



- Funding Status for E-Rate and ECF
 - E-Rate for FY 2023
 - ECF for 2021-2023
- FCC Extends Certain ECF Service Delivery Deadlines
- USDA Comments Support Lower CEP Threshold
- Updates and Reminders
 - Upcoming Dates
 - Senate Hearing on The State of Universal Service

Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 3 for FY 2023 on Thursday, May 11th, for \$54.5 million including \$585 thousand for eight North Carolina applicants. Total funding after three waves is \$1.13 billion including \$32.1 million for North Carolina. At this point, USAC has already funded 69.1% of the originally submitted applications representing 37.6% of the dollars requested.

ECF for 2021-2023:

Wave 33 for Windows 1 and 2, and Wave 24 for Window 3, were [issued](#) on Wednesday, May 10th, for \$24.1 million, none for North Carolina. Total commitments for all three ECF windows are \$6.67 billion including \$189 million for North Carolina. Nationwide, USAC has funded 87.9% of the ECF applications representing 68.0% of the requested funding. Window 3 applications are being funded down to the 65% rural band. Total disbursements as of May 11th were \$3.17 billion.

FCC Extends Certain ECF Service Delivery Deadlines

Late last Friday, the FCC issued a Public Notice ([DA 23-406](#)) and an Order ([DA 23-405](#)) waiving and extending the service delivery deadline for certain ECF applicants that did not receive (or have not yet received) funding commitments and/or approvals of appeals, waivers, and post-commitment changes early enough to take full advantage of their funding under previously existing deadlines. The FCC's revised deadlines are, in part, a response to a [petition](#) filed by SHLB and CoSN.

The new service delivery deadlines vary by filing window and type of service that may require further clarification. The bottom line for all is that, with the COVID-19 public health emergency having expired last Thursday, no ECF service delivery deadline will go beyond June 30, 2024.

In summary — and with the recommendation that the Public Notice and the Order both be read in detail — the most important service delivery and invoice deadlines are as follows:

- Applicants in Windows 1 and 2 that received an FCDL or RFCDL approving support for services (not equipment) on or after July 1, 2022, have a service delivery deadline of June 30, 2024, or fourteen months after the date of the letter, whichever is sooner.
- Applicants in Windows 1 and 2 that received an FCDL or RFCDL approving support for equipment on or after January 1, 2023, have a service delivery deadline of 180 days from the date of the letter, but not to exceed June 30, 2024.
- Applicants in Window 3 for all services and equipment have a service delivery deadline of June 30, 2024.
- The service delivery date for approved recurring services associated with a new construction funding request is extended to June 30, 2024, if the FCDL or approved RFCDL for the new construction services was received on or after July 1, 2022. However, no changes are made to the service delivery deadlines for special construction (i.e., no extension or waiver of the current one-year deadline to complete the special construction services from the date of the FCDL.)
- The invoicing deadline remains 60 days from the FCDL, RFCDL, or service delivery deadline, whichever is later.

USDA Comments Support Lower CEP Threshold

As discussed in our [newsletter of March 27th](#), the U.S. Department of Agriculture (“USDA”) has [proposed](#) reducing the minimum Identified Student Percentage (“ISP”) required for participation in the Community Eligibility Provision (“CEP”) program from 40% to 25%. As of the public comment deadline last week, USDA had received over 10,000 comments supporting the proposed change.

Many of the comments were received from individual filers with a common refrain reading:

I support the proposed rule to lower the CEP threshold from 40 percent to 25%. Hungry kids can't learn, and families of hungry students have the hardest time with the paperwork necessary to access school meals. This proposal would eliminate unpaid meal charges, minimize stigma, reduce paperwork for school nutrition staff and families, and streamline meal service operations. It's a win for kids and schools!

An important individual [letter of support](#) came from the Committee on Education and the Workforce of the U.S. House of Representatives, cosigned by the Ranking member of the Subcommittee on Early Childhood, Elementary and Secondary Education. The Committee — which includes three representatives from North Carolina — not only supported lowering the ISP percentage but also expressed the hope that Congress would act to increase the current 1.6x multiplier.

We fully expect USDA to lower the ISP threshold as proposed; the question is when? Comments filed by the New York State Education Department (“NYSED”) encourage USDA to effectuate

the change for the upcoming 2023-2024 school year. That could best be done by waiving the July deadline for new CEP applications.

For the growing number of states like New York that are providing free meals for all students, the [NYSED letter](#) also notes that broadened CEP participation at a lower ISP threshold would lower the net costs of meals borne by those states. Additionally, from an E-rate perspective, we would note that dropping the ISP from 40% to 25% would, while maintaining the 1.6x multiplier, help schools in those states validate 40–64% NSLP percentages for discount rate purposes without having to solicit family income surveys.

Updates and Reminders

Upcoming Dates:

May 19	The Form 486 deadline for FY 2022 Wave 40. More generally, the Form 486 deadline is 120 days from the FCDL date or from the service start date (typically July 1 st), whichever is later. Upcoming Form 486 deadlines are: <table><tr><td>Wave 41</td><td>05/26/2023</td></tr><tr><td>Wave 42</td><td>06/02/2023</td></tr></table>	Wave 41	05/26/2023	Wave 42	06/02/2023
Wave 41	05/26/2023				
Wave 42	06/02/2023				
May 23	Due date for submitting reply comments on the FCC’s Notice of Proposed Rulemaking (FCC 23-10) to further improve E-rate program rules and encourage greater Tribal and small applicant participation (and potentially other small applicants) in the E-rate program (see our newsletter of February 6th).				
May 26	Beginning of the summer deferral period for PIA inquiries. The deferral period ends September 8, 2023.				
June 30	The last day to light fiber (or request an extension) for special construction projects from FY 2022.				

Senate Hearing on The State of Universal Service:

U.S. Senator Ben Ray Luján, (D-NM), Chair of the Subcommittee on Communications, Media and Broadband held a hearing last week to explore the continued need for broadband connectivity in rural areas, in telemedicine, for low-income households, and schools and libraries — four programs currently supported by the Universal Service Fund (“USF”). [Opening statements](#) were made by Senator Luján and the following panelists:

- Tim Chavez, Director of Technology, Cuba Independent School District, New Mexico
- Angie Kronenberg, President, INCOMPAS
- Daniel Lyons, Professor, Boston College Law School; Nonresident Senior Fellow, American Enterprise Institute

- Denny Law, CEO and General Manager, Golden West Telecommunications Cooperative, South Dakota
- Greg Guice, Director of Government Affairs, Public Knowledge

An excellent summary of the hearings is provided by the [Benton Institute](#). What we found particularly interesting was:

- The broad support for the E-rate program including support for adding cybersecurity eligibility.
- The pressing need to continue supporting home internet discounts for low income families as the current ECF and ACP funding — which are not USF programs — runs out.
- Agreement on the importance of restructuring the USF funding mechanism to broaden the base of contributors. Sen. J.D. Vance (R-OH) equated the current system of supporting broadband deployment with traditional interstate telephone revenues as equivalent to “taxing horseshoes to pay for the highway system.” As an alternative most looked to contributions from “edge providers,” i.e., entities providing any content, applications, or services over the internet. By one estimate, including broadband providers in the base could reduce the contribution factor from 30% to 4%.

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.

In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.