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Funding Status – FY 2018 and FY 2017

FY 2018:

The FY 2018 Form 471 Application Window opened Thursday morning, January 11, 2018. The Window will close Thursday, March 22, 2018 at 11:59 p.m. EDT. PIA review has already begun for filed applications.

FY 2017:

Wave 38 for FY 2017 was released Friday, February 2nd, for a total of \$32.9 million, none for North Carolina. Cumulative national funding through Wave 38 is \$2.16 billion, including \$67.8 million for North Carolina.

USAC is scheduled to release two funding waves this week. A regular Wave 39 is planned for Thursday, February 8th; a special hurricane-relief Wave 40 is expected to be released Friday, February 9th.

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

Answers to Last Week’s Category 2 Budget Tool Quiz:

Our newsletter of January 29th discussed the differences between USAC’s two Category 2 budget tools, the one built into EPC and the new non-EPC Category Two Budget Tool. The biggest difference is that the EPC tool does not reflect any Category 2 commitments for FY 2015.

We illustrated a smaller difference with an example in which a school entity’s C2 budget was shown as \$91,621.29 in the EPC tool, and \$91,621.59 in the new non-EPC version. We challenged readers to explain the 30¢ difference. A few readers got close, but a full explanation requires some math and a historical detail.

The E-rate Modernization Orders in 2015 included a provision for inflation adjustments, not only to the annual E-rate funding cap, but to the per student and per square-foot C2 budget factors.

The initial C2 factor for schools was \$150.00 per student for FY 2015. The inflation factor for FY 2016 was 1.0%, raising the per student factor to \$151.50. So far, no problem.

For FY 2017, however, the inflation factor was 1.3%. To be mathematically precise, this would have increased the per student factor to \$153.4695. After some discussion early last year, the FCC instructed USAC to round the inflated C2 budget factor to \$153.47 in the interest of simplicity — a small change to be sure, but one that would have had longer run consequences as inflationary adjustments compounded in future years.

Somewhere in the dark recesses of the EPC system, however, USAC kept and is apparently still using all four decimal points. The difference is small — \$0.0005 — but it is one that becomes more noticeable when multiplied by the number of students. It also answers last week’s question.

The school in question had 597 students. EPC’s tool, using the unrounded multiplier, shows the school’s FY 2017 pre-discount Category 2 budget as:

$$597 \times \$153.4695 = \$91,621.29$$

Properly calculated, using USACs new Category Two Budget Tool, the school’s correct Category 2 budget for FY 2017 is:

$$597 \times \$153.47 = \$91,621.59$$

It will be interesting to see how EPC handles FY 2018 budgets once the FCC announces the 2018 inflation factor in late February or early March. Here’s a question for extra credit next week: If the inflation factor for 2018 is again 1.3%, could the EPC C2 per-student number be off by one penny? Show your work.

E-Rate Updates and Reminders

Upcoming 2018 E-Rate Dates:

February 5 FY 2017 Form 486 deadline for funding committed in Wave 19. Upcoming Form 486 deadlines include:

Wave 20	02/09/2018
Wave 21	02/20/2018
Wave 22	02/26/2018

Applicants missing these (or earlier) deadlines should watch carefully for “Form 486 Urgent Reminder Letters” in EPC. The Reminders will afford applicants with 15-day extensions to submit their Form 486s without penalty.

February 22 Technically, the last day to file a Form 470 for use with a Form 471 application for FY 2018. Whenever possible, Form 470s should be filed well before this date. If a Form 470 is filed on this date, the 28-day posting requirement is not over until March 22nd. On that day, an applicant using that

last day Form 470 would have to select vendors, sign contracts, and complete the Form 471, all on the last day of the Application Window — never a good filing strategy!

February 26 Extended invoice deadline for FY 2016 recurring services for extensions requested and granted of the original October 30, 2017, deadline.

March 22 FY 2018 Form 471 Application Window closes at 11:59 p.m. EDT.

FCC Decision Watch:

The FCC issued its yearend set of “streamlined,” precedent-based decisions ([DA 18-72](#)). Applicants facing similar problems as addressed in these decisions may garner useful information by carefully reading the additional FCC explanations found in the footnotes. The original appeals and waiver requests can be found online in the FCC’s [Search for Filings](#).

In summary, last week’s FCC decisions:

1. Dismissed:

- a. Two Requests for Review or Waiver deemed moot because the invoicing records indicated that the applicants had been fully compensated.
- b. One Request for Waiver for not complying with the FCC’s basic filing requirements.
- c. Two Petitions for Reconsideration, one for failing to provide any arguments not already fully considered by the FCC, and the other for not being submitted within the 30-day Reconsideration filing window.

2. Granted:

- a. One Request for Review for a Ministerial and/or Clerical (“M&C”) error involving the “mischaracterization of the discounted price as the pre-discounted price.”

3. Denied:

- a. Seven Requests for Waiver for invoice deadline extensions.
- b. One Request for Waiver for a late-filed SPIN Change request (required to be filed by the associated invoice deadline).

USAC News Brief Dated February 2 – More Competitive Bidding Reminders

[USAC’s Schools and Libraries News Brief of February 2, 2018](#), continues [last week’s](#) review of competitive bidding and Form 470 reminders. This week’s topics are:

- How do I count the 28-day posting period? Hint: You can also enter the posting date in cell A1 of an empty Excel sheet and then use the formula “=A1+28” to calculate the 28-days in cell A2.
- Do I always have to file a Form 470?

- Do I have to file a Form 470 if I have only one service provider in my area?
- How do I describe the service I need?
- How general or specific should my descriptions be?
- What numbers should I provide in the “Quantity” fields if I am not sure what I will need?
- How do I respond to questions from potential bidders?
- As a service provider, how do I submit a bid?

Remember that the failure to conduct a fair and open competitive bidding process is the #1 problem faced by E-rate applicants. When in doubt, error on the side of inclusiveness.

Last Friday’s News Brief also provides an update for directly-impacted hurricane applicants submitting post-commitment requests.

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.



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