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## **Funding Status**

## *E-Rate for FY 2025:*

The Form 471 filing window for FY 2025 closed on March 26<sup>th</sup>. Preliminary demand, as summarized in USAC's annual letter to the FCC, showed:

	No. Applications	<u>Funding Requested</u>
Nationwide	36,435	\$ 3,225 Million
Category 1	23,707	1,806 Million <sup>1</sup>
Category 2	13,728	1,418 Million

Total initial demand for FY 2025 is slightly down from FY 2024 and is well below the year's \$5.06 billion funding cap set earlier this month by the FCC. This demand total is expected to increase over the next month or two as the FCC grants waivers on late-filed applications certified within two weeks of the window closing, then decrease as pending requests are reduced during the PIA review process.

PIA has been reviewing applications since the application window opened in January. We would expect the first wave of FY 2025 funding commitments to be issued by USAC in the last week or two of April.

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

Wave 50 for FY 2024 was released on Thursday, April  $3^{rd}$ , for \$3.38 million, none for Carolina. Total funding is now \$2.65 billion including \$73.6 million for North Carolina. Currently, USAC has funded 98.3% of the originally submitted applications, representing 91.7% of the dollars requested.

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<sup>&</sup>lt;sup>1</sup> Including \$5.60 million for hotspot services and \$14.89 million for school bus Wi-Fi.

# *Cybersecurity Pilot Program – Application Window:*

The CBR Form 471 application window for the Cybersecurity Pilot Program opened on March 18<sup>th</sup> and will close on September 15<sup>th</sup>, 2025. Total pilot funding is capped at \$200 million for 707 applicants. Initial commitments include \$10.1 million for seventeen North Carolina applicants.

# **Updates and Reminders**

## **Upcoming Dates:**

April 9	Scheduled confirmation hearing of the Senate Commerce Committee for Olivia Trusty, the White House nominee for the third Republican seat on the Federal Communications Commission. Assuming confirmation, this will give the Republicans a 3:2 majority on the FCC.	
April 11	FY 2024 Form 486 deadline for Wave 34. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1 <sup>st</sup> ), whichever is later. The next Form 486 deadlines for FY 2024 are:	
	Wave 35 04/18/2025	
	Wave 36 04/25/2025	
	Wave 37 05/02/2025	
	Wave 38 05/09/2025	
April 11	Comments due on the FCC's "Delete, Delete, Delete" initiative ( <u>DA 25-219</u> ). See our <u>newsletter of March 17th</u> .	
April 28	Reply comments due on the FCC's "Delete, Delete, Delete" initiative.	
May 28	Extended invoice deadline for FY 2023 non-recurring service FRNs with approved extensions beyond the original January 28, 2025, deadline.	
June 30	Last day to receive FY 2024 recurring services.	
July 1	Withdrawal deadline for Cybersecurity Pilot participants opting not to continue in the Program.	
September 15	Close of the Cybersecurity Pilot Form 471 application window and deadline for filing the Form 484 Part 2.	

## SHLB Webinar on USF Supreme Court Hearing:

As discussed in last week's <u>newsletter</u>, the Supreme Court met March 26<sup>th</sup> to hear the case brought by Consumers' Research concerning the constitutionality of the Universal Service Fund ("USF") that is the funding source for E-Rate and three other USF programs. Our takeaway from the <u>hearing</u>, from a non-legal perspective, was that the Justices were unimpressed with the Consumers' Research position and that the Court's decision, expected in late June, will support continued USF funding.

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For those interested in a more legal perspective on the Supreme Court hearing, we recommend viewing last week's recorded SHLB webinar entitled <u>Debriefing the SCOTUS USF Oral Arguments</u>.

Twenty-One States Sue to Protect IMLS:

The attorneys general from 21 states <u>sued</u> the Trump Administration last week in the U.S. District Court of Rhode Island requesting an emergency temporary restraining order to halt the shutdown of the Institute of Museum and Library Services ("IMLS").<sup>2</sup> The suit is in response to an executive order to dismantle the IMLS, an agency established by Congress. (This was an action first threatened in President Trump's first term.)

IMLS is a major source of federal funding — in addition to E-Rate — for public libraries nationwide. In 2024, it invested \$180 million under its Grants to States Program supporting such services as access to electronic resources, literacy development programs, educational programs for school-aged students, professional library staff development, and, in some cases, E-Rate application assistance.

### 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 Search for Filings under Docket 02-6 (E-Rate) or Docket 21-93 (ECF).

In March's streamlined decisions (DA 25-244), the FCC:

#### 1. E-Rate Dismissed:

- a. One Request for Waiver dismissed as moot where USAC had already approved the underlying funding request.
- b. One Request for Waiver dismissed for failure to comply with the Commission's basic filing requirements (including not specifying an application number).
- c. One Petition for Reconsideration dismissed as moot where the FCC had already waived the deadline.
- d. 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 after the FCC determined that adequate bidding information had been provided in the applicant's Form 470.
- b. Five Requests for Waiver for which the applicants had selected the lowest-price solution.

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<sup>&</sup>lt;sup>2</sup> The suit also includes a request for an injunction involving the President's actions against the labor organizing staff and programs of the Federal Mediation and Conciliation Service ("FMCS") and the Minority Business Development Agency ("MBDA").

- c. Three Requests for Waiver "when the competitive bidding process was not compromised by technical violation of the Commission's requirements and the outcome of the vendor selection process was otherwise consistent with the policy goals underlying the Commission's competitive bidding rules."
- d. Two Requests for Review and/or Waiver (by one district) finding that the district's vendor selection process was valid.
- e. One Request for Waiver finding that the applicant had a valid contract in place.
- f. Two Requests for Waiver upon demonstrating extraordinary circumstances warranting an invoice rule waiver.
- g. Two Requests for Review disagreeing with USAC's discount calculation determination.
- h. One Request for Review approving the community use of a school's E-Rate funded facilities and services.
- i. Three Requests for Waiver granting additional time to respond to USAC with information.
- j. One Petition for Reconsideration finding that services had been delivered before the contract end date.
- k. One Petition for Reconsideration regarding a late-filed appeal or waiver.
- 1. Sixteen Requests for Review or Waiver regarding ministerial or clerical errors.
- m. Six Requests for Review or Waiver regarding late-filed appeals or waivers.
- n. One Request for Review of a late-filed Form 486.
- o. Two Requests for Waiver on permissible implementation delays.
- p. One Request for Waiver on a service substitution.
- q. One Request for Waiver remanded to USAC for a determination as to whether equipment was being utilized or whether recovery was required.
- r. Eight Requests for Waiver for USAC decisions issued after the invoice deadlines.
- s. One Request for Waiver "of the 28-day rule when the applicants only missed the deadline by one to three days, thereby allowing their requests for services to be competitively bid for a meaningful period of time."
- t. One Request for Waiver remanded to USAC to provide the applicant "a chance to submit evidence to refute the evidence that led to the funding denials."

### 3. E-Rate Denied:

- a. One Request for Review in which the applicant "discouraged prospective service providers from participating in the competitive bidding process and therefore suppressed fair and open competitive bidding."
- b. One Request for Review where the "applicant failed to consider price as primary factor in its vendor selection process and where it was not clear from the record that applicant selected the lowest-cost provider."
- c. One Request for Waiver "denying support to entities that failed to show that they were eligible for E-Rate support."
- d. Three Requests for Review regarding ineligible services.
- e. Fifteen Requests for Waiver involving late-filed Form 471s.

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- f. Five Requests for Review or Waiver on invoice extensions requested after the filing deadline.
- g. One Request for Waiver for relying on a Form 470 that did not seek bids for services later requested.
- h. One Request for Review finding that the recovery of improperly disbursed funds was correctly directed at both the school and the service provider.
- i. Six Requests for Waiver for late-file appeals or waivers.

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 — <a href="http://www.E-Ratecentral.com/us/stateInformation.asp?state=NC">http://www.E-Ratecentral.com/us/stateInformation.asp?state=NC</a>. 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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