

## E-Rate Central News for the Week of January 28, 2019

- Funding Status – FY 2019 and FY 2018
- Government Reopening and the FCC Race for Certainty
- E-Rate Updates and Reminders
  - Upcoming E-Rate Dates
  - Category 2 RFPs and Building Floor Plans
- USAC News Brief Dated January 25 – New “Office Hours” Webinars

### 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 27<sup>th</sup>.

#### *FY 2018:*

USAC issued Wave 42 for FY 2018 on Friday, January 25<sup>th</sup>, for \$13.7 million including \$175.9 thousand for Nevada. Cumulative funding as of Wave 42 is \$2.11 billion including \$4.77 million for Nevada.

### Government Reopening and the FCC Race for Certainty

With the reopening of the U.S. government and the threat of another shutdown in less than three weeks, E-rate eyes turn back to the FCC with a focus on several pending decisions affecting the FY 2019 application cycle. We view the next few weeks as a “race for certainty.” At this point, clear FCC decisions — any FCC decisions — would be better than none.

For applicants planning major Category 1 special construction projects for FY 2019, a critical issue is whether installation charges of \$500,000 or more may be fully funded in the first year or whether such expenses for E-rate purposes must be amortized over a period of at least three years. Without FCC relief, freedom from the amortization requirement, which the FCC had suspended only for FY 2015 – FY 2018, would end as of FY 2019. As discussed in our [newsletter of January 7<sup>th</sup>](#), the FCC is considering permanently or temporarily discontinuing the amortization requirement. Amortization or non-amortization dramatically affects not only the economics of large network projects, but the related aspects of bid proposals, contracts, state matching programs (where available), and E-rate application processing. An FCC amortization decision for FY 2019 is an E-rate priority.

Another key FCC E-rate decision still pending is the future of the five-year Category 2 budget mechanism. Technically, an FCC decision on this issue is not required until later this year in preparation for the FY 2020 competitive bidding cycle. But uncertainty as to Category 2 funding in FY 2020 and beyond is driving applicant plans to utilize remaining budget amounts by the end of FY 2019. We believe that the FCC will continue to fund Category 2 beyond FY 2019 but would welcome at least some formal hint supporting that belief. More specifically, applicants who began utilizing their Category 2 budgets after FY 2015 need to know whether their “five years” extend beyond FY 2019, or whether their entire budgets must be used by FY 2019.

One other important FCC decision that could be delayed by a resumption of a government shutdown in mid-February is the annual determination of the E-rate inflation factor for FY 2019. This affects both the funding cap for the Program in its entirety as well as the Category 2 budgets for individual applicants. Last year the FCC announced the E-rate inflation factor on February 20<sup>th</sup>. This year’s announcement, which will depend upon economic data prepared by other government entities, may already have been adversely affected by the earlier shutdown. Applicants seeking Category 2 funding at their inflation-adjusted caps for FY 2019 may have to estimate their Form 471 requests, fine-tuning them later via RAL corrections or during PIA review.

## **E-Rate Updates and Reminders**

### *Upcoming E-Rate Dates:*

January 28      Form 486 deadline for FY 2018 funding committed in Wave 25. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1<sup>st</sup>), whichever is later. Other upcoming Form 486 deadlines are:

Wave 26	02/04/2019
Wave 27	02/11/2019
Wave 28	02/18/2019
Wave 29	02/22/2019

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.

January 28      Invoice deadline — and the deadline for requesting a 120-day extension — for FY 2017 non-recurring services.

February 26      Extended invoice deadline for FY 2017 recurring services.

March 27      Close of the FY 2019 Form 471 application window.

### *Category 2 RFPs and Building Floor Plans:*

It is easy to envision situations in which service providers bidding on cabling and/or wireless Category 2 projects would find it useful to have floor plans for the associated buildings. Putting

such plans in public RFP documents, however, is discouraged and, in some states, explicitly prohibited if only as a security measure

Schools have found several ways to deal with this issue while still providing bidders with floor plan access. One strict approach is to establish a timeframe and place for authorized service providers to view, but neither copy nor take, building plans. A somewhat less restrictive approach would be to require service providers to complete non-disclosure/confidentiality agreements before emailing them floor plans or providing access to password-protected websites. In all cases, building floor plans should be clearly marked “Confidential.”

### USAC News Brief Dated January 25 – New “Office Hours” Webinars

[USAC’s Schools and Libraries News Brief of January 25, 2019](#), announces a new series of hour-long webinars that USAC plans to run during the FY 2019 application window. Unlike more traditional webinars, predominately a prepared presentation followed by a short Q&A session, USAC is planning a “[flipped classroom](#)” approach. The full presentation will be available beforehand for study. The so-called “office hours” webinar will start with a brief overview but will devote most of the allotted time for questions and answers.

Separate sessions for both beginners and advanced E-rate users will be scheduled on USAC’s [Webinars webpage](#). Users should register ahead of time and study the individual modules beforehand. The first two sessions will be held this coming Thursday.

Date and Time	Topic	Level	Module
<a href="#">Thursday, January 31 at 2:00 p.m. EST</a>	Basic Program Concepts	Beginner	<a href="#">Basic Concepts</a>
<a href="#">Thursday, January 31 at 3:00 p.m. EST</a>	Advanced Competitive Bidding	Advanced	<a href="#">Competitive Bidding</a>

The topics addressed in these first two modules are:

Basic E-rate Program Concepts	Advanced Competitive Bidding
<ul style="list-style-type: none"> <li>• Eligibility (entities, services, locations)</li> <li>• Funding Year</li> <li>• Identifying Numbers (BEN, SPIN, CRN)</li> <li>• Discounts</li> <li>• Funding Request Numbers (FRNs)</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive Bidding (FCC Form 470)</li> <li>• Program Compliance Issues</li> <li>• Requesting Funding (FCC Form 471)</li> <li>• Application Review</li> <li>• Funding Commitments</li> <li>• Document Retention</li> <li>• Case Studies</li> </ul>

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*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 OSIT.*

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