



# PUBLIC NOTICE

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## WIRELINER COMPETITION BUREAU ANNOUNCES E-RATE AND RHC PROGRAMS' INFLATION-BASED CAPS FOR FUNDING YEAR 2026

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,<sup>1</sup> the Wireline Competition Bureau (Bureau) announces the E-Rate and Rural Health Care (RHC) programs' annual caps for funding year 2026.<sup>2</sup> The adjusted amounts represent a 2.8% inflation-adjusted increase to both programs' funding year 2025 annual caps.<sup>3</sup>

<sup>1</sup> 47 CFR §§ 54.507(a)(3), 54.619(a)(3).

<sup>2</sup> 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 note that the E-Rate program is formally known as the schools and libraries universal service support program.

<sup>3</sup> National Income and Product Accounts Table, Bureau of Economic Analysis, revised Mar. 13, 2026, 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.#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10slmRhdGEiOltbImNhdGVnb3JpZXMiLCJtdXJ2ZXkiXSxbIk5JUEFtVGFiVGfTGldzCIsIjQiXSxbIkZpcnN0X11IYXIiLCIyMDI0IIsWYjJMYXN0X11IYXIiLCIyMDI1IIsWYjTY2FsZSIsIjAiXSxbIlNlcmlscyIsIkEiXV19](https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*14yafjt*_ga*NTA2OTA0NDM0LjE3MDg2MjQwMDQ.*_ga_J4698JNNFT*MTcwODYyNDIxNy4xLjEuMTcwODYyNTkyMy41NC4wLjA.#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDMsM10slmRhdGEiOltbImNhdGVnb3JpZXMiLCJtdXJ2ZXkiXSxbIk5JUEFtVGFiVGfTGldzCIsIjQiXSxbIkZpcnN0X11IYXIiLCIyMDI0IIsWYjJMYXN0X11IYXIiLCIyMDI1IIsWYjTY2FsZSIsIjAiXSxbIlNlcmlscyIsIkEiXV19). We calculate an increase of 2.8% in the rate of inflation based on the gross domestic product average across four quarters of 125.430 in 2024 and 128.996 in 2025. We note that the 2024 gross domestic product figure was revised upward by the Bureau of Economic Analysis (BEA) since the date the Bureau announced the E-Rate and RHC program annual caps for funding year 2025. See, e.g., *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2025*, CC Docket No. 02-06, WC Docket No. 02-60, Public Notice, 40 FCC Rcd 1530, 1530 n.3 (WCB 2025) (*FY 2025 Inflation Funding Cap Public Notice*) (using a gross domestic product figure of 125.234 for 2024 to determine E-Rate and RHC programs' annual caps for funding year 2025).

**E-Rate Program:** The E-Rate program funding cap for funding year 2026 is \$5,200,279,829.<sup>4</sup> This amount represents a 2.8% inflation-adjusted increase to the 2025 annual cap of \$5,058,637,966.<sup>5</sup> In 2010, the Commission adjusted 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 kept pace with the changing broadband and telecommunications needs of schools and libraries.<sup>6</sup>

**RHC Program:** The RHC program funding cap for funding year 2026 is \$744,161,841.<sup>7</sup> The internal cap for upfront payments and multi-year commitments in the Healthcare Connect Fund program is \$187,898,742.<sup>8</sup> The internal cap for upfront payments and multi-year commitments will apply only if RHC program demand exceeds available funding.<sup>9</sup> These new funding caps represent a 2.8% inflation-adjusted increase to the \$723,892,841 RHC program funding cap and the \$182,780,877 internal cap for the Healthcare Connect Fund program's multi-year commitments and upfront payments from funding year 2025.<sup>10</sup> In 2018, the Commission indexed the RHC program annual cap to the rate of inflation to ensure RHC program funding kept pace with the changing broadband and telecommunications needs of rural health care providers.<sup>11</sup> In 2020, the Commission indexed the internal cap on multi-year commitments and upfront payments to the rate of 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.<sup>12</sup>

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<sup>4</sup> This amount represents a \$141,641,863 increase for the E-Rate program funding cap as a whole, including a \$105,965,609 increase for the category one services funding level and a \$35,676,254 increase for the category two services funding level. *See* 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 for category two services based on the rate of inflation”). The E-Rate program's funding year 2026 runs from July 1, 2026 to June 30, 2027.

<sup>5</sup> *See supra* note 3; *FY 2025 Inflation Funding Cap Public Notice*.

<sup>6</sup> *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).

<sup>7</sup> This represents a \$20,269,000 increase for the RHC program funding cap. The RHC program's funding year 2026 runs from July 1, 2026 to June 30, 2027.

<sup>8</sup> This represents a \$5,117,865 increase for the internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program.

<sup>9</sup> *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).

<sup>10</sup> *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 2025 Inflation Funding Cap Public Notice*.

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

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