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# **Funding Status**

# E-Rate for FY 2025

Wave 5 of funding commitment decision letters for FY 2025 was released on Thursday, May 22<sup>nd</sup>, for \$45.6 million, including \$837 thousand for thirteen North Carolina applicants. Total funding is now \$1.09 billion, including \$27.6 million for North Carolina. Currently, USAC has funded 59.1% of submitted applications, representing 33.7% of the dollars requested.

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

Wave 56 of funding commitment decision letters for FY 2024 was released on Friday, May 23<sup>rd</sup>, for \$20.8 million, none for North Carolina. . Total funding is now \$2.70 billion, including \$73.6 million for North Carolina. Currently, USAC has funded 98.5% of submitted applications, representing 94.1% of the dollars requested.

#### Cybersecurity Pilot Program – Application Window:

The 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 703<sup>1</sup> applicants, including \$10.1 million for seventeen North Carolina applicants.

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<sup>&</sup>lt;sup>1</sup> To date, four Cybersecurity Pilot participants have withdrawn from the Program (see <u>newsletter of May 19, 2025</u>).

# **Updates and Reminders**

### **Upcoming Dates:**

May 28	Extended invoice deadline for FY 2023 non-recurring service FRNs with approved extensions beyond the original January 28, 2025, deadline.
May 30	FY 2024 Form 486 deadline for Wave 41. 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 42 06/06/2025 Wave 43 06/13/2025 Wave 44 06/20/2025
June 12	USAC webinar on E-Rate invoicing for applicants and service providers ( <u>register</u> ).
June 24	USAC webinar for new service providers ( <u>register</u> ).
June 30	Deadline to light fiber (or request a service delivery deadline extension) for FY 2024 special construction projects.
June 30	Last day to receive (or file service substitutions for) FY 2024 recurring services.
July 1	Withdrawal deadline for Cybersecurity Pilot participants opting not to continue in the Program.
August 18	Last day to certify a CBR Form 470 to meet the minimum 28-day posting period before filing the CBR Form 471.
September 5	Final day of the PIA summer deferral period (which began May 23 <sup>rd</sup> ).
September 9	USAC in-person training in Denver, CO (registration TBA).
September 15	Close of the Cybersecurity Pilot Form 471 application window and deadline for filing the Form 484 Part 2.
September 16	USAC in-person training in Washington, DC (registration TBA).

#### FCC Commissioner Starks Sets Departure Plans:

FCC Commissioner Geoffrey Starks announced that he will be leaving the agency before the FCC's next open meeting on June 26<sup>th</sup>. Earlier this year, he had indicated his intention to leave sometime this Spring but had not set a date. Last week, he provided additional detail stating that the May Commission meeting was his last. With Olivia Trusty's nomination to the FCC not yet confirmed by the full Senate, Stark's departure would leave the FCC with a 2:1, Republican: Democratic, split. However, a three-person quorum is sufficient to take formal FCC action. Potentially, this would give FCC Chairman Brendan Carr the basis for formally reconsidering the E-Rate eligibility of hotspots, whether or not the House, in the interim, votes to confirm the Senate's CRA action to kill hotspots (see our newsletter of May 12<sup>th</sup>).

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#### Fourth Cyber Pilot Participant Withdraws:

With the approaching deadline of July 1<sup>st</sup> for a "no fault" voluntary withdrawal from the FCC's Cybersecurity Pilot Program, a fourth <u>participant</u> dropped out last week. With a minimum Pilot budget of only \$45 thousand, this withdrawal will have little effect on the budgets of the sixteen partially-funded Cyber applicants (see our <u>newsletter of May 19<sup>th</sup></u>).

### FCC Directs USAC to Fully Fund FY 2025 Requests:

As discussed in our <u>newsletter of April 7<sup>th</sup></u>, the total demand for funds from the FY 2025 Form 471 applications, even accounting for late-filed applications likely to be granted "In Window" status as a result of successful FCC waivers, was substantially less than the \$5.06 billion funding cap. The one little technical issue in FY 2025 funding, however, was that the Category 2 portion of the requested funding exceeded the FCC's sub-cap for those services. Fortunately, the FCC's Wireline Competition Bureau has the "delegated authority to determine the proportion of unused funds needed to meet category one demand and to direct USAC to use any remaining funds to provide category two support." Using that authority last week, the Bureau directed USAC (<u>DA 25-427</u>) to fully fund all eligible Category One and Category Two E-Rate requests for FY 2025.

### SECA Files Ex Parte Comments on FY 2026-2030 Cat. 2 Budgets:

FY 2025 is the last year of the current five-year budget cycle. The assumption is that the FCC will shortly announce plans for the new five-year budgets with inflation-adjusted per student budget factors for schools and per-square-foot factors for libraries. An FCC announcement on the next budget cycle is expected early this summer, perhaps prior to July 1<sup>st</sup>, when USAC will update the Form 470 for FY 2026.

In addition to adjustments to the budget factors, the hope is that the FCC will use this opportunity to update and/or clarify other aspects of the Category 2 budget process. Earlier this month, the State E-Rate Coordinators' Alliance ("SECA") took this opportunity to suggest changes it would like to see. In an *ex parte* letter to the FCC on May 15<sup>th</sup>, SECA suggested three major changes to simplify the budgeting process, including:

- 1. All manufacturer right-to-use licenses for operating or using Internal Connections should be classified as Internal Connections, not as Basic Maintenance of Internal Connections ("BMIC").
- 2. On-site maintenance and third-party maintenance services should be classified as Managed Internal Broadband Services ("MIBS").
- 3. The calculation of all school and district five-year Category 2 budgets should be permitted to be based on school applicant enrollment numbers for the first year of each five-year budget cycle.

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# USAC Cybersecurity Pilot Program Newsletter Dated May 19th

USAC's <u>Schools and Libraries Cybersecurity Pilot Program Newsletter dated May 19, 2025</u>, covered the following topics:

- A brief review of the Pilot Forms 470, 471, and 484 Part 2.
- Two FAQs regarding actual service delivery start and end dates.

### USAC E-Rate News Brief Dated May 22<sup>nd</sup>

USAC's E-Rate News Brief dated May 22, 2025, covered the following topics:

- Summary of a recent appeal decision order (<u>DA 25-394</u>) involving E-Rate invoices in situations involving the failure of service providers to submit their required annual certifications (Form 473, aka "SPAC"). (See our <u>newsletter of May 12<sup>th</sup></u>.)
- Guidance on responding to PIA review questions.
- Explanation of the "Summer Deferral" contact period (May 23<sup>rd</sup> to September 5<sup>th</sup>) during which applicants need not be available to respond to PIA inquiries.
- Reminders on filing Form 486s to acknowledge receipt of positive funding commitments and to certify CIPA compliance.
- A reminder to take steps to protect your E-Rate data including a special warning to be aware of E-Rate phishing scams involving fake correspondence from USAC.
- Plans for 2025 training and outreach, including the dates for two in-person training days:

Denver, CO September 9, 2025 Washington, DC September 16, 2025 (Registration details to follow)

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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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