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Funding Status for E-Rate and ECF

E-Rate for FY 2023:

USAC issued Wave 29 for FY 2023 on Thursday, November 9th, for \$17.2 million including \$48 thousand for one North Carolina applicant. Total funding is now \$2.34 billion including \$87.0 million for North Carolina. At this point, USAC has funded 95.8% of the originally submitted applications representing 81.4% of the dollars requested.

ECF for 2021-2023:

Total commitments for all three ECF windows are at \$6.46 billion including \$191 million for North Carolina.

E-Rate for FY 2024:

The EPC administrative window opened on October 24th. Applicants can now update their entity profiles (including student counts and NSLP percentages) in advance of the FY 2024 application window. USAC will close the administrative window shortly before the Form 471 application window opens in mid-January, at which point EPC entity profiles will be locked during the window.

FCC Releases NPRM for Internet at Home

Moving forward on another of Chairwoman Rosenworcel’s “Learn without Limits” initiatives, the FCC released a Notice of Proposed Rulemaking (“NPRM”) last week to provide E-rate funding for Wi-Fi hotspots and services for students and library patrons without access to internet at home. The NPRM ([FCC 23-91](#)), if and when adopted, could provide extended services into some of the same homes previously being funded by the Emergency Connectivity Fund (“ECF”) program that is expiring on June 30, 2024. Unlike ECF, however, E-rate funding will be at the school’s or

library's regular discount rate, not at a 100% reimbursement level. It is also clear from the NPRM, that there will be a stricter definition of "unmet" need to lower overall funding requirements.

Some of the more interesting questions and issues raised for comment in the NPRM are:

- Generally, the FCC seeks comment on how it can "implement funding for the off-premises use of Wi-Fi hotspots and services within existing E-Rate program processes, what actions are necessary to safeguard these critical funds from any potential waste, fraud, or abuse, and our authority to adopt the measures described in this NPRM."
- Should Wi-Fi hotspots be treated as internal connections? We note that doing so would limit any given applicant's funding to their remaining Category 2 budget.
- Should E-rate support cover both hotspot purchases and monthly internet charges or just recurring service charges? Should the FCC adopt minimum bandwidth standards?
- Should the FCC cap hotspot and/or service costs to a level deemed "cost-effective?"
- If total E-rate demand exceeds the annual funding cap, should the funding for traditional equipment and services supporting connectivity to and within schools and libraries come first? How should hotspot demand be prioritized? Interestingly, the FCC acknowledges that the demand for traditional E-rate funding "had consistently fallen below the program's funding cap in recent years" — recently by half or more.
- Should the FCC "adopt more stringent unmet needs requirements for the E-Rate program than it adopted for the ECF program?"
- Are there "certain school populations, such as Head Start and pre-kindergarten students, for whom the risks may outweigh the benefits of providing E-Rate support for the off-premises use of Wi-Fi hotspots and services?"
- How can the FCC "ensure that the off-premises use of Wi-Fi hotspots and services is primarily for educational purposes?" How can the FCC ensure that "applicants are not requesting excess services for non-educational purposes like video games or non-educational streaming services?"
- How can the FCC prevent "reimbursement for unused equipment and/or services?"
- Should the FCC "apply existing E-Rate recordkeeping requirements to funding provided for the off-premises use of Wi-Fi hotspots and services?"
- How would the Children's Internet Protection Act ("CIPA") requirements, such as a school's monitoring of the online activities of minor, apply?

Many of these are difficult questions — with answers likely to be closely questioned by the two Republican Commissioners who dissented to the NPRM in the first place. Decisions on "educational purposes" — an important E-rate condition that was not a requirement under the ECF program — may determine the scope of off-campus hotspot eligibility.

Comments on the NPRM will be due 30 days after its publication in the *Federal Register*. Reply comments will be due 15 days thereafter. Based on this schedule, applications for hotspots might require a separate application window for FY 2024 or be put off until FY 2025.

E-Rate, ECF and a Government Shutdown

It is disappointing to have to think about a government shutdown again, but last month's "temporary fix" to the Federal budget crisis is set to expire this coming Friday. Should a new fix not materialize, it's important to contemplate the potential impact on both E-rate and ECF.

Based on the FCC's [Plan for Orderly Shutdown Due to Lapse of Congressional Appropriations](#), published in advance of the possible October 1st shutdown, here's how we expect the E-rate and ECF programs to be affected during the government shutdown:

- USAC, which operates under the Universal Service Fund ("USF"), is not subject to Congressional appropriations, and is expected to be operational during the shutdown. In particular:
 - Application and invoice review should continue without interruption.
 - Payments for BEARs and SPIs might take longer but can apparently be paid by the U.S. Treasury under the [Bureau of the Fiscal Service FY 2024 Lapse Plan](#).
 - Scheduled training webinars would not be affected.
 - To the extent FCC guidance is required during the period, policy decisions may be delayed.
- The FCC would be more directly affected, but presumably not immediately. During the last shutdown threat, the FCC indicated that it had sufficient funds to remain open for business as usual for about three weeks. If the lapse extended longer than that, the FCC would have had to shut down. At that point:
 - An estimated 84% of the Commission's staff would be given less than a day to shut down their activities.
 - FCC personnel and activities exempt from the shutdown include:
 - The five Commissioners themselves.
 - Certification of USF disbursements.
 - Emergency COVID-19 relief programs including ECF.
 - FCC activities that we would expect to be adversely affected would include:
 - E-rate appeal and waiver decisions.
 - Review of submitted comments on pending FCC proceedings including the Further Notice of Proposed Rulemaking ("FNPRM") for simplifying the E-rate program, the revised Eligible Service List ("ESL") to include Wi-Fi on buses for FY 2024, and the new hotspot loan initiative.

Updates and Reminders

Upcoming Dates:

November 13 The Form 486 deadline for FY 2023 Wave 12. 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 13	11/17/2023
Wave 14	11/24/2023

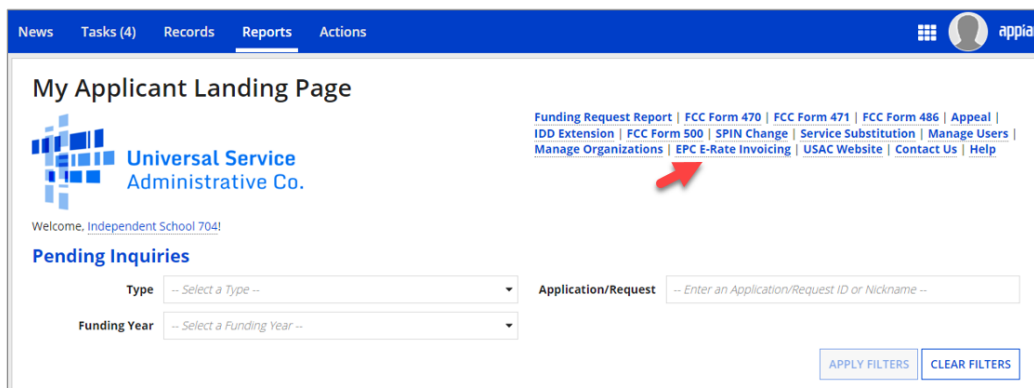
- November 20 Nominations are due for a Tribal Board member on the USAC Board of Directors (see [DA 23-903](#)).
- November 30 Due date for additional comments on the proposed Eligible Services List (“ESL”) ([DA 23-1011](#)) for FY 2024 regarding the eligibility of Wi-Fi on school buses. There is no provision for additional reply comments.

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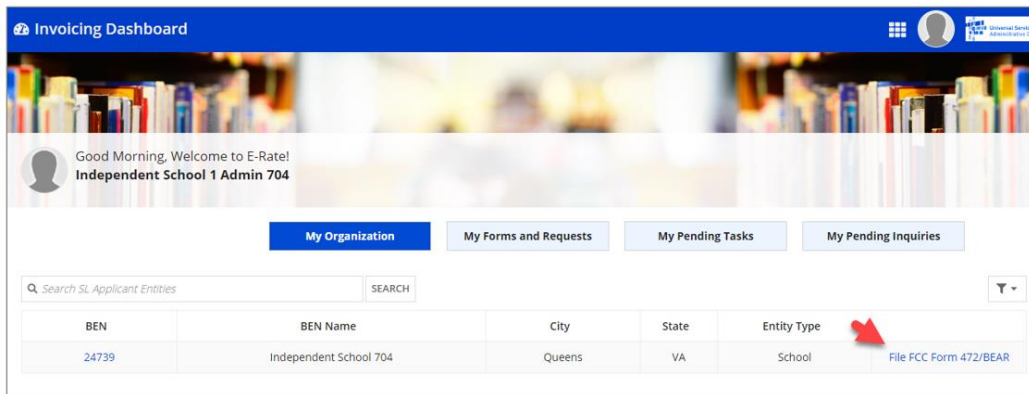
[USAC’s E-Rate Special Edition News Brief dated November 7, 2023](#), announces and discusses the completion of the transition of the legacy E-rate invoicing system — BEARs and SPIs — into EPC. Although we noticed a few small bugs — e.g., a reference to the Form 472 BEAR as the Form 427 — the process proceeded smoothly and on time. USAC reports the following features and benefits of the transition:

- Streamlined invoice submission process for all form types.
- Outreach inquiries conducted in EPC.
- Notifications from EPC and via email when there is a pending action for the full rights users.
- Notifications about invoice submission status in your EPC News feed.
- Built-in upfront validations, to help reduce errors at time of submission.
- Built-in calculations, using billed amount and discount rate for a more accurate invoice submission.
- The ability to proactively include bills during invoice submission, reducing the need for inquiries and less time to review.
- Helpful tools for obtaining invoicing details and statuses.

The first thing you will notice when you log into the USAC portal is that there are only two real options: EPC to take you into E-rate forms, now including BEAR forms; and EPC forms. The center E-Rate System Consolidation section is now only available for supplier SPAC forms and pre-FY 2016 invoicing. To file a BEAR, once on the Applicant Landing Page, click on “EPC E-Rate Invoicing.”



The EPC E-Rate Invoicing Dashboard opens to the My Organization page listing the BENs to which you are associated. From there, click File FCC Form 472 BEAR. From this point on, the BEAR system will look similar.



Last week's News Brief also includes links to all the slides from the earlier consolidation webinars and a [registration link](#) to this Wednesday's final invoicing webinar.

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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