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Funding Status – FY 2019 and FY 2020

FY 2019:

USAC released Wave 52 for FY 2019 on Thursday, March 26th. Funding totaled \$16.3 million, none for North Carolina. Cumulative commitments through March 26th are \$2.25 billion including \$76.0 million for North Carolina.

FY 2020:

The Form 471 application deadline for FY 2020 has been extended until 11:59 p.m. EDT on Wednesday, April 29th ([DA 20-273](#)). PIA reviews are currently underway. As of last Friday, over 10,000 applications had already been designated as “Wave Ready.”

COVID-19 E-Rate Update

FCC Confirms Community Use of On-Premise Wi-Fi:

With many schools and libraries now closed, and schools moving to online classes, questions have arisen as to the E-rate implications of continuing to operate Wi-Fi systems to provide community access to Internet services in parking lots or other nearby locations. In 2010, the FCC’s Sixth Report and Order ([FCC 10-175](#)) specifically authorized the use of E-rate funded services to “community members who access the Internet while on a school’s campus” during “non-operating hours.” The Order was silent with respect to after-hours community use of library Internet services. In the current environment, both schools and libraries sought clarification on the E-rate eligibility of community Internet use when their facilities were technically closed.

On March 23rd, the FCC confirmed that community use of E-rate-supported Wi-Fi networks is permitted during school and library closures due to the COVID-19 pandemic ([DA 20-234](#)). The FCC’s confirmation explicitly expressed the “hope that this reminder will promote connectivity to

Americans impacted by the disruption caused by the coronavirus pandemic.” Given the FCC’s apparent accommodation, some schools and libraries have or are planning steps to further expand community and student Internet resources by increasing bandwidth, adding higher-powered WAPs to the exterior of their buildings, or perhaps linking to mobile hotspots throughout their communities. It is by no means clear that the FCC is prepared to be this flexible. Indeed, a footnote to last week’s Public Notice reminds readers of the original community use provision stating that schools “may not request funding for more services than are necessary for educational purposes to serve their current student population.” It should also be noted that the community use permission specifically refers to use on a “school’s campus.”

In our view, one reasonable approach to these E-rate cautions is to ignore them. Whatever steps are necessary to provide necessary Internet capability to students and patrons during this crisis should be done — regardless of short-term E-rate funding considerations that the FCC may ultimately change or waive. Planning to ask for forgiveness is far preferable to waiting for permission.

School and Library CARES’ Funding:

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act does not include \$2 billion in funding for the FCC’s E-rate program that was included in an earlier U.S. House version of the bill.¹ Instead, the CARES Act provides \$30.75 billion (through September 30, 2021) in emergency relief funds for the U.S. Department of Education (“USDOE”). Of that, approximately \$13.5 billion would be used for K-12 emergency relief grants and an additional \$3.5 billion would be reserved for governors to use and distribute based on local need.

As we currently understand the Act, funds allocated to the states would have to be distributed by USDOE within a month of receiving state applications. The states, for their part, would be charged with distributing 90% of funds to local LEAs in proportion to their most recent year’s allocation under Part A of Title 1 of ESEA. Use of funds is broadly defined under ESEA but does include planning and coordination for “providing technology for online learning to all students” and for “purchasing educational technology (including hardware, software, and connectivity) for students.”

On the library side, the Act includes a \$50 million grant (also through September 30, 2021) to the Institute of Museum and Library Services (“IMLS”) “to prevent, prepare for, and respond to the coronavirus, including grants to States, territories and tribes to expand digital network access, purchase internet accessible devices, and provide technical support services.”

If additional emergency legislation is enacted, hopefully it might include school and library funding directly to the FCC, either generally or through E-rate, to support equipment and services for remote learning.

¹ The CARES Act does include \$200 million for the FCC to support telehealth and telemedicine services.

Deferral of PIA Responses:

With many E-rate contacts working from home and without easy access to necessary application and/or invoicing documentation, there has been considerable concern about missing PIA response deadlines. USAC's [News Brief of March 13th](#) briefly noted an FCC directive to provide all applicants with automatic 14-day extensions to respond to PIA inquiries — an extra extension that apparently could not easily be formally incorporated within EPC's deadline reporting system.

With the COVID-19 crisis deepening, it has become clear that even a fourteen-day extension is insufficient. We were heartened, therefore, to hear USAC's assurances last week that no applications (or invoices) would be denied during the crisis for failure to meet PIA deadlines. PIA reviewers have apparently been instructed to lay aside applications with no responses and to move onto other applications. In a sense, USAC has effectively initiated an early start to the summer deferment process.

By late last week, we began to see how the more flexible deferral policy will play out within EPC. As shown in the following EPC notice, USAC has created a new "Disaster 15-Day" outreach type with language asking applicants to notify their reviewers if they are unable to respond. Whenever possible, we encourage applicants to respond to PIA inquiries in a timely fashion so as to maximize the likelihood of early funding commitments for FY 2020.

Read	Notice	Name	Outreach Type	Assigned By	Title	Phone #	Assigned Date ↓	Due Date	Extn.	Status
		Category Two Budget	Disaster 15-Day	Jacqueline Morales	E - Rate Reviewer	833-205-1185 Ext.58646	3/25/2020 2:13 PM EDT	4/9/2020	0	Response Needed

If you have any questions as you work through your responses to the PIA review inquiries, please feel free to contact me via the phone number or e-mail address provided below. Please do not use e-mail to submit your responses to the PIA review inquiries. USAC will not review responses to PIA review inquiries sent to the reviewer's email address. All PIA responses must be submitted in EPC. Again, please be sure to provide complete responses to all of the PIA questions. If you need additional time to prepare your response, you may request an extension. Click the "Request Extension" button, located at the top of the "Review Inquiries" page in EPC. Your first extension request will be automatically granted, and you will receive an additional seven days to respond. Be sure to meet the response due date and provide all of the information requested, otherwise your application(s) may receive reduced funding or a funding denial. **If you are unable to respond due to COVID-19**, please call or email me and provide the time frame during which you will be available, so that we can adjust the response due date accordingly. Note: Your State E-Rate Coordinator is copied on this correspondence for informational purposes only.

Other Potential Accommodations for Applicants:

Last week, in a move that might predict similar provisions for E-rate applicants, the FCC on its own motion approved additional pandemic relief for Rural Health Care ("RHC") participants. The Order ([DA 20-345](#)) provided the following:

- Extended the FY 2020 application window deadline to late June.
- Permitted the extension of evergreen contracts set to expire in FY 2019 through FY 2020.
- Extended the response deadline for USAC information requests.
- Waived the FY 2019 service delivery deadline, extending it for another year.
- Extended the invoice filing deadline by an additional 160 days.
- Extended the appeal and waiver deadlines by an additional 60 days.

Hopefully the FCC will provide similar accommodations for E-rate participants.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

- April 3 Form 486 deadline for FY 2019 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 1st), whichever is later. Other upcoming Form 486 deadlines are:
- | | |
|---------|------------|
| Wave 37 | 04/10/2020 |
| Wave 38 | 04/17/2020 |
| Wave 39 | 04/27/2020 |
- April 8 Deadline to file comments in “opposition” (or support) of the Petitions for Reconsideration filed by (a) the [State E-Rate Coordinators’ Alliance](#) (“SECA) and (b) [Infinity Communications & Consulting](#). As discussed in our [newsletter of January 27th](#), the Petitions call for the FCC to amend its Category 2 Order ([FCC 19-117](#)) to (a) eliminate the requirement to allocate out of funding requests the use of any Category 2 equipment used by standalone NIFs, and (b) clarify its decision to base Category 2 student counts on “full time” students only. Reply comments on the Petitions are due April 20th.
- April 29 Extended closing date of the FY 2020 Form 471 application window (11:59 p.m. EDT). Note that with the new extended Form 471 deadline, the last possible date to file an effective Form 470 for FY 2020 is April 1st.

USAC News Brief Dated March 27 – Form 470 and Category 2 Budget Tool Reminders

[USAC’s Schools and Libraries News Brief of March 27, 2020](#), references the FCC’s public notice on community use (discussed above) and provides the following reminders:

Form 470 Reminders:

- Certify a Form 470 to open your competitive bidding process.
- File the Form 470 online in EPC.
- Some information should have been completed in your organization's profile in EPC before filing a program form.
- If a request for proposal (“RFP”) and/or RFP documents are issued, they must be uploaded to the Form 470.
- If a significant change is made to the services and products you have requested, a new Form 470 may need to be posted.
- A Receipt Notification Letter (“RNL”) will be sent to your EPC News feed shortly after you certify your form, and service providers will be able to view the form and any uploaded attachments.

Category 2 Budget Tool Reminders:

- The C2 budget numbers displayed in the new tool are based on student counts or square footage from the current entity profiles in EPC.
- The tool is updated each night to reflect the current committed amounts for all entities.
- If you are pasting numbers from another document into the Entity Number column, you must remove any formatting.
- If you did not update your current profile numbers, you can estimate your C2 budget by entering your student count or square footage in the Projected Student Count or Square Footage.
- You will receive an error message if you enter an entity number for a school district, library system, non-instructional facility (NIF), or consortium; if the entity number does not exist in the EPC database; or if a C2 budget cannot be calculated for that entity.

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 USAC, the 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.

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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