



**NORTH CAROLINA**  
State Board of Education  
Department of Public Instruction

---

# Report to the North Carolina General Assembly

---

School Connectivity Initiative  
Legislative Update - **FY2025**

*SL 2007-323 (HB1473), Section 7.28.(d)*

**Date Due: January 15, 2026**

DPI Chronological Schedule, 2025-2026

Data Provided for State Fiscal Year 2024-2025

E-Rate Cycle Year 2024

**Submitted by the North Carolina Department of Public Instruction** in  
conjunction with The Friday Institute for Educational Innovation,  
North Carolina State University

## STATE BOARD OF EDUCATION

### STATE BOARD OF EDUCATION VISION

Every public school student in North Carolina will be empowered to accept academic challenges, prepared to pursue their chosen path after graduating high school, and encouraged to become lifelong learners with the capacity to engage in a globally-collaborative society.

### STATE BOARD OF EDUCATION MISSION

The mission of the North Carolina State Board of Education is to use its constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

**ERIC DAVIS, Chair**  
Charlotte – At-Large

**JILL CAMNITZ**  
Greenville – Northeast Region

**JOHN BLACKBURN**  
Linville – Northwest Region

**ALAN DUNCAN, Vice Chair**  
Greensboro – Piedmont-Triad Region

**REGINALD KENAN**  
Rose Hill – Southeast Region

**DR. JANET MASON**  
Forest City – Western Region

**RACHEL HUNT, Lieutenant Governor**  
Charlotte – Ex Officio

**VACANT**  
North Central Region

**J. WENDELL HALL**  
Ahoskie – At-Large

**BRAD BRINER, State Treasurer**  
Chapel Hill – Ex Officio

**OLIVIA OXENDINE**  
Pinehurst – Sandhills Region

**CATTY MOORE**  
Monroe – At-Large

**MAURICE "MO" GREEN, Superintendent**  
Greensboro – Secretary to the Board

**VACANT**  
Southwest Region

The above State Board of Education information is a record of the board members at the time of this document's approval for publication. For the current list of State Board Members, Vision and Mission Statements, go to [www.dpi.nc.gov/about-dpi/state-board-education](http://www.dpi.nc.gov/about-dpi/state-board-education).

## NC DEPARTMENT OF PUBLIC INSTRUCTION

**Maurice "Mo" Green, State Superintendent / 301 N. Wilmington Street, Raleigh, North Carolina 27601**

In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.

**Inquiries or complaints regarding discrimination issues should be directed to:**

Thomas Tomberlin, Senior Director, Educator Preparation, Licensure, and Performance, NCDPI  
6301 Mail Service Center, Raleigh, NC 27699-6301 / Phone: (984) 236-2114

**Visit us on the Web:** [www.dpi.nc.gov](http://www.dpi.nc.gov)

## **TABLE OF CONTENTS**

<b><i>STATE BOARD OF EDUCATION</i></b>	<b><i>1</i></b>
<b><i>Executive Summary</i></b>	<b><i>3</i></b>
Key Characteristics of The Program	3
Considerations and Recommendations	4
<b><i>Performance Overview</i></b>	<b><i>5</i></b>
E-Rate Utilization Rate by North Carolina	5
Financial Summary	6
Consortium Internet	7
School Fiber Connections (Wide Area Network, WAN)	7
Classroom Connections (Wi-Fi)	7
E-Rate Ineligible Expenses Detail	11
<b><i>K12 Internet Utilization and Capacity Analysis</i></b>	<b><i>12</i></b>
Bandwidth Utilization	12
Equity in Access	15
Cost Containment	15
<b><i>Considerations and Recommendations for 2025</i></b>	<b><i>16</i></b>
Fund Cybersecurity for Shared Resources Already in Place and Utilized	16
Issue	16
Recommendation	16
Minor Policy Adjustments and Efficiency Improvements for SCI	16
Issue	16
Recommendation	16
FCC Category Two Budget Will Be Adjusted for Inflation in 2025	16
Issue	16
Recommendation	17
<b><i>Supporting Documentation</i></b>	<b><i>17</i></b>
<b><i>Appendix A: Fiscal Year 2024 LEA Allotments and Shared Services</i></b>	<b><i>18</i></b>
<b><i>Appendix B: Fiscal Year 2024 Charter School Allotments and Shared Services</i></b>	<b><i>22</i></b>
<b><i>Appendix C: North Carolina E-Rate Funding History</i></b>	<b><i>28</i></b>
<b><i>Appendix D: History of the School Connectivity Initiative</i></b>	<b><i>31</i></b>

## EXECUTIVE SUMMARY

The North Carolina School Connectivity Initiative (SCI) enables sufficient and reliable Internet access to every public school classroom across the state. Through the SCI, the NC Department of Public Instruction (NCDPI) also provides all Public School Units (PSUs) with cooperative purchasing agreements, training, support, network engineering, content filtering, identity management and firewall services. North Carolina has been building this program for 19 years and is recognized as a national leader in providing equitable connectivity to all public schools.

North Carolina utilizes the Federal Communications Commission's (FCC) [E-Rate](#) program to the fullest extent possible and is a leading recipient of FCC funding on a per-student basis. This report details the significant accomplishments achieved over the State Fiscal Year 2025 (SFY25) and calendar years 2024 through 2025 (CY24 to CY25). Due to the schedule in which the FCC allocates funding, multiple calendar years are reported for some data. Included are financial and operational performance data, opportunities for improvement, risks, mitigation strategies, and recommendations for legislative action. Key graphs used in this report are available online and interactively at <https://go.ncsu.edu/SCIreport> provided by the Friday Institute for Educational Innovation at NC State University as part of the SCI partnership.

### KEY CHARACTERISTICS OF THE PROGRAM

- Schools and NCDPI recover Universal Service Fees paid by North Carolina residents in their telecommunications bills. These fees are distributed to schools through the E-Rate program. Every school has a fiber internet connection, and every classroom has Wi-Fi access, all because of the SCI and the E-Rate program. Over the last decade, the public schools in the state have averaged \$75 million per year in funding commitments from the FCC E-Rate program. North Carolina is a recognized leader in utilizing the FCC E-Rate program; in 2024 the state [recouped 99% of the fees collected by the FCC](#) from North Carolina residents and businesses. See <https://go.ncsu.edu/USFmap> for more details.
- The aggregate K-12 Internet capacity is approximately 600 Gbps (billion bits per second), with the aggregate average peak network utilization at about 75%. Every school has enough bandwidth to support digital teaching and learning, with the capacity to grow, without overpaying for excess network capacity.
- Managed firewall, content filtering, endpoint protection and identity management services are provided at no cost to the PSUs, to protect students and school business systems.
- E-Rate training programs for pertinent PSU staff are provided.
- The initiative provides network operations support, on-site technical assessments, and assistance is provided to PSUs to ensure the impact of the investment in infrastructure is maximized.
- In Fiscal Year 2025, each dollar of state funding spent on E-Rate eligible goods and services delivers over three dollars in value to the PSUs.
- Through analysis and modeling of E-Rate filing scenarios performed by the Friday Institute, SCI continues to optimize E-Rate Internet access applications to maximize the amount of E-Rate funding the state receives.
- From 2023 to 2025, DPI took significant steps to upgrade the cybersecurity protections for PSU networks. However, a large portion of this upgrade was accomplished with non-recurring funding.
- In 2024, the FCC created a three-year E-Rate Cybersecurity Pilot Program. This program will provide a de minimis amount of E-Rate support for cybersecurity in North Carolina. Upon

completion of the three-year program, we expect that the FCC will execute a rulemaking procedure to determine if E-Rate should provide permanent support for cybersecurity. We do not expect significant support from the FCC for cybersecurity in the foreseeable future. The General Assembly should consider enhancing the SCI to provide high-value, highly discounted cybersecurity services by leveraging the economies of scale and momentum that the SCI has already established.

#### **CONSIDERATIONS AND RECOMMENDATIONS**

Detailed within this report are several recommendations for legislative actions that are necessary for SCI to remain viable at the current service levels.

1. Using non-recurring COVID funding, SCI established a nationally recognized K-12 cybersecurity program which provides significant cybersecurity support and mitigations at no charge to the PSUs. No PSU utilizing these new enhanced cybersecurity mitigations provided by this funding experienced a ransomware outbreak during FY2025. However, now that the non-recurring funding has ended, we are at risk of a less robust cybersecurity posture.

While \$5 million of recurring funding for E-mail Threat Detection has been appropriated, the core cybersecurity functions, Advanced Firewall, Network Enumeration/Scanning and Advanced Endpoint Protection, remain underfunded. The General Assembly should work with NCDPI and the Friday Institute to evaluate the effectiveness of the various mitigations and provide funding to sustain this program and protect our schools.

The cybersecurity measures currently in place are uniform across the state, ensuring fair and equitable distribution of the resources, while also benefiting from economies of scale and providing drastically reduced pricing that would not be available if each PSU were to procure them individually.

2. In 2025, the FCC adjusted the per-student budget for Wi-Fi and Ethernet equipment based on inflation. The state should prepare for an increase in the required recurring appropriations in FY27. For the state to fully utilize every dollar available for Wi-Fi in the classroom from the FCC E-Rate program, the General Assembly would need to commit an additional \$2,500,000 of recurring funding to the SCI<sup>1</sup>.
3. Several western districts received stipends for their Wide Area Networks in 2006, because at the beginning of the SCI, the most cost-effective way to connect these counties was through a consortium. These connections were obtained with non-recurring funding and are built on leased fiber known as an indefeasible right to use (IRU). As it is approaching time to renew these IRUs, the State should address these stipends and ensure that each district utilizing IRUs is obtaining cost-effective connectivity and has equitable access to funding and support for their connectivity. E-Rate does support fiber build-out through the “special construction” option, but it must be shown to be cost-effective, and the state must provide a match. More analysis and cooperation with the affected PSUs will be required. All districts using these IRUs which are due for renewal were heavily impacted by Hurricane Helene. The state should be prepared to provide funding that ensures these western counties remain connected to NCREN and are able to build their networks with the maximum use of E-Rate funding.
4. In recent years SCI has noticed an appreciable increase in the amount of internet traffic utilizing VPNs. While substantial mitigations are in place to prevent disruptive or inappropriate content from being accessed on the school network, no technology is perfect. The State should also encourage schools to follow the best practices for filtering as provided and updated by DPI. The use of VPNs, if unchecked, could result in substantial increases in bandwidth consumption which will impact the cost

---

<sup>1</sup>This assumes the FCC adjusts the per-student budget from \$167 to \$201. Other assumptions include statewide ADM of 1.6 million and average E-Rate discount of 75%.

of providing internet to all PSUs, while also distracting students during class time. Furthermore, excessive use of the school network for non-educational purposes could lead to degradation in service for the students who are using it for educational purposes.

5. Since the inception of SCI, NCDPI has used NCDIT to provide Internet access to schools. Increased scrutiny from the Universal Services Administrative Company (USAC), the company that monitors the E-Rate program, has led to delays in E-Rate funding. These delays are largely attributed to the use of NCDIT as both a service provider (in the view of USAC) and a state agency involved in procurement. The General Assembly should exempt E-Rate eligible network procurements from N.C.G.S. 143B-1370(a)5(g) and liberate NCDPI from the constraints and costs imposed by NCDIT.

## **PERFORMANCE OVERVIEW**

The vision of the SCI is to ensure all NC PSUs have equitable access to secure and reliable high-speed Internet access, sufficient to meet their instructional and professional needs, through efficient use of federal and state funding.

It is our mission to maximize the state and local use of the federal E-Rate program to obtain the greatest discounts or reimbursements possible, without over-provisioning the network. This is accomplished with cooperative purchasing agreements (CPAs) and common shared services which enable PSU local control while leveraging economies of scale.

### **E-RATE UTILIZATION RATE BY NORTH CAROLINA**

In SFY2025 or the 2024 E-Rate filing cycle (January 2024 through September 2025):

- 151 PSUs submitted 412 requests for E-Rate that were funded by the FCC. A total contract value of \$55.4M was sought with \$42M of that being provided by the FCC E-Rate program.
- 96% of all PSU funding requests were approved by USAC.
- The average E-Rate discount for NC public schools is about 76%. This is not expected to change significantly in the foreseeable future.

These results are directly attributable to the work of SCI's regional E-Rate coordinators providing:

- Direct assistance within PSUs for E-Rate planning and filing
- Individualized support through multiple levels of FCC reviews, audits and appeals occurring throughout the year
- Multiple regional training events open to all E-Rate eligible entities, including public libraries
- Planning, filing, and audit support of multiple state Internet consortia applications
- Assistance from The Friday Institute in data analytics and E-Rate strategy

## **FINANCIAL SUMMARY**

The School Connectivity Initiative resulted in \$117 million in expenditures, supported by \$42.4 million in state appropriations and \$77 million in FCC E-Rate funding. Table 1 summarizes SFY2025 total SCI expenses, the portion paid by E-Rate, and the portion paid by state funding. The FCC groups E-Rate eligible expenses into two broad categories. Category One includes external connectivity expenses that deliver Internet and interconnect individual schools via fiber, and Category Two consists of internal connectivity expenses that provide the wiring, switches, and wireless access points (Wi-Fi) within each school building. Districts procure

their Wide Area Network (WAN) to connect all schools in the county to a single point, which is then connected to the statewide backbone, NCREN (NC Research and Education Network), for internet access.

**Table 1**

*Financial Summary SFY25 (unaudited)*

	Total Cost	E-Rate Portion	State Portion
Category 1 Consortium Internet	\$12.94	\$10.30*	\$2.34
Category 1 School Fiber Connections (WAN)	\$29.64	\$24.00	\$5.64
Category 2 Classroom Connections (Wi-Fi)	\$56.82	\$43.18	\$13.64
<b><i>E-Rate Eligible Totals</i></b>	<b><i>\$102.40</i></b>	<b><i>\$77.48</i></b>	<b><i>\$21.62</i></b>
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	\$3.45	*	\$3.45
Content Filtering Services	\$6.82	*	\$6.82
Endpoint Protection Services	\$3.75	*	\$3.75
Cybersecurity Training	\$0.56	*	\$0.56
NC DIT Administrative Fee	\$0.20	*	\$0.20
<b><i>E-Rate Ineligible Totals</i></b>	<b><i>\$18.39</i></b>		<b><i>\$18.39</i></b>
<b>Grand Totals</b>	<b>\$117.79</b>	<b>\$77.48</b>	<b>\$40.01</b>

*Note.* All values in millions, rounded.

\*Not E-Rate Eligible

Each year approximately two-thirds of SCI expenditures are eligible for FCC E-Rate discounts. Every E-Rate-eligible purchase goes through multiple reviews by the Universal Services Administrative Company (USAC), a subcontractor to the FCC, to ensure the most cost-effective and technically sufficient solution is selected through an open and competitive bidding process. For most PSUs, SCI's E-Rate Coordinators are involved in filings and at various levels during the review and audit processes. The SCI team is responsible for all filings and work related to NCREN which provides internet connectivity from the various PSUs to the public internet. The SCI team works to maximize the use of E-Rate funding wherever possible.

***For every \$1 of state funding spent through the School Connectivity Initiative, North Carolina schools received three dollars in total value.***

#### **CONSORTIUM INTERNET**

SCI offers all PSUs fiber-based Internet access to a single centralized location, often the district central office, through the NC Research and Education Network (NCREN), operated by MCNC. This opt-in service is provided at no cost to all PSUs. For over a decade, all 115 districts have selected to opt-in to this service.

Charter schools may opt-in to this service at no cost or receive an annual \$5,000 allotment for Internet service. This year, 181 charter schools, residential schools and regional schools used the state-provided internet service through NCREN.

On behalf of the 296 PSUs that opt-in to the service, SCI established NCREN Internet access through a contract with the NC Department of Information Technology (NCDIT). Cost containment is achieved by actively monitoring each PSUs actual internet usage and only procuring the capacity needed, based on industry-standard metrics, and observed bandwidth usage.

For SFY2025, the actual cost of Internet via NCREN was \$12.9 million. Under normal conditions, an E-Rate funding commitment of approximately \$10.3 million would have been received. NCDPI and USAC are working

to resolve issues and, as of the writing of this report, no E-Rate commitment has been provided for the Internet access portion of the program. During the last fiscal year, PSUs have directly received E-Rate commitments of \$67.3 million for their WANs and Wi-Fi. DPI is working with E-Rate experts with the goal to resolve issues with the Internet funding in the first calendar quarter of 2026. DPI will also engage with legislators as needed to assist.

#### **SCHOOL FIBER CONNECTIONS (WIDE AREA NETWORK, WAN)**

To distribute Internet access from a district central location to each school, districts use private service providers, such as Spectrum, AT&T, Lumen, or Conterra, to provide a fiber-based Wide Area Network (WAN). These WANs aggregate all the district schools to a central location for upstream connection to NCREN and the public Internet. Each of these connections are eligible for E-Rate discounts of up to 90%. Any PSU with multiple campuses is eligible to have a WAN that is funded by SCI.

With over 2,500 school buildings in NC and dozens of service providers in the state, it is not feasible for SCI to provide WAN services in the same manner as Internet service. Therefore, each district is responsible for the procurement, management, and E-Rate filings for their WAN. The SCI E-Rate coordinators provide each PSU guidance and assistance with each step. Upon USAC approval, the service provider bills E-Rate directly for the discounted portion and invoices the PSU for the remaining cost of the service. SCI provides an allocation to the PSU to cover this discounted invoice, resulting in a net-zero cost to the PSU for E-Rate eligible expenses. In SFY2025, PSUs received approximately \$5 million in PRC allocations, as well as approximately \$23 million in E-Rate disbursements for their WANs.

These funds provide fiber connections to approximately 2,500 individual school buildings. Despite significant increases in bandwidth year after year, the cost to the state went down by several hundred thousand dollars compared to last year. See Appendices A and B for funding details on a per-PSU basis.

#### **CLASSROOM CONNECTIONS (Wi-Fi)**

With Internet service delivered to the individual school building, additional network infrastructure is necessary to distribute access to individual classrooms. Funding inside the school building is considered Category Two in E-Rate terminology and has different rules than the funding used to provide fiber to the school building itself. Unlike Internet and WAN funding, this classroom connection funding is capped by the FCC on a per-student basis of \$167 per student over five years (2021 to 2025).

The procurement process is similar to that of the WAN: PSUs make the purchases, the vendor bills E-Rate and then invoices the PSU for the balance (the non-E-Rate portion), and finally, SCI allots to the PSU an amount equal to the non-E-Rate portion as committed by the FCC.

In July 2014, the FCC issued an E-Rate Modernization Order establishing a five-year per-student "budget" to expand funding for robust classroom Wi-Fi. In response, SCI established Cooperative Purchasing Agreements providing numerous options for each PSU to select a vendor of their choice. The CPAs provide deep discounts that would not be available to most PSUs if they were to obtain services and equipment on their own. SCI continues to maintain and re-bid these contracts as necessary to meet state procurement laws and E-Rate rules.

For the five-year budget cycle from 2021 to 2025, the FCC has committed \$180 million in E-Rate Category Two, for PSUs using the NCDPI cooperative purchasing agreements. This represents a total contract value over the last five years of \$239 million. Given that \$239 million, divided by the per-student budget of \$167 yields 1.43 million students, we can safely say the SCI Wi-Fi Expansion Program has been an overwhelming success, ensuring each PSU has used E-Rate to the fullest extent possible to provide Wi-Fi to each classroom.

A detailed accounting of Category Two funding for E-Rate year 2024 (SFY25), which includes calendar years 2024 and 2025 is provided below. This data is broken out by E-Rate discount, which is based on district rurality and the percentage of students eligible to participate in NSLP (National School Lunch Program).



“Pre-discount” is the full contract value of the equipment and services. “Requested” is the portion of the total cost requested from the FCC. “Committed” is the amount that the FCC agrees to provide. “Disbursed” is the actual amount that the PSUs received from the FCC. Sometimes projects require less funding than expected. PSUs can only be reimbursed for actual expenses incurred thus the disbursed amount may be slightly less than what the FCC committed.

**Table 2**

*E-Rate Year 2024, State Fiscal Year 2025 Category Two by discount rate, on DPI contracts*

Discount Percentage	Requests	Pre-Discount	Requested	Committed	Disbursed	Utilization Percentage
20% - 29%	5	\$83,532	\$16,706	\$16,706	\$11,735	70%
40% - 49%	8	\$502,414	\$200,966	\$200,966	\$198,305	99%
50% - 59%	21	\$378,358	\$189,179	\$189,179	\$180,507	95%
60% - 69%	132	\$14,893,107	\$8,935,864	\$8,931,287	\$8,619,606	97%
70% - 79%	18	\$672,340	\$470,638	\$470,638	\$462,991	98%
80% - 89%	245	\$40,287,155	\$33,365,038	\$32,244,834	\$31,613,759	98%
	<b>429</b>	<b>\$56,816,906</b>	<b>\$43,178,391</b>	<b>\$42,053,610</b>	<b>\$41,086,903</b>	

The E-Rate discount has a profound, and non-linear effect, on the schools with higher NSLP participation. The difference between a 75% discount and an 80% discount is not simply 5%. Consider that at 75% E-Rate discount, each state dollar results in \$3 of E-Rate. However, at an 80% E-Rate discount, each state dollar results in \$4 (or 33% more) funding from the FCC. This profound increase in FCC funding, with just small changes in discount rate, is the reason the SCI team works diligently to ensure the accuracy of student nutrition data that is provided to the FCC, as well as to optimize the way DPI files the consortia internet application.

NCDPI must ensure that state funds are allotted based on actual expenses, not committed. Some E-Rate consultants charge their clients based on the amount committed, and this may result in more funds than necessary being requested. While the FCC will not pay for expenses that have not been invoiced, this is a potential issue for the SCI program. Excessive requests of Category Two results in reversion of SCI funds which could otherwise be used by other districts. NCDPI has been working diligently to ensure that allotted SCI funds only match actual invoiced expenses. This ensures that equitable funding is available to all PSUs and that no school receives a disproportionate amount of SCI funding.

Every five years, the FCC reevaluates the Category Two program and sets the per student budget for the next five years. The original budget in 2015 was \$150 per student. In 2021 the budget was adjusted to \$167 per student, over a 5-year period. For 2026 through 2030 the per student budget will be \$201.57. This is a **20.7% increase, due to inflation**. In order for the state to ensure that every possible Category Two dollar available from the FCC is used, the SCI budget will need to increase by about \$2,500,000, recurring, beginning in FY2027. The program is designed so that each year, NCDPI uses about \$12.5M of state appropriations to fund the Category Two non-E-Rate discounted portion for PSUs. With the new per student budget, the state appropriation needs to be increased by a commensurate amount:  $\$12.5\text{M} \times 20.7\% = \$2,587,500$ .

This assumes the student population for public schools remains relatively constant, which over the last five years has been the case. If the State chooses not to increase the SCI appropriation for Category Two, NCDPI will eventually be faced with a decision as to how to select which schools receive all, or part of, the non-E-Rate discount from the SCI funds. On average, the Category Two E-Rate discount is 75% across the state.

The Friday Institute closely monitors the usage and produces the dashboard mentioned above. North Carolina has done an excellent job capturing virtually every Category Two dollar available in the E-Rate program over the last five years. Very few states can claim this level of utilization of the FCC E-Rate program while maintaining tight controls to prevent abuse and waste.

Table 3 shows the history of Category Two funding, for PSUs using the NCDPI cooperative purchasing agreements. Funding year 2025 is correlated to state fiscal year 2026 and is still in progress, thus the low utilization number for the last row of the table. This report is focused on E-Rate funding year 2025, or state fiscal year 2026, but this data is being provided to show the effectiveness of the complete five-year refresh cycle. See Appendix C for more data regarding historic E-Rate utilization and trends.

**Table 3**

*Category Two E-Rate utilization, on DPI contracts, in the current 5-year cycle (as of November 22, 2025)*

Year	Requests	Pre-Discount	Requested	Committed	Disbursed	Utilization Percentage
2021	384	\$53,005,070	\$38,719,388	\$38,649,740	\$38,311,712	99%
2022	220	\$38,661,879	\$29,035,562	\$29,035,562	\$27,374,645	94%
2023	325	\$61,927,376	\$45,699,483	\$45,699,483	\$45,215,629	99%
2024	412	\$55,447,797	\$42,053,610	\$42,053,610	\$41,086,903	98%
2025	288	\$29,637,683	\$23,564,556	\$23,564,556	\$6,017,205	26%
	<b>1,629</b>	<b>\$238,679,805</b>	<b>\$179,072,599</b>	<b>\$179,002,951</b>	<b>\$158,006,094</b>	

#### **E-RATE INELIGIBLE EXPENSES DETAIL**

While most SCI expenses are leveraged against E-Rate, there are several items that are not E-Rate eligible:

- **Firewall Services:** PSUs may opt-in to the SCI firewall service offered at no charge to the PSUs through a contract with NCDIT. This firewall service enforces network policies designed to protect school networks. In SFY25, 91 districts, 145 charters and all three deaf and blind schools utilized this service at a cost of \$3.5 million in state funding.
- **Content Filtering Services:** PSUs may opt-in to the SCI Content Filtering Service offered at no charge to the PSU through a contract with NCDIT. Each PSU's acceptable use policy is enforced on school-issued student devices regardless of the device's location, on or off campus. This type of filtering is required by E-Rate and the Children's Internet Protection Act but is not E-Rate eligible. Currently, NCDIT is billing NCDPI for 84 districts, 150 charters and the three deaf and blind schools for this service at a cost of \$6.8 million in state funding. This is up significantly from last year at \$5.3 million.
- **Identity and Access Management (IAM):** The 2015 appropriations act expanded the SCI budget by \$12M annually effective SFY2017 and included IAM services. Processing logins for every student and staff member daily, IAM automates the provisioning and management of accounts for every student and school employee, over 1.8 million accounts. Integration of those accounts with cloud-based applications and services allows for more consistent security across applications and across PSUs. NCDPI manages the NCEdCloud IAM service through a contract with an identity services provider at an annual cost of \$1.88M. Note that this contract was bid in 2023 for the first time in ten years, but was canceled. The increasing need for an enhanced and more modern identity management will likely lead to higher costs going forward. The State should consider increasing the funding for IAM to ensure all student and staff accounts remain secure, especially as attackers use more and more sophisticated means to compromise systems.
- **Client Network Engineering (CNE):** Network infrastructure requires knowledge and skill to deliver reliable and secure access. PSUs are responsible for technology planning and the daily operation and maintenance of their infrastructure, but they need assistance at times. SCI contracts with MCNC to assist PSUs with high-level troubleshooting, network design consultation, and related training events through its CNE team. For SFY25, CNE directly supported 93 districts with 295 engagements

and 125 different charter schools with 324 unique engagements. SCI is invoiced quarterly for services provided by MCNC and the actual expenses incurred for each PSU engagement at a cost not-to-exceed \$2.46M annually. Of particular note, this year MCNC employee Dave Furiness, the longtime leader of the CNE team will retire. His incredible service to the schools over the last two decades cannot be understated.

- Program Administration: Program administration includes SCI staff salaries and operational costs, licenses, NCDIT program management fees and contracts with E-Rate consulting firms and the Friday Institute. For most of SFY25, four regionally based NCDPI staff members and a manager provided technical consulting, E-Rate training, and related support at a combined compensation and benefit expense of approximately \$554,000. Additional consulting and data analysis were provided by the Friday Institute, E-Rate Central and Funds for Learning at a cost of approximately \$564,000. Total Program Administration costs are 0.95% of the total value delivered to PSUs or 2.6% of state appropriations for the program.

## **K12 INTERNET UTILIZATION AND CAPACITY ANALYSIS**

NCREN provides for bulk purchase of Internet for all K-12 schools. NCREN peers with several major commercial carriers as well as Internet2. North Carolina schools all receive excellent Internet access, no matter how remote. By combining the purchasing power of the entire state, the cost is spread out among all the schools, enabling even the most remote or economically disadvantaged schools to have the same quality Internet access as the most urban or wealthy schools.

### **BANDWIDTH UTILIZATION**

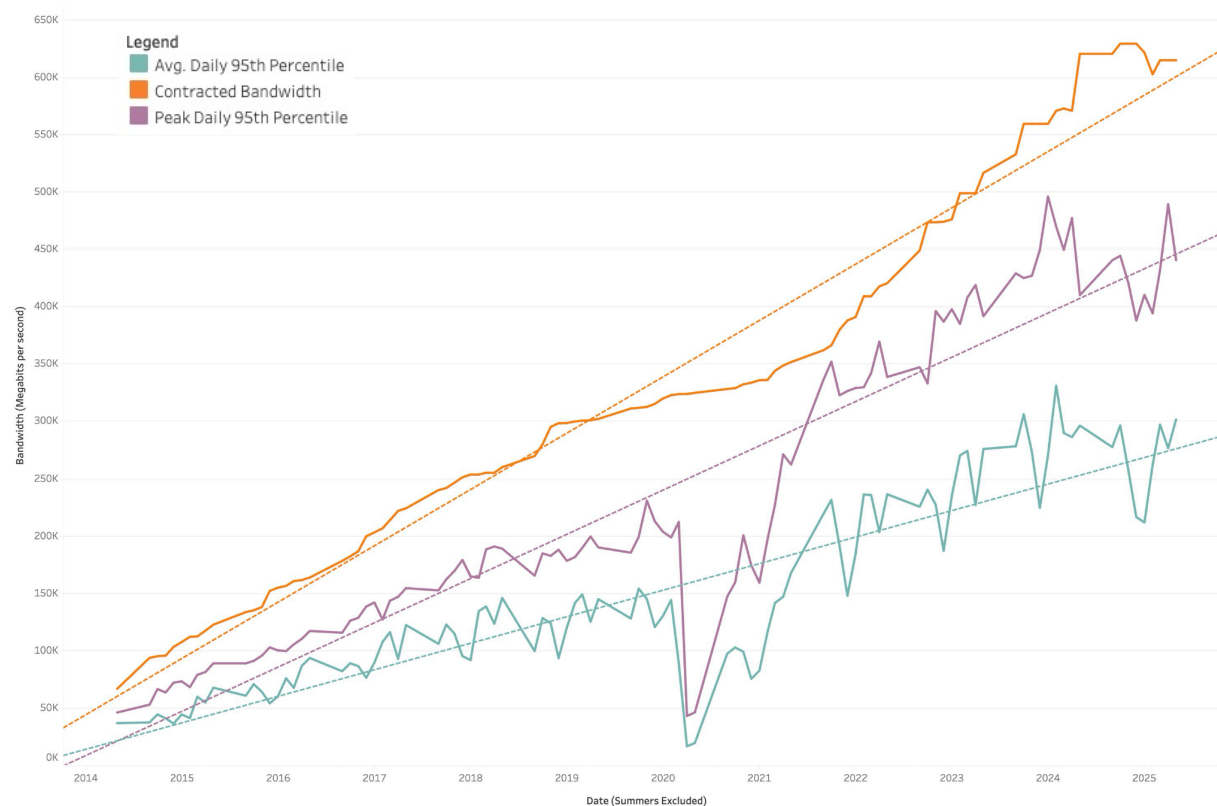
Between April 2024 and April 2025, contracted bandwidth increased from 570 Gbps to 610 Gbps. This is one of the lowest increases in contracted bandwidth in the history of the SCI. We suspect more rules around cell phone use in schools, and more strict filtering policies in PSUs resulted in a reduction of need for bandwidth.

Contracted bandwidth represents the maximum sustainable transmission rate between all K-12 schools, in aggregate, and the public Internet. The average daily usage is significantly below the peak. This is because the network must be prepared to handle high utilization spikes, such as may be seen during end-of-grade testing. By aggregating the access across all PSUs, the amount of capacity required per student is lowered as compared to a network design in which each PSU connects to the Internet separately. This is because the likelihood that all PSUs will be at peak capacity on the same day is extremely low. This allows SCI to procure reasonable, and sufficient bandwidth, while giving each PSU the appearance of having unlimited capacity.

Note that the data represented in Figure 1 is only downstream, from the Internet to the school; a similar graph for upstream traffic also exists. Per common industry practice, the highest 5% of usage readings have been discarded and are not used in the billing calculation. This ensures that MCNC is not aggressively billing based on transient spikes but rather the long-term average based on the lower 95% of the usage readings, taken only during weekdays from 7 AM to 5 PM. Figure 1 clearly shows the impact of the return from COVID. Summers are excluded from this data.

**Figure 1**

*Statewide Contracted Bandwidth, Peak, and Average Utilization for all PSUs using NCREN, 2014 to 2025*



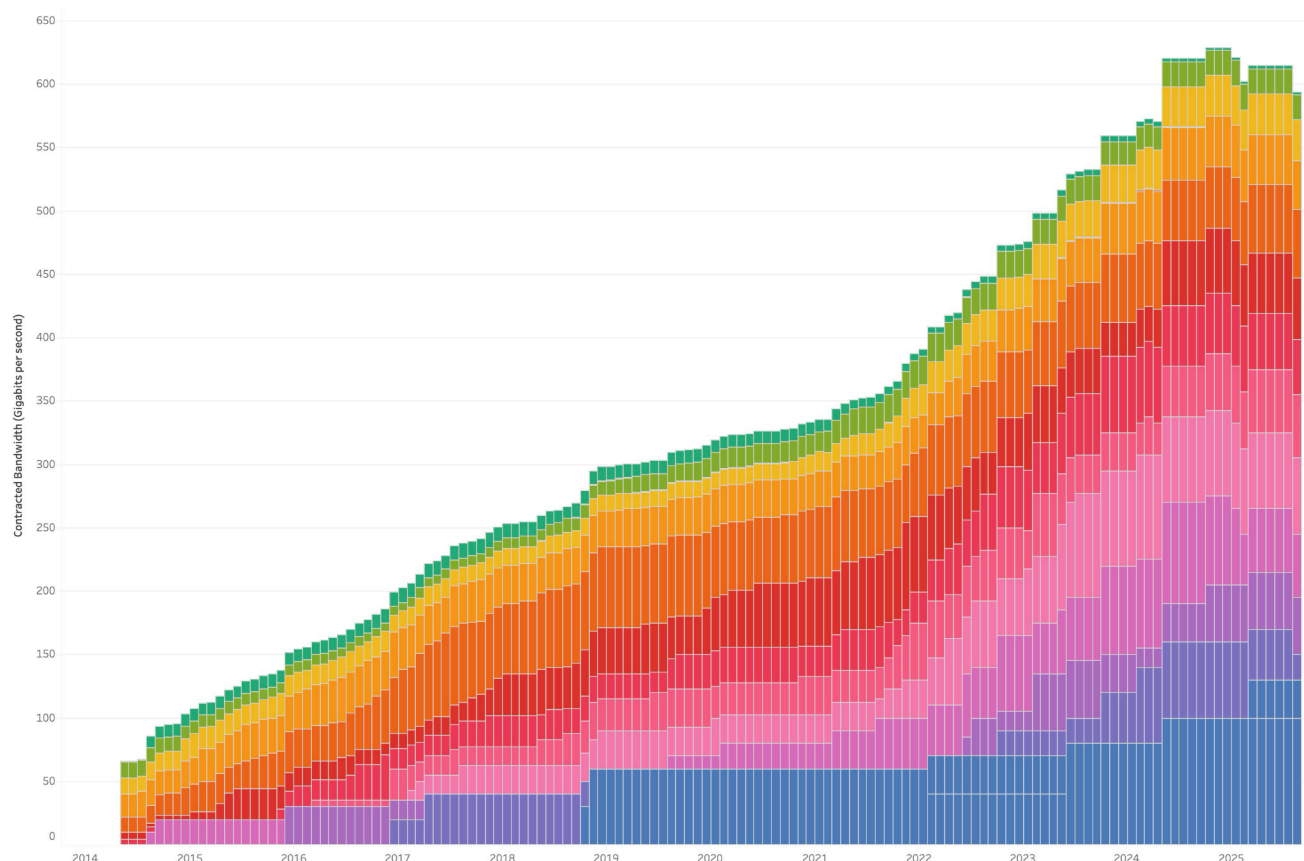
Source: Interactive dashboard at <https://go.ncsu.edu/SClreport>

One key point of distinction is that the aggregated Internet cost of NCREN includes not only peering with the public Internet providers, but also the cost of circuits (fibers) from the various PSUs to the NCREN backbone. When comparing North Carolina's K-12 internet costs to other states, it is important to include the circuit costs in the analysis.

The following diagram shows the growth of PSU contracted bandwidth, color-coded by circuit speed. The green portions of the bars represent the circuits at 100 and 250 Mbps, while the blue bars represent the 30 to 50 Gbps circuits. There are over a dozen unique capacity levels in use across PSUs on NCREN. This granular billing ensures that schools are only being charged for their actual need; however it can make mid-school-year adjustments more difficult. NCDPI is investigating ways to reduce the number of circuit speeds under 1 Gbps, to allow charter schools and smaller districts to more readily utilize bandwidth when needed. The need for flexibility will be balanced with cost effectiveness goals and the need for equitable use of the resources.

**Figure 2**

*Aggregate Contracted Bandwidth 2014 through 2025*



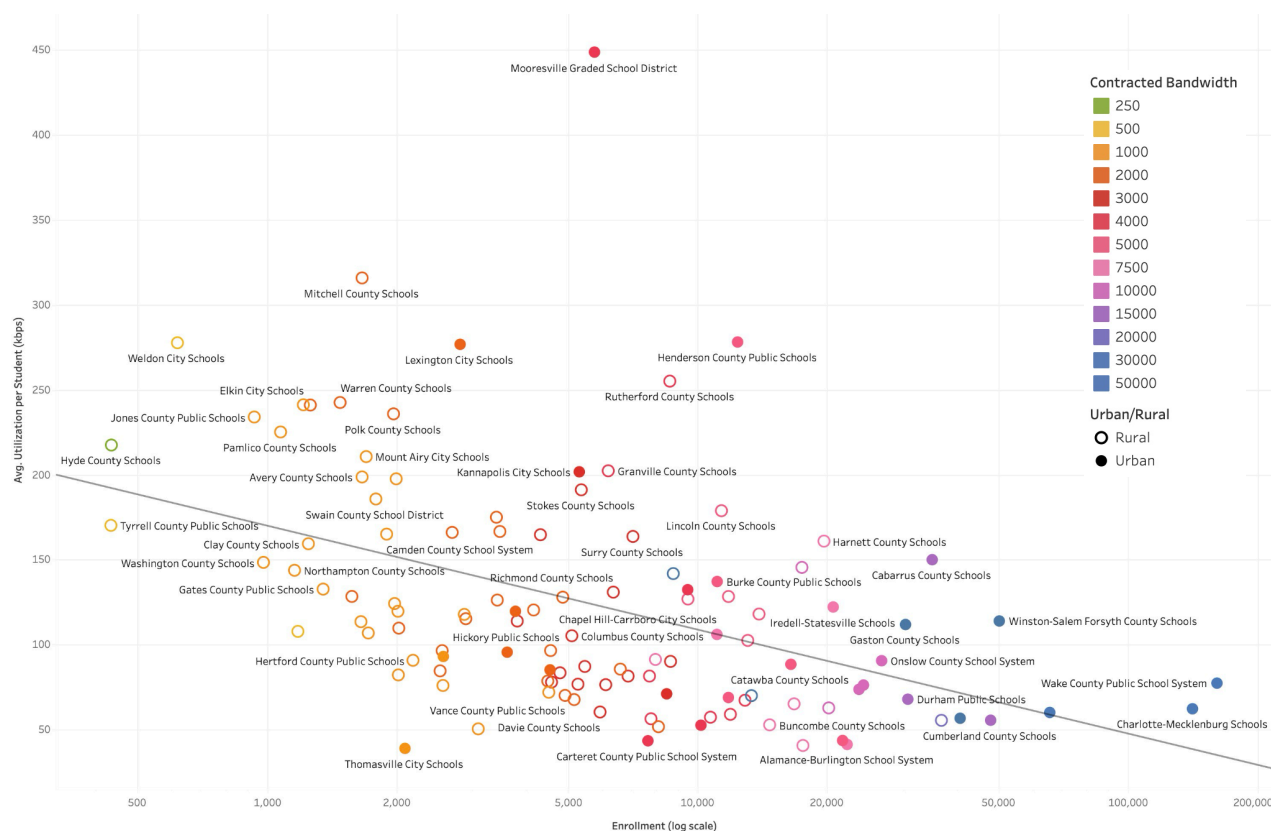
Source: Interactive dashboard at <https://go.ncsu.edu/SClreport>

The following diagram shows the relationship between district size and average Internet utilization. The size of the LEA, along the x-axis, is logarithmic in scale to spread out the data for better readability. This graph shows that the larger the LEA, the lower the average utilization. Larger districts typically have more variety in activities that may or may not require the internet at the same time. Larger districts also typically have staggered school schedules. Contrasted with smaller districts, where there is a higher likelihood that all students are in class at the same time, the utilization is spread across a smaller number of hours in the school day.

The graph is color-coded by circuit speed. Rural districts are represented with open circles while urban districts are represented with filled circles. While rural districts tend to be smaller, the graph shows there is not a particular bias for rural districts to have slower connections than urban ones. In fact, most districts with the highest usage are rural. This is probably because students at these schools are most likely to not have internet access at home, thus they rely on the school internet connection more than their urban counterparts. The gradient of color shows that the contracted bandwidth increases with the number of students in the district.

**Figure 3**

*Average District Per-Student Utilization versus enrollment (logarithmic), color-coded by contracted bandwidth, September 2025*



Note. Only contains LEA. Open circles are rural districts, while filled circles are urban. Charter school data is available online on the interactive dashboard, but is omitted here for clarity in printing.

Source: Interactive dashboard at <https://go.ncsu.edu/SCReport>

## EQUITY IN ACCESS

The final graph related to utilization and capacity is a high point for North Carolina and speaks to the success of the School Connectivity Initiative. The x-axis shows the percentage of students eligible to participate in the National School Lunch Program and the y-axis shows the average utilization per student. The graph is color-coded by contracted bandwidth per student.

**Figure 4**

*Average Per-Student Utilization versus NSLP% by District, color-coded by bandwidth per student, August 2025*



Source: Interactive dashboard at <https://go.ncsu.edu/SCIreport>

The y-axis is measured in kilobits per second, per student. One megabit is 1,000 kilobits. This graph visualizes the average usage on a per-student basis allowing for a more accurate comparison between PSUs.

There is no correlation between district wealth level (as measured by NSLP percentage) and utilization. This implies there is no bias in the way Internet access is provided to the PSUs by the SCI program. The wide variation of usage per student is likely a function of the teaching methodologies used in the school, school schedules, and the student's likelihood to have home internet access. Each school has equal access to as much bandwidth as needed; SCI has never had to reduce a school's internet bandwidth in the history of the program. This graph provides a view of demand, not supply. Not shown on the graph is Mooresville Graded School District with an average utilization of 449 kbps. The lowest utilization in the state is Thomasville City Schools with an average utilization of 39 kbps. This elevenfold difference in average utilization reflects different teaching paradigms rather than a limiting of bandwidth. In fact, Thomasville City's contracted bandwidth is 479 kbps and Mooresville's is 695 kbps. The average utilizations change drastically from month to month across the PSUs, further highlighting the challenges SCI has in ensuring high quality connectivity while containing costs.

Also apparent in this data is the value of procuring Internet access centrally by NCDPI. The cost per Mbps varies widely in the state, because of geography, topology, and service provider used for the circuits from the PSU to the NCREN backbone. By aggregating the purchasing power and procuring Internet centrally, at the state level, districts located in difficult-to-service areas are not disadvantaged compared to those in locations with multiple service providers and competition.

Readers are encouraged to visit <https://go.ncsu.edu/SCIReport> to view the interactive version of the previous figures. All PSUs, including charter schools, are shown in the interactive dashboard on the website.

### **COST CONTAINMENT**

A per-student capacity goal of 1 Mbps per student has been proposed by various national coalitions and the FCC. On the contrary, SCI employs a capacity management process based upon data-driven predictions and demonstrated need through continuous utilization monitoring. This has proven to be a much more efficient and cost-effective approach than simply using an arbitrary Mbps per student target. We estimate that to blindly provide every student with 1 Mbps of internet access, despite data showing no justification for this, the state would expend an additional \$20 million of which at least \$5 million of that would **not** be covered by E-Rate.

## **CONSIDERATIONS AND RECOMMENDATIONS FOR 2026**

### **FUND CYBERSECURITY FOR SHARED RESOURCES ALREADY IN PLACE AND UTILIZED**

#### **Issue**

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

#### **Recommendation**

SCI recommends that the shared resources already in place, used by most PSUs, and at risk of being turned off or greatly diminished in their capacity in 2026, 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. Alternatively, the State Board of Education could enable more cybersecurity services to be procured at the state level, using a cost sharing methodology across the PSUs. It would be vitally important to have the buy-in of the SBE for this to be successful; however, there is substantial cost saving opportunity available by procuring high-quality cybersecurity products and services at the statewide level.

### **MINOR POLICY ADJUSTMENTS AND EFFICIENCY IMPROVEMENTS FOR SCI**

#### **Issue**

No matter how well-planned, a nationwide program like FCC E-Rate results in some corner cases and unintended consequences which may create loopholes or inefficiency. SCI does an outstanding job ensuring efficient use of funds, still there is always room for improvement.

#### **Recommendation**

Investigate a cost sharing model for a very small percentage of the cost of WANs. We are increasingly finding disparity in the speeds of WAN circuits used across the state and believe that costs would be better contained if a small portion of the WAN burden was placed on the PSUs. This would in turn likely cause PSUs to more rigorously filter inappropriate and distracting content and thus could also reduce demand for the NCREN backbone, further reducing costs to the state, while also focusing internet usage on more educational endeavors.

### **FCC CATEGORY TWO BUDGET WILL BE ADJUSTED FOR INFLATION IN 2026**

#### **Issue**

The FCC has increased the Category Two per-student budget to \$201.57 for the next five years, based on inflation and the Consumer Price Index.

#### **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. For every dollar added in this appropriation, the state will receive about \$4 of total expenditures for classroom Wi-Fi and in-the-school-building wired networking.



**SUPPORTING DOCUMENTATION**

An interactive dashboard that illustrates PSU Internet utilization, as well as statistics about the costs of E-Rate-related services, may be found at:

<http://go.ncsu.edu/SCIReport>

An interactive map showing Internet utilization may be found at:

[https://portal.mcnc.org/reporting/ncren\\_utilization\\_map](https://portal.mcnc.org/reporting/ncren_utilization_map)

An interactive data dashboard for the Universal Service Fee utilization may be found at:

<https://go.ncsu.edu/2022usf>

**Table 5**

*Appendices within this report*

Appendix	Data
A	Fiscal Year 2025 LEA PRC 073 allotments and shared services distributions
B	Fiscal Year 2025 Charter School PRC 036 allotments and shared services distributions
C	North Carolina E-Rate Funding History Report
D	History of the School Connectivity Initiative

## APPENDIX A: FISCAL YEAR 2025 LEA ALLOTMENTS AND SHARED SERVICES

Presented below are details of the direct funding received by districts from SCI through PRC 073 allocations, and the costs paid by SCI for each shared service (Content Filtering, Firewall, and Internet services) for SFY25. Districts request E-Rate funds for WAN and Wi-Fi during spring for service delivery within the funding year between July 1 and June 30. SCI issues allotments during each fiscal year to cover the costs for eligible expenses that E-Rate does not for WAN and Wi-Fi. SCI directly pays the vendor for Content Filtering, Firewall and Internet. The Internet E-Rate Portion is shown in this table for the first time in the history of this report to highlight the importance of E-Rate to the SCI.

**Table A1**

*SCI Funding to LEAs and Residential Schools through PRC 073 and for shared services, FY25*

PSU ID	District Name	WAN	Wi-Fi	Content Filter	Firewall	Internet (State Portion)	Total State Funds for PSU	Internet (E-Rate Portion)*	Total State Funds To PSU assuming USAC appeal does not work
010	Alamance-Burlington Schools	\$50,515	\$36,779	\$116,484	\$46,875	\$20,656	\$271,309	\$138,236	\$409,545
020	Alexander County Schools	\$11,716	\$48,405	\$33,360	\$12,495	\$5,692	\$111,668	\$38,096	\$149,764
030	Alleghany County Schools	\$17,280				\$7,882	\$25,162	\$35,906	\$61,068
040	Anson County Schools	\$17,381		\$33,360	\$12,495	\$5,692	\$68,928	\$38,096	\$107,024
050	Ashe County Schools	\$11,040		\$33,360	\$12,495	\$5,692	\$62,587	\$38,096	\$100,683
060	Avery County Schools	\$7,380	\$2,777	\$18,240	\$12,270	\$3,359	\$44,026	\$22,477	\$66,503
070	Beaufort County Schools	\$18,569	\$37,260	\$48,468		\$7,900	\$112,197	\$52,868	\$165,065
080	Bertie County Schools	\$7,860	\$42,240	\$33,360	\$12,495	\$5,692	\$101,647	\$38,096	\$139,743
090	Bladen County Schools	\$36,042		\$48,468	\$25,575	\$9,753	\$119,838	\$65,271	\$185,109
100	Brunswick County Schools	\$127,518	\$27,813			\$25,837	\$181,168	\$172,907	\$354,075
110	Buncombe County Schools	\$52,509	\$99,858	\$78,696		\$14,719	\$245,782	\$98,501	\$344,283
111	Asheville City Schools	\$38,400	\$27,704	\$33,360	\$25,575	\$7,882	\$132,921	\$35,906	\$168,827
120	Burke County Schools	\$25,873		\$78,696	\$46,425	\$11,405	\$162,399	\$76,327	\$238,726
130	Cabarrus County Schools	\$161,032		\$223,538	\$72,840	\$38,059	\$495,469	\$173,379	\$668,848
132	Kannapolis City Schools	\$7,800		\$48,468	\$25,575	\$7,900	\$89,743	\$52,868	\$142,611

140	Caldwell County Schools	\$17,694	\$15,677		\$46,425	\$11,405	\$91,201	\$76,327	\$167,528
150	Camden County Schools	\$21,120		\$18,240	\$12,270	\$9,559	\$61,189	\$16,277	\$77,466
160	Carteret County Public Schools	\$176,180	\$574	\$63,576	\$25,800	\$27,581	\$293,711	\$46,963	\$340,674
170	Caswell County Schools	\$10,036	\$2,525	\$18,240	\$12,270	\$3,359	\$46,430	\$22,477	\$68,907
180	Catawba County Schools	\$96,441	\$52,116		\$46,425	\$11,405	\$206,387	\$76,327	\$282,714
181	Hickory City Schools	\$18,271	\$78,551			\$16,757	\$113,579	\$28,531	\$142,110
182	Newton Conover City Schools	\$7,300	\$3,132	\$18,240	\$12,270	\$4,650	\$45,592	\$21,186	\$66,778
190	Chatham County Schools	\$18,161		\$63,576	\$25,800	\$12,828	\$120,365	\$85,848	\$206,213
200	Cherokee County Schools		\$26,055	\$32,100		\$9,846	\$68,001	\$65,896	\$133,897
210	Edenton-Chowan Schools	\$6,821	\$11,753	\$18,240	\$12,270	\$3,359	\$52,443	\$22,477	\$74,920
220	Clay County Schools	\$10,800	\$5,114	\$13,837	\$7,599	\$9,690	\$47,039	\$44,141	\$91,181
230	Cleveland County Schools	\$24,486	\$369,724	\$78,696	\$46,425	\$11,405	\$530,736	\$76,327	\$607,063
240	Columbus County Schools	\$11,023		\$48,468	\$25,575	\$7,900	\$92,966	\$52,868	\$145,834
241	Whiteville City Schools	\$3,000	\$24,694	\$18,240	\$12,270	\$4,650	\$62,854	\$21,186	\$84,040
250	Craven County Board of Education	\$10,000		\$63,576	\$25,800	\$9,691	\$109,067	\$64,853	\$173,920
260	Cumberland County Schools	\$77,928		\$229,836	\$75,150	\$28,199	\$411,113	\$188,713	\$599,826
270	Currituck County Schools	\$27,513	\$34,887	\$33,360	\$20,415	\$7,882	\$124,057	\$35,906	\$159,963
280	Dare County Schools	\$37,095		\$48,468	\$25,575	\$22,484	\$133,622	\$38,284	\$171,906
290	Davidson County Schools	\$44,448	\$62,226	\$116,484	\$46,875	\$17,226	\$287,259	\$115,278	\$402,537
291	Lexington City Schools	\$7,296		\$33,360	\$12,495	\$8,234	\$61,385	\$37,510	\$98,895
292	Thomasville City Schools	\$5,266	\$10,709	\$18,240	\$12,270	\$4,823	\$51,308	\$21,973	\$73,281
300	Davie County Schools	\$1,583	\$116,324		\$23,395	\$10,736	\$152,038	\$48,908	\$200,946
310	Duplin County Schools	\$17,334		\$78,696	\$46,425	\$15,825	\$158,280	\$105,903	\$264,183
320	Durham Public Schools	\$108,049		\$192,048	\$61,290	\$24,419	\$385,806	\$163,423	\$549,229
330	Edgecombe County Public Schools	\$19,067	\$21,102	\$48,468	\$25,575	\$7,900	\$122,112	\$52,868	\$174,980
340	Winston Salem / Forsyth County Schools	\$47,698	\$117,584			\$36,671	\$201,953	\$245,413	\$447,366
350	Franklin County Schools	\$38,642	\$1,559	\$63,576	\$25,800	\$13,852	\$143,429	\$63,104	\$206,533
360	Gaston County Schools	\$45,952				\$18,998	\$64,950	\$127,140	\$192,090

370	Gates County Schools	\$10,850	\$2,635	\$18,240		\$4,650	\$36,375	\$21,186	\$57,561
380	Graham County Schools	\$3,000		\$10,692	\$4,699	\$3,106	\$21,497	\$14,150	\$35,647
390	Granville County Schools	\$29,290	\$151,306	\$63,576	\$25,800	\$9,691	\$279,663	\$64,853	\$344,516
400	Greene County Schools	\$12,336	\$44,511	\$33,360	\$12,495	\$5,692	\$108,394	\$38,096	\$146,490
410	Guilford County Schools			\$305,400		\$35,457	\$340,857	\$237,291	\$578,148
420	Halifax County Schools	\$10,112		\$18,240	\$12,270	\$5,007	\$45,629	\$22,809	\$68,438
421	Roanoke Rapids City Schools	\$8,178		\$18,240	\$12,270	\$4,650	\$43,338	\$21,186	\$64,524
422	Weldon City Schools	\$5,700	\$4,949	\$10,692	\$8,055	\$2,243	\$31,639	\$15,013	\$46,652
430	Harnett County Schools	\$65,279	\$225,694	\$116,484	\$46,875	\$15,692	\$470,024	\$105,016	\$575,040
440	Haywood County Schools	\$14,534	\$45,450			\$5,692	\$65,676	\$38,096	\$103,772
450	Henderson County Schools	\$43,707	\$30,731		\$33,674	\$11,405	\$119,517	\$76,327	\$195,844
460	Hertford County Schools	\$5,264	\$27,463	\$18,240	\$12,270	\$3,359	\$66,596	\$22,477	\$89,073
470	Hoke County Schools	\$14,732		\$48,468	\$25,575	\$9,753	\$98,528	\$65,271	\$163,799
480	Hyde County Schools	\$2,359		\$6,912	\$7,980	\$2,298	\$19,549	\$10,470	\$30,019
490	Iredell-Statesville Schools	\$219,466			\$46,875	\$15,692	\$282,033	\$105,016	\$387,049
491	Mooreville Graded School District	\$12,728	\$39,216	\$63,576	\$25,800	\$13,418	\$154,738	\$61,126	\$215,864
500	Jackson County Public Schools	\$17,700				\$7,882	\$25,582	\$35,906	\$61,488
510	Johnston County Public Schools	\$112,032	\$358,588		\$63,570	\$35,457	\$569,647	\$237,291	\$806,938
520	Jones County Schools	\$6,998	\$8,249		\$12,270	\$3,616	\$31,133	\$24,200	\$55,333
530	Lee County Schools	\$28,737	\$79,917	\$63,576	\$25,800	\$9,691	\$207,721	\$64,853	\$272,574
540	Lenoir County Public Schools	\$20,364	\$40,929	\$116,484	\$46,875	\$21,562	\$246,214	\$144,302	\$390,516
550	Lincoln County Schools	\$46,739	\$326,976			\$10,548	\$384,263	\$70,590	\$454,853
560	Macon County Schools	\$64,500				\$39,495	\$103,995	\$68,633	\$172,628
570	Madison County Schools	\$4,087	\$843	\$18,240	\$12,270	\$11,890	\$47,330	\$20,246	\$67,576
580	Martin County Schools	\$10,221	\$3,877	\$18,240	\$12,270	\$3,359	\$47,967	\$22,477	\$70,444
590	McDowell County Schools	\$19,662	\$62,806		\$19,035	\$19,030	\$120,533	\$32,402	\$152,935
600	Charlotte-Mecklenburg Schools	\$266,021	\$861,296	\$759,588		\$80,246	\$1,967,151	\$537,034	\$2,504,185
610	Mitchell County Schools	\$22,390	\$56,999	\$33,360	\$12,495	\$11,861	\$137,105	\$54,031	\$191,136
620	Montgomery County Schools	\$23,755			\$12,495	\$19,225	\$55,475	\$32,735	\$88,210

630	Moore County Schools	\$166,443	\$51,260	\$63,576		\$9,691	\$290,970	\$64,853	\$355,823
640	Nash County Public Schools	\$42,689			\$46,425	\$11,405	\$100,519	\$76,327	\$176,846
650	New Hanover County Schools	\$102,592	\$201,238			\$20,656	\$324,486	\$138,236	\$462,722
660	Northampton County Schools	\$10,272	\$29,489	\$17,611	\$11,112	\$3,266	\$71,750	\$21,855	\$93,605
670	Onslow County Schools	\$108,815	\$157,428	\$144,816	\$7,813	\$18,667	\$437,539	\$124,928	\$562,467
680	Orange County Schools	\$25,156	\$134,428	\$47,209	\$21,982	\$22,583	\$251,358	\$38,451	\$289,809
681	Chapel Hill-Carrboro City Schools	\$39,573		\$116,484	\$46,875	\$21,727	\$224,659	\$98,981	\$323,640
690	Pamlico County Schools	\$10,000	\$1,493			\$3,059	\$14,552	\$20,473	\$35,025
700	Elizabeth City-Pasquotank Public Schools	\$30,713	\$7,663	\$48,468	\$25,575	\$7,900	\$120,319	\$52,868	\$173,187
710	Pender County Schools	\$46,070	\$280,401			\$17,507	\$343,978	\$79,753	\$423,731
720	Perquimans County Schools	\$4,586		\$18,240	\$12,270	\$3,359	\$38,455	\$22,477	\$60,932
730	Person County Schools	\$10,592	\$40,662	\$33,360	\$12,495	\$5,692	\$102,801	\$38,096	\$140,897
740	Pitt County Schools	\$140,022		\$154,260	\$47,430	\$19,659	\$361,371	\$131,565	\$492,936
750	Polk County Schools	\$1,008			\$21,333	\$5,498	\$27,839	\$36,794	\$64,633
760	Randolph County School System	\$52,727		\$116,484	\$46,875	\$15,692	\$231,778	\$105,016	\$336,794
761	Asheboro City Schools	\$10,014	\$2,598	\$30,840	\$12,458	\$5,303	\$61,213	\$35,493	\$96,706
770	Richmond County Schools	\$24,699	\$63,297	\$48,468	\$25,575	\$7,900	\$169,939	\$52,868	\$222,807
780	Public Schools of Robeson County	\$39,167	\$27,579		\$47,430	\$19,659	\$133,835	\$131,565	\$265,400
790	Rockingham County Schools	\$16,943	\$59,559	\$61,058	\$25,763	\$9,689	\$173,012	\$64,845	\$237,857
800	Rowan-Salisbury Schools	\$84,628	\$299,453	\$141,405	\$34,403	\$24,829	\$584,718	\$166,163	\$750,881
810	Rutherford County Schools	\$15,536	\$22,195	\$63,576	\$25,800	\$9,691	\$136,798	\$64,853	\$201,651
820	Sampson County Schools	\$35,567	\$2,891	\$63,576	\$25,800	\$12,828	\$140,662	\$85,848	\$226,510
821	Clinton City Schools	\$4,815		\$18,240	\$12,270	\$3,616	\$38,941	\$24,200	\$63,141
830	Scotland County Schools	\$23,561			\$12,495	\$5,692	\$41,748	\$38,096	\$79,844
840	Stanly County Schools	\$153,354	\$63,379	\$48,468	\$25,575	\$10,938	\$301,714	\$49,830	\$351,544
850	Stokes County Schools	\$23,808	\$110,225	\$45,950	\$12,495	\$10,429	\$202,907	\$47,509	\$250,416
860	Surry County Schools	\$18,201	\$5,393	\$48,468	\$25,575	\$7,900	\$105,537	\$52,868	\$158,405
861	Elkin City Schools	\$7,000				\$4,650	\$11,650	\$21,186	\$32,836

862	Mount Airy City Schools	\$6,102	\$332	\$18,240	\$12,270	\$3,359	\$40,303	\$22,477	\$62,780
870	Swain County Schools	\$15,000				\$3,359	\$18,359	\$22,477	\$40,836
880	Transylvania County Schools	\$10,026		\$18,240	\$12,270	\$3,359	\$43,895	\$22,477	\$66,372
890	Tyrrell County Schools	\$3,000			\$8,055	\$3,106	\$14,161	\$14,150	\$28,311
900	Union County Public Schools	\$199,124	\$624,289			\$27,220	\$850,633	\$124,004	\$974,637
910	Vance County Schools	\$24,981	\$14,260	\$33,360	\$12,495	\$5,692	\$90,788	\$38,096	\$128,884
920	Wake County Schools	\$525,908	\$5,027,422			\$80,246	\$5,633,576	\$537,034	\$6,170,610
930	Warren County Schools	\$12,712	\$5,911	\$28,320	\$12,420	\$4,915	\$64,278	\$32,889	\$97,167
940	Washington County Schools	\$7,412	\$28,033	\$18,240	\$12,270	\$4,650	\$70,605	\$21,186	\$91,791
950	Watauga County Schools	\$29,430	\$72,162	\$18,240	\$12,270	\$4,650	\$136,752	\$21,186	\$157,938
960	Wayne County Public Schools	\$33,240	\$393,775		\$46,875	\$15,692	\$489,582	\$105,016	\$594,598
970	Wilkes County Schools	\$21,966	\$5,833	\$33,360		\$5,692	\$66,851	\$38,096	\$104,947
980	Wilson County Schools	\$11,323		\$63,576	\$25,800	\$9,691	\$110,390	\$64,853	\$175,243
990	Yadkin County Schools	\$20,863		\$33,360	\$12,495	\$16,925	\$83,643	\$28,819	\$112,462
995	Yancey County Schools	\$14,347	\$26,561	\$18,240	\$12,270	\$4,650	\$76,068	\$21,186	\$97,254
296	Eastern NC School for the Deaf			\$4,644	\$7,920	\$1,512	\$14,076	\$6,888	\$20,964
297	NC School for the Deaf			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
298	Governor Morehead School for the Blind			\$6,912	\$7,980	\$4,724	\$19,616	\$8,044	\$27,660
	<b>Grand Total</b>	<b>\$4,784,845</b>	<b>\$11,408,786</b>	<b>\$5,519,232</b>	<b>\$2,272,490</b>	<b>\$1,496,363</b>	<b>\$25,481,716</b>	<b>\$8,331,832</b>	<b>\$33,813,548</b>

## APPENDIX B: FISCAL YEAR 2025 CHARTER SCHOOL ALLOTMENTS AND SHARED SERVICES

Presented below are details of the direct funding received by charter and lab schools from SCI through PRC allocations, and the costs paid by SCI for each shared service (Content Filtering, Firewall, and Internet) for SFY25. Charter schools may choose to receive a \$5,000 allotment in lieu of connecting to NCREN for Internet service.

Charters request E-Rate funds for WAN and Wi-Fi during spring for service/delivery within the funding year between July 1 and June 30. SCI issues allocations during each fiscal year to cover the costs for eligible expenses that E-Rate does not for WAN and Wi-Fi. SCI directly pays the vendor for Content Filtering, Firewall and Internet. The Internet E-Rate Portion is shown for the first time in the history of this report to highlight the importance of E-Rate to the SCI.

**Table B1**

*SCI Funding to Charter and Lab Schools for shared services, Fiscal Year 2025*

PSU ID	Charter School Name	WAN	Wi-Fi	Content Filter	Firewall	Internet (State Portion)	Total State Funds for PSU	Internet (E-Rate Portion)*	Total State Funds To PSU assuming USAC appeal does not work
00A	North Carolina Cyber Academy	\$965					\$965		\$965
01B	River Mill Academy			\$6,912	\$7,980	\$4,702	\$19,594	\$8,006	\$27,600
01C	Clover Garden	\$4,867				\$12,813	\$17,680	\$10,743	\$28,423
01D	The Hawbridge School	\$4,789		\$6,912	\$7,980	\$6,309	\$25,990	\$10,743	\$36,733
01F	Alamance Community School		\$16,972		\$7,980	\$6,309	\$31,261	\$10,743	\$42,004
06B	Marjorie Williams Academy			\$6,912	\$7,980	\$3,069	\$17,961	\$13,983	\$31,944
07A	Washington Montessori					\$5,426	\$5,426	\$9,238	\$14,664
09A	Paul R Brown Leadership Academy		\$1,981	\$6,912	\$7,980	\$4,702	\$21,575	\$8,006	\$29,581
09B	Emereau: Bladen		\$8,593	\$10,692	\$8,055	\$7,575	\$34,915	\$12,897	\$47,812
10A	Classical Charter Schools of Leland		\$12,878	\$10,692	\$8,055	\$8,716	\$40,341	\$14,840	\$55,181
10B	Classical Charter Schools of Southport		\$8,497	\$6,912	\$7,980	\$11,406	\$34,795	\$19,422	\$54,217
11A	Evergreen Community Charter					\$6,309	\$6,309	\$10,743	\$17,052
11B	ArtSpace Charter			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944

11C	Invest Collegiate - Imagine		\$37,393	\$10,692	\$8,055	\$8,716	\$64,856	\$14,840	\$79,696
11D	The Franklin School of Innovation			\$10,692	\$8,055	\$8,716	\$27,463	\$14,840	\$42,303
11F	Asheville PEAK Academy			\$5,394	\$7,950	\$4,793	\$18,137	\$8,161	\$26,298
11K	Francine Delany New School			\$4,644	\$7,920	\$3,725	\$16,289	\$6,343	\$22,632
11L	Mountain City Public Montessori			\$4,644	\$7,920	\$6,141	\$18,705	\$3,927	\$22,632
12A	The New Dimensions School			\$6,912		\$4,724	\$11,636	\$8,044	\$19,680
13A	Carolina International School					\$6,469	\$6,469	\$11,015	\$17,484
13B	Valor Preparatory Academy	\$5,000					\$5,000		\$5,000
13C	A.C.E. Academy		\$1,875	\$6,912	\$7,980	\$4,702	\$21,469	\$8,006	\$29,475
13D	Concord Lake STEAM Academy	\$5,000					\$5,000		\$5,000
14B	Oak Hill Charter School			\$4,644	\$7,920	\$3,725	\$16,289	\$6,343	\$22,632
16B	Tiller School			\$6,153	\$7,965	\$4,819	\$18,937	\$8,204	\$27,141
19A	Chatham Charter		\$5,594	\$10,692	\$8,055	\$7,575	\$31,916	\$12,897	\$44,813
19B	Woods Charter School			\$6,912	\$7,980	\$7,752	\$22,644	\$4,956	\$27,600
19C	Willow Oak Montessori			\$3,876	\$7,920	\$4,311	\$16,107	\$2,757	\$18,864
23A	Pinnacle Classical Academy	\$4,263	\$73,426			\$6,309	\$83,998	\$10,743	\$94,741
24B	Thomas Academy	\$5,000		\$6,912	\$7,980	\$2,640	\$22,532	\$12,024	\$34,556
24N	Classical Charter Schools of Whiteville		\$4,454	\$10,692	\$8,055	\$8,448	\$31,649	\$12,024	\$43,673
25A	Riverside Leadership Academy		\$47,498		\$5,940	\$7,056	\$60,494		\$60,494
26B	Alpha Academy			\$13,837	\$9,811	\$10,349	\$33,997	\$11,015	\$45,012
26C	The Capitol Encore Academy	\$1,428		\$10,692	\$8,055	\$3,685	\$23,860	\$16,787	\$40,647
27A	Water's Edge Village School			\$3,276	\$7,920	\$2,611	\$13,807	\$4,445	\$18,252
29A	Davidson Charter Academy	\$3,547		\$6,912	\$7,980	\$4,702	\$23,141	\$8,006	\$31,147
32A	Maureen Joy Charter		\$980	\$10,692	\$8,055	\$3,147	\$22,874	\$14,337	\$37,211
32B	Durham Charter School	\$2,520	\$13,783	\$10,692	\$8,055	\$3,147	\$38,197	\$14,337	\$52,534
32C	Community School of Digital and Visual A		\$605	\$6,912	\$7,980	\$4,702	\$20,199	\$8,006	\$28,205
32D	Kestrel Heights School		\$256			\$3,147	\$3,403	\$14,337	\$17,740
32H	Research Triangle Charter	\$5,000					\$5,000		\$5,000



32K	Central Park School For Children	\$3,624		\$6,912	\$7,980	\$4,702	\$23,218	\$8,006	\$31,224
32L	Voyager Academy			\$18,240	\$12,270	\$9,915	\$40,425	\$16,881	\$57,306
32M	Global Scholars Academy			\$6,912	\$7,980	\$4,702	\$19,594	\$8,006	\$27,600
32N	Research Triangle High School			\$10,692	\$8,055	\$10,526	\$29,273	\$6,730	\$36,003
32P	The Institute for the Development of You		\$5,084	\$6,912	\$7,980	\$4,702	\$24,678	\$8,006	\$32,684
32Q	Reaching All Minds Academy			\$6,912		\$4,702	\$11,614	\$8,006	\$19,620
32R	Excelsior Classical Academy			\$10,692	\$8,055	\$6,469	\$25,216	\$11,015	\$36,231
32S	KIPP Durham College Preparatory		\$8,611	\$6,912		\$2,287	\$17,810	\$10,421	\$28,231
32T	Discovery Charter School			\$6,912	\$7,980	\$4,702	\$19,594	\$8,006	\$27,600
33A	North East Carolina Preparatory School		\$9,171	\$10,692	\$8,055	\$3,685	\$31,603	\$16,787	\$48,390
34B	Quality Education Academy			\$10,692	\$8,055	\$3,062	\$21,809	\$20,494	\$42,303
34D	Carter G Woodson School		\$1,463	\$10,692	\$8,055	\$9,573	\$29,783	\$13,983	\$43,766
34F	Forsyth Academy	\$5,000					\$5,000		\$5,000
34G	Arts Based School	\$5,000					\$5,000		\$5,000
34H	NC Leadership Charter Academy			\$10,692	\$8,055	\$8,716	\$27,463	\$14,840	\$42,303
35A	Crosscreek Charter School	\$5,000					\$5,000		\$5,000
35B	Youngsville Academy	\$5,000					\$5,000		\$5,000
35C	Wake Preparatory Academy					\$18,608	\$18,608	\$7,984	\$26,592
36B	Piedmont Community Charter	\$14,400	\$2,656	\$10,692	\$8,055	\$6,469	\$42,272	\$11,015	\$53,287
36C	Mountain Island Charter			\$18,240	\$12,270	\$12,095	\$42,605	\$20,593	\$63,198
36F	<i>Ridgeview Charter School</i>				\$7,920		\$7,920		\$7,920
36G	Community Charter School			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
39A	Falls Lake Academy		\$2,045			\$6,469	\$8,514	\$11,015	\$19,529
39B	Oxford Preparatory School		\$15,126			\$7,575	\$22,701	\$12,897	\$35,598
41B	Greensboro Academy	\$5,000					\$5,000		\$5,000
41C	Guilford Preparatory Academy			\$10,692	\$8,055	\$4,240	\$22,987	\$19,316	\$42,303
41D	Phoenix Academy Inc	\$5,000					\$5,000		\$5,000
41F	Triad Math and Science Academy	\$1,192		\$33,360	\$12,495	\$37,453	\$84,500	\$28,439	\$112,939

41G	Cornerstone Charter Academy			\$6,912	\$7,980	\$10,402	\$25,294	\$6,650	\$31,944
41H	The College Preparatory and Leadership A		\$5,737	\$6,912	\$7,980	\$4,702	\$25,331	\$8,006	\$33,337
41J	Summerfield Charter Academy	\$5,000					\$5,000		\$5,000
41K	Piedmont Classical High School		\$139	\$6,912	\$7,980	\$4,702	\$19,733	\$8,006	\$27,739
41L	Gate City Charter Academy	\$5,000					\$5,000		\$5,000
41M	Next Generation Academy		\$5,736	\$6,912	\$7,980	\$3,069	\$23,697	\$13,983	\$37,680
41N	The Experiential School of Greensboro			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
41Q	Revolution Academy	\$5,544	\$349	\$6,912	\$7,980	\$6,309	\$27,094	\$10,743	\$37,837
41R	Summit Creek Academy	\$5,000					\$5,000		\$5,000
42A	KIPP Halifax College Preparatory		\$14,120	\$10,692		\$3,685	\$28,497	\$16,787	\$45,284
42B	Hobgood Charter School			\$10,062	\$7,980	\$7,216	\$25,258	\$12,288	\$37,546
43C	Anderson Creek Academy		\$4,364	\$6,912	\$7,980	\$5,426	\$24,682	\$9,238	\$33,920
43D	Achievement Charter Academy	\$3,360		\$3,876	\$7,920	\$2,615	\$17,771	\$4,453	\$22,224
44A	Shining Rock Classical Academy	\$4,137	\$1,690	\$6,912	\$7,980	\$6,309	\$27,028	\$10,743	\$37,771
45A	The Mountain Community Sch		\$8,307	\$6,406	\$7,970	\$5,804	\$28,487	\$9,882	\$38,369
45B	FernLeaf Community Charter School	\$862	\$12,022	\$6,912	\$7,980	\$6,309	\$34,085	\$10,743	\$44,828
49B	American Renaissance School	\$5,603	\$2,456	\$10,692	\$8,055	\$3,147	\$29,953	\$14,337	\$44,290
49D	Success Institute Charter School			\$3,876	\$7,920	\$1,594	\$13,390	\$7,262	\$20,652
49E	Pine Lake Preparatory			\$18,240	\$12,270	\$12,095	\$42,605	\$20,593	\$63,198
49F	Langtree Charter Academy	\$5,000					\$5,000		\$5,000
49G	Iredell Charter Academy of Arts & Science	\$5,000					\$5,000		\$5,000
50A	Summit Charter					\$7,943	\$7,943	\$13,525	\$21,468
51A	Neuse Charter School			\$10,692	\$8,055	\$6,385	\$25,132	\$10,871	\$36,003
51B	Johnston Charter Academy	\$5,000					\$5,000		\$5,000
51C	American Leadership Academy - Johnston					\$13,083	\$13,083	\$12,897	\$25,980
53B	Ascend Leadership Academy: Lee County		\$16,235			\$8,547	\$24,782	\$14,553	\$39,335

53C	Rising Leaders Academy			\$6,912	\$7,980	\$3,054	\$17,946	\$13,914	\$31,860
53D	Central Carolina Academy		\$3,254	\$6,912	\$7,980	\$4,702	\$22,848	\$8,006	\$30,854
55A	Lincoln Charter School	\$4,519		\$18,240	\$12,270	\$5,884	\$40,913	\$26,804	\$67,717
55B	West Lake Preparatory Academy	\$5,000					\$5,000		\$5,000
58B	Bear Grass Charter School			\$6,912	\$7,980	\$5,426	\$20,318	\$9,238	\$29,556
60B	Sugar Creek Charter	\$1,926	\$3,938			\$4,249	\$10,113	\$28,439	\$38,552
60D	Lake Norman Charter		\$92,528	\$18,240	\$6,135	\$9,559	\$126,462	\$16,277	\$142,739
60F	Metrolina Regional Scholars Academy		\$14,520	\$6,912	\$7,980	\$10,402	\$39,814	\$6,650	\$46,464
60G	Queen's Grant Community School			\$10,692	\$8,055	\$8,716	\$27,463	\$14,840	\$42,303
60I	Community School of Davidson	\$12,632	\$36,654	\$10,692	\$8,055	\$14,369	\$82,402	\$9,187	\$91,589
60J	Socrates Academy		\$61,057	\$10,062	\$8,043	\$10,180	\$89,341	\$6,508	\$95,850
60K	Charlotte Secondary School		\$3,199	\$6,912	\$7,980	\$6,309	\$24,400	\$10,743	\$35,143
60L	KIPP: Charlotte		\$12,045	\$2,304		\$3,069	\$17,418	\$13,983	\$31,401
60M	Corvian Community School			\$10,692	\$8,055	\$14,369	\$33,116	\$9,187	\$42,303
60N	ALA Charlotte			\$4,635	\$7,935	\$1,963	\$14,533	\$8,942	\$23,475
60S	Bradford Preparatory School		\$9,974	\$10,692	\$8,055	\$6,469	\$35,190	\$11,015	\$46,205
60U	Commonwealth High School					\$4,240	\$4,240	\$19,316	\$23,556
60Y	Pioneer Springs Community School			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
61J	Lakeside Charter Academy		\$3,425	\$6,912	\$7,980	\$6,309	\$24,626	\$10,743	\$35,369
61K	United Community School			\$6,912		\$6,309	\$13,221	\$10,743	\$23,964
61L	Stewart Creek High School					\$6,309	\$6,309	\$10,743	\$17,052
61M	Charlotte Lab School		\$4,547	\$10,692	\$8,055	\$8,716	\$32,010	\$14,840	\$46,850
61N	The Math and Science Academy of Charlott	\$1,233		\$10,692	\$8,055	\$4,240	\$24,220	\$19,316	\$43,536
61P	VERITAS Community			\$646	\$1,320	\$1,476	\$3,442		\$3,442
61Q	Mallard Creek STEM Academy			\$6,912	\$7,980	\$3,069	\$17,961	\$13,983	\$31,944
61R	Matthews Charter Academy	\$5,000					\$5,000		\$5,000
61S	Unity Classical Charter School			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
61T	Movement Freedom	\$1,092	\$515			\$7,947	\$9,554	\$13,983	\$23,537

61V	Bonnie Cone Classical Academy			\$6,912		\$6,309	\$13,221	\$10,743	\$23,964
61W	East Voyager Academy			\$4,644	\$7,920	\$3,725	\$16,289	\$6,343	\$22,632
61X	Jackson Day School			\$10,692	\$8,055	\$8,716	\$27,463	\$14,840	\$42,303
61Y	Steele Creek Preparatory Academy	\$5,000					\$5,000		\$5,000
62A	Tillery Charter Academy		\$2,999			\$5,021	\$8,020	\$8,549	\$16,569
62J	Southwest Charlotte STEM Academy			\$10,692	\$7,980	\$4,240	\$22,912	\$19,316	\$42,228
62K	Movement School Eastland		\$1,497			\$3,069	\$4,566	\$13,983	\$18,549
62L	Telra Institute			\$6,912	\$7,980	\$7,752	\$22,644	\$4,956	\$27,600
62M	Bonnie Cone Leadership Academy					\$14,369	\$14,369	\$9,187	\$23,556
62N	Aspire Trade High School			\$6,912	\$7,980	\$7,752	\$22,644	\$4,956	\$27,600
62P	Movement School Southwest		\$726	\$5,141	\$7,945	\$2,209	\$16,021	\$10,062	\$26,083
62R	Movement School Northwest			\$1,935	\$2,175	\$5,651	\$9,761	\$4,433	\$14,194
63A	The Academy of Moore County		\$30,468	\$6,912	\$7,980	\$4,702	\$50,062	\$8,006	\$58,068
63B	Sandhills Theatre Arts Renaiss	\$5,000					\$5,000		\$5,000
63C	Moore Montessori Community School		\$6,921	\$3,876	\$7,920	\$2,997	\$21,714	\$5,103	\$26,817
64A	Rocky Mount Preparatory		\$7,162	\$10,692	\$8,055	\$3,685	\$29,594	\$16,787	\$46,381
65A	Cape Fear Center for Inquiry			\$6,912	\$7,980	\$6,309	\$21,201	\$10,743	\$31,944
65B	Wilmington Preparatory Academy	\$5,000					\$5,000		\$5,000
65C	Classical Charter Schools of Wilmington		\$1,460	\$10,692	\$8,055	\$4,240	\$24,447	\$19,316	\$43,763
65D	Island Montessori Charter			\$3,876	\$7,920	\$3,277	\$15,073	\$5,579	\$20,652
65F	American Leadership Academy-Coastal			\$10,692	\$8,055	\$8,716	\$27,463	\$14,840	\$42,303
65Z	D.C. Virgo Preparatory Academy			\$4,644	\$7,920		\$12,564		\$12,564
65G	Girls Leadership Academy of Wilmington			\$6,912	\$7,980	\$3,069	\$17,961	\$13,983	\$31,944
65H	Wilmington School of the Arts		\$2,845	\$6,406	\$7,970	\$5,804	\$23,025	\$9,882	\$32,907
66A	KIPP Pride College Preparatory		\$27,388	\$10,692		\$3,685	\$41,765	\$16,787	\$58,552
67B	Z.E.C.A. School of Arts and Technology			\$3,876	\$7,920	\$1,458	\$13,254	\$6,642	\$19,896
68A	Eno River Academy		\$3,103	\$10,692	\$8,055	\$7,575	\$29,425	\$12,897	\$42,322

68C	The Expedition School		\$4,994			\$4,702	\$9,696	\$8,006	\$17,702
69A	Arapahoe Charter School		\$11,271	\$6,912	\$7,980	\$2,640	\$28,803	\$12,024	\$40,827
70A	NE Academy for Aerospace & AdvTech		\$2,055	\$10,692	\$8,055	\$7,575	\$28,377	\$12,897	\$41,274
73A	Bethel Hill Charter		\$13,291	\$6,912	\$7,980	\$5,426	\$33,609	\$9,238	\$42,847
73B	Roxboro Community School			\$10,692	\$8,055	\$7,575	\$26,322	\$12,897	\$39,219
74C	Winterville Charter Academy	\$5,000					\$5,000		\$5,000
76A	Uwharrie Charter Academy	\$10,356		\$18,240	\$12,270	\$9,915	\$50,781	\$16,881	\$67,662
78A	CIS Academy			\$3,876	\$7,920	\$3,277	\$15,073	\$5,579	\$20,652
78B	Southeastern Academy			\$6,912	\$7,980	\$4,702	\$19,594	\$8,006	\$27,600
78C	Old Main Stream		\$3,423	\$6,912	\$7,980	\$6,309	\$24,624	\$10,743	\$35,367
79A	Bethany Community School		\$31,375	\$10,692	\$8,055	\$8,716	\$58,838	\$14,840	\$73,678
79C	Legacy Classical Academy			\$4,644	\$7,920	\$6,141	\$18,705	\$3,927	\$22,632
80C	Faith Academy	\$5,879	\$8,808	\$6,912	\$7,980	\$4,702	\$34,281	\$8,006	\$42,287
81A	Thomas Jefferson Classical Academy	\$3,994		\$10,692	\$8,055	\$6,385	\$29,126	\$10,871	\$39,997
81B	Lake Lure Classical Academy			\$10,692	\$8,055	\$4,240	\$22,987	\$19,316	\$42,303
84B	Gray Stone Day School					\$6,469	\$6,469	\$11,015	\$17,484
86T	Millennium Charter Academy	\$5,000					\$5,000		\$5,000
87A	Mountain Discovery Charter School		\$8,861	\$3,876	\$7,920	\$2,424	\$23,081	\$11,040	\$34,121
88A	Brevard Academy			\$6,912	\$7,980	\$6,149	\$21,041	\$10,471	\$31,512
90A	Union Academy Charter School		\$44,493	\$18,240	\$12,270	\$9,915	\$84,918	\$16,881	\$101,799
90B	Union Day School		\$8,774			\$4,702	\$13,476	\$8,006	\$21,482
90C	Union Preparatory Academy at Indian Trail	\$5,000					\$5,000		\$5,000
90D	Monroe Charter Academy					\$1,571	\$1,571	\$2,676	\$4,247
90F				\$1,728	\$1,995	\$3,177	\$6,900		\$6,900
90G	ALA Monroe			\$6,336	\$5,788	\$5,825	\$17,949	\$5,825	\$23,773
91A	Vance Charter School		\$14,756	\$10,692	\$8,055	\$7,575	\$41,078	\$12,897	\$53,975
91B	Henderson Collegiate	\$1,092	\$441			\$3,616	\$5,149	\$24,200	\$29,349
92B	The Exploris School	\$5,959		\$6,912	\$7,980	\$4,724	\$25,575	\$8,044	\$33,619

92D	Magellan Charter			\$6,912	\$7,980	\$7,752	\$22,644	\$4,956	\$27,600
92E	Sterling Montessori Academy		\$4,808	\$6,912	\$7,980	\$7,752	\$27,452	\$4,956	\$32,408
92F	Franklin Academy					\$10,665	\$10,665	\$6,819	\$17,484
92G	East Wake Academy		\$53,486	\$18,240	\$12,270	\$9,915	\$93,911	\$16,881	\$110,792
92K	Raleigh Charter High School			\$6,912	\$7,980	\$7,752	\$22,644	\$4,956	\$27,600
92M	PreEminent Charter School	\$5,000					\$5,000		\$5,000
92N	Quest Academy			\$3,553	\$5,745	\$5,402	\$14,700	\$3,454	\$18,154
92P	Southern Wake Academy		\$1,904	\$10,692	\$8,055	\$12,488	\$33,139	\$7,984	\$41,123
92R	Casa Esperanza Montessori		\$505			\$6,469	\$6,974	\$11,015	\$17,989
92S	Endeavor Charter			\$6,912	\$7,980	\$8,945	\$23,837	\$5,719	\$29,556
92T	Triangle Math and Science Academy		\$109,306	\$18,240	\$12,270	\$9,915	\$149,731	\$16,881	\$166,612
92U	Longleaf School of the Arts			\$10,692	\$8,055	\$10,526	\$29,273	\$6,730	\$36,003
92V	Wake Forest Charter Academy	\$5,000					\$5,000		\$5,000
92W	Cardinal Charter						\$0		
92Y	Envision Science Academy			\$10,692	\$8,055	\$12,488	\$31,235	\$7,984	\$39,219
93A	Haliwa-Saponi Tribal School			\$6,912	\$7,980	\$5,426	\$20,318	\$9,238	\$29,556
93J	RISE Southeast Raleigh Charter School			\$10,692	\$8,055	\$4,240	\$22,987	\$19,316	\$42,303
93L	Central Wake Charter High School					\$4,702	\$4,702	\$8,006	\$12,708
93M	Peak Charter Academy	\$5,000					\$5,000		\$5,000
93N	Pine Springs Preparatory Academy			\$10,692	\$8,055	\$10,665	\$29,412	\$6,819	\$36,231
93P	Rolesville Charter Academy	\$5,000					\$5,000		\$5,000
93Q	Carolina Charter Academy		\$3,630	\$10,692	\$8,055	\$6,469	\$28,846	\$11,015	\$39,861
93R	Raleigh Oak Charter School			\$3,876	\$7,920	\$2,615	\$14,411	\$4,453	\$18,864
93T	Cardinal Charter Acad at Wendell Falls	\$5,000					\$5,000		\$5,000
93V	Doral Academy North Carolina	\$5,000					\$5,000		\$5,000
93Y	The Math and Science Academy of Apex			\$24,540	\$12,364	\$17,214	\$54,117	\$29,309	\$83,427
94A	Pocosin Innovative Charter			\$6,912	\$7,980	\$5,426	\$20,318	\$9,238	\$29,556

94Z	NERSBA Early College			\$4,644	\$7,920	\$3,481	\$16,045	\$5,927	\$21,972
95A	Two Rivers Community School			\$3,876	\$7,920	\$3,277	\$15,073	\$5,579	\$20,652
96C	Dillard Academy			\$6,912	\$7,980	\$4,702	\$19,594	\$8,006	\$27,600
96F	Wayne Preparatory			\$16,982	\$11,568	\$9,340	\$37,890	\$15,904	\$53,794
96G	Wayne STEM Academy			\$4,644	\$7,920	\$4,948	\$17,512	\$3,164	\$20,676
98A	Sallie B Howard School	\$5,000					\$5,000		\$5,000
98B	Wilson Preparatory Academy			\$10,692	\$8,055	\$3,685	\$22,432	\$16,787	\$39,219
	<b>Grand Total</b>	<b>\$264,783</b>	<b>\$1,006,502</b>	<b>\$1,295,556</b>	<b>\$1,180,918</b>	<b>\$1,151,360</b>	<b>\$4,899,120</b>	<b>\$1,968,189</b>	<b>\$6,867,308</b>

## **APPENDIX C: NORTH CAROLINA E-RATE FUNDING HISTORY**

Since the inception of the E-Rate program, North Carolina public schools have procured \$2.23 billion in services and equipment. Of that total, \$1.43 billion has been disbursed to the schools in the form of FCC E-Rate discounts.

Table C1 below, shows North Carolina public school E-Rate funding requests for all 115 districts as well as charter schools that are open, as of November 2025. This represents the entire history of the E-Rate program, with funding commitments from the FCC (i.e. denied or pending requests are not included.)

The total pre-discount amount for all requested services, the amount of E-Rate funding requested, the amount of funding committed by the FCC, the amount of funding ultimately disbursed, and the utilization (ratio of disbursed to committed) are provided for each year that E-Rate has been available.

Since the modern E-Rate rules went into effect in 2015, the average total contract value for all E-Rate funding sought by public schools is \$97 million per year. Of that, the FCC covers about \$73 million per year, with state and local funding being responsible for about \$23 million per year, on average. However, as the data shows, the procurement cycle is "lumpy" and it is impossible to predict, or even regulate how schools will seek funding from year to year.

Each year NC schools receive significant increases in capacity, both in the NCREN internet backbone and in each district's WAN. However, due to improved technology and increased competition, prices have remained stable while service levels have increased steadily. With the introduction of Category Two, whereby the FCC funds Wi-Fi networks on a per student budget calculation, we can predict a five-year total contract value by multiplying the number of students by the FCC per student budget. For the 2021 to 2025 E-Rate years, the budget is \$167 per student. With an estimated 1.5 million students, \$250.5 million in procurement for Wi-Fi, cabling, and other inside-the-school network equipment is the absolute maximum expected. The actual amount procured on DPI's statewide convenience contracts was \$239 million over the last five years.

E-Rate funding for fiber connections to schools is not based on a per-student budget, but rather on prevailing rates as discovered by public bidding. So, while Category Two spending is kept in check by the per-student budget, and the fact that all schools may purchase via highly discounted NCDPI cooperative purchasing agreements, the WAN connections are not regulated. Furthermore, the presence, or lack of competition, plays a distinct role in the costs of WANs. This means that WAN costs may vary widely even between districts that are geographically adjacent. This may be an area of focus in the future if it is determined that some schools are seeking more WAN capacity than is warranted based on their actual utilization. The Friday Institute has performed detailed analysis beyond the scope of this report.



**Table C1***1998-2025 NC public school E-Rate Utilization*

Year	Requests	Pre-Discount	Requested	Committed	Disbursed	Utilization Percentage
1998	1,889	\$31,248,326	\$21,645,083	\$21,511,196	\$17,384,524	81%
1999	1,596	\$42,380,935	\$29,274,407	\$28,605,610	\$24,662,986	86%
2000	1,006	\$30,508,564	\$21,002,184	\$20,915,884	\$17,740,889	85%
2001	1,199	\$30,523,010	\$20,651,680	\$20,144,577	\$16,038,416	80%
2002	1,645	\$64,699,501	\$50,042,884	\$48,117,223	\$39,627,468	82%
2003	1,733	\$63,794,563	\$48,166,547	\$45,339,691	\$37,042,927	82%
2004	1,751	\$53,530,510	\$38,970,089	\$37,447,335	\$30,304,783	81%
2005	1,476	\$69,384,606	\$52,273,543	\$51,341,395	\$43,909,661	86%
2006	1,040	\$65,879,854	\$48,875,401	\$47,887,208	\$40,370,952	84%
2007	1,415	\$80,754,581	\$60,950,320	\$58,066,576	\$49,808,083	86%
2008	1,056	\$76,124,277	\$57,533,265	\$56,851,364	\$50,485,180	89%
2009	1,053	\$84,184,764	\$63,262,951	\$61,589,853	\$52,917,748	86%
2010	1,183	\$103,018,416	\$80,846,494	\$78,299,979	\$66,362,808	85%
2011	990	\$93,620,204	\$73,180,571	\$71,656,059	\$63,777,521	89%
2012	939	\$102,329,204	\$80,731,162	\$80,126,589	\$71,463,427	89%
2013	815	\$88,382,116	\$67,753,431	\$67,318,765	\$60,425,309	90%
2014	800	\$89,659,311	\$68,839,788	\$68,392,950	\$60,343,541	88%
2015	1,670	\$141,792,220	\$107,180,656	\$107,165,967	\$102,684,442	96%
2016	1,218	\$136,154,930	\$96,614,900	\$96,614,900	\$88,763,211	92%
2017	964	\$89,191,356	\$59,690,134	\$59,644,492	\$55,302,160	93%
2018	1,077	\$87,564,709	\$63,206,749	\$63,206,749	\$55,573,157	88%
2019	1,586	\$90,238,770	\$69,578,076	\$69,578,076	\$65,109,593	94%
2020	2,145	\$88,367,522	\$67,206,437	\$67,206,437	\$63,535,471	95%
2021	562	\$101,009,021	\$76,420,051	\$76,350,403	\$72,393,512	95%
2022	385	\$80,099,251	\$61,198,642	\$61,198,642	\$57,967,840	95%
2023	496	\$104,720,966	\$79,451,623	\$79,451,623	\$76,727,050	97%
2024	594	\$85,983,340	\$67,352,522	\$67,352,522	\$63,914,784	95%
2025	480	\$57,141,697	\$46,676,838	\$46,676,838	\$11,055,659	24%
<b>32,763</b>	<b>\$2,232,286,525</b>	<b>\$1,678,576,428</b>	<b>\$1,658,058,905</b>	<b>\$1,455,693,100</b>		

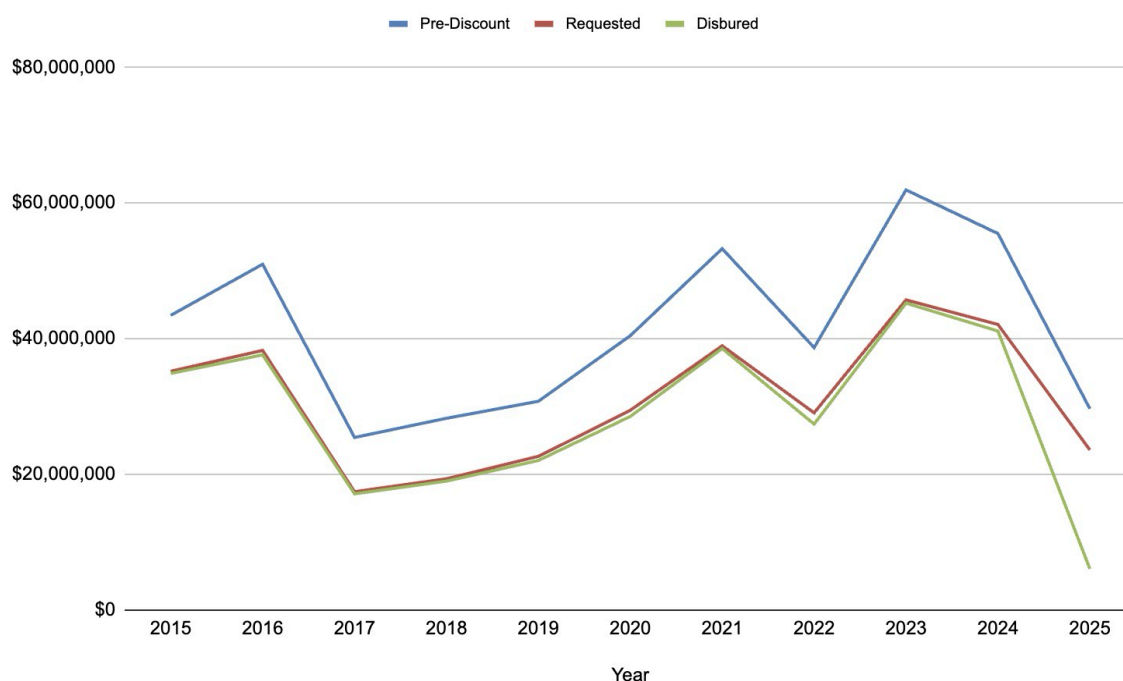
Table C2 shows only Category Two funds associated with the NCDPI Wi-Fi Expansion Program, which began in 2015, funded initially by the State with Race to the Top grant. Under this program, NCDPI developed statewide convenience contracts. The educational discounts offered by the vendors provided significantly lower pricing for even the small districts, enabling all schools to maximize their buying power while allowing choices from multiple vendors. In February 2020, new CPAs, with 23 original equipment vendors and 30 resellers, were established for five years.

The utilization for 2025 is low because this funding year is still in progress. Schools have until September 30, 2026, or 180 days after the FCC commits funding to complete their procurements. This is one of the reasons that reporting E-Rate data is so complex; each E-Rate funding year spans three state fiscal years.

**Table C2***NC Category Two E-Rate Utilization Through NCDPI Contracts (2015-2025)*

Year	Requests	Pre-Discount	Requested	Committed	Disbursed	Utilization Percentage
2015	577	\$43,420,879	\$35,170,639	\$35,169,921	\$34,848,226	99%
2016	611	\$50,962,386	\$38,245,497	\$38,245,497	\$37,592,949	98%
2017	490	\$25,404,539	\$17,400,278	\$17,354,635	\$17,081,820	99%
2018	745	\$28,232,733	\$19,302,358	\$19,302,358	\$18,961,648	98%
2019	1,054	\$30,740,604	\$22,617,750	\$22,617,750	\$22,004,160	97%
2020	1,947	\$40,420,606	\$29,415,621	\$29,415,621	\$28,503,085	97%
2021	387	\$53,257,866	\$38,929,403	\$38,859,755	\$38,521,727	99%
2022	220	\$38,661,879	\$29,035,562	\$29,035,562	\$27,374,645	94%
2023	325	\$61,927,376	\$45,699,483	\$45,699,483	\$45,215,629	99%
2024	414	\$55,488,286	\$42,074,020	\$42,074,020	\$41,106,694	98%
2025	288	\$29,637,683	\$23,564,556	\$23,564,556	\$6,017,205	29%
	<b>7,058</b>	<b>\$458,154,836</b>	<b>\$341,455,169</b>	<b>\$341,339,161</b>	<b>\$317,227,788</b>	

The following figure shows the unpredictability of Category Two funding requests and supports the need for at least a portion of the SCI appropriations not to revert. Except during the COVID year, the state has an outstanding record of utilizing Category Two funds that were approved by the FCC; this is depicted by how close the red Requested line is to the green Disbursed line. Schools are still in the process of submitting reimbursement requests for the 2024 and 2025 funding years and thus the deviation is expected. The blue line which shows total contract value of all procurements under Category Two gyrates wildly and has reached an all-time high in SFY24, also known as E-Rate Funding Year 2023. Due to the increased Category Two budget in Funding Year 2026, or SFY27, we expect to see a sharp increase in Category Two projects this year, possibly as high as \$75M.

**Figure C1***NC Category Two E-Rate Utilization Through NCDPI Contracts (2015-2025)*

## APPENDIX D: HISTORY OF THE SCHOOL CONNECTIVITY INITIATIVE

The School Connectivity Initiative was launched in earnest with the publication of the Developing Regional Education Networks report in May 2006. In the 17 years since the inception of the SCI program, NC public schools have sought \$2.23 billion in network infrastructure and services of which \$1.66 billion was committed by the Federal Communications Commission (FCC) E-Rate<sup>2</sup> program. During this time, the telecommunications and computing markets have shifted dramatically, and the regulatory environment has been in near-constant flux. The NC legislature has called for and invested in a digital transition in public schools.

**Table D1**

### *SCI Milestones*

Year	Milestone
2006	Developing Regional Education Networks report published
2007	NC Legislature Funds SCI with \$12M, recurring
2008	NC Legislature adds \$10M for a total of \$22M, recurring
2009	All 115 LEAs connected to NCREN
2010	Inaugural class of 34 CeCTO students graduate
2012	NC Education Cloud Identity and Access Management plan published
2013	MCNC completes final phase of BTOP- GLF fiber expansion
2014	First E-Rate modernization order, paving the way for E-Rate to provide Wi-Fi to all classrooms
2015	NC Digital Learning Plan published. NC legislature adds \$12M recurring to SCI.
2017	NC reaches \$1B in E-Rate disbursements
2018	Modern Wi-Fi is available in every classroom in NC
2021	NCDPI establishes new contracts for Internet, Firewall and Filtering with substantial cost savings and improved service
2022	NC reaches \$300M in E-Rate procurement value for Wi-Fi since modernization (2015 to 2022)
2023	NC reaches \$2B in total E-Rate procurement value with \$1.5B being committed by the FCC
2024	NC K-12 Cybersecurity Program reached full operational potential, built on non-recurring funds

Table D1 illustrates how the SCI program has exhibited extraordinary productivity and adaptability over its history. Within its first year, it connected all 115 districts to the NC Research and Education Network using an opt-in approach. It established the Certified Educational Chief Technology Officer (CeCTO) training program through the UNC School of Government and developed and implemented the NCEdCloud Identity and Access Management (IAM) service. Through MCNC and the Golden Leaf Foundation, the program enabled the delivery of competitive fiber connectivity to rural NC schools and libraries, and adapted to the NC Digital Learning Plan, FCC E-Rate modernization orders, and the growth of student device proliferation. From 2009 to 2024, the K-12 contracted Internet bandwidth grew from approximately 1 Gbps to 620 Gbps. Following the COVID pandemic, the SCI team built the K-12 Cybersecurity Program and drastically improved the cybersecurity posture of schools across the state.

---

<sup>2</sup> <https://www.fcc.gov/consumers/guides/universal-service-program-schools-and-libraries-E-Rate>