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Funding Status

E-Rate for FY 2024:

Wave 6 for FY 2024 was released on Thursday, May 30th, for \$41.5 million including \$2.22 million for seven North Carolina applicants. Total funding is now \$1.33 billion including \$52.4 million for North Carolina. At this point, USAC has already funded 72.3% of the originally submitted applications representing 43.2% of the dollars requested.

E-Rate for FY 2023:

No additional funding wave for FY 2023 was issued last week. Total funding remains at \$2.63 billion including \$84.6 million for North Carolina. At this point, USAC has funded 98.3% of the originally submitted applications representing 96.4% of the dollars requested.

Legislative Activity or Inactivity

The U.S. Congress talks a good game — and sometimes a bad game — regarding broadband internet legislation that would affect schools and libraries, but not much has come of the talk lately. The following is a brief summary of the initiatives we have been following.

- The Affordable Connectivity Program (“ACP”) [officially](#) ran out of money this month and is being shut down. ACP, while not directly a schools and libraries program, had been providing critical discounted internet services for low-income families benefiting both students and library patrons. Despite broad bipartisan support in both the House and Senate to extend the program, including a specific proposal to add \$7 billion in funding, the issue never came to a vote in either House or even a committee. While considerable support remains to reinstate ACP, such an effort is unlikely to succeed unless a permanent funding source can be found, perhaps for a scaled-down ACP-like program. Simply providing a \$7 billion infusion, for example, would lead to a confusing restart with another funding crisis arising next year.
- A group of seven Republican Senators, led by Sen. Ted Cruz (R-TX) have filed a [brief](#) in the U.S. Court of Appeals for the Fifth Circuit supporting a lawsuit filed by two parents

(“Molak vs. FCC”) worried about the potential for their children to access social media platforms like TikTok and Instagram unsupervised during bus rides to and from school. This effort is an extension of Sen. Cruz’s earlier criticism of school bus Wi-Fi eligibility. On the flip side of this issue, Rep. Adam Schiff (D-CA) has introduced the [Clarifying E-Rate Act of 2024](#), confirming the FCC’s declaratory ruling making bus W-Fi eligible for E-rate funding. Schiff’s bill, to amend the Communications Act of 1934, would deem E-rate funding applicable to “schools, buses associated with schools...and other locations where learning occurs as determined appropriate by the Commission.” The “other locations” portion of that proposed amendment would cover the FCC’s hotspot initiative.

- A bipartisan group of four Senators is supporting the [Eyes on the Board Act](#) that was initially introduced by Sen. Cruz in 2023 and is now incorporated within the [Kids Off Social Media Act](#) (“KOSMA”). The Eyes on the Board Act portion mandates that schools must restrict access to social media platforms on any services, devices, and networks supported by E-rate subsidies. More broadly, KOSMA would:
 - Prohibit children under the age of 13 from creating or maintaining social media accounts;
 - Prohibit social media companies from pushing targeted content to users under the age of 17;
 - Give the FTC and state attorney generals the authority to enforce the bill; and
 - Follow the existing CIPA framework to require schools to block and filter social media.

ALA, SHLB, SETDA, and CoSN have sent a [joint letter](#) to the U.S. Senate Committee on Commerce, Science and Transportation strongly opposing the Eyes on the Board Act section of KOSMA.

- Efforts to further protect children from online dangers are also arising at the state level. In the month of May alone, we noted:
 - The [Maryland Kids Code](#) was signed into law with the aim of limiting the data that could be collected from children online and protecting them from being flooded with harmful material they were not requesting.
 - Gov. Kathy Hochul of New York [announced](#) that she wants to explore a ban on personal cellphone internet access usage in schools while, as a compromise, allowing students to keep their phones to stay in contact with their parents.

Updates and Reminders

Upcoming Dates:

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| June 6 | FCC open meeting at which the Commission will vote on rules to govern the three-year, \$200 million, cybersecurity pilot program. The FCC will also consider a proposal to require reporting on internet gateway protocol.

The FCC open meeting begins at 10:30 a.m. EST and can be watched online . |
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June 7 Form 486 deadline for FY 2023 Wave 42. 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 43	06/14/2024
Wave 44	06/21/2024
Wave 45	06/28/2024
Wave 46	07/05/2024

The first Form 486 deadline for FY 2024, for applicants funded on or before July 1st, will be October 29th. Applicants filing before July 1st should check the early filing certification box (see our [newsletter of April 29th](#)).

June 20 USAC’s Beginning E-Rate Services webinar ([register](#)).

June 30 Last day to receive (or file service substitutions for) FY 2023 recurring services.

June 30 Last day to light fiber (or request an extension) for special construction projects from FY 2023.

June 30 Last day to receive ECF Window 3 services; all equipment must be received by this date.

June 30 Last date for applicants to complete Funds For Learning’s important annual E-rate survey See our [newsletter of May 6th](#).

August 29 Invoice deadline for ECF Window 3 applications.¹

Cybersecurity Ex Parte Comments:

With the FCC set to vote on its Cybersecurity Pilot program rules at its open meeting this Thursday, there was a short window of opportunity for interested parties to comment on the proposed rules that were first released two weeks ago (see our [newsletter of May 20th](#)). Whether such comments will lead to any changes in the final rules, is uncertain. At the very least, however, we note that the following two sets of comments point to sections in the proposed rules that will require clarification:

The [State E-Rate Coordinators’ Alliance](#) (“SECA”) recommended the following:

1. A competitive bidding exemption for the Pilot should be provided to cover advanced firewall features bid as a part of basic firewall contracts properly bid for E-rate purposes.
2. Competitively bid master contracts using the E-rate Form 470 process should be available for use by Pilot applicants.
3. The Pilot form filing period should begin no sooner than the start of the 2024-2025 school year, and:

¹ The government funding bill passed in March 2024 rescinds \$1.768 billion from the ECF program. As a result, the FCC and USAC are now prevented from: processing post-commitment requests to change service providers or invoicing methods; approving a commitment if an appeal or waiver is granted; or making upward commitment adjustments to resolve errors.

- a. The filing period for the Form 484-Part 1 should be at least 30 days with a deadline on or after September 30, 2024.
 - b. The filing period for the Form 484-Part 2, for selected Pilot applicants, should be at least 45 days.
 - c. The FCC should clarify the approval process, including opportunities for appeal, of the Form 484-Part 2.
 - d. The FCC should also clarify the filing process and deadlines for Pilot versions of the Form 470 and Form 471.
4. The Pilot data reporting requirements should be published at least 15 days before the opening of the Form 470 window.
 5. The Eligible Service List for the Pilot should be updated with equipment and services that have substantially similar features or equivalents.
 6. The invoice deadline should be 120 days from the end of the service delivery period.
 7. The FCC should identify other E-rate-like rules and procedures that will govern the Pilot program.

The [Schools, Health & Libraries Broadband](#) (“SHLB”) Coalition, together with ALA, CoSN, and Common Sense, highlighted the following sections of the proposed Pilot rules that require additional clarification:

1. The draft order is unclear as to whether the specified budget amounts are annual or total Pilot program limits.
2. It is unclear as to whether the specified library budgets represent minimum or maximum amounts.
3. The rules should clarify whether the ineligible portion of equipment purchased under the E-rate program (e.g., advanced firewall functions) might be eligible under the Pilot program.
4. The ten-year record retention rule should be clarified to indicate that the provision applies only to documents and does not impose any changes to the current E-rate rule governing the disposal of obsolete equipment components of eligible services.
5. Clarification was also sought regarding:
 - a. The timeline for the release of the final Pilot report.
 - b. The ability of the Commission to analyze prior to three years.
 - c. The ability of the Commission to increase the Pilot budget if supported by the demand.
 - d. The timeline on forms submission.
 - e. The ability of individual sites within a consortium to apply separately.
 - f. Whether various references to the amount an applicant will “receive” is a pre-discount or discounted amount.

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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