

### Memo to ACSI Member Schools

## FCC Announces Rules for New COVID Relief: Emergency Connectivity Fund Program

# May 13, 2021

**UPDATE June 17, 2021.** The Federal Communications Commission (FCC) has announced that the window to apply for Emergency Connectivity Fund will open for schools and libraries on June 29, 2021. The text (with helpful links) of the FCC email is pasted below.

Schools will want to talk to their E-rate consultant or vendor to make use of direct billing to the vendor (as described in our original memo, now moved below this update). That process helps a school reduce the risk of being considered a recipient of federal financial assistance (FAA) since the vendor will be paid directly by the federal government and not the school. Also, please note that there remains a question about whether a school which chooses to have the federal government bill the vendor directly is required to apply for its own "SAM.gov" account if the vendor already has one.

The FCC is providing webinars to explain the system; if a webinar has already occurred, the content is to be publicly available.

**Key dates** – June 25, 2021 Webinar at 2:00 p.m. ET for a program overview by the FCC. June 29, 2021, Application window opens

### Here is the text of the FCC June 15, 2020 ANNOUNCEMENT:

Subject: Emergency Connectivity Fund Application Window Opens June 29

Today the FCC <u>announced</u> the initial filing window for the <u>Emergency Connectivity Fund</u>, a \$7.17 Billion program that will help schools and libraries provide the tools and services their communities need for remote learning during the COVID-19 emergency period.

From June 29, 2021 to August 13, 2021, eligible schools and libraries can apply for financial support to purchase connected devices like laptops and tablets, Wi-Fi hotspots, modems, routers, and broadband connectivity to serve the unmet needs for off-campus use by students, school staff, and library patrons during the COVID-19 emergency period. During this application filing window, eligible schools and libraries, in addition to consortia of schools and libraries, can submit requests for funding to purchase eligible equipment and services between July 1, 2021, and June 30, 2022.

The Universal Service Administrative Company (USAC) will serve as the program's administrator with FCC oversight. Congress authorized funding for the Emergency Connectivity Fund as part of the American Rescue Plan Act of 2021. In compliance with the Act and after receiving input from a wide variety of stakeholders, on May 10, 2021, the FCC adopted a Report and Order, establishing the rules and policies for the Emergency Connectivity Fund Program.

The FCC will host a <u>webinar</u> on June 25, at 2 pm ET on <u>fcc.qov/live</u> to provide an overview of the Emergency Connectivity Fund, including applicant eligibility, supported equipment and services,

reasonable support amounts, and the application and invoicing processes. No registration is required for this event.

Additionally, USAC will host a series of outreach and training sessions about the Emergency Connectivity Fund Program. You may register for one of the training sessions using the links provided below.

- Wednesday, June 16, at 2 pm ET: Emergency Connectivity Fund Overview Webinar for E-rate Participants – Register
- Thursday, June 17, at 2 pm ET: Emergency Connectivity Fund Overview Webinar for New (Non E-rate) Participants <u>Register</u>
- Thursday, June 17 @ 4:00 p.m. ET: Emergency Connectivity Fund Overview for Tribal Applicants
  Register
- Wednesday, June 23 @ 3:00 p.m. ET: Emergency Connectivity Fund Overview for Potential Applicants Register

You can view an FCC Fact Sheet on the program by visiting: https://www.fcc.gov//sites/default/files/ecf\_factsheet.pdf

More information about the program is available at <u>emergencyconnectivityfund.org</u>, including information about how to apply and what schools and libraries can do now to prepare. Schools and libraries can <u>sign up</u> to receive programs updates and information about future training sessions. Help with program questions is also available by calling 800-234-9781 from 8:00 a.m. to 8:00 p.m. ET.

#### ORIGINAL ACSI MEMO, May 13, 2021:

**New COVID Relief.** Among many other provisions for COVID relief, the March 11, 2021, American Rescue Plan (ARP) funded a new \$7.17 billion **Emergency Connectivity Fund Program** (ECFP) under the Federal Communications Commission (FCC). The ECFP is functionally a kind of "E-rate program for COVID relief." Schools which currently participate in E-rate will see, and possibly appreciate, the administrative similarities.

On May 11, 2021, the FCC released a <u>Report and Order</u> (R&O) to govern the new program. The purpose of the ECFP is "to provide funding for schools and libraries for the purchase, during the coronavirus (COVID19) pandemic, of connected devices and broadband connections for use by students, school staff, and library patrons" as described in the first item of the *Report and Order*.

**Similarity to E-Rate.** The relief fund is separate from E-rate, but parallel in the sense that the more-familiar rules of E-rate will be applied to the ECFP. Thus, ECFP funding is available to any entity qualified to participate in E-rate, including non-profit, non-public schools. Current non-participants in E-rate will naturally need to show they qualify as part of the application process once that begins.

The ECFP is available for acquiring Internet access that connects to the school/library (category 1) and for providing access within the school (category 2).

Eligible equipment is "(1) Wi-Fi hotspots, (2) modems, (3) routers, (4) devices that combine a modem and router, and (5) connected devices" (R&O #28). "'Connected devices' are defined as laptop computers, tablet computers, or similar end-user devices that are capable of connecting to advanced telecommunications and information services." (R&O #28) The term "connected devices" does *not* include "mobile phones, including smartphones ... because they lack the same functionality students, school staff, and library patrons need to perform necessary remote learning activities, homework, or research," and so are not considered "similar' to laptop or tablet computers for the purposes intended by the statute here." (R&O #32)

**Availability of Funds.** R&O #4 states that funds will first be available for upcoming purchases (for the period July 1, 2021 – June 30, 2022, as described in #78) and if funds remain, then the FCC will permit reimbursement of earlier purchases. The second application process would cover the earlier period March 1, 2020 – June 30, 2021 (R&O #78). However, the latter may not be practical for schools who need to avoid becoming recipients of federal financial assistance (FFA). (Please see below). Furthermore, this second application could change if the first one has not met the needs:

However, in consideration of the importance of providing support for unconnected students, in the event that demand for prospective support in the first window appears to be far short of meeting current needs, the Commission may consider opening a second prospective window before opening an application window to fund previously purchased eligible equipment and services. [R&O #78]

R&O #81 states that funds must be focused on "unmet need" and thus,

... we will require schools 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. We will also require schools to certify, as part of their funding application, 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.

However, the FCC "will not impose any specific metrics or process requirements on those determinations, but we expect schools to take reasonable measures to determine need, avoid duplicating support provided by other programs."

**Federal Financial Assistance.** Importantly for religious schools who seek to avoid becoming recipients of FFA, R&O #93 gives the option of having the service provider (vendor) direct-bill the agency. This option applied to upcoming purchases could reduce the exposure of the school itself which will thus not receive federal *funds* directly, but rather the services of the vendor. This process is what helps the E-rate program itself involve less exposure to FFA and that has now officially been applied to the ECFP.

Here is how the requirement is expressed:

93. Submission of Reimbursement Requests. As part of this streamlined process, we allow applicants and service providers to submit requests for reimbursement. We agree with those commenters that explain allowing both applicant and service provider invoicing options is the most efficient and direct way to get much needed funding to eligible schools and libraries. We

see no reason not to send the actual funds to the service provider where the applicant and service provider have both consented to that approach and the applicant can show that the contractual obligation exists. As part of the invoicing process, applicants and service providers must provide required certifications, along with any necessary documentation to support their requests. We clarify that applicants may use consultants and service providers to assist with the preparation of their reimbursement requests to the extent necessary, but any fees associated with such assistance are not eligible for funding under the Program.

Schools that apply and participate in the ECFP will need to ensure that their vendor will agree to pursue reimbursement from the agency and will need to state (and to document) during the application process that the invoicing will come from the service provider, not the school itself (R&O #95). As a practical matter, this may not be possible for a second window application for backward looking reimbursements since the vendor will have already been paid by the school and unable to direct-bill the federal government.

**Administration / Application.** The FCC will, as with the E-rate program, have the Universal Service Administrative Co. (USAC) administer the ECFP. This will allow the program to run along familiar lines for those who already participate in E-rate.

The application for the ECFP is not yet open and more details are yet to be answered, but the *Rule* and *Report* gives schools enough to ready them to prepare to participate.

**Conclusion.** Schools that do not currently participate in E-rate may participate in ECFP and may find that it is worth considering or reconsidering participating in the E-rate program itself. The E-rate program provides discounts for connectivity services while the emergency-oriented ECFP is broader: it also allows for purchase of devices and is a 100% discount rate (up to \$400 for devices and \$250 for hot-spots). Since the rule for the ECFP is based on how E-rate is administered, many consider it a positive for non-public school participation since the ECFP, like the E-rate program itself, will now allow service provider-invoicing and that method, as noted above, could reduce a school's risk of becoming a recipient of FFA. This will bear watching as the new program is implemented and schools will want to exercise appropriate caution, as always.

## **Helpful Links:**

The FCC's May 11, 2021, Report and Order.

The FCC's May 10, 2021, ECFP Announcement Press Release.

Documents Related to ECFP: FCC to Launch \$7.17 Billion Connectivity Fund Program

<u>USAC website</u> (ECFP application may post here).

For information on E-rate itself, please see this specific USAC E-rate webpage.