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Schools and Libraries News Brief

June 22, 2007

> **TIP OF THE WEEK: If you have not yet clicked the "Submit" button on your online Form 486, you will get a message that your security code is invalid when you try to certify your form online.** If this happens, click the "Form 486 Interview" button on the Apply Online page, enter your Form 486 application number and security code, then complete and submit your form before attempting to certify it online.

Commitments for Funding Years 2007 and 2006

Funding Year 2007. USAC will release FY2007 Wave 8 Funding Commitment Decision Letters (FCDLs) June 26. This wave will include commitments for approvals of Priority 1 requests (Telecommunications Services and Internet Access) at all discount levels and approvals of Priority 2 requests (Internal Connections and Basic Maintenance) at 90%. As of June 22, FY2007 commitments total just over $391 million.

Funding Year 2006. USAC will release FY2006 Wave 56 FCDLs June 27. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 86% and above and denials at 84% and below. As of June 22, FY2006 commitments total just under $1.92 billion.

After noon on the date that the FCDLs are mailed, you can check to see if you have a commitment by using USAC's Automated Search of Commitments tool.

Release of Revised FCC Forms 472, 473, 474, 479, 486, and 500

Revised FCC Forms 472, 473, 474, 479, 486, and 500 are now available for use by applicants and service providers. The revised forms, which have been approved by the Office of Management and Budget, are posted on the Required Forms page on the USAC website.

All six forms have been updated with notices on the Privacy Act and the Paperwork Reduction Act and dated with a new issue date of April 2007. In addition, some of the forms have been updated to conform with current FCC requirements:

- **Form 472**, the Billed Entity Applicant Reimbursement (BEAR) Form, has been changed at Block 4A to reflect the current requirement that service providers have 20 business days, not 10 as in the previous form, to remit payments to applicants. The revised form replaces a version dated October 1998.
- **Form 473**, the Service Provider Annual Certification (SPAC) Form, contains certifications that the service provider has complied with the competitive bidding requirements of the E-Rate Program. In addition, the revised Form 473 contains information about a single Service Provider Identification Number (SPIN), rather than, as in the previous form, multiple SPINs. The revised form replaces a version dated October 1998.
- **Form 474**, the Service Provider Invoice (SPI) Form, replaces a version dated October 2001.
- **Form 479**, the Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act, contains a change in the estimated response time from 1.5 hours to 1.0 hour, to reflect actual program practice. The revised form replaces a version dated August 2003.
- **Form 486,** the Receipt of Service Confirmation Form, contains a certification that the applicant's technology plan was approved before the receipt of services. The revised form replaces a version dated August 2003.
- **Form 500**, the Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form, replaces a version dated April 2000.

USAC will continue to accept submissions of the previous versions of these forms postmarked on or before July 31, 2007.

Update to Alternative Discount Mechanisms Fact Sheet

The primary measure for determining discounts is the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP). However, some alternative discount mechanisms may be used to determine student eligibility.

USAC has updated the Alternative Discount Mechanisms Fact Sheet to provide additional information on these mechanisms. The information contained in this update provides a ready reference for applicants that use these alternative mechanisms to substantiate discount requests.

The following **is not** a summary of the entire Fact Sheet but rather a highlight of the additional information available. For specific information on any term or topic, refer to the updated Alternative Discount Mechanisms Fact Sheet.

Measure of poverty

Alternative discount mechanisms used to determine eligibility must fall within the Income Eligibility Guidelines (IEGs) for NSLP. In other words, the income of the student's household must be at or below 185% of the poverty level for that school year for that student to be considered eligible. Current and past IEGs can be found in the National School Lunch Program section of the United States Department of Agriculture website.

The alternative discount mechanisms listed on the Fact Sheet fall within the IEGs. You can also use eligibility for other programs as alternative discount mechanisms, but you must be able to demonstrate that the eligibility requirements for those programs fall within the IEGs.

Surveys

Schools can design and use surveys to collect information on household income and/or eligibility for acceptable alternative discount mechanisms. Such a survey must meet certain requirements:

- The survey must be sent to all households whose children attend the school, and
- They must, at a minimum, contain the following information:

    Name of family and students
    Size of the family
    Income level of the family

NSLP application forms cannot be used as surveys.

If your survey results in a response rate of at least 50%, you can project the discount rate for your school. In all other cases, you must be able to substantiate your discount request on a student-by-student basis.

Age of survey data

Surveys must be done at least every other year. For example, if you did a survey in September 2006, you can use the data collected to support discounts for FY2007 and FY2008 applications but not for FY2009 applications.

Combining data from different sources

You can combine data from different sources as long as you can substantiate eligibility on a student-by-student basis. For example, you could establish the eligibility of some students in your school by the results of a survey, others by matching siblings, and others by participation in a needs-based tuition program based on IEGs.

Provision 1, Provision 2, Provision 3, Puerto Rico, and the U.S. Virgin Islands

NSLP has special provisions for schools that meet specific criteria. In general, these schools have different reporting requirements and must maintain certain documentation to qualify for free and/or reduced lunches under these provisions. Program Integrity Assurance (PIA) may ask

for copies of this documentation during the course of application review. In some cases, PIA may require information in addition to this NSLP documentation.

Unacceptable methods

Some methods of measuring poverty are unacceptable for determining discounts. As you can see from the list below, these methods all involve projections or estimates instead of actual counts of eligible students. Unacceptable methods include:

- **Feeder school method.** This is a projection of the number of low-income students in a middle school or high school based on the average poverty rate of the elementary schools that "feed" students to the middle school or high school.
- **Proportional method.** This is a projection of the number of low-income students based on an estimate of local poverty.
- **Extrapolation from non-random samples.** This uses a non-random sample of students chosen to derive the percentage of poverty in a school.
- **Title 1 eligibility.** This uses eligibility for Title 1 funds as the sole criterion for estimating the level of poverty in a particular school.

Points to keep in mind

If you intend to use a survey or other alternative discount mechanism to substantiate your requested discount, keep the following in mind:

- Don't use NSLP forms as surveys.
- Follow the website guidance as you design your survey and/or choose the mechanism(s) you intend to use. In particular, if you collect data using a needs-based scholarship program or other program not on the list, make sure that the eligibility requirements for that program are at or below the IEGs for NSLP for that funding year.
- Retain the documentation you use to substantiate your discount for five years after the last date to receive service.

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