

E-Rate Central News for the Week of October 15, 2018

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Funding Status – FY 2018 and FY 2019

FY 2018:

USAC issued Wave 27 on Friday, October 12th for \$15.3 million – none for Nevada. Cumulative funding as of Wave 27 is \$1.83 billion including \$3.44 million for Nevada.

FY 2019:

The FY 2019 administrative window is open and will remain open until roughly January 7th at which point EPC entity profiles will be locked for the duration of the Form 471 application window (estimated to be January 10th – March 20th).

The first sessions of USAC’s fall training for FY 2019 are being held in Washington DC this week. Copies of the presentation slides are posted under [2018 Applicant & Service Provider Trainings](#) (scroll down to see individual topic slides).

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

IDER Approvals:

USAC’s News Briefs and these newsletters have been reminding applicants and service providers that the invoice deadline for FY 2017 recurring services is October 29th. This is also the deadline for filing Invoice Deadline Extension Requests (“IDERS”) to extend the deadline for an additional 120 days. As of October 1st, IDERS must be filed by applicants and service providers through their EPC portals (see the USAC News Brief referenced below).

IDERS, when approved, generate a generic “News” entry stating:



E-Rate Productivity Center Invoice Deadline Date Extension Request 1306



The attached file lists the Invoice Deadline Date for all funding request numbers (FRN) submitted in Invoice Deadline Extension Request 1306. Out of 1, 1 FRNs were approved for an invoice deadline extension on 10/12/2018. 0 were denied and 0 were ineligible for an invoice deadline extension.

The “News” feed also includes a small Excel file providing the following details on each IDER number:

Col.	Column Heading	If Approved
A	Funding Year	2017
B	Funding Request Number	1799xxxxxx
C	FRN Nickname	Test
D	Decision	Approved
E	Decision Reason	Approved
F	FCC Form 471 Number	1710xxxxx
G	Original Invoice Deadline Date	10/29/2018
H	Extended Invoice Deadline Date	02/26/2019
I	BEN	xxxxxx
J	Applicant	Test
K	SPIN	1430xxxxx
L	Service Provider	Test

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

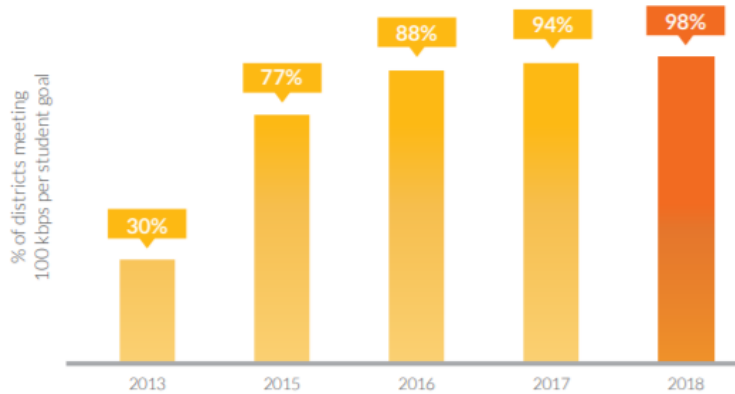
- October 25 [USAC webinar](#) providing an introduction to EPC for new applicants.
 - October 26 FY 2017 Form 486 deadline for funding committed in Wave 56.
 - October 29 FY 2018 Form 486 deadline for funding committed in Waves 1–12 (all issued before July 1st).
- Note: Applicants missing any Form 486 deadline should watch carefully for “Form 486 Urgent Reminder Letters” in EPC. These Reminder Letters afford applicants 15-day extensions to submit their Form 486s without penalty.
- October 29 Invoice deadline for FY 2017 recurring services. Note: For applicants and service providers unable to submit invoices by this date, October 29th is also the deadline for filing 120-day Invoice Deadline Extension Requests (“IDERS”).

ESH State of the States Report:

EducationSuperHighway (“ESH”) released its [2018 State of the States](#) report showing each state’s progress towards reaching the national Internet broadband goals of 100 Kbps/student and its schools’ use of Category 2 E-rate funding. Although much of the underlying data, derived in large part from E-rate filings, is open to interpretation, the trends are encouraging.

Nationwide, the percentage of school districts having access to broadband services has risen dramatically over the past five years.

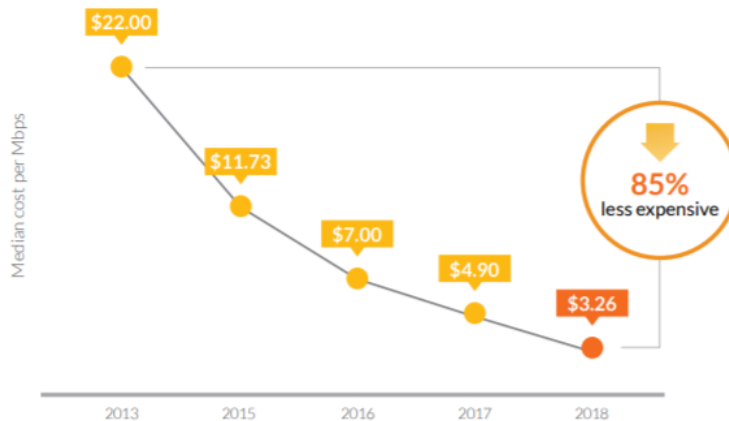
Chart 1: 98% of school districts can now take advantage of digital learning



Source: ESH

Equally important, the average cost of Internet per megabit has fallen even faster.

Chart 5: The cost of K-12 Internet access has declined 85% in the last five years



Source: ESH

ESH properly notes that FY 2019 will be a critical year for using Category 2 E-rate funds. By ESH's estimate almost 5,700 school districts, which started their 5-year budget cycle in FY 2015, have \$1.1 billion in funding left to spend in FY 2019. Another 2,125 districts with potential funding of \$320 million have not yet accessed any Category 2 funding. Independent schools and libraries are most likely in similar situations.

Once beyond FY 2019, the outlook for Category 2 funding becomes hazy. As illustrated graphically below, applicants which started Category 2 funding in or after FY 2016 will have one or more years to utilize the remainder of their 5-year budgets. Renewed funding thereafter will depend upon an FCC decision — hopefully issued prior to the start of FY 2019 — on the future of Category 2 funding.

First Year	Five-Year Category 2 Budget Cycle										
FY 2015	█					??	??	??	??	??	
FY 2016		█				█	??	??	??	??	
FY 2017			█			█		??	??	??	
FY 2018				█		█			??	??	
FY 2019					█	█				??	
FY 2010						??	??	??	??	??	
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	

USAC Semi-Annual Audit Recovery Report:

USAC released a [Semi-Annual Audit Recovery Report](#) (and [associated spreadsheet](#)) for the period ending August 31, 2018. The Report reviews the process for recovering funds based on previous audit findings and summarizes the status of audit findings outstanding for more than six months.

In most cases, audit findings and resulting recovery actions are by now well known by the affected applicants and/or service providers. Some notices — almost unbelievably — involving funding disbursed well over ten years ago that were released earlier this year. The Report indicates that 39 recovery notices may yet be issued for past audits involving the following funding years and amounts.

FY	Amount
1999	11,461
2000	551,030
2001	4,222,225
2002	10,000,190
2003	9,366
2004	670,139
2006	173
2007	53,050
2010	11,209,646
	26,727,280

Tariffed-Based Increases to Aruba Pricing:

As discussed in our [newsletter of October 1st](#), new or proposed tariffs, particularly on telecommunications and networking equipment or components from China, could raise prices 10-25%. A brief [announcement by Aruba](#), a Hewlett Packard Enterprise company, reports a flat 5% increase effective November 1st, and warns of additional price increases if the U.S. government proceeds with an announced plan to raise the tariff to 25% at the beginning of 2019.

USAC News Brief Dated October 12 – Training, Webinars, and IDERs

[USAC's Schools and Libraries News Brief of October 12, 2018](#), covers the following three topics also noted above:

1. USAC annual fall training begins this week.
2. An EPC webinar for new applicants will be held October 25th.
3. The new Invoice Deadline Extension Request (“IDER”) tool is available in EPC and the FY 2017 recurring services invoice deadline is October 29th.

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 state education departments.

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For further information on E-rate, follow us on Twitter, Facebook, and LinkedIn.



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