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Funding Status – FY 2019 and FY 2020

FY 2019:

USAC released Wave 38 for FY 2019 on Thursday, December 19th. Funding totaled $11.4 million including $5 thousand for one North Carolina applicant. Cumulative commitments through December 19th are $2.05 billion including $75.0 million for North Carolina.

FY 2020:

The Form 471 application window will open at noon on Wednesday, January 15th, and will close at 11:59 p.m. EDT on Wednesday, March 25th.

The FY 2020 administrative window, which is currently open, will close shortly before the application window opens. At that point EPC entity profiles will be locked for the duration of the Form 471 application window.

Official Category 2 Budget Factors for FY 2020

The FCC's Category 2 Order (FCC 19-117) was published in the Federal Register last Friday. One day earlier — subject to the *Federal Register* posting — the FCC's Wireline Competition Bureau ("WCB") announced the Category 2 budget multipliers and minimum funding floor amounts for FY 2020 reflecting the previously estimated 2.1% inflation factor (see DA 19-1301). As indicated in the Order, and as shown below, the multipliers and minimum have been rounded to the nearest cent.

Funding Year 2020 Budget Multipliers and Funding Floor	
Schools	$195.63 per student
Libraries with IMLS Locale Codes 11, 12, 21	$6.52 per square foot
Libraries with all other IMLS Locale Codes	$3.00 per square foot
Entities at the Funding Floor	$11,998.43 per site

Most schools and urban libraries which have not yet used Category 2 funding have a unique opportunity in FY 2020. Their budgets for this one year will be higher — 17% higher for schools and 45% higher for urban libraries — than their total budgets for the next five years when Category 2 budgets are reset for FY 2021-2025.

E-Rate Updates and Reminders

Upcoming E-Rate Dates:

December 27
Form 486 deadline for FY 2019 funding committed in Wave 19. More generally, the Form 486 deadline is 120 days from the FCDL date, or the service start date (typically July 1st), whichever is later. Other upcoming Form 486 deadlines are:

Waves 20 & 22	12/30/2019 (Note: There was no Wave 21)
Wave 23	01/03/2020
Wave 24	01/10/2020

January 13
Estimated end date of the administrative window for FY 2020, the period in which applicants can — and should — update entity data in their EPC accounts. Once the administrative window is closed, EPC entity data will be locked for the duration of the FY 2020 application window. For details, see USAC's Schools and Libraries News Brief of October 11, 2019.

January 15
The FY 2020 Form 471 application window opens at noon. The window will close at 11:59 p.m. EDT on Wednesday, March 25th.

January 28
Invoice deadline — or deadline for requesting a 120-day extension — for FY 2018 non-recurring services.

February 25
Extended invoice deadline for FY 2018 recurring services.

Six Appointments to the USAC Board:

FCC Chairman Ajit Pai appointed six members to the Board of Directors of the Universal Service Administrative Company ("USAC") for three year terms to begin January 1, 2020. From an E-rate perspective, the two key appointments were:

- Daniel Domenech, Executive Director of The School Superintendents Association ("AASA"), and a current USAC Board member now serving as the Chair of USAC's Schools & Libraries Committee.
- Amber Gregory, Manager of E-Rate Services for the Arkansas State Library and currently serving as Chair of the American Library Association's ("ALA") E-rate Task Force. Ms. Gregory replaces Robert Bocher, Wisconsin State Broadband and E-rate Support Manager, whose second term expires at the end of December.

The E-rate contingent on the USAC Board also includes Julie Tritt Schell, Pennsylvania E-rate Coordinator, whose term runs an additional two years. The continued involvement of Ms. Schell, the reappointment of Dr. Domenech, and the addition of Ms. Gregory assures experienced E-rate representation on the Board.

Introduction of the K-12 Cybersecurity Act of 2019:

U.S. Senators Gary Peters (D-MI), Ranking Member of the Senate Homeland Security and Governmental Affairs Committee, and Rick Scott (R-FL) introduced bipartisan legislation last week to implement stronger cybersecurity protections for K-12 educational institutions across the country. The legislation, if enacted, would give the Department of Homeland Security ("DHS") a year to produce a study on cybersecurity threats to the nation's public schools. DHS would examine districts' technology inventories, cybersecurity funding and potential risks to student and teacher data. Following the initial study, DHS would then have nine months to establish guidelines and three months to develop tools and resources to safeguard institutional and student data from cyberthreats like ransomware. If implemented properly this would be a very important Act to help address a growing problem. The frequency of cybersecurity attacks has been increasing at almost an exponential rate and most schools are not adequately prepared to resist such attacks. Congress could further address the problem by requiring the FCC to permit E-rate funding for cybersecurity measures that the FCC sadly failed to do in the FY 2020 ESL. For additional information, see:

- The legislation release memo of the U.S. Senate Committee on Homeland Security & Governmental Affairs.
- The State of K-12 Cybersecurity: Year in Review from the K-12 Cybersecurity Resource Center.
- The 2018 FBI public service announcement entitled "Education Technologies: Data Collection and Unsecured Systems Could Pose Risks to Students."

USAC News Brief Dated December 20 – Category 2 Budgets for FY 2021

USAC's Schools and Libraries News Brief of December 20, 2019 reviews the following key aspects of Category 2 budgets under the new rules becoming effective for FY 2021:

- C2 budgets will change to a fixed, five-year cycle.
- The C2 multipliers and the budget floor will change to:

- o The school multiplier will be $167.00 per student.
- o The library multiplier will be $4.50 per square foot for all libraries regardless of IMLS locale code.
- o The funding floor will be $25,000.00.
- C2 budgets are set at the beginning of the cycle, but applicants will have the option to adjust them during the cycle.
- C2 budgets will be calculated at the school district or library system level.
- School districts and library systems with 10 or fewer sites can calculate their C2 budgets on a per-site basis and combine the results.
- Schools will only count full-time students for their C2 budget calculations.
- School districts cannot estimate the number of students for buildings under construction.
- School districts and library systems will be allowed to transfer equipment between schools within a district and libraries within a system.

The News Brief also reviews the Category 2 budget multipliers and the funding floor for FY 2020, as discussed above, and notes the availability of the FY 2020 Form 473 for service providers.