Weekly E-Rate Newsletter
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## **Funding Status for E-Rate and ECF**

## *E-Rate for FY 2022:*

Wave 16 for FY 2022 was issued on Thursday, August 4<sup>th</sup>, for \$85.9 million including \$80 thousand for two North Carolina applicants. Cumulative commitments to date are \$2.21 billion including \$55.9 million for North Carolina. Nationwide, USAC has funded 93.8% of the FY 2022 applications representing 71.4% of the requested funding.

# ECF for 2021-2023:

Total commitments as of Wave 19 for ECF-1/2 and Wave 4 for ECF-3, issued jointly on July 27<sup>th</sup>, are \$5.56 billion including \$155 million for North Carolina. Nationwide, USAC has funded 96.4% of the applications from ECF windows one and two, and 18.5% of applications from ECF window three. Authorized disbursements as of last Friday totaled \$1.53 billion.

### **Updates and Reminders**

# **Upcoming Dates:**

August 18

Form 486 deadline for FY 2021 covering funding committed in Wave 53. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1<sup>st</sup>), whichever is later. Upcoming Form 486 deadlines are:

Wave 54	09/06/2022
Wave 55	09/15/2022
Wave 56	09/26/2022

Note: The first Form 486 deadline for FY 2022 Waves 1-11, committed before July 1<sup>st</sup>, will be Monday, October 31<sup>st</sup>.

August 26

ECF deadline for "Affected Applicants" to file requests with USAC asking to restore the voluntarily reduced months of service for their first or second

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window recurring service funding requests (see <u>DA 22-799</u> and our newsletter of August 1<sup>st</sup>).

September 9 Last day of the "Summer Deferral" window giving applicants additional

time to respond to PIA E-rate inquiries. No such deferral period is in effect

for ECF inquiries.

September 30 Service delivery deadline for FY 2021 non-recurring services.

#### CEP and the Build Back Better Act:

According to the Food Research & Action Center ("FRAC"), the recent Build Back Better Act (<u>H.R. 5376</u>) adopted by the House of Representatives, if passed by the Senate and enacted into law, would dramatically expand the Community Eligibility Provision ("CEP") program to provide free student breakfasts and lunches to more schools and districts.

Two elements of the enhanced CEP, which might by themselves generate more bipartisan support than the Build Back Better Act as a whole, would be:

- 1. For the next five school years, beginning on or after July 1, 2022, and ending before July 1, 2027: (a) the CEP multiplier for directly identified students would be increased from 1.6x to 2.5x; and (b) the directly identified student percentage threshold for CEP participation would drop from 40% to 25%.
- 2. For the same period, and under certain non-Federal funding provisions, a statewide community eligibility option would be available to provide free school meals for all schools.

The <u>FRAC report</u> provides individual <u>state fact sheets</u> estimating the impact of the BBB provisions, if enacted, on each state. The summary for North Carolina shows:

If all eligible schools in North Carolina adopt community eligibility, then at least 1,838 schools — which represent 73 percent of schools that participate in the National School Lunch Program and School Breakfast Program — could use community eligibility to offer free meals to all of their students, approximately 811,137 children.

The BBB Act would also create an important new statewide community eligibility option. More than half — approximately 73-78 percent — of the meals served would be reimbursed at the highest federal rate, the free rate, if North Carolina adopts community eligibility statewide. The state would be responsible for providing funding to reimburse schools for the rest of the meals at the free rate.

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From an E-rate perspective, the critical issue would be whether the FCC would adopt the five-year CEP changes for discount rate purposes. If so, the increased CEP multiplier (2.5x up from 1.6x) and lower direct certification requirement (25% down from 40%) would raise the discount rate of many schools and districts. The statewide option, if adopted for E-rate purposes, would move all applicants to the highest discount rate. If the FCC did not adopt either change, it would presumably have to redefine the discount rate calculation mechanism.

We would welcome expansion of CEP, whether it is reflected in E-rate discounts or not. CEP, even as currently configured, is a winning program for schools and students alike.

#### USAC E-Rate and/or ECF Newsletters — None Last Week

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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