How the FCC Will Help Schools and Libraries Bridge the Digital Divide

Thursday, May 13, 2021

Digital Beat

This week, the Federal Communications Commission adopted rules for the Emergency Connectivity Fund Program, providing \$7.171 billion for schools and libraries for the purchase of connected devices and broadband connections for use by students, school staff, and library patrons at locations other than a school or library. Notably, the Emergency Connectivity Fund Program is separate from the E-Rate Program, which, since its creation in the Telecommunications Act of 1996, has provided funding for broadband services delivered to and within schools and libraries. In the interest of efficiency and simplicity, however, the goals and measures, rules, and processes for the Emergency Connectivity Fund Program leverage the FCC's experience administrating the E-Rate Program.

The support provided through the Emergency Connectivity Fund Program will first allow eligible schools and libraries to seek funding for upcoming purchases of eligible equipment, including Wi-Fi hotspots, modems, routers, and connected devices, as well as advanced telecommunications and information services, to meet the remote learning needs of students, school staff, and library patrons who would otherwise lack access to connected devices and broadband connections sufficient to engage in remote learning during the upcoming school year. If additional funding remains available after the provision of support to eligible schools and libraries for future purchases of eligible equipment and services, the FCC will provide schools and libraries an opportunity to apply for reimbursement of the reasonable costs they have already incurred in purchasing eligible equipment and services to meet the unmet needs of their students, school staff, and library patrons who otherwise lacked access to equipment or internet access services sufficient to engage in remote learning during the COVID-19 pandemic.

Emergency Connectivity Fund Program

The FCC has adopted three goals for the Emergency Connectivity Fund Program:

1. Connecting and facilitating remote learning for students, school staff, and library patrons who would otherwise lack adequate access to connected devices and broadband internet access connectivity during the

pandemic.

The FCC will use two metrics to measure its success in reaching this goal:

- the number of connected devices funded with Emergency Connectivity Fund support that are provided to students, school staff, and library patrons who would otherwise lack access to a device sufficient to enable them to engage in remote learning; and
- the number of broadband internet access connections (including through use of Wi-Fi hotspots) funded with Emergency Connectivity Fund Program support that are provided to students, school staff, and library patrons who would otherwise lack access to internet connectivity sufficient to engage in remote learning.

The FCC will collect information about the number of connected devices and broadband connections that are used to connect students, school staff, and library patrons through the Emergency Connectivity Fund Program and release this data publicly. The FCC will also collect schools' and school districts' best estimates about the number of students in their school or school district who did not have access to adequate connected devices, broadband connections, or both when the pandemic began; the number of students who do not currently have access to adequate connected devices, broadband internet access connections,

or both; and how they expect those numbers to change with receipt of requested Emergency Connectivity Fund Program support.

2. Ensuring that the Universal Service Administrative Company (USAC) efficiently and effectively administers the Emergency Connectivity Fund Program.

The FCC will measure success towards this goal in two main ways: (1) speed and ease of the application process, and (2) speed and ease of the reimbursement process.

The FCC sets as targets having the <u>Universal Service</u>

<u>Administrative Company</u> (USAC) issue funding decision commitment letters for 50% of the workable applications within 60 days of the close of the first application window and 70% of the workable applications within 100 days of the close of the first application filing window.[1] The FCC will work with USAC to create an invoicing system for the Emergency Connectivity Fund Program that allows participants to easily submit invoices and USAC to promptly review those invoices. [See more on applications, invoicing, and reimbursements below.]

3. Providing pricing transparency for eligible equipment and services to inform future policy and purchasing decisions.

USAC will make the pricing data from the Emergency Connectivity Fund Program publicly available through its Open Data platform. And the FCC will commission a survey of participating schools and libraries to determine whether the data transparency measures built into the Emergency Connectivity Fund Program enable program participants to make more cost-effective purchasing decisions in the future. The FCC will release the results of the survey.

Who is Eligible for Emergency Connectivity Fund Program Support?

All of the schools, libraries, and consortia of schools and libraries that are eligible for support under the E-Rate Program are also eligible to request and receive support through the Emergency Connectivity Fund Program. Not eligible are the following: for-profit schools and libraries, schools and libraries with endowments in excess of \$50,000,000, libraries whose budgets are not completely separate from any schools, and library or library consortium that are not eligible for assistance from a state library administrative agency under the Library Services and Technology Act (LSTA). Tribal libraries, which are by statute eligible for support from state library administrative agencies under the LSTA, are eligible for support from the Emergency Connectivity Fund. Eligible schools and libraries do not need to be current E-Rate participants but eligible

entities, particularly those that have not applied for E-Rate support, should be prepared to demonstrate eligibility.

What Equipment and Services are Eligible for Support?

Schools and libraries may receive support for the purchase of Wi-Fi hotspots, modems, routers, devices that combine a modem and router, and connected devices (laptop computers, tablet computers, or similar end-user devices that are capable of connecting to internet services). The FCC expects devices to be Wi-Fi enabled and able to support video conferencing platforms and other software necessary to ensure full participation in remote learning. They must also be accessible to and usable by individuals with disabilities. There is no minimum screen size or system requirements for the connected devices. The FCC explicitly excludes desktop computers (because they are not portable) and smartphones (because they lack functionality for remote learning).

On the service side, schools and libraries may seek support for purchasing commercially available fixed or mobile broadband internet access connections for off-campus use by students, school staff, or library patrons. The FCC declined to apply minimum service standards to covered services for the Emergency Connectivity Fund Program, but a service must include a fixed or mobile broadband

connection that permits students, school staff, or library patrons to use those connections for remote learning or library services.

To the extent schools and libraries expanded their networks or built new networks to serve their students or library patrons over the last year, such equipment is ineligible for reimbursement through the Emergency Connectivity Fund Program. Limited to just schools and libraries in areas where there is no internet service available, the FCC will allow support for 1) dark fiber (that is, commercial arrangements in which a broadband customer purchases use of a portion of a provider-owned and maintained fiber network separately from the service of lighting (i.e., transmitting information over) that fiber) and/or 2) the construction of new networks, including the construction of self-provisioned networks. However, schools and libraries seeking support for network construction, including self-provisioned networks, and those seeking support for customer premises equipment used to receive datacasting services, must demonstrate that there were no commercially available internet access service options sufficient to support remote learning from one or a combination of providers. Any supported network construction projects must be completed in one year from an Emergency Connectivity Fund Program funding commitment.

The Emergency Connectivity Fund Program covers installation, activation, and initial configuration costs, taxes, and fees.

Schools and libraries may contract with any service provider or vendor willing to comply with the Emergency Connectivity Fund Program rules, not just eligible telecommunications carriers. But participants are prohibited from using federal subsidies to purchase, rent, lease, or otherwise obtain any covered communications equipment or service from a company identified as posing a national security threat to the integrity of communications networks or the communications supply chain.

Emergency Connectivity Fund Program Limitations

Recognizing that students, school staff, and library patrons are engaged in remote learning activities from a wide variety of off-campus locations, schools and libraries may seek and receive support for the purchase of eligible equipment and services for use by students, school staff, and library patrons at locations that include, but are not limited to, the homes of students, school staff, and library patrons; community centers; churches; and any other off-campus locations where they are engaged in remote learning activities. But support is *not* available from the Emergency Connectivity Fund Program *for equipment and services purchased for*

use solely at the school or library. (Equipment and services purchased for use solely at the school or library, however, are eligible for E-Rate support.)

The FCC will not permit a school or library to apply for support for more than one fixed broadband internet access connection per location or for more than one connected device and more than one Wi-Fi hotspot per student, school staff member, or library patron during the COVID-19 emergency period.

Schools and libraries may use Emergency Connectivity Fund Program support to purchase Wi-Fi hotspots for school buses and bookmobiles to provide off-campus broadband services to students, school staff, and library patrons who currently lack sufficient broadband access.

The FCC is requiring that equipment and services supported by the Emergency Connectivity Fund Program be used primarily for *educational purposes*, defined as "activities that are integral, immediate, and proximate to the education of students" in the case of schools and activities that are "integral, immediate, and proximate to the provision of library services to library patrons" in the case of libraries. However, devices can be used for other reasons when they are not needed for educational purposes. To ensure primarily educational use, the FCC is requiring schools and libraries to restrict access to eligible connected devices to only those

students, school staff, and library patrons with appropriate credentials.

Congress directed the FCC to reimburse 100% of the costs for eligible equipment and services, "except that any reimbursement of a school or library for the costs associated with any eligible equipment may not exceed an amount that the [FCC] determines...is reasonable." The FCC expects connected devices and Wi-Fi hotspots will be the two types of equipment that schools and libraries will seek support for. The FCC is allowing up to \$400 in support for connected devices (perhaps a bit more for devices that meet the needs of some people with disabilities). And the FCC is allowing up to \$250 in support for Wi-Fi hotspot equipment — applicants may seek additional support for service provided using a hotspot device. The FCC's Wireline Competition Bureau and USAC will determine the reasonableness of commercially available internet access services. The FCC expects most of the applications for support for broadband internet access services will be for services purchased under bulk purchase agreements, and expect services to generally be in the range suggested by commenters between \$10 and \$25 per month.

Application Process

The FCC is prioritizing support to connect those students, school staff, and library patrons that would otherwise lack

sufficient connectivity to benefit from remote learning this coming school year.

USAC will soon open up a 45-day application window for requests for funding for purchases to be made between July 1, 2021 and June 30, 2022, which aligns with the coming school year and the E-Rate funding year. If there are remaining funds after this initial application window, the FCC will open a second application window for schools and libraries to seek funding for eligible equipment and services they purchased from March 1, 2020 to June 30, 2021 to address the needs of students, school staff, and library patrons who would otherwise have lacked access to the equipment or services sufficient to engage in these activities during the COVID-19 pandemic. If demand for prospective support in the first window appears to be far short of meeting current needs, the FCC may consider opening a second prospective window before opening an application window to fund previously purchased eligible equipment and services.

Schools will be required to certify, as part of their funding application, that they are only seeking support for eligible equipment provided to students and school staff who would otherwise lack access to connected devices sufficient to engage in remote learning. They will also be required to certify that they are only seeking support for eligible

services provided to students and school staff who would otherwise lack broadband services sufficient to engage in remote learning.

Libraries do not usually inquire about the needs of their patrons before providing services. But they do typically have acceptable use policies governing patron use of library computers and Wi-Fi hotspots. So the FCC will require libraries to provide the patron a copy of an eligible use policy, which explains that the equipment or service is intended for library patrons who do not otherwise have access to equipment or services sufficient to meet the patron's educational needs. And library patrons must sign and return a statement that they would otherwise lack access to equipment or services sufficient to meet their educational needs if not for the use of the equipment or service being provided by the library.

Both eligible schools and libraries may seek reimbursement for the cost of eligible equipment and services purchased without having conducted a FCC-mandated competitive bidding process for purposes of the Emergency Connectivity Fund. But schools and libraries must certify that they have complied with all applicable local, state, and Tribal procurement requirements with respect to *both* previous purchases and future purchases and contracts. Schools and libraries that are not subject to public procurement rules

must follow their own procurement process and rules.

In the event that demand exceeds available funds during any Emergency Connectivity Fund Program application filing window, the FCC will prioritize requests based on applicants' E-Rate Program discount rate for category one services, adjusted to provide a five percent bump up for rural schools and libraries (see *Table 1* below). Those schools and libraries entitled to a higher discount rate will receive funding ahead of those entitled to a lower discount rate. In the event there is insufficient funding to meet the need at a particular discount rate, the FCC will prioritize within the discount rate based on the percentage of free and reduced lunch eligible students.

Table 1

	Emergency Connectivity Fund Prioritization Matrix Discount Level	
% of students eligible for National School Lunch Program	Urban	Rural
< 1	20	30
1-19	40	55
20-34	50	65
35-49	60	75
50-74		

75-100	80	85
	90	95

Streamlining Invoicing and Reimbursement

The FCC is streamlining the invoicing process for the Emergency Connectivity Fund, allowing schools, libraries, and service providers to submit requests for reimbursement. Eligible applicants and service providers must provide required certifications, along with any necessary documentation to support their requests. [Although applicants may use consultants and service providers to assist with the preparation of their reimbursement requests, any fees associated with such assistance are **not** eligible for funding.] Applicants and service providers must submit, along with their reimbursement requests, invoices detailing the items purchased. Invoices must support the amounts requested in the application form and the reimbursement request. All participants must certify receipt/delivery of eligible equipment and services and that only eligible equipment and services were invoiced, as well as retain and provide upon request all records related to their reimbursement request (including, for example, contracts and asset inventories).

USAC will start accepting requests for reimbursement within 15 days of the first wave of commitments in the first application filing window. Applicants and service providers may submit reimbursement requests and invoices for prior and prospective purchases for 60 days from the date of the funding commitment decision letter. The FCC, not USAC, must authorize the payments from the Emergency Connectivity Fund prior to the disbursement of those funds by the United States Department of Treasury.

Notes:

[1] "Workable" means that a funding request is filed timely and is complete, with all necessary information, to enable a reviewer to make the appropriate funding decision, and the applicant, provider, and any consultants are not subject to investigation, audit, or other similar reason for delay in a funding decision.