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Funding Status

E-Rate for FY 2025:

Wave 28 of Funding Commitment Decision Letters (“FCDL”s) for FY 2025 was released on Thursday, October 30th, for \$37.9 million including \$2.55 million for two North Carolina applicants. . Total funding for FY 2025 is \$2.26 billion including \$52.0 million for North Carolina. Currently, USAC has funded 91.7% of submitted applications, representing 73.0% of the dollars requested.

Cybersecurity Pilot Program:

The Form 471 application window for the Cybersecurity Pilot Program closed on September 15, 2025. Total pilot funding is capped at \$200 million for 690 applicants including \$7.9 million for fifteen North Carolina applicants. PIA review of Pilot applications is proceeding. Issuance of the first Funding Commitment Decisions Letters (“FCDLs”) may require FCC post-shutdown review.

FCC, USAC, and the Government Shutdown:

The government shutdown is still affecting the FCC, but USAC is operational and fully staffed. From an E-Rate perspective, the most visible aspect of the difference between the two is that USAC continues to issue funding decisions on FY 2025 funding requests and to review and pay BEAR and SPI invoices. The FCC’s activities, in contrast, have been sharply curtailed with significant reductions in staffing. This has undoubtedly cut into the processing of FCC E-Rate waivers and appeals and led to the cancellation of USAC webinars (which require FCC review). More importantly, it has slowed the release of the Eligible Services List for FY 2026, which could delay the opening of the Form 471 application window. Lack of coordination between USAC and the FCC may also be causing delays in the release of Cybersecurity Pilot Program FCDLs.

SNAP and E-Rate: Short-Term and Longer-Term Considerations

As the government shutdown continues, one potentially devastating impact, on low-income families, is the termination of benefits from the Supplemental Nutrition Assistance Program

(“SNAP”) that occurred on November 1st. Although twenty-five states have filed suit to temporarily extend the program using existing contingency funds, and with the support already from two federal courts, there is no assurance that this move will succeed.

The loss of SNAP benefits during the shutdown is not an E-Rate problem but it does highlight an underlying aspect of the shutdown that would affect some E-Rate applicants. The 2025 budget reconciliation bill, stalled in Congress and at the heart of the shutdown, proposes sweeping reductions — approximately \$287 billion over ten years — in the SNAP program by tightening eligibility criteria. If enacted, as currently proposed, the number of families eligible for SNAP benefits would be reduced by millions.

Reduced family participation in SNAP would, in turn and over time, reduce school-reported Identified Student Percentage (“ISP”) ratios, the major criteria for participation in the Community Eligibility Provision (“CEP”) program.¹ Lower ISP ratios would have a direct impact on the number of schools eligible for CEP. This would have a potentially rippling effect on school discount rates in two ways.

1. For schools remaining eligible for CEP, ISP ratios determine the schools’ National School Lunch Program (“NSLP”) percentages, the key determinant of E-Rate discount rates. NSLP percentages are currently calculated at 1.6x times the ISP ratios (assuming the United States Department of Agriculture (“USDA”) maintains that multiplier). Lower ISPs will, in some cases, drop schools into a lower discount rate band.
2. Worse still, lower ISP ratios may disqualify some schools from CEP altogether. Should this occur, the schools would have no choice other than to return to the time-consuming family survey method to calculate their discount rate-determining NSLP percentages.

The only partially good news under a declining ISP scenario is that a school’s CEP participation, and its associated ISP, is fixed for a four-year term. The negative impact on a school’s ISP ratio, CEP participation, associated NSLP percentage, and E-Rate discount should not be realized for

Updates and Reminders

Upcoming Dates:

TBD	Comments on the FCC’s draft Eligible Service List for FY 2026 , originally due October 15 th , will now be due one business day after the government shutdown ends. The deadline for reply comments, initially due October 30 th , will be rescheduled accordingly.
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¹ Note that SNAP is an important but only one of several direct certification programs determining CEP eligibility. More broadly, CEP “Identified Students” or “directly certified students” include children who are in foster care or Head Start, are homeless, migrant, or living in households that receive SNAP, Temporary Assistance for Needy Families (TANF) cash assistance, Food Distribution Program on Indian Reservations (FDPIR) benefits, or Medicaid in areas approved for USDA’s Medicaid Direct Certification Demonstration Projects.

TBD The original FCC deadline for nominating six new (or renewed) USAC Board members (see [DA 25-738](#) and our [newsletter of August 25th](#)) was October 20th. This deadline will become one business day after the government shutdown ends.

November 7 FY 2025 Form 486 deadline for applicants funded in Wave 12. More generally, 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 2025 are:

Wave 13	11/14/2025
Wave 14	11/21/2025
Wave 15	11/28/2025
Wave 16	12/05/2025

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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