



- Funding Status
  - E-Rate for FY 2024
- Updates and Reminders
  - Upcoming Dates
  - FCC Report on Cybersecurity Pilot Applications, cont.

## Funding Status

### *E-Rate for FY 2024:*

Wave 30 for FY 2024 was released on Thursday, November 14<sup>th</sup>, for \$38.3 million, none for North Carolina. Total funding is now \$2.39 billion including \$67.3 million for North Carolina. Currently, USAC has funded 96.5% of the originally submitted applications, representing 81.0% of the dollars requested.

## Updates and Reminders

### *Upcoming Dates:*

November 21	FY 2023 Form 486 deadline for Wave 60. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1 <sup>st</sup> ), whichever is later. The next Form 486 deadlines for FY 2023 are:
	Wave 61                      12/09/2024
	Wave 62                      12/19/2024
November 22	FY 2024 Form 486 deadline for Wave 14. Upcoming Form 486 deadlines for FY 2024 are:
	Wave 15                      11/29/2024
	Wave 16                      12/06/2024

### *FCC Report on Cybersecurity Pilot Applications, cont.:*

As we noted in [last week's newsletter](#), the only information that the FCC has released so far on the school and library applicants who filed the initial Form 484 Part 1 to apply for the Cybersecurity Pilot Program is a [short notice](#) indicating that it received 2,374 applications aggregating \$3.7 billion in potential demand. With Pilot funding capped at \$200 million, only a few hundred of these initial applicants will be selected to participate in the final Pilot. We do not expect to see a list of the selected applicants until later this year or early in 2025. In the meantime, we can guess which types of applicants will have the best chance of being selected.

The key to this guess is two [FAQs](#) that the FCC published earlier this fall that read:

**5.2a Q: How do the prioritization rules fit with the goal to have a diversity of applicants?**

A: If demand is greater than the \$200 million cap, the FCC will look at applicants' discount band to select Pilot participants. Consistent with Pilot Program rules, applications in the 90% discount band will be reviewed first. If there is not enough support to fund all requests within the 90% discount band, the FCC will look at applicants' specific National School Lunch Program percentages, starting with the highest percentage. To ensure diversity in the applicant pool, application review will also consider the other criteria identified in the Report and Order – applicant type, urban/rural, small/large, and Tribal – within each discount band.

**5.3 Q: How will the Commission ensure diversity of stakeholder representation if it is prioritizing applicants with the “greatest need,” as defined by an applicant's discount percentage rate?**

A: The Commission expects that it will be able to ensure diversity of geography, size and cybersecurity experience, while prioritizing applicants with the greatest need. The selection criteria adopted in the Report and Order provides the flexibility needed to ensure that a wide array of well-defined projects, submitted by a variety of applicant types, will be selected.

With these FAQ guidelines, we can begin to narrow the possible universe of potentially successful finalists to those with the highest discount rates while still accounting for the diversity the FCC is seeking. Note, however, that this process can quickly become complex.

- The 2,374 initial applications that the FCC received are non-duplicative. Any single eligible E-rate applicant can only be included in one application on its own or as a part of a consortium. The initial Pilot application total represents approximately 13% of the number of applicants that filed regular E-Rate applications in FY 2024. Only a small fraction of these initial applicants will be selected to participate in the full Pilot.
- With the FAQ indication that the FCC is planning to select applicants “with the greatest need,” as defined by discount rate, we expect that many applicants, with lower discount rates, did not bother to apply. In one small sample applicant pool we examined, just over half the Pilot applicants had discount rates of 90%. If this is representative of the entire pool of applicants — which we believe is likely — all successful applicants may be at the 90% discount level.
- To account for the FCC’s goal of ensuring diversity of “geography, size, and cybersecurity experience,” we note that the universe of FY 2024 E-Rate applicants with 90% discounts include all fifty states, four territories, and the District of Columbia. We do not expect that finding diversity at 90% will be a problem.
- Indeed, simply having a 90% discount rate may not be sufficient. As indicated in FAQ 5.2a, if a 90% discount rate is not enough to differentiate funding, the FCC will look to the actual NSLP percentage to prioritize. At this point, the selection process would become even more complicated. Here is why:
  - 90% discount rates are determined from NSLP percentages from 74.50% to 100.00%. Largely as a result of the growing reliance on the Community Eligibility Provision (“CEP”) option, many schools have an NSLP percentage of 100%. In New York State, dominated by New York City schools (perhaps not the best

example, but the only one we have at the moment), over 60% of the schools have a 90% discount rate. Of these 90% discount schools, 80% have an NSLP percentage of 100%.

- Were the FCC ever have to prioritize among those schools with an NSLP of 100%, it might find itself having to deal with different Identified Students Percentages (“ISPs”).

Before it comes to this, we would expect the FCC to adopt a more subjective means of cutting the final applicant pool down to the \$200 million funding limit.

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*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](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

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