

Garnet E. Person, CFR
Chief Executive Officer

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July 6, 2009

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: Request for Review: CC Docket No. 02-6 and CC Docket No. 96-45
Anne Arundel County Public Schools
Application No 625162 (Form 471, Funding Year 2008)
Billed Entity No. 126392**

Dear Secretary Dortch:

This request for review addresses the Schools and Libraries Division's ("SLD") decision to reduce the shared discount on Federal Communications Commission (FCC) Form 471 No. 625162 submitted by E-Rate Elite Services, Inc. ("EES") on behalf of the Anne Arundel County Public Schools ("AACPS").

As set forth in greater detail below, EES provided sufficient documentation and responses to the SLD requests associated with the Program Integrity Assurance ("PIA") and Selective Reviews. In addition, submits the administrative procedure excluding the acceptance of a meal application, or forms of similar nature, in connection with the projection survey method, is inconsistent with 47 C.F.R. §54.505. Finally, EES on several occasions has made written inquiry of SLD to define the criteria for considering a form a "NSLP Application" or other non-qualifying form when conducting the projection survey method, with no response from SLD.

1. EES Provided Sufficient Documentation to Validate a Shared Discount of 88%

During the initial review of Form 471 Nos. 625162 and 591239 the PIA reviewer requested discount validation of three schools (Meade Heights Elementary School, Point Pleasant Elementary School and Brooklyn Park Elementary School) within the AACPS.¹ In response EES, on behalf of the AACPS, forwarded a detailed description of the methodology used to calculate the

¹ See Program Integrity Assurance request for further information, from Mr. John Pope (SLD); dated April 17, 2008.

discount. The description also included examples of how the included documentation was used to calculate the projected NSLP eligibility. All calculations used within the response and their corresponding NSLP data were compiled using acceptable mechanisms as defined by program guidelines as defined by 47 C.F.R. §54.505.

EES followed acceptable USAC guidelines when responding to the Reviewer's request for documentation. The documentation provided during PIA review included a sample copy of a filled out survey/application for Free and Reduced Lunch determination and a signed NSLP certification letter that included the actual and projected NSLP information and certification language for each school within the reviewer's request.² The response also included a detailed description of the method used to calculate the discount. We clearly indicated which entities had received Alternative Mechanism treatment, in order to correct the omission of such indication on the FCC Form 471 Block 4.

The PIA Reviewer sent another validation request for the use of the alternative mechanism used to calculate student eligibility for Brooklyn Park Elementary School. We further explained the details by which each student was counted, their NSLP status, the number of surveys and number of eligible students. Later, the reviewer sent another request for the submission of third party verification of the direct certification of student from the Brooklyn Park Elementary School. As well, this information was transmitted to the reviewer along with a letter from the Maryland State Department of Education alerting schools of how to obtain their direct certification information.

EES made a reasonable conclusion that the responses to the reviewer's requests were received and examined using acceptable program standards and practices. As such, EES and AACPS were confident that they had fulfilled the documentation requirements for validation of the requested shared discount of 88%. PIA Reviewer, Mr. John Pope, issued a letter on September 24, 2008 requesting our agreement that the discounts for each of the three schools included in the original request would be reduced because the "survey instrument is not a survey, but a Free & Reduced Lunch Application". He stated in his correspondence that the modifications would reduce the shared discount for 471 Application 625162 from 88% to 86%. Again, we sent a letter addressed to SLD in disagreement with the discount modification of 86% as noted by Mr. Pope.

A review of the documentation and the changes made by the PIA reviewer to the Block 4, would suggest the information provided was not reviewed as a federally-approved alternative mechanism for calculating AACPS' discount. The PIA reviewer was provided accurate and certified documentation that validated the discount for those schools that were later change from the original request. Furthermore, the signed NSLP certification letter clearly states that the Anne Arundel County Public School uses the same direct certification method to collected income eligibility data for use in the application for federal, state and local funding programs and therefore is not considered solely a lunch application.

The AACPS' standard data collection method uses the same measure of poverty as required by Title I of the Improving America's School Act of 1994 "*which equate one measure of poverty with*

² See Exhibit A, NSLP data certification, signed by Ms. Jodi Risse (AACPS Food and Nutrition Services, Supervisor).

another” (Federal Communications Commission 97-157 ¶ 510). Additionally, Section 34 of the Code of Federal Regulations states:

34 CFR Ch. II, § 200.28 (a)(2)(i)(B)(1)

(B) ...If the same data are not available, comparable data –

(1) collection through alternative means such as a survey

Additionally, Mr. Pope’s final correspondence on September 24, 2008³ stated that the shared discount would be changed from 88% to 86%; however, the Funding Commitment Decision Letter issued on March 24, 2009 further reduced the discount of the AACPS Form 471 No. 625125 to 85%. Based on our review of the documentation submitted to Mr. Pope and the changes made to FCC Form 471 Application No. 625162, we have concluded the PIA Reviewer did not appropriately evaluate the documentation submitted by EES to validate the individual entity discounts based on rules as set forth by the Federal Communications Commission and the United States Federal Code of Regulation.

2. SLD Contends the NSLP Application is an Unacceptable Survey Document for Projection Survey Method

In June 2006, SLD issued an SLD News Brief indicating the NSLP or Meal Application is not an acceptable survey document for use with the federally approved alternative survey method. EES submits, the change is inconsistent with 47 C.F.R. §54.505. Absent an amendment to 47 C.F.R. §54.505, the basis for the change is unfounded and unsupported. Prior to the change in the verbiage on the SLD website, the prior content was consistent with 47 C.F. R. §54.505.⁴ The change is inconsistent with the intent of the aforementioned regulation and fails to serve the public interest.

The primary mechanism, for most public school districts, utilized to collection income data from students’ families, has historically been the NSLP application. However, that income data is utilized on a more global scale. The data is subsequently used to formulate national, state and local statistics and also impacts funding across similar platforms; as evidenced by its use when requesting E-rate funding. **During certification of the information, it was clearly stated this source data was not solely utilized in connection with the NSLP, instead is the mechanism for gathering data poverty data within the district.**²

Upon the posting of the change in the administrative processing of NSLP applications, in connection with the projection survey method, EES requested clarification. EES submitted several written and verbal requests, over the last two years, for clarification. In an effort to understand the recent change, it was requested of SLD to provide clarity as to what constituted a NSLP/Meal application or other disqualifying form. **EES contended, the same information was requested on these forms, as stipulated in the survey criteria defined by 47 C.F.R. §54.505. Therefore, in an effort to understand the change, we requested clarity. To date, SLD has not responded to any of the EES requests for clarification of the difference between the defined survey**

³ See Exhibit B, correspondence sent by Mr. John Pope (SLD PIA Reviewer) detailing the shared discount reduction.

⁴ See Exhibit C, Schools and Libraries Division website; <http://www.sl.universalservice.org/reference/alt.asp>.

criteria and most NSLP/Meal application. EES submitted, since form instructions vary and some are issued without instructions, was it as simple as changing the title of the form/survey/application that would result in compliance. SLD has provided no response.

There is a clear statistical disparity between eligibility at the primary versus secondary levels in public school districts. Many have attributed the variance to the social stigma associated with receiving free or reduced lunch. Accordingly, we believe the utilization of the NSLP application or other survey documents provides a basis to more accurately determine the level of poverty at the secondary levels; thereby, resulting in a more reliable district discount.

3. Conclusion

The documentation noted in this appeal clearly substantiates that EES provided adequate information for SLD to determine the nature and validity of the shared discount. (1) We provided a detailed description of the method used to calculate the shared discount on three separate occasions. With each request EES ensured that acceptable methods were utilized, as noted on the USAC website, when calculating the shared discount. As well the required documentation was provided in an accurate and timely fashion. (2) The PIA reviewer utilized actual NSLP data although detailed documentation and examples of an alternative discount mechanism was provided. Also, during subsequent requests, the SLD made no indication that it felt the documentation previously supplied was insufficient. In fact, the reviewer later asked for a third party certification of the data to support our stated discount. EES provided the requested third party documentation. (3) AACPS uses the survey methodology for collecting income eligibility information for other purposes outside of the NSLP eligibility applications; therefore the survey is not solely a lunch application. The survey is a standard survey methodology for income documentation for AACPS and may be used for a projection method as defined by E-Rate guidelines. (4) EES has made several attempts to obtain clarity from the SLD with regards to the administrative change, with no response. Accordingly, to deny funding to AACPS when the change clearly appears to be inconsistent with 47 C.F.R. §54.507, while disregarding repeated requests for clarity, is not in the public's interest.

Based on the foregoing, we respectfully request that the FCC review the SLD's decision, under the established policies and procedures for evaluating applications in Funding Year 2008. We request, SLD restore the aforementioned shared discount listed on AACPS' Form 471 Application No. 625125 to 88%.

Sincerely,



Garnet E. Person
Chief Executive Officer
E-Rate Elite Services, Inc.



Schools and Libraries Division

April 17, 2008

Garnet Person
ANNE ARUNDEL COUNTY PUBLIC SCHOOLS
410-902-5800
Application Numbers: **591239, 625162, 628634**

Response Due Date: May 2, 2008

Dear Garnet:

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2008 Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2008 Form 471 Application. To complete our review, we need some additional information. The information needed to complete the review is listed below.

I: Discounts – all applicable applications

Based upon review of your 2007 Form 471 application, we were not able to validate your requested discount percentages for:

Entity Name	Entity #	Req Disc
MEADE HEIGHTS ELEMENTARY SCH	22300	90
POINT PLEASANT ELEMENTARY SCH	22938	80

You may validate your requested discount percentages, by providing the appropriate documentation listed in one of the following options.

Option 1. If the school participates in a National School Lunch Program (NSLP), please provide a signed copy (preferably by the Principal, Vice-Principal, Superintendent or chief school official, or Director of Food Services) of a Reimbursement Claim Form that the school sends to the state each month. Make sure that the following 3 items are identified:

- a) The Entity name
- b) The total number of students enrolled at the entity
- c) The total number of students eligible for Free/Reduced Lunch Program for the entity

If the school district fills out an aggregate claim form for the school district, also provide a signed letter from a school official (preferably the Superintendent or chief school official) that lists the enrollment and Free/Reduced information for each school in the district. The enrollment and Free/Reduced information provided in your letter should match the claim form.

Option 2. If the discount percentage was determined by information obtained from a survey/application (National School (Free & Reduced) Lunch Application forms cannot be used as survey instruments), please provide the following information in writing on school letterhead signed by a school official (such as the Principal, Vice Principal, Superintendent or Director of Food Services):

- a) Total number of students enrolled
- b) Total number of surveys/applications sent out
- c) Number of surveys/applications returned
- d) Total number of students qualified for NSLP per the returned surveys/applications
- e) Are the surveys/applications and results kept on file.

Provide a sample copy of a FILLED OUT SURVEY/APPLICATION. **Be advised that in order for a survey to be acceptable it must contain the name of family and students, the size of the family, and the income level of the family.**

A signed certification that reads: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."

Please refer to <http://www.usac.org/sl/applicants/step05/alternative-discount-mechanisms.aspx#3> for further details.

Option 3: If the discount was determined using a different method than what was identified above, please indicate the method that was used and provide all relevant data.

II: Entity Validation – 591239:

Based upon review of your Form 471 application and/or the documentation you provided, we were not able to determine the eligibility of

Entity Name	Entity #
ANNE ARUNDEL COUNTY PUBLIC SCHOOLS	16038160

In order to be eligible to receive discounted services, per the rules of this program, the entity providing classroom instruction must be considered part of an elementary or a secondary school found in the No Child Left Behind Act of 2001 (20 U.S.C. Section 7801 (18) and (38)) which is not operating as a for-profit businesses, and does not have an encowment exceeding \$50 million. Please provide documentation that will verify that the entity meets the definition provided above.

If this entity is a non-instructional facility, it can be eligible for services under certain circumstances. For all FRNs on this application, please provide a written Yes/No response indicating whether either of these two following descriptions accurately and completely describes your school, school district or library's situation, and if so, which one or both:

- 1. Is the non-instructional facility used solely for school, school district or library business? ___ Yes
___ No
- 2. Do only school, school district or library employees use the non-instructional facility? ___ Yes
___ No

(Note: Your response should be based on the amount of funds you are requesting, which may be after cost-allocation has taken place. For example, a school could identify the school portion of a combined church/school phone bill and identify that portion that is "used for school business by school employees.")

For further information about funding requests to non-instructional facilities, consult the "Educational Purposes" document at <http://www.universalservice.org/si/applicants/step06/educational-purposes.aspx>

III: Interim Spin – Application 625 162

For FRN 1743975 we have not received the replacement Service Provider Identification Number ("SPIN") for temporary SPIN 143666666. We must have a valid SPIN before a funding commitment decision letter can be issued for this FRN. Please provide signed documentation on letterhead indicating the following SPIN information: FRN(s), valid SPIN, and the service provider name. This information must match the service provider (Plexus) that was indicated on the Item 21 Attachments.

IV: Alternative Mechanism Check – Applications 625 162 & 591239

On your Form 471 applications # **625162 & 591239**, you stated that you used an alternative discount mechanism to calculate the number of students eligible for NSLP for the following entity (ies):

23539	BROOKLYN PARK ELEMENTARY SCH
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Please respond to the following question:

Was a survey method used to calculate the number of students eligible for NSLP?

- **If Yes**, please provide the following information for each of the entities:
 1. The date that the survey was conducted
 2. The number of students enrolled in the school at the time of the survey
 3. The number of families that were sent the survey (the number of surveys sent out)
 4. The number of surveys returned
 5. The number of students determined to be eligible for NSLP based on the returned surveys
 6. Provide copies of all returned surveys with the child's personal information blackened out to ensure confidentiality, but retaining the information that helped you determine if the family was eligible for Free & Reduced Lunch.
 7. **Indications on each survey form or on a separate sheet of the Free & Reduced Lunch Eligibility determination for EACH survey. If provided on a separate sheet, provide a means to cross-reference the survey to which each determination relates. For example, a code of "001" on the survey and "001" on the separate sheet with the eligibility determination of that survey indicated.**
 8. A signed certification that states: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."
 9. This information (excluding the surveys and determination sheet, if used) must be in writing on **school letterhead and signed by a school official (such as the Principal, Vice-Principal, Superintendent (or chief school official), or Director of Food Services).**

- **If No**, please provide a complete description of the methodology used to calculate the number of students eligible for NSLP (i.e.: Medicaid, Food Stamps, etc.). For information on acceptable measures as an alternative to NSLP, please see the USAC website at: <http://www.usac.org/sl/applicants/step05/alternative-discount-mechanisms.aspx>.

V: Application 5911239:

FRN1724769:

- Please provide the bandwidth of the wireless internet access service from Verizon.

VI: Applications 625162 & 628634

For all FRNs on these applications, the documentation provided in the Item 21 Attachments is not sufficient to determine the eligibility of your request(s).

Please provide a detailed list of the products and services you are requesting, such as:

- The make and model of the product,
- Documentation identifying the cost associated with the product/service and its component parts,
- A breakdown of the components that make up a product,
- Documentation identifying the cost associated with the maintenance, installation, or warranty of ineligible equipment, etc.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

John

John S. Pope
Senior Reviewer
Program Integrity Assurance
USAC, Schools and Libraries Division
Phone: 973-581-5093
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E-mail: jpope@sl.universalservice.org



Food & Nutrition Services

2666 Riva Road, Suite 100 | Annapolis, MD 21401 | 410-222-5900 • 410 222-5920(FAX) • 301-970-8644(WASH) • 410-222-5500(1DD)

May 1, 2008

Mr. John S. Pope
Schools and Libraries Division
80 South Jefferson Rd.
Whippany, NJ 07981

Dear Mr. Pope,

In response to your facsimile request for Anne Arundel County Public Schools 471 Application# 591239,625162,628634 we are providing the following response:

In regards to the following schools, we used the projection survey method in accordance with the calculations listed on the USAC Schools & Libraries website. The below example is a representation of the school for which we employed the Alternative Mechanism. Here the number of applications returned exceeds the 50% required return rate and therefore the projection survey method is applicable.

<u>Meade Heights Elementary School</u>	<u>Actual#</u>	<u>Projected#</u>
1. Total no. of students enrolled-	305	
2. Total no. of survey/applications sent out-	305	
3. No. of surveys/applications returned-	192	
4. Total no. of students qualified for the National School Lunch Program-	165	262

The percentage of applications returned = the number of surveys returned/ the number of students = 63%. The percentage of ineligible applications = no. of students qualified for the NSLP (165) / No. of surveys returned (192) = 86%. Therefore, by extrapolation the projected number of ineligible students is 86% of the total no. of students enrolled =262 students. This same method is applied to the other entities that use the projection method.

<u>Point Pleasant Elementary School</u>	<u>Actual#</u>	<u>Projected#</u>
1. Total no. of students enrolled-	522	
2. Total no. of survey/applications sent out-	522	
3. No. of surveys/applications returned-	268	
4. Total no. of students qualified for the National School Lunch Program	192	375

The percentage of applications returned = the number of surveys returned/ the number of students = 54%. The percentage of ineligible applications = no. of students qualified for the NSLP (192) / No. of surveys returned (268) = 71%. Therefore, by extrapolation the projected number of ineligible students is 71% of the total no. of students enrolled =374 students. This same method is applied to the other entities that use the projection method.

<u>Brooklyn Park Elementary School</u>	<u>Actual#</u>	<u>Projected#</u>
1. Total no. of students enrolled-	375	
2. Total no. of survey/applications sent out-	375	
3. No. of surveys/applications returned-	203	
4. Total no. of students qualified for the National School Lunch Program	171	316

The percentage of applications returned = the number of surveys returned/ the number of students = 63%. The percentage of ineligible applications = no. of students qualified for the NSLP (171) / No. of surveys returned (203) = 86%. Therefore, by extrapolation the projected number of ineligible students is 86% of the total no. of students enrolled = 316 students. This same method is applied to the other entities that use the projection method.

I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471.

Please note that Anne Arundel County Public Schools survey is the standard survey used to collect income eligibility documentation and is not used solely as a National School Lunch Application. This income data is collected and utilized in connection with application to federal and state funding programs and therefore not considered solely a lunch application.

If additional information regarding this matter is needed, please contact Mr. Garnet Person at (410) 902-5800.

Sincerely,

Jodi Risse
Food Services Director

5-1-08
Date

FACSys[®] Fax Messaging Gateway



To: Garnet E. Person

From: Pope, John

Fax Number: 1-410-5811209

Subject: Anne Arundel

Date: September 24, 2008

Pages: 2

Time: 10:42:50 AM

Note:

Dear Garnet:

1. Re: Entity 22300 Meade Heights Elementary: Extrapolation is not warranted as your survey instrument is not a survey, but a Free & Reduced lunch application. Therefore, this discount will be validated at 80%.
 - a. Please confirm your agreement with this discount, which is the same discount as validated by the state website.

2. Re: Entity 22938 Point Pleasant Elementary: Extrapolation is not warranted as your survey instrument is not a

survey, but a Free & Reduced lunch application. Therefore, this discount will be validated at 60%.

- a. Please confirm your agreement with this discount, which is the same discount as validated by the state website.
-
3. Re: Entity 23539 Brooklyn Park Elementary: Extrapolation is not warranted as your survey instrument is not a survey, but a Free & Reduced lunch application. Therefore, this discount will be validated at 60%.
 - a. Please confirm your agreement with this discount, which is the same discount as validated by the state website.

These changes do not affect the shared discount for the district as represented by the Block 4 worksheet in Application 591239.

However, the shared discount for the Priority Two application 625162 drops from 88% to 86%.

Please confirm your agreement with this shared discount change.

I look forward to your swift response.

All best,

John

John S. Pope

Associate Manager PIA Senior Reviewer

Universal Service Administrative Company Schools & Libraries Division

Voice: 973-581-5093

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E-Mail: jpope@sl.universalservice.org



Universal Service Administrative Company

Schools and Libraries

[SL Main](#) > [Reference Area](#) > Alternative Discount Mechanisms Fact Sheet

About the Schools and Libraries Program

- [Overview of the Program](#)
- [Overview of the Process](#)
- [Training Presentations](#)
- [Service Provider Conference Calls](#)
- [Eligible Services List](#)
- [Appeals](#)
- [Audits](#)
- [Suspensions and Debarments](#)
- [Update Contact Information](#)
- [Document Retention Requirements](#)
- [Site Visits](#)
- [Changes and Corrections](#)
- [Commitment Adjustment \(COMAD\)](#)

Schools and Libraries Tools

- [Apply Online](#)
- [Calendar/Reminders](#)
- [Required Forms](#)
- [Reference Area](#)
- [Search Tools](#)
- [Program Compliance - Whistleblower Hotline](#)

Alternative Discount Mechanisms Fact Sheet

1. [Primary measure for E-rate](#)
2. [Alternative mechanisms](#)
3. [Survey guidelines](#)
4. [Acceptable alternative measures of poverty](#)
5. [Existing sources](#)
6. [Matching siblings](#)
7. [Projections based on surveys](#)
8. [Unacceptable alternative mechanisms](#)

1. Primary measure for E-rate

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

The FCC's rationale for using NSLP data is as follows:

"[T]he national school lunch program determines students' eligibility for free or reduced-price lunches based on family income, which is a more accurate measure of a school's level of need than a model that considers general community income."

— FCC 97-157 ¶ 509

A chart defining the Income Eligibility Guidelines (IEG) for NSLP eligibility for the current year (07/01/2000 – 06/30/2001) is available by [clicking here](#).

2. Alternative mechanisms

The FCC also sanctions other mechanisms to determine a school's level of need, as long as those mechanisms are based on — or do not exceed — the same measure of poverty used by NSLP:

"[A] school may use either an actual count of students eligible for the national school lunch program or federally-approved alternative mechanisms to determine the level of poverty for purposes of the universal service discount program...

"[S]chools that choose not to use an actual count of students eligible for the national school lunch program may use only the federally-approved alternative mechanisms contained in Title I of the Improving America's School Act, which equate one measure of poverty with another."

— FCC 97-157 ¶ 510

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

- (1) [c]ollected through alternative means such as a survey; or

(2) [f]rom existing sources such AFDC or tuition scholarship programs."

— 34 CFR Ch. II, § 200.28 (a)(2)(i)(B)(1) and (2)

3. Survey guidelines

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

- a. The survey must be sent to all families whose children attend the school.
- b. The survey must attain a return rate of at least 50%.
- c. The survey must, at a minimum, contain the following information:
 - o Address of family
 - o Grade level of each child
 - o Size of the family
 - o Income level of the parents
- d. The survey must assure confidentiality. (The names of the families are not required.)

4. Acceptable alternative measures of poverty

The following measures of poverty are currently acceptable alternatives to NSLP eligibility:

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

Participation in Temporary Assistance for Needy Families (TANF) is an acceptable alternative measure of poverty ONLY IF the family income of participants is at or below the IEG for NSLP. Similarly, participation in need-based tuition assistance programs is acceptable if the family income of participants is at or below the IEG for NSLP.

5. Existing sources

Schools may also use existing sources of data which measure levels of poverty, such as TANF or need-based tuition assistance programs. However, these measures are acceptable for E-rate purposes only if the family income of participants is at or below the IEG for NSLP.

6. Matching siblings

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

7. Projections based on surveys

If a school has sent a questionnaire to all of its families, and if it receives a return rate of at least 50 percent of those questionnaires, it may use that data to project the percentage of eligibility for E-rate purposes for all students in the school. For example, a school with 100 students sent a questionnaire to the 100 homes of those students, and 75 of those families returned the questionnaire. The school finds that the incomes of 25 of those 75 families are at or below the IEG for NSLP. Consequently, 33 percent of the students from those families are eligible for E-rate purposes. The school may then project from that sample to conclude that 33 percent of the total enrollment, or 33 of the 100 students in the school, are eligible for E-rate purposes.

8. Unacceptable alternative mechanisms

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

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

Content Last Modified: January 3, 2005

Need help? You can contact us toll free at 1-888-203-8100.
Our hours of operation are 8AM to 8PM, Eastern Time, Monday through Friday.
Aware of fraud, waste, and abuse, report it to our [Whistleblower Hotline!](#)

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