

E-RATE 2026

Recent and anticipated
changes



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- ▶ Recent Changes
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AGENDA



- ▶ Federal funding program, administered by the FCC
 - ▶ Not a competitive grant
 - ▶ Funded by fee on phone bills
- ▶ Objective: to bring broadband to classrooms and library public areas
- ▶ Awards \$3 billion in funding per year
 - ▶ Could award \$5.2 billion if demand were higher
- ▶ Schools and libraries must apply for funding each year
 - ▶ Must apply during application window

OVERVIEW



- ▶ Funding = discount x expenditures
 - ▶ Discount is between 20% and 90%
 - ▶ Determined based on percent of low-income (NSLP) students
- ▶ Expenditures are:
 - ▶ C1: All expenditures on eligible broadband
 - ▶ C2: Expenditures on eligible equipment and services up to the 5-year budget of \$201.57/student

FUNDING POTENTIAL



- ▶ All applications online through EPC portal
 - ▶ Form 470, like an RFP: between October and January
 - ▶ Form 471, application: dates not yet set, usually Jan.-Mar
 - ▶ Form 486, CIPA compliance: after funding approval
 - ▶ Form 472 (BEAR), reimbursement request: after paying bills; or receive discounts on bills

HOW TO APPLY



- ▶ Two categories of funding
- ▶ Category 1 (C1): Broadband
 - ▶ Internet connection(s)
 - ▶ Connection(s) between locations (wide area network)
- ▶ Category 2 (C2): Internal Connections
 - ▶ Network equipment: wireless access points, switches, routers, firewalls (partially)
 - ▶ Licenses for equipment
 - ▶ Maintenance of eligible equipment
 - ▶ Data network cabling
 - ▶ **NOT** computers, tablets, smartboards, cameras, door locks, etc.

ELIGIBLE SERVICES OVERVIEW



- ▶ Bus Wi-Fi removed, retroactively to FY 2025-2026, but not to 2024-2025
- ▶ Wi-Fi hotspot lending removed, retroactively to FY 2025-2026
 - ▶ Mission Telecom offers a fix
- ▶ Service contracts moved from Maintenance to Internal Connections
 - ▶ Treated like licenses; pay up to 5 years in advance
- ▶ Basic Maintenance (BMIC) is apparently only in-person, on-site services
- ▶ MIBS under threat?
- ▶ <https://www.usac.org/wp-content/uploads/e-rate/documents/resources/DA-25-1069A1.pdf>

ELIGIBLE SERVICES LIST CHANGES FOR 2026-2027



- ▶ New Category 2 cycle: FY 2026-2027 to FY 2030-2031
 - ▶ New C2 budget of \$201.57 per full-time student for schools
- ▶ Form 498 must have SAM.gov UEI by August 2026
 - ▶ Applicants who haven't filed a Form 498 since 2023 must file one before August 2026
 - ▶ The Form 498 is filed whenever the district bank account changes
- ▶ FCC controlled by Republicans

OTHER RECENT CHANGES



- ▶ On April 30th, the FCC approved a new bidding portal
- ▶ Effective for FY 2028-2029
- ▶ Entire bidding/purchase process run through portal
 - ▶ All bids to be received through the portal
 - ▶ All communication with service providers to go through the portal
 - ▶ Walkthroughs and conferences must be announced in the portal, and a meeting summary must be posted in the portal
 - ▶ Evaluation documentation to be uploaded
 - ▶ Contracts to be uploaded
- ▶ If portal isn't ready, bidding documentation must still be submitted

NEW BIDDING PORTAL



- ▶ Rushed development: USAC has just over a year to complete it
- ▶ Added administrative burden at 471 filing
 - ▶ Will slow filing process
- ▶ Conflict with various state and local procurement rules
 - ▶ Some states require the use of a particular portal
 - ▶ Some states require paper bids
- ▶ Some service providers will be dissuaded from bidding
- ▶ Less procurement flexibility
- ▶ Only 3 individuals will have access to the portal for each applicant
- ▶ An optional bid template will be developed
- ▶ <https://docs.fcc.gov/public/attachments/FCC-26-30A1.pdf>

NEW BIDDING PORTAL PROBLEMS



- ▶ Simplifying the E-Rate, part one:

- ▶ Form 486 has been 86ed, effective FY 2028-2029
- ▶ Mid-year service provider or service level change date made flexible
- ▶ Mid-year bandwidth change can be made with a service substitution
- ▶ Invoice deadline extension deadline softened
 - ▶ 15-day grace period, and USAC has to warn you

UPCOMING CHANGES



- ▶ Simplifying the E-Rate, part two
 - ▶ Cost allocation: 10% of C1 use is considered “ancillary”
 - ▶ All off-campus use must be cost-allocated out
 - ▶ Spam bids: put disqualification criteria on 470; keep those bids!
 - ▶ Bids with no pricing can always be disqualified, but must be retained
 - ▶ Bids received after 28-day bid period but before evaluation is done must be considered, unless you set a cut-off date on the Form 470
 - ▶ Definition updates:
 - ▶ Connections between buildings on one campus are Category 2
 - ▶ The definition of “consortium” is simplified

MORE UPCOMING CHANGES



- ▶ Network security products eligible?
- ▶ Changes to MIBS?
- ▶ Court case restarted: Is the funding mechanism unconstitutional?
- ▶ Senate currently looking at comprehensive reform
 - ▶ Universal Service Fund (USF) Working Group
 - ▶ Requested public comments this summer
 - ▶ Contribution methodology is a priority

ON THE HORIZON



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QUESTIONS

