

[Back](#) [header](#)

Schools and Libraries News Brief

January 22, 2010

FY2010 WINDOW COUNTDOWN

Days to window close **20****Forms 471 filed to date** **6,373****Form 471 Deadline: February 11, 2010 at 11:59 p.m. EST**

TIP OF THE WEEK: If you need to request new entity numbers or updates to existing entities, we suggest that you do so now. For a list of the information we need to create or update an entity in our database, refer to the guidance on [Entity Numbers](#) on the USAC website.

Commitments for Funding Years 2009 and 2008

Funding Year 2009. USAC will release FY2009 Wave 37 Funding Commitment Decision Letters (FCDLs) January 26. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 80% and above and denials at 54% and below. As of January 22, FY2009 commitments total just under \$2.11 billion.

Funding Year 2008. USAC will release FY2009 Wave 78 FCDLs January 27. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 87% and above and denials at 86% and below. As of January 22, FY2008 commitments total just under \$2.45 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

Item on Tentative Agenda for Next FCC Open Meeting

On January 21, 2010, the FCC Chairman Julius Genachowski announced that, among other things, the following item will be on the tentative agenda for the next open meeting scheduled for Thursday, February 11, 2010: An Order and Notice of Proposed Rulemaking to enable schools that receive funding from the E-Rate program to allow members of the general public to use the schools' Internet access during non-operating hours at no additional cost to the Universal Service Fund. This order and notice do not permit or require any changes to E-Rate applications due on February 11, 2010.

Comment Period Established for CIPA NPRM

On November 5, 2009, the FCC released a Notice of Proposed Rule Making (NPRM) [FCC 09-96](#) to propose revising the FCC rules regarding the E-rate program to comply with the requirements of the Protecting Children in the 21st Century Act. Comments on the NPRM are due to the FCC on or before February 18, 2010, and reply comments on or before March 5, 2010. For information on how to file comments, refer to [Public Notice DA 10-102](#).

January 28 Invoicing Deadline for Non-recurring Services

If the last date for the delivery and installation of your non-recurring services was September 30, 2009, the deadline for invoicing USAC for those services is January 28, 2010. This deadline applies both to service providers that file Service Provider Invoice (SPI) Forms 474 and applicants that file Billed Entity Applicant Reimbursement (BEAR) Forms 472.

This deadline applies to non-recurring services for FY2008 that have not received a service delivery deadline extension or invoice deadline extension and also to non-recurring services from previous funding years that received a service delivery extension to September 30, 2009.

Applicants and service providers can file invoices online. You can find links to the online BEAR Form and SPI Form – as well as a service provider link to approve BEAR Forms filed by applicants online – on the [Required Forms](#) page.

If you want to know the last day to invoice for a particular funding request, refer to the [FRN Extension Table](#) on the USAC website. Remember, if you miss the invoicing deadline, you can file an [invoice deadline extension request](#).

"Form 470 But No Form 471" Letters Issued

Today USAC issued just over 27,000 letters to applicants notifying them that, as of January 14, they had not yet filed a Form 471 featuring their FY2010 Form 470 application number in Item 11 of a funding request.

This letter is NOT a reminder to file a Form 471 as soon as possible. Applicants must still wait at least 28 days after the posting date of the Form 470 to close their competitive bidding process, evaluate bids received, select a service provider, sign and date a contract (if applicable), and sign and submit the Form 471. This letter is only a notification that – according to USAC's database – as of January 14, no FY2010 Form 471 has been filed that cites the timely filed Form 470 posted by the applicant named on the letter.

If you receive a "Notification of Form 470 Posted But No Associated Form 471" letter and you are planning to file a Form 471, be sure to complete all necessary actions in time to file your online Form 471 or postmark your paper Form 471 no later than 11:59 p.m. EST on Thursday, February 11, 2010.

Calculating Discounts

In Block 4 of the Form 471, applicants list the individual recipients of service for a particular Block 5 funding request and calculate the appropriate discount level for those recipients. The [Form 471 Instructions](#) provide detailed guidance on calculating discounts; below we have provided a high-level summary of discount calculations for specific situations.

As always, we encourage you to file online. Warning messages and informational pop-ups can help you through the discount calculation process and avoid the problem resolution activities that occur during USAC's data entry of paper forms.

General Information

To calculate the discount for an individual entity (recipient of service), you need two pieces of information:

- The urban or rural status of the entity, which you can determine using the physical location of the entity and the appropriate state list linked to the guidance document [Rural/Urban Classification](#).
- The percentage of students eligible for the National School Lunch Program (NSLP). (See below for a short discussion of alternatives to NSLP.)

You can then find your discount in the [Discount Matrix](#) posted on the USAC website. Locate the row that includes the percentage of students eligible for NSLP and then find your discount in the urban or rural column, as appropriate.

Following is information on how to calculate discounts for different types of entities:

Individual school

Divide the number of students eligible for NSLP at the school by the total number of students at the school. Use this number (the percentage of students eligible for NSLP) and the urban or rural status of the school to look up the discount on the Discount Matrix.

Library outlet/branch

Divide the number of students eligible for NSLP in the school district in which the library outlet/branch is located by the total number of students in that 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.

School district

List each individual school in the school district in a Block 4 worksheet and calculate the E-rate discount for each school as described above. Then multiply the E-rate discount for each school by the number of students in the school (the "weighted product"). Add together all the weighted products and divide the result by the total number of students in the school district to get the "weighted average discount" for the school district.

Library system or library consortium

List each library outlet/branch in a Block 4 worksheet, and calculate the E-rate discount for each outlet/branch as described above. Add together all the discounts and divide that total by the number of outlets/branches to get the "simple average discount" for the library system. Note that if all of the outlets/branches are located in the same school district, all of the discounts – and the simple average of the discounts – will be the same.

Consortium of schools and/or libraries

List each consortium member on a Block 4 worksheet and calculate the E-rate discount for each member as described above. (Note that you will use a separate worksheet first to calculate the discount for a school district or library system that is a consortium member.) Then calculate the simple average of the discounts of the members.

School or library non-instructional facility (NIF) without classrooms

A [non-instructional facility](#) or NIF is a school building without classrooms or a library building without public areas. (Some school NIFs do contain classrooms - see below.)

A school NIF without classrooms is eligible for the shared discount of its school district. If you have not already done so in your application, complete a worksheet for the school district calculation as described above.

- TIP: If you are filing online, enter the entity number for the NIF in a line of a Block 4 worksheet. Enter "0" (zero) in the fields labeled "4. Total Number of Students" and "5. Number of Students Eligible for NSLP" and check the box to the right of the field labeled "eligible for a non matrix discount." (We call this discount a non-matrix discount because this discount is a weighted average and probably does not appear in the Discount Matrix). Then enter the school district's weighted average discount.

For a NIF in a library system, use the library outlet/branch calculation as described above.

School NIF with classrooms

If the student population in the classroom(s) is fixed (the same students are expected to attend class every day), use the calculation for an individual school as described above.

If the student population varies from day to day or over time, use a "snapshot" of the student population for your calculation. Choose a particular day and calculate the percentage NSLP eligibility for the student population in the classroom for that day and carry that percentage eligibility into the Discount Matrix. Be sure to maintain documentation of your calculation.

New school or library construction

For a school, if you know the student population of the new school, calculate the discount for an individual school as described above. If you don't know the student population of the new school, use the school district weighted average as described above.

For a library, calculate the discount for the library outlet/branch as described above using the information from the school district in which the new building will be located.

Head Start, pre-kindergarten, juvenile justice, or adult education

First, you must determine if the students and/or facilities in these programs are eligible in your state using the [Eligibility Table for Non-traditional K-12 Students and Facilities](#). If they are eligible, calculate the discount for an individual school (or a NIF with classrooms as appropriate) as described above.

Alternative discount mechanisms

For schools that either do not participate in NSLP or choose not to use NSLP participation numbers, there are certain acceptable [alternative discount mechanisms](#) that can be used to calculate an equivalent measure for the percentage of students eligible for NSLP. In all cases, these mechanisms must be based on or not exceed the same measure of poverty used by NSLP.

Applicants using an alternative discount mechanism must maintain complete and appropriate documentation of their calculations to support their funding requests. Remember that documentation must be retained for five years after the last date to receive service.

In general, data from alternative discount mechanisms must be collected and verifiable on an individual student basis. There is only one exception: if you send a survey to all households in your school and at least half of the surveys are completed and returned, you can project a percentage of eligibility based on the returned surveys. Here are a few suggestions:

- Follow the website guidance carefully when you design your survey.
- NSLP forms CANNOT be used as surveys.
- Send one survey per household, not one per student.
- Number your surveys consecutively so that returned surveys are easier to track.
- If you do a projection, base it ONLY on returned surveys. You can combine multiple sources of data if you are verifying your data student by student, but NOT in a projection.

For detailed information on surveys and other alternatives to NSLP, refer to the [Alternative Discount Mechanism Fact Sheet](#). For general information on calculating discounts, refer to the [Form 471 Instructions](#).

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[Back](#)