

2024 School Connectivity Initiative Legislated Report

January 2025

Matthew Mayo

Director for Digital Teaching & Learning and School Connectivity, NCDPI

Ray Zeisz

Senior Director, Friday Institute

SCI Program Overview

SCI Program Overview



**Fiber to
every school**



**Wi-Fi in
every classroom**



**Leverages State and
Federal funding**



**Scalable
Internet**



**Firewall, Content
Filtering, and Identity
Management**



**E-Rate Trailing
and filing support**



**Client Network
Engineering**

Federal E-Rate Program Overview



Fees collected by the FCC on interstate telecom (Federal Universal Service Fund)

You can see this charge on your phone or Internet bill.



Schools receive discounts based on rurality and participation in National School Lunch Program. Statewide average discount is **75%**.



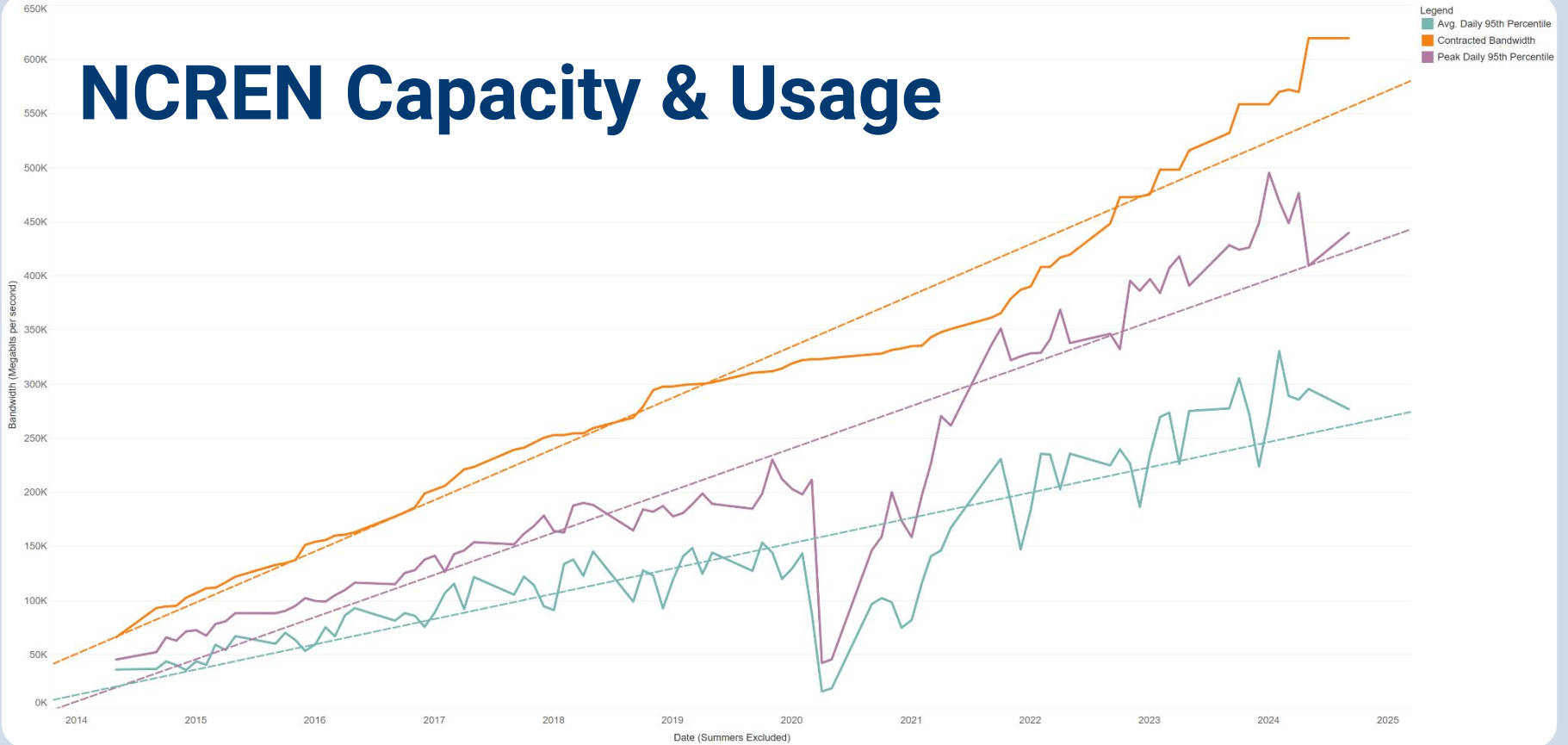
For every dollar of state funding spent specifically on E-Rate-eligible goods and services, North Carolina schools received **\$4.52** in total value.

2024 In Review

2024 In Review

- The School Connectivity Initiative resulted in **\$114** million in expenditures, supported by **\$39** million in state appropriations and **\$75** million in FCC E-Rate funding.
- **190** PSUs submitted **498** requests for E-Rate that were funded by the FCC.
- **95%** of all funding requests were approved by USAC.
- Between May 2023 and September 2024 bandwidth grew from **515** Gbps to over **620** Gbps.

NCREN Capacity & Usage



Source: <https://go.ncsu.edu/SClreport>

Equal Access in Action



Source: <https://go.ncsu.edu/SClreport>

Equal Access in Action

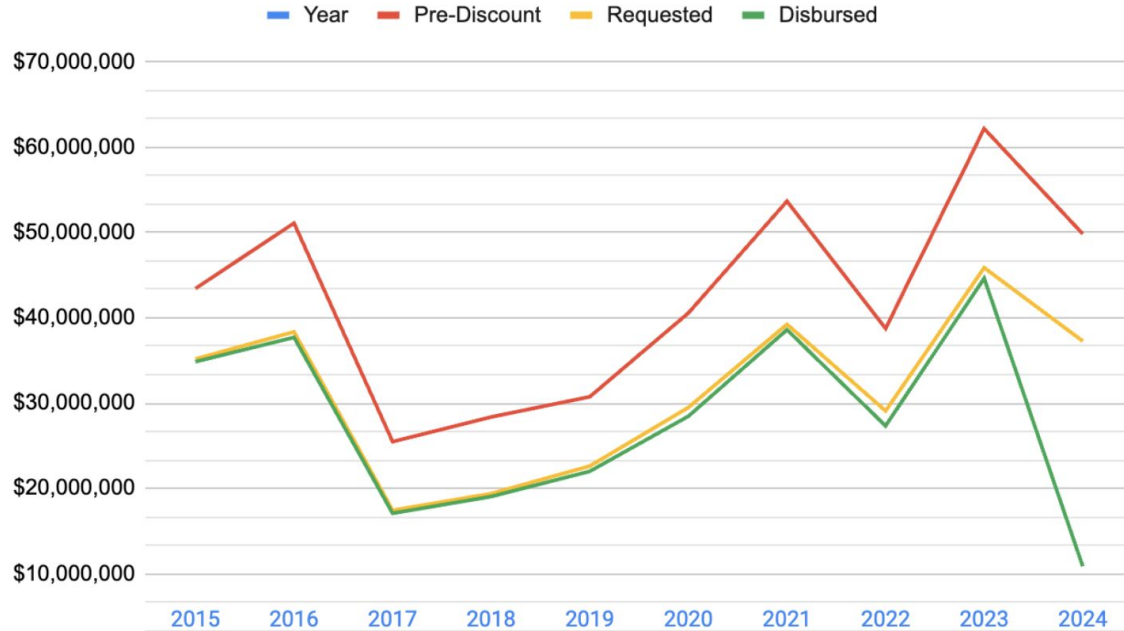
E-Rate Year 2023, State Fiscal Year 2024 Category Two by discount rate

Discount Percentage	Requests	Pre-Discount	Requested	Committed	Disbursed	Utilization Percentage
20% - 29%	3	\$60,340	\$12,068	\$12,068	\$12,068	100%
40% - 49%	18	\$481,172	\$192,469	\$192,469	\$140,129	73%
50% - 59%	27	\$4,259,735	\$2,129,868	\$2,129,868	\$2,059,232	97%
60% - 69%	40	\$12,305,777	\$7,383,466	\$7,383,466	\$7,108,875	96%
70% - 79%	18	\$2,602,666	\$1,821,866	\$1,821,866	\$1,670,081	92%
80% - 89%	226	\$42,415,984	\$34,294,484	\$34,294,484	\$33,596,793	98%
	332	\$62,125,674	\$45,834,221	\$45,834,221	\$44,587,178	

Source: <https://go.ncsu.edu/cat2budget>

Wi-Fi Demand Variability

NC Category Two E-Rate Utilization Through NCDPI Contracts (2015-2024)



Performance Overview 2024

Financial Summary SFY24 (unaudited)

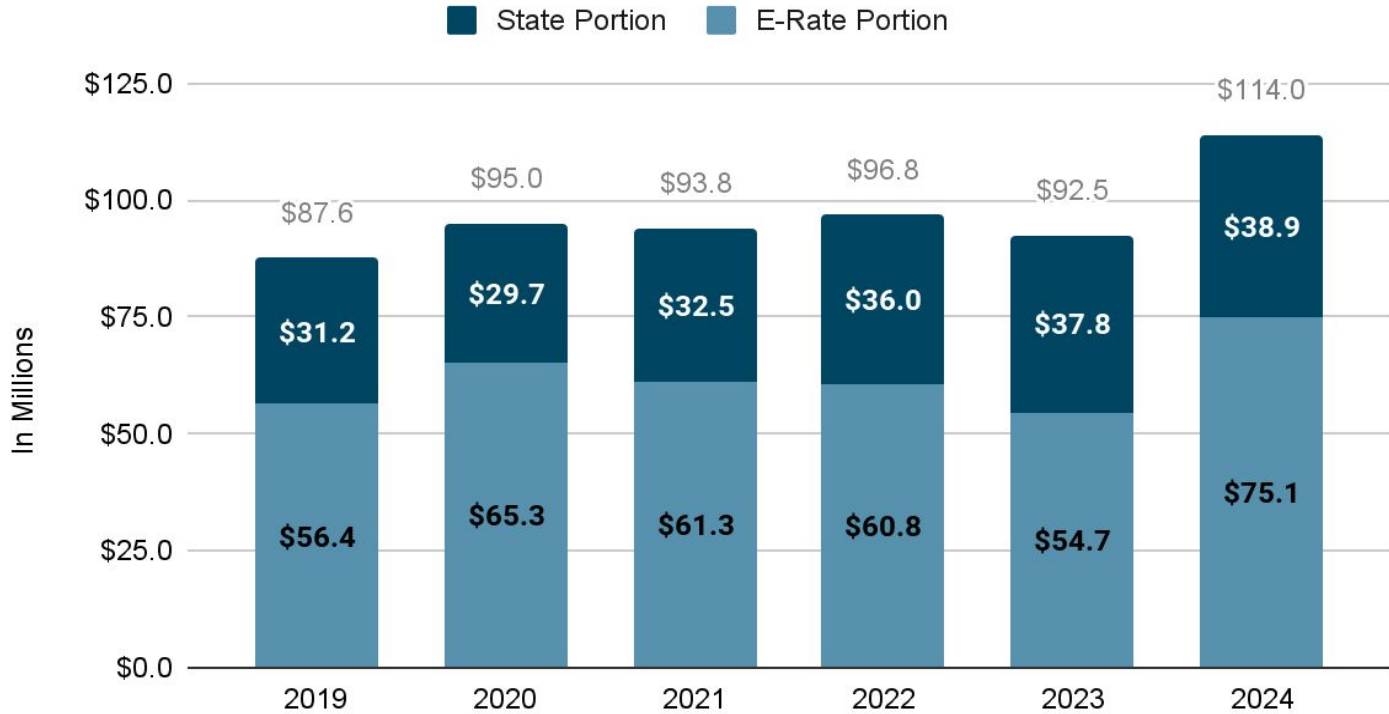
	Total Cost	E-Rate Portion	State Portion
Category 1 Consortium Internet	\$11.63	\$9.04	\$2.95
Category 1 School Fiber Connections (WAN)	\$27.45	\$21.44	\$6.01
Category 2 Classroom Connections (Wi-Fi)	\$57.28	\$44.57	\$12.71
<i>E-Rate Eligible Totals</i>	<i>\$96.36</i>	<i>\$75.05</i>	<i>\$21.31</i>
Identity & Access Management	\$1.82	*	\$1.82
Client Network Engineering	\$1.80	*	\$1.80
Program Administration ERC, FFL, FI, NCDPI	\$1.23	*	\$1.23
Firewall Services	\$2.91	*	\$2.91
Content Filtering Services	\$5.34	*	\$5.34
Endpoint Protection Services	\$3.75	*	\$3.75
Cybersecurity Training	\$0.56	*	\$0.56
NC DIT Administrative Fee	\$0.20	*	\$0.20
<i>E-Rate Ineligible Totals</i>	<i>\$17.61</i>		<i>\$17.61</i>
Grand Totals	\$113.97	\$75.05	\$38.92

Note. All values in millions, rounded.

*Not E-Rate Eligible

The Past Six Years

E-Rate 2019-24



Recommendations

Fund Cybersecurity for Resources Already being Utilized

- **Issue**

- The NC K-12 Cybersecurity Program was funded mostly by one-time COVID- related funding that has expired. Current K-12 statewide cybersecurity shared resources that may be impacted include managed firewall, managed endpoint security, network enumeration and asset discover services, web content filtering, and identity and access management.

- **Recommendation**

- SCI recommends that the shared resources already in place, be funded on a recurring basis. Without additional funding, many schools may resort to reduced function cybersecurity solutions which may leave them vulnerable to attack and increase cybersecurity insurance premiums.

FCC Category Two Budget Adjusted for Inflation in 2025

- **Issue**

- It is expected that the FCC will issue a Notice of Proposed Rulemaking in 2025 to renew the Category Two program for another five years. When this occurred in 2020, the FCC adjusted the Category Two budget from \$150 per student to \$167 to compensate for inflation. We suspect a similar increase will occur in 2025 for the 2026 E-Rate cycle.

- **Recommendation**

- Increase the recurring funding for Category Two in the SCI appropriation by \$2.5 million beginning in FY2026. By increasing the funding, the state will ensure that every possible E-Rate dollar available is consumed by the PSUs. Once the FCC issues the NPRM and makes the final rule, the Friday Institute will calculate the exact state appropriation required and report it to NCDPI and Fiscal Research. However, the Friday Institute agrees that \$2.5 million is a conservative, but safe expansion to cover this increase, beginning in 2026.