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Funding Status – FY 2019 and FY 2018

FY 2019:

The FY 2019 Form 471 application window closed Wednesday, March 27, 2019. On April 1st, USAC released a [preliminary demand estimate](#) for the coming year showing a 5% increase to \$2.90 billion from FY 2018. This is well within the \$4.15 billion funding cap for the year (see [DA 19-170](#).) Issuance of the preliminary demand estimate, combined with the FCC’s approval ([DA 19-218](#)) of the PIA procedures the preceding week, positions USAC to begin FY 2019 funding waves later this month. As of last Friday, USAC was showing 45% of the pending applications (representing 12% of the dollar value of the funding requested) as being in “Wave Ready” status — a rough, albeit imprecise, measure of early funding.

FY 2018:

USAC issued Wave 53 for FY 2018 on Thursday, April 11th, for \$3.88 million. Cumulative funding as of Wave 53 is \$2.19 billion, including \$70.1 million for North Carolina.

Benton Foundation Report on Improving the Administration of E-Rate

[The Benton Foundation](#), together with [EducationSuperHighway](#), released a new report entitled “[Improving the Administration of E-Rate: Ensuring All Schoolchildren Get the High-Speed Broadband Connections They Need](#).” The report, while acknowledging progress achieved since the FCC’s E-rate Modernization Orders in 2014, is highly critical of USAC-administered practices that have led to numerous delays and denials of broadband special construction projects.

As set forth in the report’s Executive Summary, and discussed in more depth in the latter sections, the report chides USAC for continuing to:

- Delay and deny special construction and other applications through the use of a cost model that has neither been approved for use by USAC, nor was subject to any form of public-comment process to test its suitability for the E-rate program;

- Reject applications for failure to satisfy questions that are confusing and opaque but that, in any event, have not received approval under the Paperwork Reduction Act (“PRA”) from the Office of Management and Budget (“OMB”); and
- Invoke the so-called “cardinal change rule” to force denial or re-institution of bidding processes without fair notice or appropriate guidance.

We agree that the review of special construction applications has been unduly burdened by overly detailed questionnaires and an unexplained cost model, but we question the fairness of placing all the blame on USAC. Although USAC is the public face of the E-rate program, it is only the administrator. Rather, it is the FCC who sets policy and who reviews and approves USAC’s PIA procedures.¹ We nevertheless applaud the Benton Foundation and EducationSuperHighway for turning a spotlight on these competitive bidding and application issues.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

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| April 15 | Form 486 deadline for FY 2018 funding committed in Wave 36. 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: |
| | Wave 37 04/19/2019 |
| | Wave 38 04/26/2019 |
| | 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. |
| April 15 | Revised date for USAC to unlock EPC entity profiles. It is important to note that any changes applicants now make in their EPC entity profiles will not automatically carry through to their FY 2019 applications. To make entity changes that apply to pending applications, applicants must submit RAL modifications (see USAC’s Schools and Libraries News Brief of March 22, 2019). |
| April 17 | USAC webinar on the Program Integrity Assurance (“PIA”) review process. |
| May 15 | USAC webinar on the Form 486 . |

¹ In 2018, for example, the review of special construction applications was delayed because the FCC did not approve USAC’s review procedures for special construction funding requests until after September 1, the deadline imposed by the FCC on USAC to issue funding commitments or denials for all “workable” funding requests.

SETDA Issues State K-12 Broadband Leadership Report:

The [State Educational Technology Directors Association](#) (“SETDA”) released a new national report entitled “[State K-12 Broadband Leadership: Driving Connectivity, Access and Student Success.](#)” The report focuses on state efforts to support school broadband networks, bandwidth capacity, WiFi implementation, and off-campus Internet access for low-income families. Accompanying the report is an [Online Story Map](#) providing additional data on state leadership initiatives, state and regional networks, alternative models, and state strategies for broadband funding.

USAC News Brief Dated April 12 – Responding to PIA Questions

[USAC’s Schools and Libraries News Brief of April 12, 2019](#), reviews the process for responding to PIA questions in EPC. It provides the following “How To” topics:

- How you will be notified of PIA questions
- How to access your PIA questions
- How to respond to PIA questions
- How to request an extension of time to answer PIA questions
- How to submit modifications to your Form 471

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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