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## Funding Status – FY 2020

Wave 30 for FY 2020 was released on Thursday, November 19<sup>th</sup> for a total of \$50.4 million including \$1.01 million for six North Carolina districts. Cumulative commitments are \$1.94 billion including \$62.6 million for North Carolina. Nationwide, USAC has now funded 92% of the FY 2020 applications representing 68% of the requested funding.

## E-Rate: Pre- and Post-Transition

Without taking a definitive political position, it is worth considering what a Republican-to-Democratic change in the Administration might mean for E-rate both during and following the next two-month pre-inaugural transition period.

During the transition itself, there are few, if any, decisions expected from the FCC that would have a major E-rate impact. During this period, we will or might see the following:

- The Eligible Services List (“ESL”) for FY 2021 should be released within the next few weeks. Based on the draft ESL, which has already been subjected to public comment, little change is expected. Perhaps the best that can be forecasted would be some FCC clarification expanding Category 2 firewall eligibility. Although USAC has deemed only “basic” firewall protection as eligible across the board, a careful reading of the ESL suggests that the current “basic” limitation may apply only to Category 1 internet access services. “Firewall services and components,” on the other hand, are listed as eligible — albeit without any defined limitation — as Category 2.
- The FCC will shortly announce six appointments to the USAC board to fill the positions of board members whose terms expire at yearend. We would not be surprised to see the reappointment of Joan Wade (Executive Director of the Association of Educational Service Agencies) currently holding one of the three positions reserved for school representatives.
- One pending item on the Senate docket, perhaps hampered by Senate COVID-19 infections, is the approval of President Trump’s nomination of Nathan Simington, currently a senior advisor in the National Telecommunications and Information Administration (“NTIA”), to replace Republican Commissioners Michael O’Rielly whose term is expiring.

Although not an E-rate issue, one significant aspect of Mr. Simington’s nomination is that he was one of the authors of Trump’s executive order last May encouraging the FCC to rethink — i.e., weaken — how Section 230 of the Communication Decency Act provides liability protection for content posted on social media sites. This would be a controversial FCC decision of a type that would traditionally not be made during a transition period. Consistent with precedent, [Commissioner Jessica Rosenworcel](#) and key House Democrats have called on the FCC to pause controversial activity during the transition — but this is an unusual year.

- As discussed in our [last newsletter](#), the FCC has just received two Petitions for Reconsideration requesting (a) reconsideration of the need to allocate out Category 2 expenditures for NIFs and (b), clarification of the new rule on the treatment of part-time students for Category 2 budget purposes. These two requests should be easy for the FCC to handle within the next month or so in advance of the opening of the Form 471 application window in January.
- Last November, the FCC released an Order ([FCC 19-121](#)) barring the use of USF subsidies (including E-rate) to fund equipment, components, and services from “covered” companies — specifically Huawei and ZTE — deemed to provide a national security risk. Earlier this month, President Trump issued an executive order barring Americans from investing in a list of 31 Chinese technology manufacturing companies identified by the Defense Department as having links to the Chinese military. It would not be surprising if many of these companies (e.g., China Mobile Communications Group and China Telecommunications Corporation) are formally added to the FCC’s list of covered companies.

Looking beyond the transition, more significant changes may be in store for E-rate. First — and this might begin during the transition — is the very likely prospect for a major new stimulus bill. Several of the proposed provisions for such legislation include substantial funding for schools, in part to support remote learning and, in some versions, to funnel such funding through the established E-rate program. Exactly how this might be done, should it be approved, will have to be worked out by a reconstituted FCC Commission that is expected to be rebalanced with a newly appointed Democratic Chairman and a 3:2 majority of Democratic Commissioners.

More broadly, with or without stimulus legislation supporting remote learning, the possibility of some form of E-rate support for off-campus remote learning will undoubtedly improve with the move of FCC Commissioner Jessica Rosenworcel into the FCC majority. Commissioner Rosenworcel has long been a strong proponent for the use of E-rate funding to eliminate the “Homework Gap” — a gap that is no longer just about homework.

## **E-Rate Updates and Reminders**

### *Upcoming E-Rate Dates:*

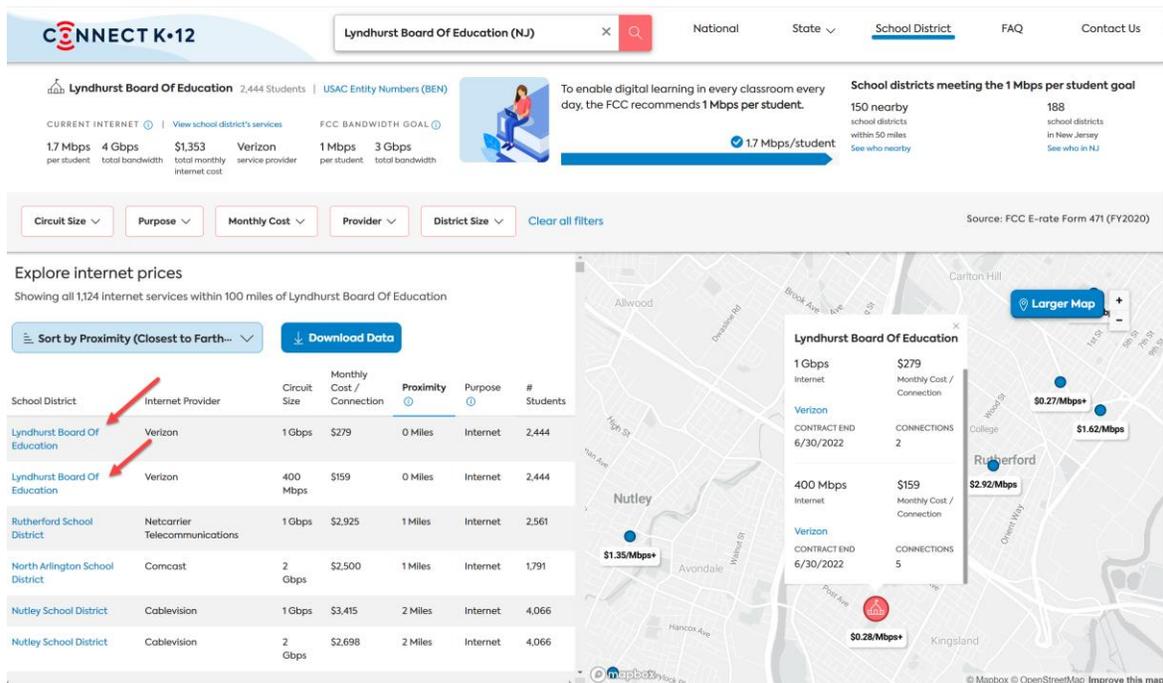
November 27      Form 486 deadline for FY 2020 covering funding committed in Wave 13. More generally, the Form 486 deadline is 120 days from the FCDL date or the service start date (typically July 1<sup>st</sup>), whichever is later. The upcoming Form 486 deadlines are:

Wave 14 12/04/2020  
 Wave 15 12/11/2020  
 Wave 16 12/18/2020

*Connect K-12 Tool from Connected Nation:*

[Connected Nation](#), which assumed the responsibility for maintaining the E-rate broadband funding database from EducationSuperHighway, has released the first version of its free [Connect K-12](#) tool. Connect K-12 provides internet speed and pricing data for public schools nationwide. The tool aggregates, analyzes, and visualizes E-rate data on both a statewide and district basis. The district data will prove particularly useful for applicants currently bidding for new broadband connections for FY 2021 by displaying competitive internet access pricing being paid by other districts in their surrounding area.

A sample display is shown below with circuit and contract information as well as comparative costs per Mbps for the Lyndhurst (NJ) school district and its closest neighbors.



*Digital Ecosystems During COVID-19:*

In our [newsletter of November 9<sup>th</sup>](#), we featured a study by the Boston Consulting Group entitled [Connect All Students: How States and School Districts Can Close the Digital Divide](#). That report focused specifically on the number of students and teachers without adequate broadband access at home and on how much it will cost to fix the problem. A report published last week by the Benton Institute for Broadband and Society entitled [Growing Healthy Digital Ecosystems During COVID-19 and Beyond](#) takes a broader view of the digital divide discussing how “digital inclusion coalitions” across the U.S. are responding to the triple challenges of the pandemic, growing economic inequality, and racial injustice. The main findings of this study are:

1. Digital inclusion coalitions established before the pandemic have responded to COVID-19 by focusing their efforts on information and resource sharing, networking, data collection, raising awareness about digital inequality, and developing new tactics to promote digital equity.
2. The pandemic has introduced several new challenges for digital inclusion coalitions and has magnified a number of existing challenges.
3. Digital inclusion coalitions are finding ways to creatively solve problems to address their communities' digital needs.
4. Cities, counties, states, and national organizations have also played key roles in supporting local digital equity ecosystems.

## **USAC News Brief Dated November 20 — USAC Fall Training FAQs, Part 2**

[USAC's Schools and Libraries News Brief of November 20, 2020](#), provides additional FAQs from the USAC training webinars earlier this month. Recordings of those sessions and copies of the slides used are available on the [USAC website](#).

### **E-Rate Pre-Commitment Process:**

- Do I need to include my bid evaluation matrix in the RFP documents I post to my FCC Form 470?
- Can we use cooperative awards such as national or state contracts to purchase services?
- What factors do I need to consider if I am signing an addendum to my original contract with my service provider?
- Can I still receive E-rate discounts if I sign a contract with a service provider that was not competitively bid under E-rate Program rules?
- How do I report violations of E-rate Program rules to USAC?
- How do I get on the list of service providers eligible to provide services under E-rate?
- How do service providers find service requests that applicants have posted?
- How do I use a recent bill as a bid response?
- How long do I need to retain bids or quotes from service providers?

### **Category Two Budgets:**

- Do applicants still need to allocate C2 funding among their individual entities?
- Do the multipliers and the funding floor apply to the entire five-year C2 budget cycle?
- Can I provide updated square footage numbers for my library if the Institute of Museum and Library Services (IMLS) square footage is incorrect?
- My school has been closed due to COVID-19, and we are not required to report our National Student Lunch Program (NSLP) student counts this year. Can I use the student counts I entered in my FY2020 FCC Form 471?
- Where can I find exactly what products and services are included in Category Two?
- When does the new equipment transfer rule come into effect?

- How do I notify USAC that I want to request a C2 budget recalculation later on in the five-year cycle based on updated student counts or square footage information?

Category Two Budget Tool FY 2021+:

- Is the C2 budget amount in this tool our actual C2 budget for the five-year period?
- I entered my school district information and am still seeing columns that don't apply to me, for example, the library column. How do I remove them?
- Can you explain the difference between a forecast budget, a preliminary budget, and a confirmed budget?
- Are post-commitment changes, such as appeals and FCC Form 500 requests, reflected in the tool?
- What does the number in the "C2 Per Site Basis Difference" field mean?

Note: Traditionally, USAC has not published a News Brief on the Friday after Thanksgiving.

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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 — <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](mailto:join-ncerate@lists.dpi.state.nc.us). Please include your name, organization, telephone, and e-mail address.*

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