

E-rate Funding Year 2017 — What to Expect Now?

Update: June 1, 2017



What to Expect Now That the Window Is Closed

Now that the 2017 Form 471 filing window is closed, the program enters the next phase of the funding year 2017 cycle, application reviews. USAC, the E-rate program administrator, stated in its May 19 [newsletter](#) that it has already started Program Integrity Assurance (PIA) reviews for FY2017, and they included tips on how to respond to questions during the review process.

Applicants' Form 471 needs to go through the Program Integrity Assurance (PIA) review process before Funding Commitment Decisions Letters (FCDLs) are sent. The letters notify the applicant of the funding decisions that have been made for each individual Funding Request Number (FRN).

Funding Year 2017 Outlook

If applicants filed properly and on time, it is expected that all Category One and Category Two requests will be approved and funded. A May 24 [public notice](#) from the FCC states:

"...that there is sufficient funding available to fully meet the Universal Service Administrative Company's (USAC) estimated demand for category one and category two requests for E-rate supported services for funding year 2017.

On May 17, 2017, USAC submitted an estimate of demand for the E-rate program for funding year 2017. It estimates that the total demand for funding year 2017 will be \$3.20 billion, which includes estimated demand for category one services of \$2.296 billion and of \$904 million for category two services."

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When Can Installations Begin for Category Two Non-recurring Services?

A major change with the [E-rate Modernization Order](#) from 2014 permits applicants to seek support for Category Two eligible services installed on or after April 1, 3 months prior to the start of the funding year on July 1. The goal is to provide schools with the maximum amount of time during the summer recess to install their critical networks (paragraph 132, FCC Seventh Report and Order). More information is available on the USAC site [here](#).

How Does This Work and What Are the Limitations?

It is very important to remember that service delivery cannot occur before the first day of the funding year (April 1 for Category Two and July 1 for Category One services). Keep in mind:

- The *USAC administrators expect* that all service delivery and invoicing will take place according to the terms and conditions specified in the applicant's contract with their vendor (if it contains such a specification)
- USAC will not issue payment before the July 1 start of the funding year, even if the goods and services can be delivered beginning the April 1 prior to the funding year

For example, if work starts April 1 and an FCDL is received June 15, the earliest USAC will process payment (either an applicant reimbursement or vendor SPI) will still be July 1.

In most cases where applicants take delivery of equipment prior to an FCDL, they pay for the equipment in full and then seek reimbursement of the E-rate discount through the Billed Entity Applicant Reimbursement (BEAR) process if their funding requests are approved. Applicants who receive an FCDL would then need to file a Form 486, Receipt of Service Confirmation Form before filing their Form 472 (BEAR) Form. Additional instructions for these forms can be found on USAC's site [here](#).

What if an Applicant Is Not Able to Purchase up Front and Get Reimbursed Later?

There is another payment method called the Service Provider Invoice, or SPI method, under which the applicant requests that the E-rate discount be applied to the bill(s) it receives from its vendor. In this manner, only the applicant's "matching" (non-discounted) portion is paid directly to the service provider, and then the service provider submits SPI forms to USAC to be paid the amount of the discount they applied to their customer's bill.

Planning Ahead

It's never too early to start planning for next year's E-rate filing window, and this is always a good time to be thinking about keeping your network secure while providing a robust digital learning environment.

Schools must comply with the Children's Internet Protection Act (CIPA) to participate in the E-rate funding program. Replacing outdated school district infrastructure with modern, secure technology reduces security risks by creating a trusted network at every layer. It also helps school districts advance toward personalized learning.

Educators can leverage the same technology to optimize and streamline access, develop smart workspaces and intelligent facilities, and create safer, more secure campuses. This truly integrated digital environment can help educators focus on their educational message, delivering their curriculum through a fully secure, unified environment that can be tailored to provide a personalized learning experience for students.

Click [here](#) to learn more or reach out to your Cisco account manager or partner.

Note: This is provided for information purposes only and is not legal advice. Consult with your own attorney or E-rate consultants to determine the applicability of any rules or regulations for your particular circumstances.

Help and Additional Resources

- USAC provides excellent resources and training to help applicants understand and manage the filing process, FCC requirements, and other E-rate program elements:
[USAC Online Learning Library](#) | [USAC File Along with Me Blog](#) (includes step-by-step guidance)
- Funds for Learning resources:
[Advance Installation of Internal Connections FAQ](#) | [Online Guide to E-rate Funding](#) (edWeb)
- [Cisco Digital Learning and E-rate](#) website



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