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## Funding Status

### *E-Rate for FY 2025*

Wave 7 of funding commitment decision letters for FY 2025 was released on Thursday, June 5<sup>th</sup>, for \$42.8 million, including \$1.71 million for seventeen North Carolina applicants. Total funding is now \$1.23 billion, including \$29.5 million for North Carolina. Currently, USAC has funded 64.1% of submitted applications, representing 38.2% of the dollars requested.

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

Wave 58 for FY 2024 was released on Friday, June 6<sup>th</sup>, for \$1.30 million (only three FCDLs), 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 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.

## FCC Sets Category Two Budget Factors for FY 2026-2030:

The FCC released a Public Notice ([DA 25-471](#)) last week setting the new Category Two budget parameters for the next five-year cycle affecting FY 2026-2030. The new multipliers and funding floors are up 20.7%, reflecting cumulative inflation over the past five years. The new factors,

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 To date, five Cybersecurity Pilot participants have withdrawn from the Program (see [newsletter of May 19, 2025](#)).

shown in the table below,<sup>2</sup> are slightly higher than those that we had projected in our [newsletter of March 10<sup>th</sup>](#). All other aspects of the Category 2 budgets remain unchanged.

	Current Cycle FY 2021-2025	Next Cycle FY 2026-2030
Schools — Per Student	\$ 167.00	\$ 201.57
Libraries — Per Sq.Ft.	\$ 4.50	\$ 5.43
Funding Floor per Entity	\$ 25,000.00	\$ 30,175.00

## Two FCC Commissioners Have Departed:

FCC Commissioners, [Geoffrey Starks](#) and [Nathan Simington](#), released separate statements last week announcing that their last day on the Commission would be Friday, June 6<sup>th</sup>. Commissioner Stark’s announcement was not surprising; he had previously indicated that he would resign before the next FCC open meeting scheduled for June 26<sup>th</sup>. Commissioner Simington’s resignation, however, had not been publicly telegraphed and comes as a bit of a shock.

As of this week, therefore, there are only two Commissioners: Chairman Brendan Carr (Republican) and Anna Gomez (Democratic). The most significant aspect of this development is that, under the Communications Act of 1934, the FCC needs three Commissioners to have a quorum. Without a quorum — subject to one possible exception<sup>3</sup> — the FCC cannot take any Commission-level actions. From an E-Rate perspective, this could be a plus or negative in the short term with respect to hotspots and/or school bus Wi-Fi.

The addition of a third Commissioner, reestablishing a quorum, is currently pending with the Senate’s confirmation of Olivia Trusty. Ms. Trusty has been nominated to the Commission by President Trump, has already been approved by the Senate Commerce Committee, but is still awaiting action by the full Senate.

## Updates and Reminders

### *Upcoming Dates:*

- June 9-13      The House of Representatives is reportedly planning to vote this week to confirm or reject the Senate’s vote in May to employ the Congressional Review Act (“CRA”) to overturn the FCC’s order making hotspots eligible for E-Rate discounts as of July 1<sup>st</sup> (see our [newsletter of May 12<sup>th</sup>](#)).
- June 12        USAC webinar on E-Rate invoicing for applicants and service providers ([register](#)).

<sup>2</sup> The funding floor for Tribal libraries only will increase from \$55,000 to \$66,385.

<sup>3</sup> There is one provision in the FCC rules under which, if there is no quorum, the FCC Chairman may convene a “Board of Commissioners” that is authorized to act upon many — but not all — matters normally decided upon by the Commission. This provision has never, to our knowledge, been tested.

June 13	FY 2024 Form 486 deadline for Wave 43. 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 44                      06/20/2025
	Wave 45                      06/27/2025
	Wave 46                      07/07/2025
	Wave 47                      07/11/2025
June 24	USAC webinar for new service providers ( <a href="#">register</a> ).
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 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.

Again, this month, the list of decisions is dominated by waivers requested for late-filed FY 2025 Form 471 applications. Last month, as it has traditionally done, the FCC approved 492 waivers for applications submitted within two weeks of the deadline (see our [newsletter of May 9<sup>th</sup>](#)). This month’s late-filed decisions were more diverse. The FCC included another 290 waiver approvals for applications filed within the two-week window but denied eighty-eight waivers for applications filed more than two weeks late for which the applicants were unable to demonstrate excusable “special circumstances.”

The FCC did approve 26 post-two-week waivers that were considered “special circumstances.” It is instructive to note why. Here is the breakdown (with additional details in the footnotes):

- One waiver for “Circumstances Beyond Their Control.”<sup>4</sup>

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<sup>4</sup> For a newly accredited school that waited to file until the accreditation was approved.

- One waiver for a “Natural Disaster.”<sup>5</sup>
- Two waivers for Technical Issues.”<sup>6</sup>
- Sixteen waivers for “Unexpected Illness.”<sup>7</sup>
- Three waivers for “Serious Medical Condition.”<sup>8</sup>
- Two waivers for “School Reorganization.”<sup>9</sup>
- One waiver for a “Tribal Library.”<sup>10</sup>

In May’s other streamlined decisions ([DA 25-433](#)), the FCC:

1. E-Rate Dismissed:
  - a. Two Requests for Waiver dismissed as moot where USAC had already taken the requested action.
  - b. One Request for Waiver for failure to comply with the FCC’s basic filing requirements.
  - c. One Request for Waiver deemed moot for a subsequently withdrawn FRN.
  - d. One Request for Waiver dismissed to allow for an appeal to be filed with USAC.
2. E-Rate Granted:
  - a. One Request for Review finding that USAC had incorrectly changed the category of service.
  - b. Two Requests for Waiver of the invoice filing deadline citing extraordinary circumstances.
  - c. One Request for Review of a discount rate calculation.
  - d. Ten Requests for Review and/or Waiver (dated 2007-2010) of discount rates remanded to USAC.
  - e. One Request for Review for service eligibility.
  - f. One Request for Waiver granting additional time to respond to a USAC inquiry.
  - g. Two Requests for Waiver for late-filed appeals or waivers submitted only a few days late or “within a reasonable period of time after receiving actual notice of mistake.”
  - h. Two Requests for Waiver for ministerial and/or clerical errors.
  - i. One Request for Review and/or Waiver for a potential conflict of interest for service provider involvement in the procurement process. Importantly, the FCC found that the rule “does not prohibit an [applicant] from obtaining information on its current services from its existing service provider.”
  - j. Two Requests for Waiver on service substitutions.

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<sup>5</sup> Devastation caused by Florida hurricanes Helene and Milton.

<sup>6</sup> Example: Documented EPC system access problems.

<sup>7</sup> Example: Hospitalization and recovery.

<sup>8</sup> Example: Heart attack and multiple hospitalizations.

<sup>9</sup> Example: Delay caused by the combination of two independent schools into a single district.

<sup>10</sup> Recognizing “the special circumstances that Tribal library applicants face when applying for the E-Rate program.”

- k. One Request for Review related to a service provider's SPIN change.
  - l. Twelve Requests for Waiver based on USAC decisions issued after invoice deadlines.
  - m. Two Requests for Waiver of the appeal filing deadline due to USAC errors.
  - n. One Request for Waiver of the special construction service delivery deadline.
3. E-Rate Granted in Part:
- a. Two Requests for Review and/or Waiver remanded to USAC for the removal of ineligible costs.
4. E-Rate Denied:
- a. One Request (from 2012) for a blanket Waiver of filing deadlines without a showing of special circumstances.
  - b. One Request for Review (from 2017) for failure to adhere to bid evaluation criteria.
  - c. Ten Requests for Review and/or Waiver for improper service provider involvement in the preparation of applicant technology plans. The FCC concluded that such assistance "can influence the products and services that should be requested."
  - d. One Request for Review showing no good cause for modifying the category of service.
  - e. One Request for Waiver for relying on a Form 470 that did not seek bids on the types of E-Rate services later requested.
  - f. One Request for Waiver (from 2010) of the Two-In-Five rule.
  - g. Six Requests for Waiver for untimely filed appeals or waivers.

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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.*

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