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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 6 for FY 2022 was issued on Thursday, May 26th, for $59.8 million including $1.32 million for ten North Carolina applicants. Cumulative commitments to date are $1.58 billion including $35.4 million for North Carolina. Nationwide, USAC has funded 81.1% of the FY 2022 applications representing 50.1% of the requested funding.

E-Rate for FY 2021:

Wave 55 for FY 2021 was released last Friday, May 27th, for $6.28 million. Cumulative commitments for FY 2021 stand at $2.63 billion including 84.2 million for North Carolina. $23.6 million for New Mexico. Nationwide, USAC has funded 98.7% of the FY 2021 applications representing 95.4% of the requested funding.

ECF for 2021-2023 – Including Preliminary ECF-3 Funding Outlook:

As of Wave 15, total ECF commitments are $4.8 billion including $150 million for North Carolina. Nationwide, USAC has funded 95.7% of applications filed in the first and second ECF windows. Authorized disbursements as of last Friday totaled $1.14 billion.

The FCC reported $2.8 billion of demand in the third ECF window that closed May 13th. ECF-3 demand includes. $54.1 million from 146 North Carolina applicants. ECF-3 funding requests for individual applicants are now shown in E-Rate Central's ECF Utilization Summary Charts as illustrated below (see the Funding History Search on E-Rate Central's homepage).

Emergency Connectivity Fund Utilization Summary Chart

ECF	Requested FRNs	Funded FRNs	Requested Amount	Committed Equipment	Committed Services	Total Committed	Total Disbursed	Remaining Balance	Util. %
ECF Window 1	2	2	$737,752.80	$0.00	$720,566.40	$720,566.40	$0.00	$720,566.40	0%
ECF Window 2	3	3	$317,385.00	$317,385.00	$1,750.00	$319,135.00	$0.00	$319,135.00	0%
ECF Window 3	2	0	$207,898.80	$0.00	$0.00	$0.00	$0.00	$0.00	0%
Total:	7	5	$1,263,036.60	$317,385.00	$722,316.40	$1,039,701.400	$0.00	$1,039,701.40	0%

E-Rate Utilization Summary Chart

FY: 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | All   [Print Version]

FY	Requested FRNs	Funded FRNs	486 on File	Requested Amount	Committed Category 1	Committed Category 2	Total Committed	Total Disbursed	Remaining Balance	Util. %
2022	5	4	0	$660,987.73	$629,959.79	$0.00	$629,959.79	$0.00	$629,959.79	0%
2021	2	2	2	$733,193.10	$733,193.10	$0.00	$733,193.10	$203,154.53	$530,038.57	28%
2020	3	3	3	$608,490.03	$524,270.52	$57,231.12	$581,501.64	$516,079.03	$65,422.61	89%
2019	2	2	2	$614,741.40	$604,158.70	$0.00	$604,158.70	$481,549.04	$122,609.66	80%
2018	4	4	4	$835,532.23	$762,031.38	$75,176.47	$837,207.85	$773,496.88	$63,710.97	92%
2017	3	3	3	$794,293.92	$771,665.55	$0.00	$771,665.55	$754,191.83	$17,473.72	98%

The biggest outstanding question on ECF-3 is how many applications can be funded if, as it appears, there is not enough money left in the ECF program to meet all ECF-3 requests. If not, the FCC's rules require the remaining funds to be prioritized based on modified discount matrix bands (see our newsletter of March 28th).

The FCC originally indicated that a minimum of $1 billion was available to fund third window applications but recently increased that figure to an estimated $1.5 billion. Our own estimate is that at least $2 billion will be available after all first and second window applications are funded. Under this scheme, even $2 billion would not be enough to meet the $2.8 billion requested in the third window (and any other late-filed applications that the FCC may accept).

To provide a sense of which ECF-3 applicants might or might not be funded, we estimated the total demand in each priority discount band based on the discount rates of those applicants in their last E-rate funding applications. The results of our preliminary analysis are shown below.

ECF Priority	Discount Band	Rural/ Urban	NSLP Percent	Estimated Demand ($M) By Band	Estimated Demand ($M) Cummulative	Funding Threshold
1	95%	Rural	75-100%	182	182	
2	90%	Urban	75-100%	1,185	1,367	
3	85%	Rural	50-74%	163	1,530	← at $1.5 B
4	80%	Urban	50-74%	494	2,024	← at $2.0 B
5	75%	Rural	35-49%	99	2,123	
6	65%	Rural	20-34%	57	2,179	
7	60%	Urban	35-49%	242	2,421	
8	55%	Rural	1-19%	31	2,452	
9	50%	Urban	20-34%	216	2,668	
10	40%	Urban	1-19%	126	2,794	
11	30%	Rural	<1%	10	2,804	
12	20%	Urban	<1%	19	2,823	

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Note that the largest segment of ECF-3 demand is in the 90% urban band. Based on the FCC's current $1.5 billion estimate of available funds — which we believe to be conservative — USAC would be positioned to begin approving 95% rural and 90% urban — and maybe even 85% rural — applications immediately. Longer term, assuming that application approvals are to be granted in priority order, as available funding is definitively identified, we project that funding will become available for 80% urban applicants (and perhaps lower bands as well).

Updates and Reminders

Upcoming Dates:

May 31	The extended invoicing deadline for FY 2020 non-recurring services.
June 3	Form 486 deadline for FY 2021 covering funding committed in Wave 43. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines are:

Wave 44	06/10/2022
Wave 45	06/17/2022
Wave 46	06/24/2022
Wave 47	07/01/2022

June 9	USAC's E-rate services webinar for beginners. Note: The E-Rate News Brief referenced below also includes links to the recordings and slide decks from USAC training sessions held earlier in April and May.
June 30	Reply comments due on the FCC's Notice of Inquiry regarding the prevention and elimination of digital discrimination (FCC 22-21).

FTC Policy Statement on COPPA Enforcement:

The Federal Trade Commission ("FTC") unanimously adopted a policy statement guiding the enforcement of the Children's Online Privacy Protection Act ("COPPA") with respect to data gathered by education technology companies. The new policy focuses on the following areas:

- *Prohibition Against Mandatory Collection:* COPPA-covered companies, including ed tech providers, must not condition participation in any activity on a child disclosing more information than is reasonably necessary for the child to participate in that activity.

- *Use Prohibitions:* COPPA-covered companies are strictly limited in how they can use the personal information they collect from children.

- *Retention Prohibitions:* COPPA-covered companies must not retain personal information collected from a child longer than reasonably necessary to fulfill the purpose for which it was collected.

- *Security Requirements*: COPPA-covered companies must have procedures to maintain the confidentiality, security, and integrity of children's personal information.

Behavioral Benefits of WiFi on School Buses:

Earlier this month, FCC Chairwoman Jessica Rosenworcel announced a proposal to permit E-rate funds to be used to provide WiFi on school buses (see our newsletter of May 16th). The proposal, currently on circulation within the Commission, was portrayed primarily as an educational initiative to address one aspect of the Homework Gap.

We were impressed with the discussion of an additional benefit of WiFi on school buses covered on a SHLB call last week by Melissa Tebbenkamp, the Chief Information Officer of the Raytown

School District in Missouri. Raytown, which began equipping school buses with WiFi in 2017, has found major improvements in student behavior on their buses with the advent of connectivity. Most specifically, disciplinary referrals have dropped by 45%. This has resulted in more in-classroom time by students, less administrative overhead, increased school bus ridership, and better driver retention. For more information on Raytown and other districts' experience with school bus WiFi, see Kajeet's Success Stories.

False New User Account Notices from EPC:

Beginning last Friday, applicants and consultants began reporting receiving notices of "new users" being added to their EPC accounts. The messages, sent to the Account Administrators, stated:

> A new user, [Name] has been created for your organization in USAC's E-rate Productivity Center (EPC). If you feel that this was done in error, please contact USAC's Client Service Bureau at (888) 203-8100.

We refer to these "new user" notices in quotation marks because, in most cases, the "new user" named was a previous employee that USAC's system erroneously reinstated into EPC without the Account Administrator's authorization. These messages appear to be the result of a USAC IT glitch. We expect that USAC's Client Service Bureau will be receiving a few calls on Tuesday when it is again open for business.

USAC ECF Newsletter Dated May 24 — Common ECF Misconceptions

USAC's Emergency Connectivity Fund Program Newsletter of May 24, 2022, does not contain any new information that was not included in last week's and other previous ECF newsletters.

As an extra bonus, however, we take this opportunity to introduce a special notice posted on the FCC's ECF website entitled "Emergency Connectivity Fund Common Misconceptions." The notice discusses the following six ECF misconceptions:

Misconception #1:	Schools cannot apply for funds unless they have surveyed all parents to determine need.
Misconception #2:	If schools have returned to in-class instruction for the upcoming school year, they are not eligible to participate.
Misconception #3:	If schools have received ESSER or CARES Act funds to buy connected devices/hotspot devices, they are not eligible to participate.
Misconception #4:	If households receive EBB benefits, they are ineligible to receive devices or service through ECF.
Misconception #5:	Libraries are only allowed to lend devices to K-12 students due to the educational purpose requirement.
Misconception #6:	Schools and libraries need to conduct competitive bidding, like they do for the E-Rate program.