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DATE: November 9, 2026

TO: RAILS Board Consortia Committee

FROM: Anne Slaughter, Director of Technology Services

SUBJECT: E-Rate Program Update

E-Rate Program Background

E-Rate (Education Rate) is funded through the Federal Communications Commission's (FCC) Universal Service Fund (USF) and administered by The Universal Service Administration Company (USAC). It is intended to "ensure that schools and libraries across the U.S. are connected to information and resources through the internet" by funding discounted services for schools and libraries in two categories:

- Category 1: broadband Internet services
- Category 2: network equipment used for broadband connectivity, and management and maintenance services for that equipment

Discounts range from 20%-90% depending on the category, based on the percentage of students eligible for the National School Lunch Program in the applicant's school district. The program does not fund end user devices (computers, laptops), software, or digital content.

Illinois Library E-Rate Participation

The Illinois State Library requests information about E-Rate participation in the Illinois Public Library Annual Report. Below are observations from 2025.

Library System	Public Library Applicants	% of Total Agencies	Total Awarded
RAILS	107	26.0%	$996,937
IHLS	86	37.9%	$584,242
CPLS	1	100.0%	$277,194
Illinois	**194**	**30.3%**	**$1,858,373**

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Additional Observations

- Smaller libraries tend to have lower participation rates. 39% of applicant libraries have a service population of 25,000 or greater; only 23.5% of applicants serve less than 2,500.
- Program complexity and lack of information or support were the most common reasons given for non-participation. Libraries also cited resistance to content filtering.

Threats to E-Rate

The program has faced several recent threats, including challenges to the constitutionality of the USF, the overturning of a school bus Wi-Fi and hotspot lending pilot, as well as an in-progress new portal that will add barriers to an already prohibitively complex program. Currently, the FCC's June 26 Notice of Proposed Rulemaking (NPRM) asking whether the program should be sunset or limited to rural areas continues to progress. **Reply comments to the FCC are open until Thursday, November 12.**

The Illinois Office of Broadband and the Illinois Association of School Boards have filed comments with the FCC. Highlights from the Office of Broadband's comments:

- "E-Rate participation in Illinois remains concentrated among high-need applicants. […] Any reduction in support would therefore fall disproportionately on applicants with limited local resources to replace federal assistance."
- "Widespread broadband infrastructure does not eliminate the need for E-Rate, as schools and libraries face recurring service costs, capacity needs, necessary infrastructure upgrades, and affordability challenges, particularly in rural areas."
- "E-Rate has been a tremendous success and invaluable resource in keeping Illinois students and library patrons connected. Its continuation is necessary to ensure that schools and libraries can continue to meet the demands of 21st century connectivity."

A report from The Brattle Group estimates that eliminating E-Rate would cost the U.S. economy $4.2 billion a year.

Advocacy Resources

- SHLB's one-pager on the NPRM is attached; though it was produced before the process timeline was available, it still contains valuable information.
- Useful analysis and advocacy resources are available through the American Library Association at ala.org/erate and SHLB at https://www.shlb.org/save-our-e-rate.
- This issue has also been extensively examined by the Illinois-based Benton Institute for Broadband & Society.

What to Know: The FCC's Latest Inquiry Into the E-Rate Program

Key Takeaways

- The FCC has initiated a major rulemaking that could end or limit the E-Rate program.
- The item includes questions under two sets of inquiries: A Notice of Proposed Rulemaking (NPRM) and a Further Notice of Proposed Rulemaking (FNPRM).
- The NPRM raises threshold questions about whether E-Rate should be terminated, narrowed, or limited in scope or geography. The FCC also seeks comment on emerging issues including student screen time, device use in schools, and the Children's Internet Protection Act (CIPA).
- The FNPRM proposes changes to current E-Rate rules and procedures, including increased oversight of E-Rate consultants.
- Schools, libraries, and community stakeholders who care about E-Rate have a critical opportunity to shape the record by providing data, real-world examples, and policy recommendations.

FCC Action and Overview

On June 25, the Federal Communications Commission (FCC) adopted a Notice of Proposed Rulemaking (NPRM) and Further Notice of Proposed Rulemaking (FNPRM) titled In the Matter of Ensuring Children's Safe Use of Screens and E-Rate-Funded Services.

The item has been released for public comment, meaning that ALL stakeholders (including teachers, parents, librarians, service providers, public interest organizations, and concerned citizens) should weigh in with the FCC.

Public Comment Timeline

You can start preparing your comments now although the formal 60-day comment deadline is still unknown. Use this time to get ready, and SHLB will share the deadlines as soon as they're announced.

All filings must be submitted through the FCC's Electronic Comment Filing System (ECFS) under the following dockets:

- **WC Docket No. 26-133:** Ensuring Children's Safe Use of Screens and E-Rate-Funded Services
- **WC Docket No. 13-184:** Modernizing the E-Rate Program for Schools and Libraries
- **WC Docket No. 21-93:** Establishing the Emergency Connectivity Fund to Close the Homework Gap
- **WC Docket No. 21-455:** Promoting Fair and Open Competitive Bidding in the E-Rate Program

Key Topics in the NPRM

- Whether the E-Rate program is no longer needed
- Whether the E-Rate program should be terminated altogether or limited to rural areas
- How to address growing concerns about student screen time and device use in educational settings
- Whether the FCC should revisit its interpretation and implementation of the Children's Internet Protection Act (CIPA)

Key Proposals in the FNPRM

- Rules around oversight of E-Rate consultants and consulting firms, including annual consultant certifications and disclosures, creating a consultant registration database, and prohibiting percentage-based fee arrangements
- Requiring all applicants to enter into a signed contract following the competitive bidding process
- Clarifying that service substitutions must be in writing and certified, and approved by the Account Administrator
- Setting a June 30th deadline for submission of the SPAC Form
- Revisions to current FCC forms and certifications
- Inquiries related cost-effectiveness (including MIBS) and the Lowest Corresponding Price rule

Call to Action: Make Your Voice Heard

This proceeding presents a significant opportunity for schools, libraries, and community members to shape the future of E-Rate. If you would like to file comments with the FCC, we suggest that you:

- Review the adopted NPRM and FNPRM in detail to understand the FCC's inquiries and recommendations
- Familiarize yourself with the types of filings you can submit.
- Keep track of the filing deadlines and understand the instructions to submit your comments.
- Write to your members of Congress by utilizing the tools found here.

Visit our campaign action center at SaveOurERate.com to learn more.