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Funding Status – FY 2019 and FY 2018

FY 2019:

The Form 471 application window is open. It will close at 11:59 p.m. EDT on Wednesday, March 27th.

FY 2018:

USAC issued Wave 47 for FY 2018 on Friday, March 1st, for \$3.46 million. Cumulative funding as of Wave 47 is \$2.17 billion, including \$70.1 million for North Carolina.

Timely and Late-Filed Form 470s for FY 2019

Because Form 470s must be posted for 28 days, the last day to file a valid Form 470 for FY 2019 was last Wednesday, February 27, 2019. Twenty-eight days from that date will be March 27th, the filing deadline for Form 471 applications.

Applicants who missed the Form 470 deadline may have a real problem. The following alternatives can be considered:

1. Applicants with services being provided under a multi-year contract, executed under a valid Form 470 for an earlier funding year and extending through FY 2019, can file a Form 471 for those services citing the earlier Form 470.
2. Funding requests for high speed and low cost “business-class” Internet access services do not require an establishing Form 470. This exemption is strictly limited to services that “cost \$3,600 or less annually per entity (school or library), including any one-time costs such as installation; provide bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream; and provide basic conduit access to the Internet at those required minimum speeds.”

3. Educational service agencies or other consortia that have filed Form 470s (and plan to file Form 471s) may offer services to their members on a consortium basis.
4. Some states (and certain regional bidding cooperatives) provide master contracts for E-rate eligible services. These contracts are valid for E-rate purposes and can be referenced in Form 471s if both of the following conditions are met:
 - a. The state or cooperative filed a valid Form 470 for the service; and
 - b. The contract was competitively bid, meaning that, at least on a regional basis, there was a single winner. If the contract involves a multi-vendor award, the Form 470 may still be cited on a Form 471, but only if the applicant conducts a “mini-bid” among **all** vendors on the multiple award schedule.
5. As a last resort, an applicant can file a late Form 470 anyway in the hope that:
 - a. Major winter storms or SLD system problems lead to a last-minute extension of the application window; or
 - b. Upon request, the FCC may waive the Form 471 application deadline. In past years, the FCC has shown some flexibility for Form 471s filed within 14 days of the close of the window (or further if delayed by extraordinary circumstances).

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

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| March 4 | Form 486 deadline for FY 2018 funding committed in Wave 30. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1 st), whichever is later. Other upcoming Form 486 deadlines are: <table border="0" style="margin-left: 40px;"> <tr> <td>Wave 31</td> <td>03/11/2019</td> </tr> <tr> <td>Wave 32</td> <td>03/18/2019</td> </tr> </table> <p>Note: Applicants missing any Form 486 deadline should watch carefully for “Form 486 Urgent Reminder Letters” in their EPC News Feed. These Reminder Letters afford applicants 15-day extensions to submit their Form 486s without penalty.</p> | Wave 31 | 03/11/2019 | Wave 32 | 03/18/2019 |
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| Wave 32 | 03/18/2019 | | | | |
| March 5 | USAC webinar discussing common audit findings. | | | | |
| March 18 | Deadline for submitting comments to the FCC’s NPRM (FCC 19-5) to permanently eliminate the amortization requirement on special construction charges (see our newsletter of February 4th). Reply comments are due by April 1 st . | | | | |
| March 27 | Close of the FY 2019 Form 471 application window. | | | | |

Estimated FY 2019 Inflation Factor:

The FCC’s announcement of the inflation factor for FY 2019, released last year on February 20th, has been delayed this year presumably as a result of the federal government’s shutdown in January.

The E-rate inflation factor, which affects both the overall annual funding cap and the Category 2 budget multipliers, is based on the percentage change in the price indexes for Gross Domestic Product as calculated by the Bureau of Economic Analysis. This data, published last Thursday, allows us to estimate quite precisely a 2.2% inflation factor for 2018.

Table 1.1.4. Price Indexes for Gross Domestic Product
[Index numbers, 2012=100]
Last Revised on: February 28, 2019 - Next Release Date March 28, 2019

Line	2016	2017	2018
1	105.899	107.932	110.337

For planning purposes, awaiting a formal FCC announcement, the following table shows the progression of Category 2 budget multipliers from FY 2015, including our estimates for FY 2019.

Inflation-Adjusted Category 2 Budget Caps (Pre-Discount)

	FY 2015 (base year)	FY 2016 (1.0% increase)	FY 2017 (1.3% increase)	FY 2018 (1.8% increase)	Estimated FY 2019 (2.2% increase)
Schools	\$ 150.00 per student	\$ 151.50 per student	\$ 153.47 per student	\$ 156.23 per student	\$ 159.65 per student
Non-urban libraries	\$ 2.30 per sq.ft.	\$ 2.32 per sq.ft.	\$ 2.35 per sq.ft.	\$ 2.40 per sq.ft.	\$ 2.45 per sq.ft.
Urban libraries	\$ 5.00 per sq.ft.	\$ 5.05 per sq.ft.	\$ 5.12 per sq.ft.	\$ 5.21 per sq.ft.	\$ 5.30 per sq.ft.
Minimum	\$9,200.00	\$9,292.00	\$9,412.80	\$ 9,582.23	\$9,793.00

FCC Decision Watch:

The FCC issued its February set of “streamlined” precedent-based decisions ([DA 19-116](#)). 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 appeal and waiver requests can be found online in the FCC’s [Search for Filings](#).

In last week’s decisions, the FCC:

1. Dismissed as moot three Requests for Review for which invoices had already been fully paid or USAC had already taken the requested action.
2. Dismissed nine Petitions for Reconsideration for failure identify any factors not already fully considered by the Wireline Competition Bureau.
3. Granted:
 - a. One Request for Waiver of the 60-day appeal- or waiver-filing deadline, filed “only a few days late.”

- b. One Request for Waiver of the appeal deadline that the FCC deemed had been filed on a timely basis.
 - c. Four Requests for Review and/or Waiver filed by one service provider and one applicant granting appeals “where [the] applicant accepted gifts from [the] service provider, but conducted a fair and open competitive bidding process under Commission rules that existed at the time” (for FY 2007 – FY 2011 applications).
 - d. One Request for Review giving a service provider adequate opportunity to refile an invoice on remand.
 - e. Two Requests for Review and/or Waiver for ministerial and/or clerical errors in “mislabeling of a service category on its FCC Form 471.”
 - f. One Request for Waiver of an invoice deadline for an applicant awaiting USAC action.
4. Partially granted:
- a. One pair of Requests for Review and/or Waiver providing relief from a technical provision of state bidding requirements on three FRNs but rejecting approval of a fourth FRN for failure to consider price as the primary factor.
5. Denied:
- a. One Request for Review and/or Waiver for failure to seek competitive bids.
 - b. One Request for Review and/or Waiver for use of a FY 2011 Form 470 with “inadequate specificity” and no indication of an RFP.
 - c. Eight Requests for Waiver of invoice deadlines.
 - d. Six Requests for Waiver of Form 471 filing deadlines.
 - e. Four Requests for Waiver of late-filed appeals or waivers.

The FCC also issued a separate Order ([DA 19-128](#)) granting limited one-time special construction service implementation waivers to eighteen applicants whose initial deadlines had been incorrectly assigned in USAC’s EPC system.

USAC News Brief Dated March 1 – Latest EPC Updates

[USAC’s Schools and Libraries News Brief of March 1, 2019](#), announced three improvements included in the latest EPC upgrade, namely:

1. The “Copy FRN” feature will generate an error message if the list of recipients in the FRN being copied does not match the list of recipients in the applicant’s current entity profile.
2. Applicants responding to PIA inquiries may now request multiple extensions, each for an additional 15 days. Previously, only a second seven-day extension was available.
3. FRN line item details are now available when requesting service substitutions.

Last week’s News Brief also highlights the [Service Provider Training Series](#), a set of 15 training videos covering the topics presented at USAC’s 2018 fall service provider training.

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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