Weekly E-Rate Newsletter Vol. 19, No. 10 March 10, 2025

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Funding Status

E-Rate for FY 2025 – Application Window:

Application Window: The Form 471 application window for FY 2025 opened January 15th, and will close in 16 days on Wednesday, March 26th, 2025, at 11:59 p.m. EDT. Wednesday, February 26th, was the last date to submit and certify a Form 470 and still wait the minimum 28-day period before submitting and certifying a Form 471 before the close of the application filing window. For additional information on the FY 2025 filing window, including training opportunities, see USAC's E-Rate News Brief dated February 20th.

E-Rate for FY 2024:

Wave 46 for FY 2024 was released on Thursday, March 6th, for \$7.41 million, none for North Carolina. Total funding is now \$2.63 billion including \$73.6 million for North Carolina. Currently, USAC has funded 98.2% of the originally submitted applications, representing 90.7% of the dollars requested.

Cybersecurity Pilot Program – Application Window:

Application Window: The CBR Form 471 application window for the Cybersecurity Pilot Program opens March 18th and will close September 15th. Total pilot funding is capped at \$200 million for 707 applicants. Initial commitments include an estimated \$10.1 million for seventeen North Carolina applicants.

Updates and Reminders

Upcoming Dates:

March 14

FY 2024 Form 486 deadline for Wave 30. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1st), whichever is later. The next Form 486 deadlines for FY 2024 are:

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	Wave 31 Wave 32	03/21/2025 03/27/2025			
March 18	Opening of the Cybersecurity Pilot Form 471 application window.				
March 18	USAC Cybersecurity Pilot Program Form 471 webinar: 3:00-4:00 PM EST Register				
March 26	Close of the E-Rate Form 471 application window for FY 2025.				
March 26	Oral arguments before the U.S. Supreme Court regarding the constitutionality of the Universal Service Fund (see our <u>newsletter of November 25, 2024</u>).				
May 28		r FY 2023 non-recurring service FRNs with the original January 28, 2025, deadline.			
July 1	Withdrawal deadline for Cylcontinue in the Program.	bersecurity Pilot participants opting not to			
September 15	Close of the Cybersecurity Pilofor filing the Form 484 Part 2.	ot Form 471 application window and deadline			

FCC Streamlined Decisions:

The FCC issued another set of "streamlined," precedent-based appeals and waivers last week. As with past streamlined decisions, applicants facing similar problems to those addressed in these decisions may garner useful information by carefully reading the additional FCC explanations found in the footnotes. The original appeal and/or waiver requests can be found online in the FCC's <u>Search for Filings</u> under Docket 02-6 (E-Rate) or Docket 21-93 (ECF).

In February's streamlined decisions (DA 25-159), the FCC:

1. E-Rate Dismissed:

- a. One Request for Waiver dismissed for failure to comply with the Commission's basic filing requirements (including not specifying an application number).
- b. One Petition for Reconsideration for failure to identify any material error, omission, or reason warranting reconsideration.

2. E-Rate Granted:

- a. One Request for Review (from 2010) allowing a discount re-calculation.
- b. One Request for Review allowing the late submission of discount rate information.
- c. One Request for Review finding that USAC erred in its service eligibility determination.
- d. One Request for Review granting additional time to respond to USAC with information during invoicing.
- e. One Petition for Reconsideration regarding a ministerial or clerical error during invoicing.
- f. One Petition for Reconsideration regarding a late-filed appeal or waiver.
- g. Three Requests for Waiver regarding ministerial or clerical errors during invoicing.
- h. Five Requests for Waiver regarding late-filed appeals or waivers.

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- i. Eight Requests for Review and/or Waiver regarding ministerial or clerical errors on discount rate calculations.
- j. Five Requests for Waiver on permissible implementation delays.
- k. Three Requests for Waiver on service substitutions.

3. E-Rate Denied:

- a. One Request for Waiver on competitive bidding when no Form 470 had been filed.
- b. One Request for Waiver on a discount rate calculation when insufficient documentation had been provided.
- c. Two Requests for Waiver (from 2011) for failure to retain documentation.
- d. One Request for Waiver for a late-filed Form 471.
- e. Six Requests for Waiver for late-filed invoices or invoice deadline extension requests.
- f. One Request for Waiver for a service implementation delay.
- g. Five Requests for Waiver for late-file appeals or waivers.

4. ECF Dismissed:

a. One Petition for Reconsideration for failure to identify any material error, omission, or reason warranting reconsideration.

5. ECF Granted:

a. One Request for Waiver of the invoice filing deadline.

6. ECF Denied:

a. Two Requests for Waiver of the service delivery date beyond the COVID-19 Emergency Period expiration.

FCC Sets E-Rate Funding Cap for FY 2025:

The FCC announced (<u>DA 25-199</u>) a 2.4% inflation-adjusted increase in the annual E-Rate funding cap to \$5.06 billion for FY 2025. The announcement is a necessary, but largely ceremonial, step preceding the beginning of FY 2025 funding waves later this Spring. As a practical matter, total E-Rate funding has never reached even \$3 billion annually.

What is more significant in the FCC's announcement is that it reflects the cumulative inflation factor, see below, over the five-year, 2021-2025, Category 2 budget cycle.

Funding	Fund	Infl.		
Year	Cat. 1	Cat. 2	Total	Adj.
2021	3,200	1,103	4,303	2.1%
2022	3,334	1,150	4,484	4.2%
2023	3,567	1,230	4,798	7.0%
2024	3,696	1,244	4,940	3.6%
2025	3,785	1,274	5,059	2.4%

5-Year Cummulative Adjustment 20.0%

Assuming that the FCC continues to adjust the next five-year Category 2 budget factors by the cumulative inflation percentage for the preceding cycle, we would expect the FCC to set the budget

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factors for FY's 2026-2030 approximately as follows. A formal announcement should be made later in 2Q25 prior to the FY 2026 Form 470 becoming effective on July 1st.

		Actual		Projected	
Category 2 Budgets		2021-2025		2026-2030	
Schools per student	\$	167.00	\$	200.00	
Libraries per sq.ft	\$	4.50	\$	5.40	
Minimum per entity		\$25,000.00		30,000.00	

No Congressional Action on Hotspots Last Week:

In last week's newsletter, we reported that Senate Majority Leader John Thune had indicated that the Senate would vote that week on a Congressional Review Act ("CRA") resolution to invalidate the FCC's Order making hotspots eligible for E-Rate support. That vote did <u>not</u> take place so, at the moment, hotspots remain eligible for FY 2025. Under the CRA, Congress could still act on hotspots any time before mid-May. Alternatively, a new Republican majority at the FCC could also reverse the hotspot eligibility provision.

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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