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Funding Status

E-Rate for FY 2025

Wave 6 of funding commitment decision letters for FY 2025 was released on Thursday, May 29th, for \$99.9 million, including \$139 thousand for thirteen North Carolina applicants. Total funding is now \$1.19 billion, including 27.8 million for North Carolina. Currently, USAC has funded 61.6% of submitted applications, representing 36.9% of the dollars requested.

E-Rate for FY 2024:

Wave 57 for FY 2024 was released on Friday, May 30th, for \$1.67 million, none for North Carolina. Total funding is \$2.70 billion, including \$73.6 million for North Carolina. Currently, USAC has funded 98.5% of submitted applications, representing 94.2% of the dollars requested.

Cybersecurity Pilot Program – Application Window:

The Form 471 application window for the Cybersecurity Pilot Program opened on March 18th and will close on September 15th, 2025. Total pilot funding is capped at \$200 million for 703¹ applicants, including \$10.1 million for seventeen North Carolina applicants.

June: A Critical Month for E-Rate:

June — or perhaps July — is shaping up to be a critical month for the E-Rate program. There are two primary areas of concern.

First, and potentially — although unlikely — the most disruptive event, would be a decision by the U.S. Supreme Court that the Universal Service Fund (“USF”), the funding source for E-Rate, is unconstitutional. This case was heard by the Court last March with the expectation of a decision as early as June. With the number of emergency petitions currently arising before the Court, however, a decision on USF could be delayed.

¹ To date, four Cybersecurity Pilot participants have withdrawn from the Program (see [newsletter of May 19, 2025](#)).

The underlying issue before the Court is whether the USF contribution fees assessed, on interstate telephone services, are “taxes” whose collection have been improperly delegated to the FCC — and, in turn, delegated to the Universal Service Administrative Company (“USAC”), a private company — without proper Congressional oversight. Our sense, after listening to the March hearing (see our [newsletter of March 31st](#)), is that the Court is unlikely to find USF to be unconstitutional. It could, however, direct the FCC or Congress to address the delegation, or the re-delegation, of USF administration authority to the FCC or USAC. On a positive note, any Supreme Court decision may encourage the FCC or Congress to reevaluate and broaden the USF contribution base (see our [newsletter of March 17th](#)).

The second and more targeted challenge to E-Rate concerns the eligibility of hotspots, currently scheduled to take effect in July. Earlier in May, using a provision of the Congressional Review Act (“CRA”), the Senate voted narrowly to vacate the 2024 FCC order, enacted by the then-majority Democratic-controlled Commission, making hotspots eligible for E-Rate funding. A companion CRA has been introduced in the House of Representatives, but no date for a vote has been set.

Whether Congress acts on the CRA (and the President signs it) or not, the FCC is positioned to reverse hotspot — and potentially school bus Wi-Fi — eligibility when it regains a Republican majority later in June. At the moment, the Commission is balanced with two Republican Commissioners (Chairman Brendan Carr and Nathan Simington, both of whom had strongly dissented on the earlier hotspot and bus Wi-Fi votes) and two Democratic Commissioners (Geoffrey Starks, who is set to resign before the next FCC open meeting on June 26th, and Anna Gomez). Should the FCC move to eliminate hotspot eligibility, it has three apparent options, namely:

1. The FCC could formally introduce a Notice of Proposed Rulemaking (“NPRM”), solicit comments and reply comments, then issue a new order in place of the old one, withdrawing hotspot eligibility.
2. The FCC, without directly reversing the 2024 order, could revise various procedural rules to make hotspot eligibility much more difficult for applicants — a process, sometimes referred to as “regulatory obfuscation” or “constructive repeal.” In our view, hotspots’ administrative rules are already difficult.
3. An alternative strategy — based on President Trump’s April 9th order “Directing the Repeal of Unlawful Regulations” — would be to simply cancel the hotspot order. The FCC could argue, as did the Senate majority in its CRA action, that the enabling E-Rate legislation applies only to on-campus services and, thus, hotspots for at-home use are not legally E-Rate eligible.²

For those of us in E-Rate, this should be an interesting summer. Stay tuned; it starts this month.

² Applying the same argument to school bus Wi-Fi is, to us, more of a stretch, particularly since internet-enabled school buses can be viewed as a logical extension of school-based study halls, much as bookmobiles serve as extensions of traditional libraries.

Updates and Reminders

Upcoming Dates:

June 6	FY 2024 Form 486 deadline for Wave 42. The Form 486 deadline is 120 days after the FCDL date, or the service start date (typically July 1 st), whichever is later. The next Form 486 deadlines for FY 2024 are: <div><div>Wave 43</div><div>06/13/2025</div><div>Wave 44</div><div>06/20/2025</div></div>
June 12	USAC webinar on E-Rate invoicing for applicants and service providers (register).
June 24	USAC webinar for new service providers (register).
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 rd).
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).

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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