North Carolina E-Rate Forum

Weekly E-Rate Newsletter
Vol. 11, No. 11 March 13, 2017

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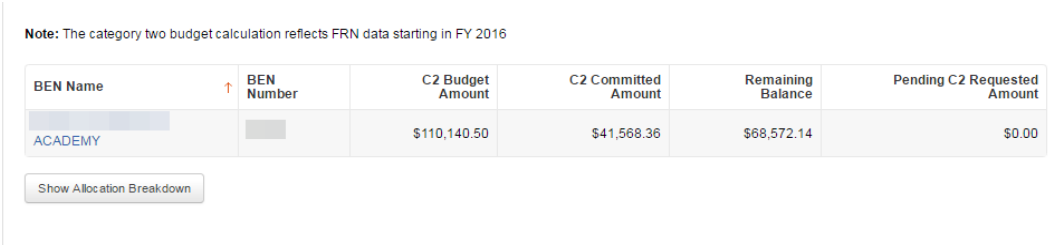
Funding Status – FY 2016

Wave 37 for FY 2016 was released last Thursday, March 9th, for a total of $29.4 million. Roughly 108 FCDLs were issued in Wave 37. Funding for North Carolina was $211 thousand for a pair of applicants. Cumulative national funding through Wave 37 is $2.34 billion. Wave 38 is scheduled to be released on Thursday, March 16th.

Updates on USAC's E-Rate Productivity Center and Legacy System

Category Two Budget Tool Update:

E-Rate Central staff noticed something interesting in the Category Two Budgets this past week. USAC's EPC Category Budget Tool was reporting budgets that did not align with $150/student for schools or $2.30/$5.00 per square foot for libraries. For example, the school shown below, with 727 students based on prior year calculations of $150/student, would have a C2 budget amount of $109,050. USAC's tool, however, is reporting a C2 budget of $110,140.50.



Note: The category two budget calculation reflects FRN data starting in FY 2016

BEN Name	BEN Number	C2 Budget Amount	C2 Committed Amount	Remaining Balance	Pending C2 Requested Amount
ACADEMY		$110,140.50	$41,568.36	$68,572.14	$0.00

Show Allocation Breakdown

After inquiring with USAC and doing some additional research, it was determined that USAC is now applying a 1% inflation factor to budget calculations. As per the 2nd E-rate Modernization Order:

> 97. *Category Two Costs.* We find that the $1 billion annual target budget set for category two services in the *E-rate Modernization Order* is sufficient to provide the E-rate support needed for a five-year deployment of LANs and WLANs. In July, we stated that the

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question of available funds for these five-year budgets was closely linked with the long-term funding for the E-rate program.[238] We therefore applied the five-year budgets to applicants that received E-rate support for category two services in funding years 2015 and/or 2016, pending resolution of the program's overall funding needs. Having now extended these category two applicant budgets for all applicants for three additional funding years, we reaffirm the funding level for the E-rate support for category two budgets, based on the analysis set out in the *E-rate Modernization Order*.[239] We also index the category two budget target and the applicant budgets to inflation.

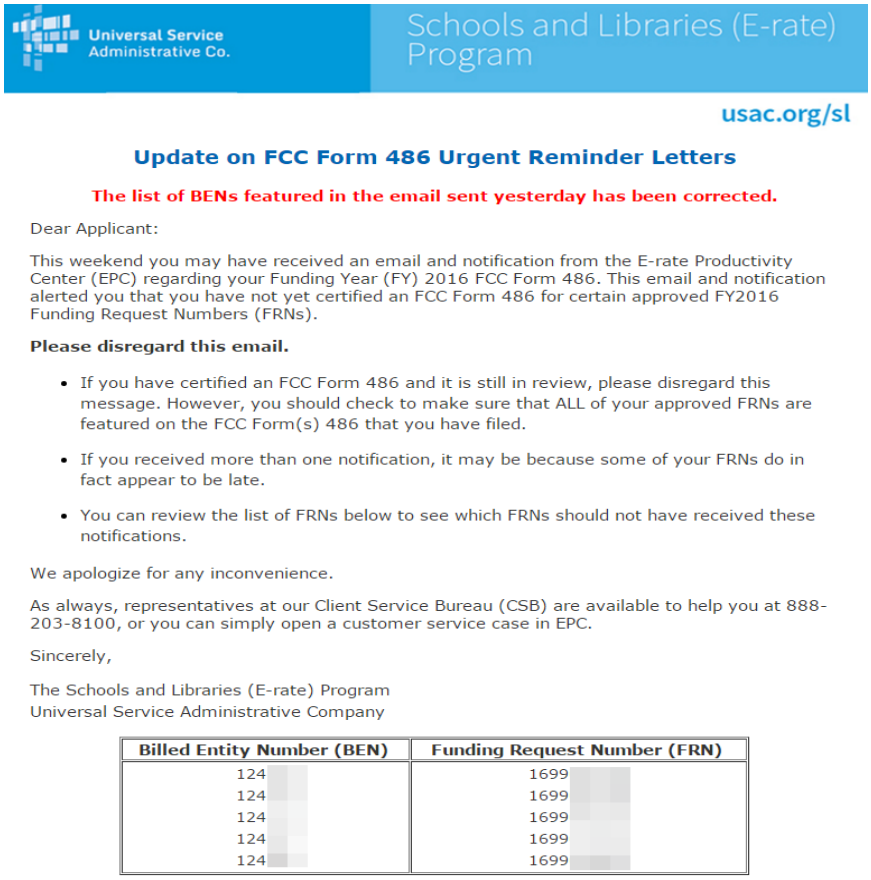
The calculations are as follows for the example above:

Funding Year	Students	Base Per Student Category 2 Budget	Inflation Factor	Post-Inflation Adjustment Per Student Category 2 Budget	Total Category 2 Budget
2015	727	$150	N/A	$150.00	$109,050.00
2016	727	$150	N/A	$150.00	$109,050.00
2017	727	$150	1%	$151.50	$110,140.50

The inflation factor applies to both school and library budgets. Thus, the new effective Category Two budget is: $151.50/student for schools, $2.32/ sq. ft. or $5.05/ sq. ft. for libraries, and a Category Two budget floor of $9,292.00.

Form 486 Urgent Reminder Letters Update Continued:

Last week in our newsletter of March 6th, we reported that USAC had experienced difficulties issuing the Form 486 Urgent Reminder Letters and sent erroneous Urgent Reminder Letters to applicants with certified Form 486s. USAC has stopped sending Urgent Reminder Notices until the bug has been fixed. In the interim, USAC began issuing retractions of the erroneously issued Urgent Reminder Letters.



Universal Service Administrative Co.

Schools and Libraries (E-rate) Program

usac.org/sl

Update on FCC Form 486 Urgent Reminder Letters

The list of BENs featured in the email sent yesterday has been corrected.

Dear Applicant:

This weekend you may have received an email and notification from the E-rate Productivity Center (EPC) regarding your Funding Year (FY) 2016 FCC Form 486. This email and notification alerted you that you have not yet certified an FCC Form 486 for certain approved FY2016 Funding Request Numbers (FRNs).

Please disregard this email.

- If you have certified an FCC Form 486 and it is still in review, please disregard this message. However, you should check to make sure that ALL of your approved FRNs are featured on the FCC Form(s) 486 that you have filed.
- If you received more than one notification, it may be because some of your FRNs do in fact appear to be late.
- You can review the list of FRNs below to see which FRNs should not have received these notifications.

We apologize for any inconvenience.

As always, representatives at our Client Service Bureau (CSB) are available to help you at 888-203-8100, or you can simply open a customer service case in EPC.

Sincerely,

The Schools and Libraries (E-rate) Program
Universal Service Administrative Company

Billed Entity Number (BEN)	Funding Request Number (FRN)
124	1699
124	1699
124	1699
124	1699
124	1699

The USAC notice identified the erroneously cited FRNs, which the previous email had cited as being not yet certified, and requested applicants to ignore the previous email. If you received this notice or if you are unsure of any FRN's 486 status, log into EPC and verify its current status.

E-Rate Updates and Reminders

Upcoming 2017 E-Rate Deadlines:

March 17 — Form 486 deadline for FY 2016 funding committed in Wave 21. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (often July 1st), whichever is later. This means that Form 486 deadlines for funding commitments received in later waves will follow at roughly one week intervals, including the following March and April deadlines:

Wave 22	03/21/2017
Wave 23	03/28/2017
Wave 24	04/04/2017
Wave 25	04/11/2017

Applicants missing these (or earlier) deadlines should watch carefully for "Form 486 Urgent Reminder Letters" (actually emails directing the applicants to EPC News Feed items). The Reminders will afford applicants with 15-day extensions from the date of the emails to submit their Form 486s without penalty (see USAC News Brief of November 4th and our summary above).

April 13th — Last day for applicants to file a Form 470 while fulfilling the required 28 day waiting period prior to submitting the Form 471.

May 11th — Last day for applicants to file a Form 471 within the filing window. The window closes at exactly 11:59:59 EDT.

FCC Watch

On March 7th, U.S. Senators Richard Blumenthal and Edward Markey led a group of twelve Democratic Senators to write a letter to the FCC citing their concerns with the new Commission's retraction of the, "E-Rate Modernization Progress Report" as we mentioned in our newsletter of February 6th. This is in addition to U.S. Senator Bill Nelson's criticism of the FCC's retraction of the progress report.

The U.S. Senators cite the 2014 Modernization Orders as responsible for an increase in fiber connectivity (especially in rural areas), the availability and utilization of funding for Wi-Fi networks, as well as financial security for the neediest schools and libraries.

USAC News Brief Dated March 10 – Top 10 Window Tips

USAC's Schools and Libraries News Brief of March 10, 2017, provides the following Top 10 Window Tips for FY 2017:

1. Familiarize yourself with the application process
2. Create and/or delete users in your organization's EPC account
3. Review the process and requirements to apply for newly eligible fiber
4. Run an open and fair competitive bidding process
5. Wait your 28 days
6. Review your contracts
7. File your FCC Form 471
8. Retain and file all program-related documentation
9. Prepare for USAC's review of your application
10. Know where to go for help.

Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central's own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by the SLD, FCC, or NCDPI.

Additional North Carolina specific E-rate information is available through our Web site — http://www.e-ratecentral.com/us/stateInformation.asp?state=NC. Note that this site provides easy access to formatted North Carolina applicant E-rate histories via the Billed Entity Number ("BEN") search mechanism in the upper left-hand corner. Detailed information can be obtained by "drilling down" using the links for specific funding years and individual FRNs.

For further information, follow E-Rate Central on Twitter, Facebook, and LinkedIn.

If you have received this newsletter from a colleague and you would like to receive your own copy of the North Carolina E-Rate Forum, send an email to join-ncerate@lists.dpi.state.nc.us. Please include your name, organization, telephone, and e-mail address.

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