schools and Libraries Division to ensure that payments to service providers are consistent with the goods and services received from the service provider and the discounts shown on bills received?	E-Rate binder
9) Do you maintain a spreadsheet or track by another method the total amount of the Form 472 requests and the discounts allowed by service providers to ensure that the FRN(s) has not been exceeded?	Documentation in BEAR file.
10) Do your records provide the ability to track E-rate assets from invoices to your property management system?	We track by purchase orders which reference the invoice.

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

**Block 1: Billed Entity Information**

**Applicant's Form Identifier:** 2003-ic-mselem  
**471 Application Number:** 366160 **Funding Year:** 07/01/2003 - 06/30/2004 **Billed Entity Number:** 141656

**Name:** LOS FRESNOS CONS IND SCH DIST  
**Address:** 600 N MESQUITE ST  
**City:** LOS FRESNOS **State:** TX **Zip:** 78566  
**Phone:** 956-233-4407 **Ext:**  
**Fax:** 956-233-9761  
**E-mail:** scapps@lfcisd.net

**Contact Name:** Steven Capps  
**Address:** 600 N MESQUITE ST  
**City:** LOS FRESNOS **State:** TX **Zip:** 78566  
**Contact Phone:** 956-233-4407 **Ext:**  
**Contact Fax:** 956-233-9761 **Ext:**  
**E-mail:** scapps@lfcisd.net  
**Contact Mode:** PHONE  
**Alternate Contact Info.:** contact Merv White mervw@lfcisd.net

**Type of Application:** SCHOOL DISTRICT

**Ineligible Orgs:** N

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

**Number of students to be served:** 7200

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

SERVICE DESCRIPTION	BEFORE ORDER	AFTER ORDER
b. High-bandwidth voice/data/video service: How many buildings served before and after your order?	10	12
h. Internet access(for schools): How many rooms have Internet access before and after your order?	426	500
j. Internet Access: How many computers (or other devices) with Internet access before and after your order?	2500	3000

**Block 4: Worksheets**

**EX. F**

Worksheet A No: 475265 Student Count: 7229

Weighted Product (Sum. Column 8): 6506.1

Shared Discount: 90%

1. School Name: LAS YESCAS ELEMENTARY SCHOOL  
 2. Entity Number: 91469 3. Rural/Urban: Rural  
 4. Student Count: 396 5. NSLP Students: 369 6. NSLP Students/Students: 93.181%  
 7. Discount: 90% 8. Weighted Product: 356.4

1. School Name: LAURELES ELEMENTARY SCHOOL  
 2. Entity Number: 221163 3. Rural/Urban: Rural  
 4. Student Count: 622 5. NSLP Students: 557 6. NSLP Students/Students: 89.549%  
 7. Discount: 90% 8. Weighted Product: 559.8

1. School Name: LOPEZ-RIGGINS ELEM SCHOOL  
 2. Entity Number: 91470 3. Rural/Urban: Rural  
 4. Student Count: 705 5. NSLP Students: 609 6. NSLP Students/Students: 86.382%  
 7. Discount: 90% 8. Weighted Product: 634.5

1. School Name: LOS CUATES MIDDLE SCHOOL  
 2. Entity Number: 91471 3. Rural/Urban: Rural  
 4. Student Count: 794 5. NSLP Students: 693 6. NSLP Students/Students: 87.279%  
 7. Discount: 90% 8. Weighted Product: 714.6

1. School Name: LOS FRESNOS ELEMENTARY SCHOOL  
 2. Entity Number: 91472 3. Rural/Urban: Rural  
 4. Student Count: 760 5. NSLP Students: 644 6. NSLP Students/Students: 84.736%  
 7. Discount: 90% 8. Weighted Product: 684

1. School Name: LOS FRESNOS HIGH SCHOOL  
 2. Entity Number: 91473 3. Rural/Urban: Rural  
 4. Student Count: 1976 5. NSLP Students: 1590 6. NSLP Students/Students: 80.465%  
 7. Discount: 90% 8. Weighted Product: 1778.4

1. School Name: PALMER-LAAKSO ELEMENTARY SCH  
 2. Entity Number: 91474 3. Rural/Urban: Rural  
 4. Student Count: 552 5. NSLP Students: 447 6. NSLP Students/Students: 80.978%  
 7. Discount: 90% 8. Weighted Product: 496.8

1. School Name: RESACA MIDDLE SCHOOL  
 2. Entity Number: 91475 3. Rural/Urban: Rural  
 4. Student Count: 896 5. NSLP Students: 758 6. NSLP Students/Students: 84.598%  
 7. Discount: 90% 8. Weighted Product: 806.4

1. School Name: SCHOOL 1  
 2. Entity Number: 232112 3. Rural/Urban: Rural  
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:  
 7. Discount: 90% 8. Weighted Product: 0

1. School Name: SCHOOL 2  
 2. Entity Number: 232114 3. Rural/Urban: Rural  
 4. Student Count: 0 5. NSLP Students: 0 6. NSLP Students/Students:  
 7. Discount: 90% 8. Weighted Product: 0

1. School Name: VILLAREAL ELEMENTARY SCHOOL  
 2. Entity Number: 91476 3. Rural/Urban: Rural  
 4. Student Count: 528 5. NSLP Students: 452 6. NSLP Students/Students: 85.606%

7. Discount: 90%

8. Weighted Product: 475.2

## Block 5: Discount Funding Request(s)

FRN: 994981		FCDL Date:	
11. Category of Service: Internal Connections		12. 470 Application Number: 405670000430759	
13. SPIN: 143007906		14. Service Provider Name: Avnet, Inc.	
15. Contract Number: n/a		16. Billing Account Number: n/a	
17. Allowable Contract Date: 12/13/2002		18. Contract Award Date: 01/30/2003	
19a. Service Start Date: 07/01/2003		19b. Service End Date:	
20. Contract Expiration Date: 06/30/2004			
21. Attachment #: Avnet mselem		22. Block 4 Worksheet No.: 475265	
23a. Monthly Charges: \$0.00		23b. Ineligible monthly amt.: \$0.00	
23c. Eligible monthly amt.: \$0.00		23d. Number of months of service: 12	
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$0.00			
23f. Annual non-recurring (one-time) charges: \$960,955.53		23g. Ineligible non-recurring amt.: \$0.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$960,955.53			
23i. Total program year pre-discount amount ( 23e + 23h): \$960,955.53			
23j. % discount (from Block 4): 90			
23k. Funding Commitment Request ( 23i x 23j): \$864,859.98			

FRN: 995025		FCDL Date:	
11. Category of Service: Internal Connections		12. 470 Application Number: 405670000430759	
13. SPIN: 143004340		14. Service Provider Name: Dell Marketing LP	
15. Contract Number: n/a		16. Billing Account Number: n/a	
17. Allowable Contract Date: 12/13/2002		18. Contract Award Date: 01/30/2003	
19a. Service Start Date: 07/01/2003		19b. Service End Date:	
20. Contract Expiration Date: 06/30/2004			
21. Attachment #: Dell		22. Block 4 Worksheet No.: 475265	
23a. Monthly Charges: \$0.00		23b. Ineligible monthly amt.: \$0.00	
23c. Eligible monthly amt.: \$0.00		23d. Number of months of service: 12	
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$0.00			
23f. Annual non-recurring (one-time) charges: \$187,652.00		23g. Ineligible non-recurring amt.: \$0.00	
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$187,652.00			
23i. Total program year pre-discount amount ( 23e + 23h): \$187,652.00			
23j. % discount (from Block 4): 90			
23k. Funding Commitment Request ( 23i x 23j): \$168,886.80			

## Block 6: Certifications and Signature

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24a. Schools: Y

24b. Libraries or Library Consortia: N

26a. Individual Technology Plan: Y

26b. Higher-Level Technology Plan(s): N

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: Steven Capps

37. Title or Position of Authorized Person: Technology Director

38. Telephone Number of Authorized Person: (956) 233-3740 ext.

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[« Previous](#)

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31. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service receive an appropriate share of benefits from those services.

32. I recognize that I may be audited pursuant to this application. I will retain for five years any and all worksheets and other records that I rely upon to fill out this application, and, if audited, will make available to the Administrator such records.

33. I certify that I am authorized to submit this request on behalf of the above-named institution, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

34. Signature of authorized person Cert ID = 23151

35. Date 1/31/2003

36. Printed name of authorized person Steven Capps

37. Title or position of authorized person Technology Director

38. Telephone number of authorized person (956) 233-3740

**ATTENTION: If you are signing Form 471 using the PIN assigned to you by SLD, you are reminded that using the PIN is equivalent to your handwritten signature on the form. Your use of the PIN to affirm these certifications means that should they prove untrue, you will be held to the same enforcement standards as those who affirm the certifications on paper. Also, by using the PIN, you are affirming that you have the authority to make these certifications and represent the entity featured in Block One of this funding request.**

**Please Check to affirm your compliance**

471 Application Number: 366160  
LOS FRESNOS CONS IND SCH DIST  
600 N MESQUITE ST  
LOS FRESNOS, TX 78566

**Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.**

**The Americans with Disabilities Act, the Individuals with Disabilities Education Act and the Rehabilitation Act may impose obligations on entities to make the services purchased with these discounts accessible to and usable by people with disabilities.**

**NOTICE:** Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator, 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, consistent with the Communications Act of 1934, FCC regulations and orders, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law, information provided in or submitted with this form or in response to subsequent inquiries may be disclosed to the public.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 46 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington DC 20554.

**Please retain a copy of this page and submit a copy with any communications to the SLD. Please enclose a copy of this confirmation page when mailing your Item 21 attachments.**

[Return to SLD Home Page](#)

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Schools and Libraries Division

FUNDING COMMITMENT REPORT

Form 471 Application Number: 366160  
Funding Request Number: 994981 Funding Status: Funded  
Services Ordered: Internal Connections  
SPIN: 143007906 Service Provider Name: Avnet, Inc.  
Contract Number: n/a  
Billing Account Number: n/a  
Earliest Possible Effective Date of Discount: 07/01/2003  
Contract Expiration Date: 06/30/2004  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$960,955.53  
Pre-discount Amount: \$960,955.53  
Discount Percentage Approved by the SLD: 90%  
Funding Commitment Decision: \$864,859.98 - ERN approved as submitted

Funding Request Number: 995025 Funding Status: Funded  
Services Ordered: Internal Connections  
SPIN: 143004340 Service Provider Name: Dell Marketing LP  
Contract Number: n/a  
Billing Account Number: n/a  
Earliest Possible Effective Date of Discount: 07/01/2003  
Contract Expiration Date: 06/30/2004  
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00  
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$180,300.61  
Pre-discount Amount: \$180,300.61  
Discount Percentage Approved by the SLD: 90%  
Funding Commitment Decision: \$162,270.55 - ERN approved; modified by SLD  
Funding Commitment Decision Explanation: The dollars requested were reduced to remove the ineligible products: DRAC's, tapes, and the ineligible portion of Silver PowerEdge Server and PowerVault Support service that is outside the funding year.

486 DONE

EX.G

May 27, 2004

Service Delivery Deadline Extension Request  
Schools and Libraries Division  
Box 125 – Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

RE: 471 Application #: 366160, 366501  
FRN#: 994981, 996267  
Funding Period: July 1, 2003 to Jun 30, 2004 (Year 2003)  
Service Provider Name: Avnet, Inc.  
SPIN: 143 007 906

Dear Sirs,

I am requesting an extension for the above referenced FRN's because my Service Provider is unable to complete delivery and installation for reasons beyond the Service Providers control. The construction of our two new campuses has been delayed for the following reasons:

1. The region has seen an unusual amount of rain this year. Construction is estimated to be 45-60 days behind on the two new campuses that these FRN's address.

I believe this project can be completed with a 3 month extension.

Contact person name: David Young  
Contact information: [dyoung@lfcisd.net](mailto:dyoung@lfcisd.net)

Thank you,



David Young  
Computer Services Coordinator  
Los Fresnos CISD

EX. H

**Universal Service for Schools and Libraries  
Adjustment to Funding Commitment and  
Modification to Receipt of Service Confirmation Form**

Please read instructions before completing.

Estimated Average Burden Hours Per Response: 1.5 hours  
(To be completed by Schools and Libraries or Consortia.)

Form 500 Number 1-mselem-wir  
(unique identifying number assigned by applicant)

**Block 1: Applicant Information**

1. Name of Billed Entity Applicant (required) <b>Los Fresnos CISD</b>		2. Billed Entity Number (required) <b>141656</b>	3. Funding Year (required) <b>2003</b>
4. Complete Mailing Address of Billed Entity Applicant (required)			
Street Address, P. O. Box or Route Number <b>PO Box 309</b>	City <b>Los Fresnos</b>	State <b>TX</b>	Zip Code <b>78566</b>
10-Digit Phone Number <b>956.233.3740</b>	Fax Telephone Number <b>956.233.9761</b>	E-Mail Address <b>dyoung@lfcisd.net</b>	
5. Contact Person Information			
Contact Person Name (required) <b>David Young</b>			
Mailing Address (required if different from Item 4)			
Street Address, P. O. Box or Route Number	City	State	Zip Code
10-Digit Phone Number	Fax Telephone Number	E-Mail Address	

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE: The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the form will be used to inform the Schools and Libraries Division of the Universal Service Administrative Company that a billed entity, and/or the schools and libraries that it represents, wishes to reduce its funding commitment amount on the funding request number level, or has modified the beginning or ending date for services received during the funding year.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party in a proceeding before the body or has an interest in the proceeding.

If you do not provide the information requested on the form, your application may be returned without action or your application may be delayed.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden, to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

Billed Entity Applicant's 500 Number (to be assigned by Fund Administrator) \_\_\_\_\_

Billed Entity Name Los Fresnos CISD Contact Name David Young  
 Billed Entity Number 141656 Contact Telephone Number 956.233.3740

**Block 2: Services Adjustment: Fill in one Block 2 for EACH Funding Request (FRN) affected.** If you are submitting more than one Block 2, please number your pages 2A, 2B, 2C, etc. and write the number in the space provided here: Page 2

6. Provide the following information about each service cited in your Form 471 Block 5, Discount Funding Request, [FRN] for which you want to take one of the following actions:
- Remember: The FRNs listed on this form must be for the same Funding Year as listed in Item 3, Block 1.**
- New Start Date:** If you wish to change the Funding Year Service Start Date you listed on a previously filed Form 486 in this funding year. This action will NOT result in more funding.
  - Contract Expiration Date:** If you wish to change the ending date for services. This action will not result in more funding but you could combine it with a reduction in funding.
  - Cancel:** If you wish to cancel a Funding Request Number. Please note: This action is irrevocable and the FRN can NOT be reinstated later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.
  - Reduce:** If you wish to reduce the amount of your funding commitment for a particular FRN. This action is irrevocable and the FRN can NOT be increased later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

The information required can be found in your Funding Commitment Decision Letter (FCDL) pertaining to the Funding Request (FRN) being affected.

To launch the submission of invoices for payment, please file Form 486.

**IDENTIFICATION OF THE FRN TO BE ADJUSTED**

- (A) Form 471 Application Number (required): 366501
- (B) Funding Request Number (required): 996267
- (C) Billing Account Number (required, if contained in your FCDL): n/a
- (D) Service Provider Name (required): Avnet Inc.
- (E) Service Provider SPIN (required): 143007906

**ADJUSTMENT TO FRN LISTED ABOVE:**

(F) Service Start Date	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input type="checkbox"/> Change Date		
(G) Contract Expiration Date	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input checked="" type="checkbox"/> Change Date	06/30/2004	<del>366501</del> 09/30/2004 <i>David Young</i>
(H) Cancel FRN	Original Commitment Amount:	New Commitment Amount:
<input type="checkbox"/> Please Cancel		
(I) Reduce FRN	Original Commitment Amount from FCDL:	New Commitment Amount AFTER Reduction:
<input type="checkbox"/> Please Reduce		

Billed Entity Name	Los Fresnos CISD	Contact Name	David Young
Billed Entity Number	141656	Contact Telephone Number	956.233.3740

**Block 2: Services Adjustment: Fill in one Block 2 for EACH Funding Request (FRN) affected.** If you are submitting more than one Block 2, please number your pages 2A, 2B, 2C, etc. and write the number in the space provided here: Page 2

6. Provide the following information about each service cited in your Form 471 Block 5, Discount Funding Request, [FRN] for which you want to take one of the following actions:  
**Remember: The FRNs listed on this form must be for the same Funding Year as listed in Item 3, Block 1.**  
**New Start Date:** If you wish to change the Funding Year Service Start Date you listed on a previously filed Form 486 in this funding year. This action will NOT result in more funding.  
**Contract Expiration Date:** If you wish to change the ending date for services. This action will not result in more funding but you could combine it with a reduction in funding.  
**Cancel:** If you wish to cancel a Funding Request Number. Please note: This action is irrevocable and the FRN can NOT be reinstated later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.  
**Reduce:** If you wish to reduce the amount of your funding commitment for a particular FRN. This action is irrevocable and the FRN can NOT be increased later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

The information required can be found in your Funding Commitment Decision Letter (FCDL) pertaining to the Funding Request (FRN) being affected.

To launch the submission of invoices for payment, please file **Form 486**.

**IDENTIFICATION OF THE FRN TO BE ADJUSTED**

(A) Form 471 Application Number (required):	366160
(B) Funding Request Number (required):	994981
(C) Billing Account Number (required, if contained in your FCDL):	n/a
(D) Service Provider Name (required):	Avnet Inc.
(E) Service Provider SPIN (required):	143007906

**ADJUSTMENT TO FRN LISTED ABOVE:**

<b>(F) Service Start Date</b>	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input type="checkbox"/> Change Date		
<b>(G) Contract Expiration Date</b>	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input checked="" type="checkbox"/> Change Date	06/30/2004	09/30/2004
<b>(H) Cancel FRN</b>	Original Commitment Amount:	New Commitment Amount:
<input type="checkbox"/> Please Cancel		
<b>(I) Reduce FRN</b>	Original Commitment Amount from FCDL:	New Commitment Amount AFTER Reduction:
<input type="checkbox"/> Please Reduce		

Do Not Write In This Area

Billed Entity Name Los Fresnos CISD Contact Name David Young

Billed Entity Number 141656 Contact Telephone Number 956.233.3740

**Block 3: Certification**

7. I certify that I am authorized to submit this Form on behalf of the above-named billed entity applicant, that I have examined this request, and that, to the best of my knowledge, information, and belief, all statements of fact contained herein are true.
8. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the services receive an appropriate share of benefits from those services.
9. I recognize that I may be audited pursuant to this application and will retain for five years any and all records that I rely upon to fill in this form.

10. Signature (original ink signature required) 	11. Date (required) <u>5/27/04</u>
12. Printed name of authorized person (required) David Young	
13. Title or position of authorized person (required) Computer Services Coordinator	
14. Telephone number of authorized person (required) 956.233.3740	
15. E-Mail address of authorized person (required, if available) dyoung@fcisd.net	
16. Address of authorized person (required) PO Box 309 Los Fresnos, TX 78566	

**A paper copy of this form, with an original signature in Block 3, Item 10 should be mailed to:**

**SLD-Form 500  
P. O. Box 7026  
Lawrence, Kansas 66044-7026**

**If sent by express delivery services or U.S. Postal Service, Return Receipt Requested, the form should be mailed to:**

**SLD-Form 500  
c/o Ms. Smith  
3833 Greenway Drive  
Lawrence, Kansas 66046  
888-203-8100**

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

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Postmark  
Put Here

**SED Form 500**

Sent To	c/o Ms. Smith
Street, Apt. No., or PO Box No.	3833 Greenway Drive
City, State, ZIP+4	Lawrence, Kansas 66046
	888-203-8100

**LOS FRESNOS**  
**CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

PO BOX 309  
LOS FRESNOS, TEXAS 78566

September 22, 2004

Service Delivery Deadline Extension Request  
Schools and Libraries Division  
Box 125 – Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

RE: 471 Application #: 366160, 366501  
FRN#: 994981, 996267  
Funding Period: July 1, 2003 to June 30, 2004 (Funding Year 2003)  
Service Provider Name: Avnet, Inc.  
SPIN: 143 007 906

Dear Sirs,

Please find attached, two new form 500s for the above referenced projects. I am requesting an extension for the above referenced FRN's because my service provider is unable to complete delivery and installation for reasons beyond the service provider's control. Completion of our Middle School (Liberty Memorial Middle School) has been delayed due to the following reason(s):

The region has experienced an unusual amount of rain this year. Construction is now estimated to be 60 - 90 days behind due to the site's inaccessibility.

I originally requested an extension on this project until the end of September but due to additional rain during the summer months, I now believe this project can be completed with an extension to January 30<sup>th</sup>, 2005.

Contact Person: David Young  
[dyoung@lfeisd.net](mailto:dyoung@lfeisd.net)  
Computer Services Director  
Los Fresnos CISD  
PO Box 309  
Los Fresnos, Texas 78566  
(956)233-3740, fax (956)233-3527

Thank you,



David Young  
Computer Services Director

EX. H-1

**Universal Service for Schools and Libraries  
Adjustment to Funding Commitment and  
Modification to Receipt of Service Confirmation Form**

Please read instructions before completing.

Estimated Average Burden Hours Per Response: 1.5 hours  
(To be completed by Schools and Libraries or Consortia.)

Form 500 Number  
(unique identifying number assigned by applicant)

**Block 1: Applicant Information**

1. Name of Billed Entity Applicant (required)		2. Billed Entity Number (required)	3. Funding Year (required)
<b>Los Fresnos Consolidated Independent School District</b>		<b>141656</b>	<b>2003</b>
4. Complete Mailing Address of Billed Entity Applicant (required)			
Street Address, P. O. Box or Route Number	City	State	Zip Code
<b>PO Box 309</b>	<b>Los Fresnos,</b>	<b>Texas</b>	<b>78566</b>
10-Digit Phone Number	Fax Telephone Number	E-Mail Address	
<b>(956) 233-3740</b>	<b>(956) 233-3527</b>	<b>dyoung@lfcisd.net</b>	
5. Contact Person Information			
Contact Person Name (required) <b>David Young</b>			
Mailing Address (required if different from Item 4)			
Street Address, P. O. Box or Route Number	City	State	Zip Code
<b>Same as above</b>			
10-Digit Phone Number	Fax Telephone Number	E-Mail Address	

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE: The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the form will be used to inform the Schools and Libraries Division of the Universal Service Administrative Company that a billed entity, and/or the schools and libraries that it represents, wishes to reduce its funding commitment amount on the funding request number level, or has modified the beginning or ending date for services received during the funding year.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party in a proceeding before the body or has an interest in the proceeding.

If you do not provide the information requested on the form, your application may be returned without action or your application may be delayed.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden, to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

Billed Entity Applicant's 500 Number (to be assigned by Fund Administrator) \_\_\_\_\_

Billed Entity Name Los Fresnos Cons ISD Contact Name David Young  
 Billed Entity Number 141656 Contact Telephone Number (956)233-3740

**Block 2: Services Adjustment: Fill in one Block 2 for EACH Funding Request (FRN) affected.** If you are submitting more than one Block 2, please number your pages 2A, 2B, 2C, etc. and write the number in the space provided here: Page 2 A

6. Provide the following information about each service cited in your Form 471 Block 5, Discount Funding Request, [FRN] for which you want to take one of the following actions:  
**Remember: The FRNs listed on this form must be for the same Funding Year as listed in Item 3, Block 1.**  
**New Start Date:** If you wish to change the Funding Year Service Start Date you listed on a previously filed Form 486 in this funding year. This action will NOT result in more funding.  
**Contract Expiration Date:** If you wish to change the ending date for services. This action will not result in more funding but you could combine it with a reduction in funding.  
**Cancel:** If you wish to cancel a Funding Request Number. Please note: This action is irrevocable and the FRN can NOT be reinstated later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.  
**Reduce:** If you wish to reduce the amount of your funding commitment for a particular FRN. This action is irrevocable and the FRN can NOT be increased later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

The information required can be found in your Funding Commitment Decision Letter (FCDL) pertaining to the Funding Request (FRN) being affected.

To launch the submission of invoices for payment, please file **Form 486**.

**IDENTIFICATION OF THE FRN TO BE ADJUSTED**

(A) Form 471 Application Number (required): 366160  
 (B) Funding Request Number (required): 994981  
 (C) Billing Account Number (required, if contained in your FCDL):  
 (D) Service Provider Name (required): Avnet, Inc.  
 (E) Service Provider SPIN (required): 143007906

**ADJUSTMENT TO FRN LISTED ABOVE:**

(F) Service Start Date	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input type="checkbox"/> Change Date		
(G) Contract Expiration Date	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input checked="" type="checkbox"/> Change Date	<u>06/30/2004</u>	<u>01/30/2005</u>
(H) Cancel FRN	Original Commitment Amount:	New Commitment Amount:
<input type="checkbox"/> Please Cancel		\$0.00
(I) Reduce FRN	Original Commitment Amount from FCDL:	New Commitment Amount AFTER Reduction:
<input type="checkbox"/> Please Reduce		

Billed Entity Name Los Fresnos Cons ISD Contact Name David Young  
 Billed Entity Number 141656 Contact Telephone Number (956)233-3740

**Block 2: Services Adjustment: Fill in one Block 2 for EACH Funding Request (FRN) affected.** If you are submitting more than one Block 2, please number your pages 2A, 2B, 2C, etc. and write the number in the space provided here: Page 2 **B**

6. Provide the following information about each service cited in your Form 471 Block 5, Discount Funding Request, [FRN] for which you want to take one of the following actions:  
**Remember: The FRNs listed on this form must be for the same Funding Year as listed in Item 3, Block 1.**  
**New Start Date:** If you wish to change the Funding Year Service Start Date you listed on a previously filed Form 486 in this funding year. This action will NOT result in more funding.  
**Contract Expiration Date:** If you wish to change the ending date for services. This action will not result in more funding but you could combine it with a reduction in funding.  
**Cancel:** If you wish to cancel a Funding Request Number. Please note: This action is irrevocable and the FRN can NOT be reinstated later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.  
**Reduce:** If you wish to reduce the amount of your funding commitment for a particular FRN. This action is irrevocable and the FRN can NOT be increased later. This action would allow money to be put back into the Universal Service fund for possible commitment to other applicants.

The information required can be found in your Funding Commitment Decision Letter (FCDL) pertaining to the Funding Request (FRN) being affected.

To launch the submission of invoices for payment, please file **Form 486**.

IDENTIFICATION OF THE FRN TO BE ADJUSTED	
(A) Form 471 Application Number (required):	<u>366501</u>
(B) Funding Request Number (required):	<u>996267</u>
(C) Billing Account Number (required, if contained in your FCDL):	
(D) Service Provider Name (required):	<u>Avnet, Inc.</u>
(E) Service Provider SPIN (required):	<u>143007906</u>

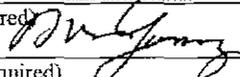
ADJUSTMENT TO FRN LISTED ABOVE:		
<b>(F) Service Start Date</b>	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input type="checkbox"/> Change Date		
<b>(G) Contract Expiration Date</b>	Original Date (mm/dd/yyyy):	New Date (mm/dd/yyyy):
<input checked="" type="checkbox"/> Change Date	<u>06/30/2004</u>	<u>01/30/2005</u>
<b>(H) Cancel FRN</b>	Original Commitment Amount:	New Commitment Amount:
<input type="checkbox"/> Please Cancel		\$0.00
<b>(I) Reduce FRN</b>	Original Commitment Amount from FCDL:	New Commitment Amount AFTER Reduction:
<input type="checkbox"/> Please Reduce		

Do Not Write In This Area

Billed Entity Name Los Fresnos Cons ISD Contact Name David Young  
Billed Entity Number 141656 Contact Telephone Number (956)233-3740

**Block 3: Certification**

7. I certify that I am authorized to submit this Form on behalf of the above-named billed entity applicant, that I have examined this request, and that, to the best of my knowledge, information, and belief, all statements of fact contained herein are true.
8. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the services receive an appropriate share of benefits from those services.
9. I recognize that I may be audited pursuant to this application and will retain for five years any and all records that I rely upon to fill in this form.

10. Signature (original ink signature required)		11. Date (required) Sept. 22, 2004
12. Printed name of authorized person (required)	David Young	
13. Title or position of authorized person (required)	Computer Services Director	
14. Telephone number of authorized person (required)	(956)233-3740	
15. E-Mail address of authorized person (required, if available)	dyoung@lfcisd.net	
16. Address of authorized person (required)	Los Fresnos Cons. ISD / PO Box 309 / Los Fresnos, Texas 78566	

A paper copy of this form, with an original signature in Block 3, Item 10 should be mailed to:  
SLD-Form 500  
P. O. Box 7026  
Lawrence, Kansas 66044-7026

If sent by express delivery services or U.S. Postal Service, Return Receipt Requested,  
the form should be mailed to:  
SLD-Form 500  
c/o Ms. Smith  
3833 Greenway Drive  
Lawrence, Kansas 66046  
888-203-8100

**LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**Regular School Board Meeting**  
**October 13, 2003**

- I. Board President A. N. Vallado called a Regular School Board Meeting to order at 7:03 p.m., determined the presence of a quorum, and that the notice of the meeting had been duly posted as required by law.
- II. Dr. Vallado led everyone in the *Pledges of Allegiance*
- III. A moment of silence was observed after the *Pledge of Allegiance*.
- IV. The following Board members were present: A. N. Vallado, Eddie Abrego, Eloy Cortez, Jr., Juan Mendoza, Jr., Rosi Amaro-Galarza, James Guajardo, and Jackie Kyger. Also present were: Supt. Dr. Sylvia Atkinson, Chief Financial Officer Jorge Rivas, School Attorney Ruben Pena, and a number of administrators, teachers, parents, students and other guests.
- V. **FIX THE TIME IN WHICH TO ADJOURN**  
It was moved by Eloy Cortez, Jr., to set the time for adjournment for tonight's meeting at 9:00 p.m. Motion died for lack of second.
- VI. 1. A PUBLIC HEARING was held to discuss the High School Equivalency Program. Executive Director Birdie Rodriguez gave a presentation. Public input was solicited. However, there were no comments from the audience.
- VII. **PRESENTATIONS/REPORTS:**
2. Special Presentation—All Board members were honored and presented certificates and other keepsakes by members of the Leadership Team in observance of Boss's week.
  3. Special Olympics—Power Lifting. Los Fresnos High School student Gloria Cisneros was honored for winning the gold medal at the World Olympics in Ireland. Her coach, Iris Flores, was also recognized.
  4. Boys' Cross Country students--presented by Coach George Medina
  5. Girls' Cross Country—Not Presented
  6. Navy ROTC students presented by Commander Arredondo and Chief Marquez
- VIII. **PUBLIC AUDIENCE**  
The following individuals addressed the Board:
- | <u>Name</u>      | <u>Topic/s</u>                   |
|------------------|----------------------------------|
| Teresa Gutierrez | ROTC, Parental Involvement, Band |
- IX. **DISTRICT REPORTS**
7. Financial Reports
    - Portfolio Report
    - Tax Collection Report
    - Summary Revenue Status Reports
    - Summary Expenditure Status Reports
    - Monthly Disbursements
    - Ambac Investment Report
    - Budget Adjustments
    - Insurance



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- Ex. I

**LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

**Regular School Board Meeting**

**October 13, 2003**

**Page 2**

**DISTRICT REPORTS, CONTINUED**

**8. Curriculum Report**

- Adequate Yearly Progress, presented by Dr. Atkinson

**X. CONSENT AGENDA**

Items #17, #18, #19, and #20 were pulled out of consent agenda at the request of individual Board members.

Upon the recommendation of the Superintendent, it was moved by Eddie Abrego, seconded by Rosi Amaro-Galarza, to approve the consent agenda as follows:

9. Minutes for the meeting/s held August 11, 2003, September 8, 2003, and October 6, 2003 as mailed;
10. Budget Amendment #2 for 2003-04, as presented;
11. Ad valorem tax refunds and write-offs for the month of October, 2003, as presented;
12. Adoption of resolution to designate unreserved general operating fund balance in the amount of \$395,689, retroactive to August 31, 2003, as presented;
13. Nonstandard Service Agreement with the East Rio Hondo Water Supply Corporation, as presented;
14. Awarding of contract/s for garbage removal services for the 2003-04 school year to Waste Management, as presented;
15. Adoption of Resolution Authorizing the Execution and Delivery of a Master Lease Agreement, Equipment Schedule, Escrow Agreement, and Related Instruments and Determining Other Matters in Connection Therewith, as regards the purchase of new school buses, as presented.
16. Awarding of contracts for general merchandise and school-related products to the vendors, as presented;  
(See action on items #17, #18, #19, #20 below)
21. Tech Prep/Los Fresnos CISD Agreement for sharing student data, as presented;
22. Board members' out-of-town travel to:
  - a. TASB Fall Legal Seminar, November 14-15, 2003 at South Padre Island, Texas
  - b. TASB Celebrating Educational Opportunities, March 19-21, San Diego, California

Motion to approve Consent Agenda carried unanimously, except for Eloy Cortez, who abstained on the minutes of September 8 and October 6.

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LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
Regular School Board Meeting  
October 13, 2003

Page 3

ITEMS PULLED OUT OF CONSENT AGENDA:

#17. Upon the recommendation of the Superintendent, it was moved by Eloy Cortez, Jr., seconded by Juan Mendoza, to award a Sub-Agreement for Gear-Up Program between the University of Texas at Brownsville, Texas Southmost College and Los Fresnos CISD for the period beginning September 1, 2003 to August 31, 2004, as presented. Motion carried unanimously.

#18. Upon the recommendation of the Superintendent, it was moved by Jackie Kyger, seconded by Eloy Cortez, Jr., to approve an Interlocal Agreement with the Texas Association of School Boards Risk Management Fund for Unemployment Compensation, as presented.

#19. Upon the recommendation of the Superintendent, it was moved by Rosi Amaro-Galarza, seconded by Jackie Kyger, to adopt a resolution appointing Jorge Rivas as the sole investment officer, pursuant to Government Code Section 2256.005. Motion carried unanimously.

#20 Upon the recommendation of the Superintendent, it was moved by Jackie Kyger, seconded by Rosi Amaro-Galarza, to award the e-rate contract for 2003-04 to Avnet, as presented. Motion carried unanimously.



XI. ACTION ITEMS

23. It was moved by Eddie Abrego, seconded by Juan Mendoza, Jr., to designate the Board President as the Board representative during mediation discussion in the matter of Gloria Kury vs. Rosi Amaro-Galarza and the Los Fresnos Consolidated Independent School District. Motion carried unanimously, except for Chairman Vallado, who did not vote
24. It was moved by Rosi Amaro-Galarza, seconded by Eddie Abrego, to table action indefinitely on the request by a Board member to receive district information. Motion carried unanimously except for Mr. Kyger, who voted "nay."
25. It was moved by Rosi Amaro-Galarza, seconded by Eloy Cortez, Jr., to schedule *Robert's Rules of Order*, Board Policy, and *Texas Education Code* training for Board members and the Superintendent, as appropriate, to be provided by Region I. Motion carried unanimously.
26. It was moved by Eloy Cortez, Jr., to amend Board Operating Procedures: Board Meetings, as presented. Motion died for lack of second.

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**LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**Regular School Board Meeting**  
**October 13, 2003**

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27. It was moved by Eloy Cortez, Jr., seconded by Juan Mendoza, Jr., to nominate Jackie Kyger to the TASB Board of Directors. Motion carried unanimously.
28. Upon the recommendation of the Superintendent, it was moved by Eloy Cortez, Jr. to award a contract to Tipton Motors in the amount of \$75,520 for the purchase of four minivans, as presented. Motion died for lack of second.
29. It was moved by Eddie Abrego, seconded by Juan Mendoza, Jr., to award a contract to Stanford Knowles for architectural services for construction of a mini-gym at elementary #7. Motion carried unanimously.
30. Upon the recommendation of the Superintendent, it was moved by Juan Mendoza, Jr., seconded by Jackie Kyger, to ratify the Interlocal Cooperation Pool Agreement between the City of Los Fresnos and the Los Fresnos CISD, as presented, subject to Texas Parks and Wildlife approval. Motion carried unanimously except for no votes from Rosi Amaro-Galarza and Eloy Cortez, Jr., who stepped out during the vote.
31. Upon the recommendation of the Superintendent, it was moved by Jackie Kyger, seconded by Juan Mendoza, Jr., to approve a request to submit the High School Equivalency Program (HSEP) application, as presented. Motion carried unanimously.
32. Upon the recommendation of the Superintendent, it was moved by Eloy Cortez, Jr., seconded by Eddie Abrego, to approve the Las Yescas Elementary School administration renovations as substantially complete. Motion carried unanimously.
33. It was moved by Jackie Kyger, seconded by Rosi Amaro-Galarza, to nominate James Guajardo as Cameron Appraisal District Director. Motion carried unanimously.
34. It was moved by Eloy Cortez, Jr., seconded by Jackie Kyger, to limit debate on the naming of the new school to no more than 10 minutes total. Motion carried unanimously. It was moved by Eloy Cortez, Jr., to name the new school "Mary Rose and Renato Cardenas." Motion died for lack of second. It was then moved by Juan Mendoza, Jr., seconded by Rosi Amaro-Galarza, to name the new elementary school "Olmito Elementary." A roll-call vote was taken as follows: Eddie Abrego, Rosi Amaro-Galarza, James Guajardo, Jackie Kyger, Juan Mendoza Jr. and A. N. Vallado voted "aye." Eloy Cortez, Jr., voted "nay." Motion carried.

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LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
Regular School Board Meeting  
October 13, 2003

Page 5

ACTION ITEMS, CONTINUED

CLOSED SESSION

Board President A. N. Vallado called for a closed session as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq, which authorizes the holding of such closed or executive sessions:

551. 074 Discussing personnel or to hear complaints against personnel

It was moved by Jackie Kyger, seconded by Rosi Amaro-Galarza, to go into closed session at 10:12 p.m. Motion carried unanimously.

OPEN SESSION

It was moved by Eddie Abrego, seconded by Rosi Amaro-Galarza, to come out of closed session at 10:18 p.m. with no official action taken. Motion carried unanimously.

35. Upon the recommendation of the Superintendent, it was moved by Rosi Amaro-Galarza, seconded by Eloy Cortez, Jr., to approve the personnel recommendations for the following position/s, as presented:

- a. Teacher/s  
b. Junior Accountant

Motion carried unanimously.

XII. ADDITIONAL INFORMATION

- a. Agenda items for future meetings: report on drainage at Las Yescas Elementary.  
b. Announcements. Dr. Atkinson announced a meeting tomorrow with district staff, RGMI and AMI to work on proposal. She also stated that a Board workshop on *Robert's Rules of Order* and Board Policy will be held on October 20, 2003 from 5:00 p.m. to 7:30 p.m.

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:21 p.m.

THE SIGNATURES ON THIS DOCUMENT ARE OBSCURED FOR SECURITY PURPOSES.

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Board Secretary/Asst. Secretary

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