

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

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| In the Matter of |) | |
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| Request for Review of a Decision of the |) | Administrator Correspondence Dated |
| Universal Service Administration Corp. for |) | September 12, 2014 |
| Richmond City Library |) | |
| |) | |
| |) | |
| Schools and Libraries Universal Service |) | CC Docket No. 02-6 |
| Support Mechanism |) | |

Request for Review

In accordance with sections 54.719 through 54.721 of the Commission's rules, Richmond City Library, Virginia (Richmond) requests Federal Communications Commission (Commission) review of a decision of the Schools and Libraries Division of the Universal Service Administrative Company (Administrator). Based on the facts presented Richmond asks that the Administrator decision be overturned.

Form 471 Application Number: 940708
FRN: 2595958, 2595964, 2599710
Billed Entity Number: 126511
FCC Registration Number: 0013046917

Background

Richmond City Library, located in the city of Richmond, Virginia, serves a community struggling with high poverty and limited resources. The percentage of children eligible for the National School Lunch Program (NSLP), as reported and approved on the Richmond City School's 2014 FCC Form 471 is over 75 percent.

Richmond Library originally applied for E-Rate funding at a discount rate based on Richmond schools NSLP participation reported on the Virginia Department of Education Web Site. During application review however, it was discovered that Richmond Schools utilized National School Lunch figures from a month other than the October reporting used to compile the Department of Education Report when preparing the FCC Form 471 Block 4.

The Virginia Department of Education NSLP report indicated Richmond City Schools had a total of 74.25 percent of students eligible for NSLP free or reduced price lunches. However, the Richmond City Schools 2014 Form 471 Block 4 indicated that 76.66 percent of Richmond City students were eligible for NSLP free or reduced price lunches.¹ When the discrepancy was discovered, Richmond Library submitted a RAL correction to the Administrator. The RAL correction was never acknowledged by the Administrator and a Funding Commitment Decision Letter issued on May 19, 2014 with an 80 percent discount rate for the library.

Richmond appealed the FCDL to the Administrator on July 10, 2014. The Administrator denied the discount portion of the appeal on September 12, 2014 (Attached).

Discussion

E-Rate regulations for determining library discounts are clear: For libraries and library consortia, the level of poverty shall be based on the percentage of the student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally-approved alternative mechanism in the public school district in which they are located.²

¹ Richmond City School District 2014 E-Rate application, Number 973675

² CFR §54.505 (b)(2)

Library discounts are calculated using the aggregate school lunch eligibility for the local school district.³ Library discounts are derived solely from the public school district. Libraries have absolutely no mechanism to increase or alter the library discount rate. Generally, library discounts are calculated from school lunch numbers reported to state Departments of Education. However, schools may utilize alternative discount methods to calculate and increase E-Rate discounts. Alternative, federally approved, discount calculations are not reported to the state Department of Education and receive additional scrutiny during review. Schools rarely share alternative discount calculations with libraries and the Administrator does not have a mechanism to compare school discount calculations with associated library discounts. Libraries often receive lower E-Rate discounts than they should because of unreported and unrecognized alternative discount calculations. It would be unreasonable to expect a library to be aware the local school district used school lunch figures different from those reported to the state.

The consequences of the Administrator's failure to accurately calculate NSLP participation for libraries can result in underfunding for libraries by hundreds of thousands of dollars nationally. For Richmond Library alone, the difference between the 90 percent discount to which the library is entitled and the 80 percent it was awarded is over \$10,000.

In this case the facts are clear and unambiguous. Richmond Schools requested and were approved for E-Rate discounts with an aggregate NSLP participation rate of 76.66 percent. Richmond Library was approved for a discount rate of 80 percent based on an inaccurate report by the Virginia Department of Education.

³ Divide the number of students eligible for NSLP in the public school district in which the library outlet/branch is located by the total number of students in that public school district. Use this number and the urban or rural status of the library outlet/branch to look up the discount on the Discount Matrix. – Schools and Libraries Web Site "Calculating discounts"

Conclusion

The Richmond Library should receive the E-Rate discount reflected in the poverty level of Richmond City Schools. If the actual poverty level is determined to be higher than a report posted on a Department of Education Web site, the Administrator should accept those higher numbers when those numbers can be verified during E-Rate application review. In this case, the library attempted to correct the discrepancy during the RAL process but was ignored. The library also gave the Administrator an opportunity to correct the discrepancy through the appeal process but was denied.

Libraries have absolutely no mechanism to self-determine library discount rates. Library rates are determined by the NSLP eligibility rates reported by schools. If the school utilizes an approved method to increase discount rates, those rates should naturally flow to the associated library. We ask the Commission to recognize the inherent inequity libraries face for calculating discounts and overturn this decision. We ask that the Richmond City Library discount be increased to 90 percent in accordance with Federal Communication Commission regulations and over \$10,000 additional E-Rate funding be granted to the library.

Sincerely,



Melissa L. Zaruba
Consultant to Richmond Public Library