



PUBLIC NOTICE

Federal Communications Commission
45 L Street NE
Washington, DC 20554

News Media Information 202 / 418-0500
Internet: <https://www.fcc.gov>
TTY: 1-888-835-5322

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WIRELINE COMPETITION BUREAU ANNOUNCES E-RATE AND RHC PROGRAMS' INFLATION-BASED CAPS FOR FUNDING YEAR 2025

CC Docket No. 02-6
WC Docket No. 02-60

Pursuant to sections 54.507(a)(3) and 54.619(a)(3) of the Commission's rules,¹ the Wireline Competition Bureau (Bureau) announces the E-Rate and Rural Health Care (RHC) programs' annual caps for funding year 2025.² The adjusted amounts represent a 2.4% inflation-adjusted increase to both programs' funding year 2024 annual caps.³

E-Rate Program: The E-Rate program funding cap for funding year 2025 is \$5,058,637,966.⁴ This amount represents a 2.4% inflation-adjusted increase to \$4,940,076,139, the annual cap for the

¹ 47 CFR §§ 54.507(a)(3), 54.619(a)(3).

² 47 CFR §§ 54.507(a)(1)-(2); 54.619(a)(1)-(2) (requiring an adjustment of the E-Rate and RHC programs' annual caps for funding based on the gross domestic product chain-type price index (GDP-CPI) measure of inflation). See also *Schools and Libraries Universal Service Support Mechanism; A National Broadband Plan For Our Future*, CC Docket No. 02-6, GN Docket No. 09-51, Sixth Report and Order, 25 FCC Rcd 18762, 18782, para. 39 (2010) (*E-Rate Sixth Report and Order*); *Promoting Telehealth In Rural America*, WC Docket No. 17-310, Report and Order, 33 FCC Rcd 6574, 6580, para. 13 (2018) (*RHC Program Funding Cap Order*); *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 34 FCC Rcd 7335, 7400-02, paras. 138-140 (2019) (*2019 Promoting Telehealth Report and Order*). We also note that the E-Rate program is formally known as the schools and libraries universal service support program.

³ National Income and Product Accounts Table, Bureau of Economic Analysis, revised Feb. 27, 2025, Table 1.1.4 (GDP-CPI), https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*14yafjt*_ga*NTA2OTA0NDM0LjE3MDg2MjQwMDQ.*_ga_J4698JNNFT*MTcwODYyNDIxNy4xLjEuMTcwODYyNTkyMy41NC4wLjA.#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10sImRhdGEiOltbImNhdGVnb3JpZXMiLCJTdXJ2ZXkiXSxbk5JUEFvGFibGVfTGldZCIsIjQiXSxbkZpcnN0X1l1YXIlLCIyMDIyIl0sWyJMYXN0X1l1YXIlLCIyMDI0Il0sWyJTY2FsZSIsIjAiXSxbiNlcmlleYIsIkEiXV19. We calculate an increase of 2.4% in the rate of inflation based on the gross domestic product average across four quarters of 122.272 in 2023 and 125.234 in 2024. We note that the 2023 gross domestic product figure was revised downward by the Bureau of Economic Analysis (BEA) since the date the Bureau announced the E-Rate and RHC program annual caps for funding year 2024. See, e.g., *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2024*, CC Docket No. 02-06, WC Docket No. 02-60, Public Notice, 39 FCC Rcd 2206, n.3 (WCB Mar. 8, 2024) (*FY 2024 Inflation Funding Cap Public Notice*) (using a gross domestic product figure of 122.283 for 2023 to determine E-Rate and RHC programs' annual caps for funding year 2024).

⁴ This amount represents a \$118,561,827 increase for the E-Rate program funding cap as a whole, including a \$88,698,892 increase for the category one services funding level and a \$29,862,936 increase for the category two services funding level. See also 47 CFR § 54.507(a)(3) (noting that the Bureau will release a public notice "announcing any increase of the annual funding cap including any increase to the \$1 billion funding level available

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program last year.⁵ In 2010, the Commission began adjusting the E-Rate program's annual cap based on the rate of inflation using the Gross Domestic Product – Chain-type Price Index (GDP-CPI) to help ensure funding keeps pace with the changing broadband and telecommunications needs of schools and libraries.⁶

RHC Program: The RHC program funding cap for funding year 2025 is \$723,892,841.⁷ The internal cap for upfront payments and multi-year commitments in the Healthcare Connect Fund program is \$182,780,877.⁸ The internal cap for upfront payments and multi-year commitments will apply only if RHC program demand exceeds available funding.⁹ These new funding caps represent a 2.4% inflation-adjusted increase to the \$706,926,603 RHC program funding cap and the \$178,496,951 internal cap for the Healthcare Connect Fund program's multi-year commitments and upfront payments from funding year 2024.¹⁰ The Commission began indexing the RHC program annual cap to inflation in 2018 to ensure that the RHC program funding keeps pace with the changing broadband and telecommunications needs of rural health care providers.¹¹ In 2020, the Commission also began indexing the internal cap on multi-year commitments and upfront payments to inflation to prevent inflation from eroding the purchasing power of health care providers requesting multi-year commitments and upfront payments through the Healthcare Connect Fund Program.¹²

For further information, please contact James Bachtell, Wireline Competition Bureau at (202) 418-7400.

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for category two services based on the rate of inflation"). The E-Rate program's funding year 2025 runs from July 1, 2025 to June 30, 2026.

⁵ See *supra* note 3; *FY 2024 Inflation Funding Cap Public Notice*.

⁶ *E-Rate Sixth Report and Order*, 25 FCC Rcd at 18781, para. 36. The Commission did not increase the funding cap for funding year 2015 pursuant to section 54.507(a)(1) of the Commission's rules. 47 CFR § 54.507(a)(1).

⁷ This represents a \$16,966,238 increase for the RHC program funding cap. The RHC program's funding year 2025 runs from July 1, 2025 to June 30, 2026.

⁸ This represents a \$4,283,926 increase for the internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program.

⁹ See 47 CFR § 54.619(a); see also *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Order on Reconsideration, Second Report and Order, Order, and Second Further Notice of Proposed Rulemaking, 38 FCC Rcd 827, 852, para. 60 (2023).

¹⁰ See *RHC Program Funding Cap Order*, 33 FCC Rcd at 6584, para. 23; *2019 Promoting Telehealth Report and Order*, 34 FCC Rcd at 7401, para. 139; *FY 2024 Inflation Funding Cap Public Notice*.

¹¹ 47 CFR § 54.619(a)(1)-(2); *RHC Program Funding Cap Order*, 33 FCC Rcd at 6583, para. 21.

¹² 47 CFR § 54.619(a)(1)-(2); *2019 Promoting Telehealth Report and Order*, 34 FCC Rcd at 7401, para. 139.