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FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

Federal Universal Service Support Mechanisms Fund Size Projections for First Quarter 2027

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BEFORE THE FEDERAL, COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

FEDERAL UNIVERSAL SERVICE SUPPORT MECHANISMS FUND SIZE PROJECTIONS FOR FIRST QUARTER 2027

INTRODUCTION

The Universal Service Administrative Company (USAC) hereby submits the federal Universal Service Support Mechanisms fund size and administrative cost projections for the first quarter of calendar year 2027 (1Q2027), in accordance with Section 54.709 of the Federal Communications Commission's (FCC or Commission) rules.[1]

USAC is the not-for-profit corporation responsible for administering the federal Universal Service Fund (USF) and the following Universal Service Support Mechanisms (also referred to as "Support Mechanisms" or "Programs"): High Cost, Low Income, Rural Health Care, Schools and Libraries, and Connected Care Pilot.[2] USAC also performs the billing, collection, and disbursement functions for the Support Mechanisms.[3]

Upon approval of the quarterly funding requirements for the Support Mechanisms, the projected administrative expenses, and the submission of the contribution base amount, the Commission will establish a quarterly contribution factor. USAC will bill USF contributors monthly for their individual obligations based on the approved contribution factor, collect amounts owed from contributors, and distribute funds to eligible recipients based on the schedules filed herein.[4]

[1] 47 C.F.R. § 54.709(a)(3).
[2] 47 C.F.R. § 54.701.
[3] 47 C.F.R. § 54.702(b)
[4] *See* 47 C.F.R. §§ 54.709(a)(3), 54.201, 54.203, 54.301-54.307, 54.407, 54.413, 54.515.

ADMINISTRATIVE EXPENSES AND INTEREST INCOME PROJECTION

ADMINISTRATIVE EXPENSES

Section 54.709(a)(3) of the Commission's rules requires USAC to submit its projected quarterly budget at least 60 days prior to the start of the quarter.[5] USAC includes any costs that can be directly attributed to the High Cost, Low Income, Rural Health Care, and Schools and Libraries Support Mechanisms, as well as the Connected Care Pilot Program, in the projected administrative expenditures of each mechanism. USAC's remaining joint and common costs, including costs associated with the billing, collection, and disbursement of funds, are included in the projected administrative expenditures of the respective support mechanisms based on USAC's methodology for allocating costs submitted to the Commission.[6]

USAC projects a consolidated budget of $60.17 million for 1Q2027. Direct costs for all support mechanisms total $26.27 million and are listed for each mechanism in the chart provided below. Joint and common costs (including billing, collection, and disbursement activities) total $33.90 million and are listed in the chart below based on the allocation methodology on file with the Commission.

[5] 47 C.F.R. § 54.709(a)(3).

[6] On January 1, 2006, USAC implemented a revised methodology for allocating joint and common costs that was filed with the Commission on October 3, 2005. *See* Letter from D. Scott Barash, USAC, to Marlene Dortch, FCC, CC Docket Nos. 97-21 *et al.* (Oct. 3, 2005) (explaining revisions to USAC's method for allocating joint and common administrative costs among the four Universal Service Support Mechanisms). On January 1, 2021, USAC applied this methodology to the Connected Care Pilot Program. *See* Letter from Charles Salvator, USAC, to Marlene Dortch, FCC, CC Docket Nos. 97-21 *et al.* (Dec. 21, 2020) (confirming the method for allocating USAC common costs among the four universal service support mechanisms and the Connected Care Pilot Program).

1Q2027 Administrative Expenses (in millions) – Budgeted

USF Mechanism	Direct Costs	USAC Common Costs	Total
High Cost	$4.50	$12.30	$16.80
Low Income	$9.78	$7.60	$17.38
Rural Health Care	$3.27	$3.62	$6.89
Schools & Libraries	$8.72	$10.38	$19.10
Connected Care Pilot	$0.00	$0.00	$0.00
Total	$26.27	$33.90	$60.17

Appendix M01 provides USAC's administrative expenditures budget for 1Q2027.

FUND ACTIVITY

Appendix M02 provides the fund size projections for 1Q2027. Appendices M03 and M04 provide 2026 year-to-date statements of fund activity on a cash and accrual basis, respectively.

EFFORTS TO PREVENT AND REDUCE IMPROPER PAYMENTS

USAC has established a foundation of processes, systems, procedures, and outreach activities to prevent or reduce "improper" payments as defined by the Improper Payments Information Act of 2002 (Pub. L. No. 107-300).[7] USAC initiated efforts, consistent with its February 28, 2008 letter to the Commission, to identify additional measures to prevent or reduce potential improper payments and to allocate the additional resources needed to implement such measures.[8] Commission staff directed USAC to report its progress in implementing proposed actions to prevent or reduce improper payments and to project the anticipated administrative costs of such actions on a quarterly basis.[9]

[7] *See* Improper Payments Information Act of 2002, Pub. L. No. 107-300, 116 Stat 2350 (2002).
[8] *See* Letter from D. Scott Barash, Acting Chief Executive Officer, USAC, to Anthony Dale, FCC Managing Director (Feb. 28, 2008) (concerning suggested additional steps to reduce or prevent improper payments).
[9] *See* Letter from Anthony Dale, FCC Managing Director, to D. Scott Barash, Acting Chief Executive Officer, USAC (Aug. 18, 2008).

The steps initiated by USAC include additional oversight and managerial controls, strengthened audit and investigative techniques, improved information technology tools, and more effective use of outreach resources. In 1Q2027, USAC will continue efforts identified and initiated during the previous years. These efforts include, but are not limited to the following:

1. *Assessing and strengthening USAC's internal controls*

USAC's Finance Division Internal Controls Team (IC) evaluates and tests the design and operating effectiveness of USAC's key internal controls over financial and operational processes. USAC's Audit and Assurance Division (AAD), through its Internal Audit function, is responsible for assessing business operations. USAC's Shared Services Division Enterprise Process Improvement Team (EPI) monitors the completion of remediation activities and corrective action plans for all control deficiencies developed in response to internal and external testing results. Additionally, EPI establishes a framework for USAC's Enterprise Risk Management (ERM) program. The Finance, EPI, and AAD groups meet with USAC Leadership quarterly through the Risk Management Council to report on risk-related functions across the enterprise.

2. *Strengthening audit and investigative techniques*

The FCC's Office of Managing Director (OMD) directed USAC to implement an assessment program to determine the rate of improper payments made to universal service support mechanism beneficiaries to support the FCC's improper payment reporting requirements and to assess universal service support for beneficiary compliance with FCC regulations.[10] USAC successfully implemented an assessment program, known as the

[10] Letter from Steven Van Roekel, FCC Managing Director, to Scott Barash, USAC Acting Chief Executive Officer (Feb. 12, 2010) (discussing the implementation of the Improper Payments Information Act of 2002 (IPIA) assessment program

Payment Quality Assurance (PQA) Program, in August 2010.

The FCC also directed USAC to establish a comprehensive Beneficiary and USF contributor audit program, known as BCAP ("Beneficiary and Contributor Audit Program"). The BCAP plans are designed to:

- Assess beneficiaries' and contributors' compliance with FCC Rules;
- Identify correct contribution obligations (for contributor audits);
- Identify overpayments that must be recaptured (for beneficiary audits);
- Deter waste, fraud, and abuse; and
- Identify FCC Rules that may require the attention of USAC or FCC management.

In 2026, AAD, OMD, and WCB developed an audit plan for fiscal year 2027 that incorporates a hybrid approach for selecting beneficiaries and contributors for audit. The selection methodology is based on a combination of high-risk factors, high-dollar, random selection, and targeted entities, because of whistleblower allegations, USAC Management or FCC request.

The status of all audits in process as of September 30, 2026 is summarized in the table below.

Audit Status As of September 30, 2026				
Program	**Announced**	**Fieldwork**	**Reporting**	**Total**
Contributor Revenue	0	8	10	18
High Cost	0	48	23	71
Low Income	0	21	31	52
Schools & Libraries	0	21	39	60
Rural Health Care	0	7	30	37
Total	0	105	133	238

and companion audit program). Although not subject to improper payment reporting, USF contributor compliance with FCC regulations is assessed as part of the Beneficiary and Contributor Audit Program (BCAP).

As noted above, USAC implemented the PQA Program in 2010 to test improper payments and compliance with FCC regulations. The testing results for the two most recent years are noted below. Using a statistically drawn sample, support mechanism disbursements are selected each month and reviewed to verify that payments were made at the correct amount in accordance with FCC rules. The table below summarizes the error rates noted and the estimated improper payment amounts reported for fiscal years (FYs) 2025 and 2024:

	FY 2025		FY 2024	
Support Mechanism	**Estimated Improper Payment Rate**	**Estimated Improper Payment Amount *(millions)***	**Estimated Improper Payment Rate**	**Estimated Improper Payment Amount *(millions)***
High Cost	3.26%	$62.25	4.45%	$81.75
Low Income	9.12%	$75.63	5.98%	$46.90
Schools & Libraries	NA	NA	1.27%	$31.11
Rural Health Care	NA	NA	NA	NA

The sample size and status of FY 2026 PQA assessments in process as of September 30, 2026 are summarized in the table below.

PQA Testing Status As of September 30, 2026				
Program	**Sample Size**	**Announced**	**In Process**	**Completed**
High Cost	148	0	0	148
Low Income	240	0	0	240
Schools & Libraries	N/A	N/A	N/A	N/A
Rural Health Care	N/A	N/A	N/A	N/A
Total	**388**	**0**	**0**	**388**

3. *Improving information technology tools*

On October 1, 2024, USAC deployed a new Enterprise Resource Planning (ERP) tool to modernize its financial systems (named UNIFi). UNIFi integrates USF financial information across our operational systems, reduces manual reconciliation efforts, and

ensures a clear end-to-end view of financial activity in a timely and accurate manner.

As part of the goal to modernize financial systems across the entire finance spectrum, USAC deployed Release 2 of the ERP modernization project in September 2026. Included in Release 2 are the inclusion of sam.gov into the USF vendor and disbursement process, migration of USAC's administrative finance functions from Microsoft Great Plains to UNIFi, and the integration of all procurement processes into the Oracle UNIFi platform.

Expanding and enhancing outreach and education

In the third quarter of 2026, USAC conducted extensive outreach. The High Cost program conducted outreach in the third quarter of 2026 to provide state utility regulators with access to FCC Form 481 filings and broadband deployment data submitted by carriers under their jurisdiction and Tribal officials with access to FCC Form 481 filings and broadband deployment data submitted by carriers that serve their communities. High Cost also conducted outreach and provided customer service assistance to help state utility regulators and carriers that self-certify complete the mandatory 54.314 certification of carriers to be able to participate in the High Cost program by the annual Oct. 1 deadline. In addition, High Cost conducted outreach and provided customer service assistance to help carriers perform and report results from quarterly speed and latency testing at a random sample of subscriber locations supported by the Connect America Fund (CAF) and reported in the HUBB and obtain quarterly compliance reports to track their progress in meeting FCC network performance metrics. This included outreach to help RDOF and PR/USVI funds carriers resume network testing in the third quarter using new random samples of CAF-supported subscriber locations reported in the HUBB using location IDs from the FCC Broadband Serviceable Location Fabric. High Cost also helped eight Alaska Plan carriers submit individual mobile performance plans for FCC review by a Sept. 1 deadline to

opt in to receive Alaska Connect Fund (ACF) mobile support beginning in 2027. High Cost conducted one webinar in the third quarter of the year.

The Rural Health Care (RHC) program conducted outreach to Healthcare Connect Fund (HCF) participants in preparation for the September 30 deadline to submit the required Annual Report for Funding Year (FY) 2025. Additionally, the RHC team maintained associated materials and webpages that assist RHC program participants with the modernized FCC Forms 461, 462, 463, 465, 466, 469, user management, and post commitment change functionality. This included eight webinars, website updates to improve applicant experience in RHC Connect, and refreshed resources for HCF and Telecom Program participants. In addition, the RHC program exhibited at an in-person telehealth resource center summit. During this summit, the RHC program shared resources for both programs and first-hand success stories demonstrating how participants benefit from the RHC programs.

The Schools and Libraries (E-Rate) team attended the Association for Rural & Small Libraries (ARSL) Conference in Montgomery, Alabama, September 16-19 to provide school and library applicants with opportunities to ask questions about program requirements for FY2027. The E-Rate team also held in-person training September 15 in Phoenix and in Washington, D.C. on September 24, with over 230 attendees for both including 1,400 views by virtual participants at the D.C. session covering current topics in the E-Rate life cycle. USAC held six webinars in Q3 2026 including Beginning E-Rate Services, two Open Data sessions, Invoicing for Applicants and Service Providers, FCC Form 470, Competitive Bidding, and an E-Rate Overview.

The Lifeline program released an updated Representative ID retrieval process in the Representative Accountability Database (RAD) to grant representatives additional methods

to retrieve their ID - either via email or via a personally identifiable information (PII) match workflow. Lifeline notified stakeholders of the FCC's conditional forbearance on Lifeline voice obligations for a list of counties where certain service providers will no longer be required to offer Lifeline-supported voice service. Updated minimum service standards and voice-only phase out extension and relief to Lifeline participants affected by Bavi weather events were also announced. The Lifeline team conducted five live training events that included three monthly webinars, one Continued Eligibility Office Hour, and one Tribal Teleconference for Lifeline Tribal partners.

The Contributors team produced webinar training for service providers with a review of the Annual True-Up Process where USAC Contributor Operations compares the annual FCC Form 499-A filings with projections on the quarterly FCC Form 499-Q filings. In addition, a new popular "Office Hours" webinar was delivered focusing on allowable USF collection by service providers and annual *de minimis* notifications by filers to USAC. In Q3 2026, seven webinars were held and 274 people attended. The 498/499 Spotlight Third Quarter 2026 Newsletter was also published with articles on the use of the E-File Message system for important company information updates such as company name changes and how service providers should correctly handle 499-A issues sent to them by USAC.

USAC conducted 26 webinars in Q3 2026:

- One for High Cost participants.
- Eight for Rural Health Care participants (including service providers).
- Six webinars for Schools and Libraries' audiences.
- Five for Lifeline audiences.
- Seven for Contributors.

FUNDING REQUIREMENTS

HIGH COST SUPPORT MECHANISM

Appendix HC01 provides projected High Cost support by state by study area for 1Q2027. HC01 also provides the projected amount of individual company support and projected per-month amounts for the components of High Cost support that each Eligible Telecommunications Carrier (ETC)[11] may be eligible to receive. HC02 provides the total projected amount of annualized High Cost support for 1Q2027 for each state.

CONNECT AMERICA FUND PHASE II

The FCC released an Order on June 10, 2014, adopting rules, among other things, to institute the foundation for the award of Phase II (model-based) support through a competitive bidding process in price cap areas where the price cap carrier declines the offer of model-based support.[12] The Order also permitted price cap carriers that declined model-based support to participate in the 2016 competitive bidding process.[13] On April 29, 2015, the FCC released a Public Notice announcing the offers of model-based Phase II support to price cap carriers to fund voice and broadband-capable networks in their service areas.[14] The total offer was $1.675 billion annually, for six calendar years, 2015-2020.[15] Next, on June 16, 2015, the Bureau released a Public Notice announcing acceptance by Frontier Communications of model-based support for each of the 28 states it serves.[16] For states where their model-based support is greater than Phase I Frozen support, Frontier elected to

[11] *See* 47 C.F.R. § 54.1310; 47 C.F.R. §§ 54.301-54.303.
[12] *See generally Connect America Fund Omnibus Order and FNPRM*, WC Docket Nos. 10-90 *et al.*, Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, 29 FCC Rcd 7051 (2014) (*CAF Omnibus Order*).
[13] *Id.* at 7062-7063, para. 37.
[14] *See Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 30 FCC R
cd 3905 (2015).
[15] *Id.*
[16] *See Wireline Competition Bureau Authorizes Frontier Communications Corporation to Receive $283 Million in Connect America Phase II Support to Serve 1.3 million Rural Americans in 28 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 6310 (2015).

receive the lump sum payment associated with prior months that reflects the difference between Phase II model support and Phase I Frozen support. In August 2015, the Bureau released public notices for Consolidated Communications, AT&T, CenturyTel, Inc. dba CenturyLink, Cincinnati Bell, Fairpoint Communications, Inc., Hawaiian Telecom, Inc., Micronesian, and Windstream Corporation for announcement of acceptance of model-based support.[17] On July 29, 2019, the Commission announced a process by which price cap carrier receiving CAF Phase II support could elect to receive an additional, seventh year of support.[18] All eligible carriers elected to receive support.

Finally, on October 31, 2016, the Commission adopted service obligations for Alaska Communications Systems (ACS).[19] ACS will receive Phase II frozen support for a 10-year term and is required to offer voice service and broadband service at the same speed, latency, usage, and pricing metrics as established for Phase II model-based carriers. ACS will continue to receive CAF Phase II frozen support through 2026.

For 1Q2027, CAF Phase II projected support is estimated to be $6.40 million. Appendix HC11 provides projected CAF Phase II frozen support by state by study area for 1Q2027.

CONNECT AMERICA FUND PHASE II AUCTION

The Wireline Competition Bureau released a Public Notice on August 28, 2018,

[17] *See* Wireline Competition Bureau Authorizes Windstream to Receive Over $ 174 Million in Connect America Phase II Support in 17 States, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8245 (2015); Wireline Competition Bureau Authorizes Fairpoint to Receive Over $37 Million in Connect America Phase II Support in 14 States, WC Docket No. 10-90, 30 FCC Rcd 8245 (2015); Wireline Competition Bureau Authorizes the Micronesian Telecommunications Corporation to Receive Over $2.5 Million and Hawaiian Telecom, Inc. to Receive Over $ 4 Million in Connect America Phase II Support, WC Docket No. 10-90, 30 FCC Rcd 8471 (2015); Wireline Competition Bureau Authorizes Additional Cap Carriers to Receive Almost $950 Million in Phase II Connect America Support *et al.*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8577 (2015).

[18] See *Wireline Competition Bureau Announces Deadline for Price Cap Carriers to Elect Seventh Year of Connect America Fund Phase II Model Based Support*, DA-20-800, July 29, 2019.

[19] See *FCC Adopts CAF Phase II Service Obligations for ACS*, WC Docket 10-90, DA FCC 16-143, 31 FCC Rcd 12086 (2016)

announcing the winners of the Connect America Fund Phase II auction.[20]

For 1Q2027, the total CAF Phase II auction projected support is estimated to be $36.59 million. Appendix HC15 provides projected CAF Phase II auction support by state by study area for 1Q2027.

CONNECT AMERICA FUND/INTERCARRIER COMPENSATION SUPPORT

In the *USF/ICC Transformation Order*, the FCC adopted a transitional recovery mechanism with an effective date of July 1, 2012, to facilitate incumbent carriers' gradual transition away from intercarrier compensation (ICC) revenues.[21] Eligible incumbent carriers may receive additional support through this recovery mechanism.

For 1Q2027, total CAF/ICC support is estimated to be $77.88 million. Appendix HC09 provides projected CAF/ICC support by state by study area for 1Q2027.

RURAL BROADBAND EXPERIMENTS

On July 11, 2014, the FCC adopted the *Rural Broadband Experiments* (*RBE*) *Order* to advance the deployment of voice and broadband networks in high-cost areas and help design the Phase II competitive bidding process and Remote Areas Fund.[22] The FCC established a budget of $100 million over ten years for funding experiments in price cap areas that are not served by unsubsidized competitors.[23]

RBE support has ended, thus, there is no 1Q2027 collection requirement for RBE.

MOBILITY FUND PHASE I

In accordance with the Public Notice issued by the Wireline Competition Bureau on November 1, 2017, Mobility Fund Phase I support of $6.78 million for 1Q2027 will be paid

[20] *See Connect America Fund Phase II Auction (Auction 903) Closes Winning Bidders Announced FCC Form 683 Due October 15, 2018*, WC Docket Nos. 10-90 *et al.*, Public Notice, 29 FCC Rcd 7051 (2018).
[21] *See* 47 C.F.R. § 54.304(b).
[22] *See Connect America Fund, ETC Annual Reports and Certifications*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014) (*Rural Broadband Experiments Order*).
[23] *See id.* at 8772, para. 9.

from cash reserved in the High Cost account. Thus, there is no 1Q2027 collection requirement for Mobility Fund Phase I.[24] Appendix HC10 provides Mobility Fund Phase I support by state by study area for 1Q2027.

RATE-OF-RETURN CARRIERS

Rate-of-return carriers not affiliated with price cap carriers may continue to receive legacy High Cost Program support.[25] In the *December 2018 Rate-of-Return Reform Order*, the FCC established a new budget for legacy carriers of $1.42 billion, to be increased annually by inflation.[26]

HIGH COST LOOP SUPPORT (INCLUDING SAFETY NET ADDITIVE AND SAFETY VALVE SUPPORT)

HCL support is calculated based on the results of the annual collection of 2012 incumbent local exchange carrier (LEC) loop cost and expense adjustment data submitted to the FCC and USAC on October 1, 2013.[27] Growth in total HCL support for rural carriers is limited under Section 54.1302 of the Commission's rules to the current level of funding adjusted yearly by the annual growth in supported rural loops.[28] The *Rural Task Force (RTF) Order* increased HCL support for rural carriers effective July 1, 2001.[29]

For 1Q2027, projected HCL support is $45.97 million, which includes $0.00 million for Safety Valve Support (SVS). Appendix HC04 provides projected monthly HCL support payments by state by study area for 1Q2027.

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[24] *See Wireline Competition Bureau Provides Guidance to the Universal Service Administrative Company Regarding the High-Cost Universal Services Mechanism Budget*, WC Docket No. 10-90, Public Notice, 32 FCC Rcd 9243 (WCB 2017).
[25] *See USF/ICC Transformation Order*, 26 FCC Rcd at 17740, para. 206.
[26] *See Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176, para. 79, 84 (2018) (*December 2018 Rate of Return Reform Order*
[27] Universal Service Fund (USF) 2012 Submission of 2011 Study Results (filed Oct. 1, 2012) (*USF Data Submission*).
[28] 47 C.F.R § 54.1302(a); *see also* 47 C.F.R. § 54.1303.
[29] *Federal-State Joint Board on Universal Service et al.,* CC Docket Nos. 96-45 *et al.*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, and Report and Order, 16 FCC Rcd 11244 (2001) (*RTF Order*).

ALASKA PLAN SUPPORT/ALASKA CONNECT FUND

In the *Alaska Plan Order*, the FCC approved frozen support for Alaska rate-of-return carriers for 10 years and obligated those carriers to offer voice and broadband services at specified speeds to a specified number of locations while meeting certain service obligations.[30]

The FCC released an Order on November 4, 2024, to provide ongoing and certain support to mobile and fixed carriers receiving USF High Cost support in Alaska through 2034, with increased support amounts reflecting the transition to higher speed service goals for the Alaska Connect Fund [31](ACF). The FCC directed USAC to make a one-time 30% upward adjustment of current support amounts beginning January 1, 2025 for fixed carriers to prepare for the transition to the ACF in 2029 and support for mobile carriers beginning in January 2027.

In October 2026, the FCC proposed supplemental support of $162 million for mobile carriers participating in the ACF program, awarded through an application process for deployment in unserved parts of Alaska and a two-year extension of Mobile Phase 1 support for mobile carriers in duplicate support areas through December 31, 2031. The FCC directed USAC to collect the $162 million over 8 quarters beginning in 1Q2027.

For 1Q2027, Alaska Plan support is projected to be $17.67 million and ACF Mobile support is projected to be $44.28 million. Appendix HC03 provides 1Q2027 projections for Alaska Plan support by state by study area.

CONNECT AMERICA BROADBAND LOOP SUPPORT

Connect America Broadband Loop Support (CAF BLS) replaces what was

[30] See WC-Docket Nos. 10-90 and 16-271 DA 16-425

[31] See *Alaska Connect Fund Order*, 24-116 and WC-Docket Nos. 10-90, 23-328, 16-271, 10-208, 14-58, and 09-197

previously known as Interstate Common Line Support (ICLS).[32] The FCC made modifications to modernize ICLS rules to provide support in situations where the customer no longer subscribes to traditional regulated local exchange voice service.[33] CAF BLS will provide support for broadband-capable loops, regardless of whether the customer chooses traditional voice, bundle of voice and broadband, or only broadband.[34]

For 1Q2027, CAF BLS is projected to be $278.42 million, which includes $4.37 million for CAF BLS true-up by state by study area. Appendix HC07 provides USAC's 1Q2027 projections of CAF BLS by state by study area and Appendix HC08 provides USAC's 1Q2027 projections of CAF BLS by state. Appendix HC14 provides USAC's 1Q2027 projections of the CAF BLS true-up by state by study area.

ALTERNATIVE CONNECT AMERICA MODEL (A-CAM)

Alternative Connect America Model (A-CAM) allows carriers the option of electing a set amount of monthly support over a fixed term or remaining with a reformed version of legacy support mechanisms with CAF-BLS and HCL support.

For 1Q2027, A-CAM support is projected to be $42.97 million. Appendix HC13 provides A-CAM support projected by state by study area for 1Q2027.

A-CAM II

On December 13, 2018, the FCC released the *December 2018 Rate-of-Return Order*, which directed the FCC to make model offers of up to $200.00 per location to all legacy rate-of-return carriers that did not previously elect model support or support pursuant to the Alaska Plan.[35] To implement the increase, the FCC released a Public Notice with the

[32] *See Rate-of-Return Reform Order*, 31 FCC Rcd at 3091, para. 5.
[33] *Id.*
[34] *Id.*
[35] *See Id.*, para. 34.

Available for Public Use

support amounts.[36]

For 1Q2027, A-CAM II support is projected to be $54.69 million. Appendix HC16 provides projected A-CAM II support by state by study area for 1Q2027.

ENHANCED ALTERNATIVE CONNECT AMERICA COST MODEL (E-ACAM)

On July 24, 2023, the FCC released a Report and Order announcing the establishment of the Enhanced Alternative Connect America Cost Model (E-ACAM) that will support deployment of 100/20 Mbps service (or greater) through rural areas served by carriers currently receiving A-CAM support and in areas served by legacy rate-of-return support recipients within a budget of $1.27 billion annually, or no more than $1.33 billion annually if certain conditions are met, over a 15-year term beginning January 1, 2024.[37]

For 1Q2027, E-ACAM support is projected to be $317.63 million.

. Appendix HC20 provides E-ACAM cost model support projected by state by study area for 1Q2027.

COMPETITIVE ELIGIBLE TELECOMMUNICATIONS CARRIERS

The *USF/ICC Transformation Order* transitioned existing Competitive Eligible Telecommunications Carriers (CETCs) support to the CAF over a five-year period beginning January 1, 2012.[38] For the transition, the FCC set each CETC's baseline support at its total 2011 support in a given study area, or an amount equal to 3,000 times the number of reported lines as of year-end 2011, whichever was lower.[39] That monthly baseline amount was provided from January 1, 2012, to September 30, 2012.[40] Beginning July 1, 2012, each

[36] *See Wireline Competition Bureau Authorizes 171 Rate-Of-Return Companies to Receive $491 Million Annually in Alternative Connect America Cost Model II Support to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 34 FCC Rcd at 7271 (2019).
[37] *See Enhanced A-CAM Order,* WC Docket No. 10-90, at 31-33, paras. 73-75).

[38] *See id.* at 17830, para. 513.
[39] *See id.* at 17831, para. 515.
[40] *See id.*

CETC's support was reduced by 20 percent for each July to June time period.[41] However, consistent with FCC rules, Mobility Fund Phase II was not implemented by September 30, 2014, and CETC support was not subject to an additional 20 percent reduction in support beginning July 2014.[42]

For 1Q2027, total frozen High Cost support for CETCs is $64.15 million. Appendix HC06 provides frozen High Cost support for CETCs by state by study area for 1Q2027.

UNIENDO A PUERTO RICO FUND/CONNECT USVI FUND

On September 30, 2019, the FCC released the Uniendo a Puerto Rico Fund and the Connect USVI Fund Order, which allocated nearly a billion dollars in federal universal service support to Puerto Rico and the U.S. Virgin Islands. These funds will facilitate the improvement and expansion of existing fixed and mobile networks in Puerto Rico and the U.S. Virgin Islands.[43]

For 1Q2027, Uniendo a Puerto Rico Fund/Connect USVI Fund support is projected to be $10.68 million. Appendix HC17 provides the Uniendo Puerto Rico Fund mobile and fixed support projected by state by study area for 1Q2027. Appendix HC18 provides the Connect USVI Fund mobile and fixed support projected by state by study area for 1Q2027.

RURAL DIGITAL OPPORTUNITY FUND

On February 7, 2020, the FCC released the *Rural Digital Opportunity Fund Order*, which provided up to $20.4 billion to fund the deployment of up to gigabit speed broadband networks in unserved rural communities through a two-phase reverse auction mechanism.[44]

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[41] *See id.*
[42] *USF/ICC Transformation Order*, 26 FCC Rcd at 17831, para. 515; *see also* 47 C.F.R. § 54.307.
[43] *See The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.,* WC Docket No. 18-143 et al., Report and Order and Order on Reconsideration, FCC 19-95, para. 3 (2019) *(Uniendo a Puerto Rico Fund and the Connect USVI Fund Order).*
[44] *See Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, FCC 20-5 (2020) (*Rural Digital*

For 1Q2027, Rural Digital Opportunity Fund support is projected to be $143.63 million. Appendix HC19 provides the Rural Digital Opportunity Fund support projected by state by study area for 1Q2027.

HIGH COST SUPPORT MECHANISM SUMMARY

The 1Q2027 High Cost Support Mechanism funding requirements are projected as follows: $45.97 million for HCL support, $278.42 million for CAF BLS, $6.40 million for CAF Phase II, $36.59 million for CAF Phase II Auction, $64.15 million for frozen CETC support, $77.88 million for CAF/ICC Support, $17.67 million for Alaska Plan support, $44.28 million for AK Connect Mobile, $42.97 million for A-CAM, $54.69 million for A-CAM II, $317.63 million for E-ACAM, $10.68 million for Uniendo a Puerto Rico/Connect USVI, and $143.63 million for Rural Digital Opportunity Fund. This results in the projected base demand of $1,140.96 million. The following funding requirements will be paid from funds available in the High Cost account: $6.78 million for Mobility Fund Phase I.

The total base demand of $1,140.96 million is adjusted as follows: increased by prior period adjustments of $38.51 million[45] and administrative costs of $16.80 million; resulting in a total projected 1Q2027 funding requirement for the High Cost Support Mechanism of $1,196.27 million.

Opportunity Fund Order).

[45] Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, bad debt, and administrative expenses.

LOW INCOME SUPPORT MECHANISM

LIFELINE SUPPORT

ETCs providing Lifeline support are entitled to receive funding for the waiver of charges and reduced rates provided to qualified low-income subscribers.[46] In the *Lifeline Reform Order*, non-tribal Lifeline support was set at a flat rate of $9.25 for all subscribers.[47] As established in the *Tribal Order,* tribal support makes available each month up to an additional $25 per low-income subscriber to eligible residents of tribal lands.[48] The *2016 Lifeline Order* extended Lifeline support to broadband services and adopted a phase-down of support for voice-only services beginning in 2019.[49]

For 1Q2027, USAC projects $240.17 million will be required for Lifeline support.

LINK-UP SUPPORT

Link-Up support is available for ETCs that provide support on tribal lands but is limited to those ETCs receiving High Cost Program support.[50] ETCs may claim a 100 percent reduction up to $100 of the customary charge for commencing telephone service for a single telecommunication connection at a subscriber's principal place of residence.[51]

For 1Q2027, USAC projects that $0.04 million will be required for Link-Up support.

[46] 47 C.F.R. §§ 54.401-54.417.
[47] *See Lifeline and Link Up Reform and Modernization et al.,* WC Docket Nos. 11-42 *et al.*, CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rule Making, 27 FCC Rcd 6656, 6683, para. 58 (2012) (*Lifeline Reform Order).*
[48] *See* 47 C.F.R. § 54.400(e); *Federal-Joint Board on Universal Service et al.*, CC Docket 96-45, Twenty-Fifth Order on Reconsideration, Report and Order, Order, and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10958 (2003) (*Tribal Order*). On August 31, 2000, the FCC stayed the implementation of the federal Lifeline and Link-up rule amendments only to the extent that they apply to qualifying low-income consumers living near reservations.
[49] *See Lifeline and Link Up Reform and Modernization, et al.*, WC Docket Nos. 11-42, Third Report and Order and Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3985-87, paras. 62-66 (2016) (*2016 Lifeline Order*).
[50] *See id.* at 6767, para. 254.
[51] 47 C.F.R. § 54.413(a)(1).

LOW INCOME SUPPORT MECHANISM SUMMARY

The estimated 1Q2027 Low Income Support Mechanism funding requirements are projected as follows: $240.17 million for Lifeline and $0.04 million for Link-Up, resulting in a total funding requirement of $240.21 million.

The total fund requirement of $240.21 million is adjusted as follows: decreased by prior period adjustments of $45.02 million[52] and increased for administrative costs of $17.38 million; resulting in a total projected 1Q2027 funding requirement for the Low Income Support Mechanism of $212.57 million.

Appendix LI01 provides projected Low Income support amounts by state and study Area for 1Q2027.[53] Appendix LI02 is reserved for future data. LI03 provides a list of ETCs for 3Q2026.[54] LI04 provides details on company specific Low Income disbursement amounts for 3Q2026. LI05 provides detail on annual company-specific Low Income support claimed by state and company for January 2023 through September 2026. LI06 provides historical data of monthly support amounts claimed by ETCs from January 1998 through September 2026. LI07 provides details on Low Income support claimed by state or jurisdiction for January 2023 through September 2026. LI08 and LI09 provide subscriber and beneficiary information by state or jurisdiction for Lifeline and Link-Up support, respectively, for January 2026 through September 2026. Appendix LI10 is reserved for future data.

RURAL HEALTH CARE SUPPORT MECHANISM

In the *2018 Rural Health Care Program Funding Cap Order*, the Commission amended its rules to allow unused funds from previous funding years to be carried forward for use in

[52] Prior period adjustments reconcile projections to actual results and include adjustments for billings, disbursements, interest income, bad debt, and administrative expenses.
[53] Companies that are no longer ETCs have been removed from LI01.
[54] Companies that are no longer ETCs have been removed from LI03.

subsequent funding years, beginning in Funding Year 2018.[55] On an annual basis, unused funds will be made available in the second quarter of each calendar year for use in the next full funding year of the Rural Health Care Program.[56]

In the *2018 Rural Health Care Program Funding Cap Order*, the Commission also required USAC to file quarterly estimates of unused funds that will be available for carryover in subsequent funding years.[57] The following is a summary of estimated unused funds as of September 30, 2026 for Funding Years 2009 through 2025. Funding years prior to Funding Year 2009 are closed.

FUNDING YEAR 2009

Funding Year 2009 began on July 1, 2009 and ended on September 30, 2010. Balances as of September 30, 2026 are as follows:

Funding Year 2009	Amounts in Millions
Amount Authorized and Actually Collected	$211.02
Amount Carried Forward / Backward	$144.79
Amount Authorized for Disbursement	($355.49)
Reserve for Outstanding Obligations	($0.32)
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	($1.26)
Reserve for FCC Appeals	$0.00
Estimated Remaining Balance	($1.26)

Cumulative payments to service providers through 3Q2026 are listed in Appendix RH01.

FUNDING YEAR 2010

Funding Year 2010 began on July 1, 2010 and ended on September 30, 2011. Balances as of September 30, 2026 are as follows:

[55] *Promoting Telehealth in Rural America,* WC Docket No. 17-310, Report and Order, FCC 18-82, para. 25 (2018) *(2018 Rural Health Care Program Funding Cap Order).*
[56] *Id.*, para. 27.
[57] *Id.,* para. 26.

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2010	Amounts in Millions
Amount Authorized and Actually Collected	$87.39
Amount Carried Forward / Backward	$0.00
Amount Authorized for Disbursement	($87.33)
Reserve for Outstanding Obligations	($0.06)
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	$0.00
Estimated Remaining Balance	$0.00

Cumulative payments to service providers through 3Q2026 are listed in Appendix RH02.

FUNDING YEAR 2011

Funding Year 2011 began on July 1, 2011 and ended on September 30, 2012.

Balances as of September 30, 2026 are as follows:

Funding Year 2011	Amounts in Millions
Amount Authorized and Actually Collected	$101.33
Amount Carried Forward / Backward	$0.00
Amount Authorized for Disbursement	($101.29)
Reserve for Outstanding Obligations	($0.04)
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	$0.00
Estimated Remaining Balance	$0.00

Cumulative payments to service providers through 3Q2026 are listed in Appendix RH03.

FUNDING YEAR 2012

Funding Year 2012 began on July 1, 2012 and ended on September 30, 2013.

Balances as of September 30, 2026 are as follows:

Funding Year 2012	Amounts in Millions
Amount Authorized and Actually Collected	$118.32
Amount Carried Forward / Backward	($1.40)
Amount Authorized for Disbursement	($116.92)
Reserve for Outstanding Obligations	$0.00
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	$0.00

Estimated Remaining Balance	$0.00

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH04 and RH05, respectively.

FUNDING YEAR 2013

Funding Year 2013 began on July 1, 2013 and ended on September 30, 2014. Balances as of September 30, 2026 are as follows:

Funding Year 2013	Amounts in Millions
Amount Authorized and Actually Collected	$178.76
Amount Carried Forward / Backward	($3.63)
Amount Authorized for Disbursement	($175.13)
Reserve for Outstanding Obligations	$0.00
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	$0.00
Estimated Remaining Balance	$0.00

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH06 and RH07, respectively.

FUNDING YEAR 2014

Funding Year 2014 began on July 1, 2014 and ended on September 30, 2015. Balances as of September 30, 2026 are as follows:

Funding Year 2014	Amounts in Millions
Amount Authorized and Actually Collected	$232.88
Amount Carried Forward / Backward	($14.36)
Amount Authorized for Disbursement	($218.03)
Reserve for Outstanding Obligations	$0.00
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($0.49)
Estimated Remaining Balance	$0.00

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH08 and RH09, respectively.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2015

Funding Year 2015 began on July 1, 2015 and ended on September 30, 2016.

Balances as of September 30, 2026 are as follows:

Funding Year 2015	Amounts in Millions
Amount Authorized and Actually Collected	$294.16
Amount Carried Forward / Backward	($25.23)
Amount Authorized for Disbursement	($267.97)
Reserve for Outstanding Obligations	$0.00
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($0.96)
Estimated Remaining Balance	$0.00

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH10 and RH11, respectively.

FUNDING YEAR 2016

Funding Year 2016 began on July 1, 2016 and ended on September 30, 2017.

Balances as of September 30, 2026 are as follows:

Funding Year 2016	Amounts in Millions
Amount Authorized and Actually Collected	$402.70
Amount Carried Forward / Backward	($77.43)
Amount Authorized for Disbursement	($307.66)
Reserve for Outstanding Obligations	($0.01)
Reserve for Pending Applications	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($5.31)
Administrative Expenses	($12.29)
Estimated Remaining Balance	$0.00

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH12 and RH13, respectively

FUNDING YEAR 2017

Funding Year 2017 began on July 1, 2017 and ended on September 30, 2018.

Balances as of September 30, 2026 are as follows:

Funding Year 2017	Amounts in Millions
Amount Authorized and Actually Collected	$367.59
Amount Carried Forward / Backward	($9.02)
Amount Authorized for Disbursement	($338.71)
Reserve for Outstanding Obligations	($0.13)
Reserve for Pending Applications	($1.52)
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($7.12)
Administrative Expenses	($10.37)
Estimated Remaining Balance	$0.72

Funding commitments made to applicants during 3Q2026 are included in Appendix RH14. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH15 and RH16, respectively.

FUNDING YEAR 2018

Funding Year 2018 began on July 1, 2018 and ended on September 30, 2019.

Balances as of September 30, 2026 are as follows:

Funding Year 2018	Amounts in Millions
Amount Authorized and Actually Collected	$581.28
Amount Carried Forward / Backward	($263.48)
Amount Authorized for Disbursement	($299.21)
Reserve for Outstanding Obligations	$0.00
Reserve for Pending Applications	($2.47)
Reserve for USAC Appeals	($1.85)
Reserve for FCC Appeals	($2.33)
Administrative Expenses	($12.09)
Estimated Remaining Balance	($0.15)

Funding commitments made to applicants during 3Q2026 are included in Appendix RH17. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH18 and RH19, respectively.

FUNDING YEAR 2019

Funding Year 2019 began on July 1, 2019 and ended on September 30, 2020.

Balances as of September 30, 2026 are as follows:

Funding Year 2019	Amounts in Millions
Amount Authorized and Actually Collected	$594.07
Amount Carried Forward / Backward	($157.26)
Amount Authorized for Disbursement	($413.48)
Reserve for Outstanding Obligations	($0.59)
Reserve for Pending Applications	($0.49)
Reserve for USAC Appeals	($0.60)
Reserve for FCC Appeals	($3.85)
Administrative Expenses	($16.34)
Estimated Remaining Balance	$1.46

Funding commitments made to applicants during 3Q2026 are included in Appendix RH20. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH21 and RH22, respectively.

FUNDING YEAR 2020

Funding Year 2020 began on July 1, 2020 and ended on September 30, 2021.

Balances as of September 30, 2026 are as follows:

Funding Year 2020	Amounts in Millions
Amount Authorized and Actually Collected	$604.76
Amount Carried Forward / Backward	($162.58)
Amount Authorized for Disbursement	($409.54)
Reserve for Outstanding Obligations	($0.90)
Reserve for Pending Applications	($0.21)
Reserve for USAC Appeals	($0.46)
Reserve for FCC Appeals	($5.95)
Administrative Expenses	($19.80)
Estimated Remaining Balance	$5.32

Funding commitments made to applicants during 3Q2026 are included in Appendix RH23. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH24 and RH25, respectively.

FUNDING YEAR 2021

Funding Year 2021 began on July 1, 2021 and ended on September 30, 2022.

Balances as of September 30, 2026 are as follows:

Funding Year 2021	Amounts in Millions
Amount Authorized and Actually Collected	$306.02
Amount Carried Forward / Backward	$156.48
Amount Authorized for Disbursement	($430.17)
Reserve for Outstanding Obligations	($1.24)
Reserve for Pending Applications	($0.67)
Reserve for USAC Appeals	($4.31)
Reserve for FCC Appeals	($1.81)
Administrative Expenses	($26.48)
Estimated Remaining Balance	($2.18)

Funding commitments made to applicants and cumulative payments to service providers through 3Q2026 are listed in Appendices RH26 and RH27, respectively.

FUNDING YEAR 2022

Funding Year 2022 began on July 1, 2022 and ended on September 30, 2023.

Balances as of September 30, 2026 are as follows:

Funding Year 2022	Amounts in Millions
Amount Authorized and Actually Collected	$367.35
Amount Carried Forward / Backward	$141.03
Amount Authorized for Disbursement	($472.78)
Reserve for Outstanding Obligations	($4.96)
Reserve for Pending Applications	($0.35)
Reserve for USAC Appeals	($0.38)
Reserve for FCC Appeals	($2.11)
Administrative Expenses	($27.20)
Estimated Remaining Balance	$0.60

Funding commitments made to applicants during 3Q2026 are included in Appendix RH28. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH29 and RH30, respectively.

FUNDING YEAR 2023

Funding Year 2023 began on July 1, 2023 and ended on September 30, 2024. Balances as of September 30, 2026 are as follows:

Funding Year 2023	Amounts in Millions
Amount Authorized and Actually Collected	$504.20
Amount Carried Forward / Backward	$88.92
Amount Authorized for Disbursement	($506.37)
Reserve for Outstanding Obligations	($46.91)
Reserve for Pending Applications	($0.02)
Reserve for USAC Appeals	($0.10)
Reserve for FCC Appeals	($3.17)
Administrative Expenses	($32.83)
Estimated Remaining Balance	$3.72

Funding commitments made to applicants during 3Q2026 are included in Appendix RH31. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH32 and RH33, respectively.

FUNDING YEAR 2024

Funding Year 2024 began on July 1, 2024 and ended on September 30, 2025. Balances as of September 30, 2026 are as follows:

Funding Year 2024	Amounts in Millions
Amount Authorized and Actually Collected	$477.68
Amount Carried Forward / Backward	$143.31
Amount Authorized for Disbursement	($516.55)
Reserve for Outstanding Obligations	($47.25)
Reserve for Pending Applications	($4.71)
Reserve for USAC Appeals	($9.22)
Reserve for FCC Appeals	($5.23)
Administrative Expenses	($34.84)
Estimated Remaining Balance	$3.19

Funding commitments made to applicants during 3Q2026 are included in Appendix RH34. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH35 and RH36, respectively.

FUNDING YEAR 2025

Funding Year 2025 began on July 1, 2025 and ended on September 30, 2026. Balances as of September 30, 2026 are as follows:

Funding Year 2025	Amounts in Millions
Amount Authorized and Actually Collected	$723.89
Amount Carried Forward / Backward	$77.21
Amount Authorized for Disbursement	($442.23)
Reserve for Outstanding Obligations	($238.96)
Reserve for Pending Applications	($2.52)
Reserve for USAC Appeals	($17.33)
Reserve for FCC Appeals	($1.65)
Administrative Expenses	($32.99)
Estimated Remaining Balance	$65.42

Funding commitments made to applicants during 3Q2026 are included in Appendix RH37. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH38 and RH39, respectively.

FUNDING YEAR 2026

On March 25, 2026, the Commission announced a funding cap for Funding Year 2026 of $744.16 million for the Rural Health Care Program.[58] This reflects a 2.8 percent inflation-adjusted increase in the $723.89 million cap from Funding Year 2025. The filing window for Funding Year 2026 closed on April 1, 2026.

Based on the applications received within the filing window, USAC estimates a total program demand of $909.02 million for Funding Year 2026, which includes administrative costs. For Funding Year 2026, USAC will collect $186.04 million in 1Q2027, an amount equal to one quarter of the Rural Health Care funding cap of $744.16 million. Funding Year 2026 commitments made to applicants during 3Q2026 are included in Appendix RH33.

[58] *See Wireline 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, Public Notice, DA 26-291 (Mar. 25 2026).

Per FCC guidance, USAC will carry forward up to $226.42 million in unused funds from prior funding years to the extent necessary to satisfy Funding Year 2026 demand above the cap. Based on further guidance; on September 14, 2026, the FCC directed USAC to apply $56 million of funds available from the Connected Care Pilot Program to reduce required collections for Funding Year 2026 in 4Q2026.

RURAL HEALTH CARE SUPPORT MECHANISM SUMMARY

The 1Q2027 Rural Health Care Support Mechanism collection requirement of $186.04 million is adjusted as follows: increased by a prior period adjustment of $12.45 million[59] resulting in a total projected 1Q2027 funding requirement for the Rural Health Care Support Mechanism of $198.49 million.

Funding commitments made to applicants during 3Q2026 are included in Appendix RH40. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices RH41 and RH42, respectively.

CONNECTED CARE PILOT PROGRAM

On April 2, 2020, the FCC issued Order FCC 20-44, establishing the Connected Care Pilot Program within the USF, making $100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, which focused primarily on low-income or veteran patients.[60] The Order authorized collections of $100 million over three years (12 quarters) at $8.33 million per quarter beginning in 4Q2020.[61] The Order states that the purpose of the Pilot Program is to examine how the Fund can help support the trend towards connected care services, particularly for low

[59] Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, and bad debt.
[60] *See Promoting Telehealth for Low-Income Consumers, COVID-19 Telehealth Program,* WC Docket Nos. 18-213 and 20-89, Report and Order, FCC 20-44, para. 37 (2020).
[61] *Id*, para. 42.

income consumers and veterans.[62] The Order indicates that $100 million funding for the Pilot Program will be separate from the budgets of the other existing universal service programs and directs USAC to separately collect funds for the Pilot Program.[63]

CONNECTED CARE PILOT PROGRAM SUMMARY

USAC collected $100 million to fund the Connected Care Pilot Program. No additional collections are required. On September 14, 2026, the FCC directed USAC to apply $56 million of funds available from the Connected Care Pilot Program to reduce required collections for the Rural Health Care Program in 4Q2026.

SCHOOLS AND LIBRARIES SUPPORT MECHANISM

The following is a summary of Schools and Libraries Support Mechanism net commitments[64] and payments[65] by Funding Year as of September 30, 2026.

FUNDING YEAR 1998

FUNDING YEAR 1998					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$679.03	39.97%	$507.78	36.30%	74.78%
Internet Access	$134.12	7.89%	$94.83	6.78%	70.71%
Internal Connections	$885.77	52.14%	$796.36	56.92%	89.91%
TOTAL	$1,698.92	100.00%	$1,398.97	100.00%	82.34%
Deobligations due to Expired FRNs	($299.95)				
Net Commitments	$1,398.97				

[62] *Id*, para. 5.
[63] *Id*, paras. 38, 42.
[64] Net Commitments are the amount of total funding commitments (including appeals, less funding commitment adjustments (COMADs) and other recaptures) reduced by the remaining dollar amount of commitments that had not been fully disbursed by their invoicing deadline.
[65] Net authorized for payment is the amount of total approved invoices less any returned funds. Authorized payments may be greater than net commitments due to recoveries in the process of collection.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 1999

FUNDING YEAR 1999					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$634.29	29.54%	$452.12	27.40%	71.28%
Internet Access	$148.65	6.92%	$95.37	5.78%	64.16%
Internal Connections	$1,364.53	63.54%	$1,102.43	66.82%	80.79%
TOTAL	$2,147.47	100.00%	$1,649.92	100.00%	76.83%
Deobligations due to Expired FRNs	($497.55)				
Net Commitments	$1,649.92				

FUNDING YEAR 2000

FUNDING YEAR 2000					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$718.75	34.58%	$481.21	29.22%	66.95%
Internet Access	$218.72	10.52%	$131.92	8.01%	60.31%
Internal Connections	$1,140.97	54.90%	$1,033.81	62.77%	90.61%
TOTAL	$2,078.44	100.00%	$1,646.94	100.00%	79.24%
Deobligations due to Expired FRNs	($497.54)				
Net Commitments	$1,649.93				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2001

FUNDING YEAR 2001					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$766.34	35.32%	$540.87	32.26%	70.58%
Internet Access	$224.65	10.35%	$146.93	8.76%	65.40%
Internal Connections	$1,178.96	54.33%	$988.86	58.98%	83.88%
TOTAL	$2,169.95	100.00%	$1,676.66	100.00%	77.27%
Deobligations due to Expired FRNs	($493.29)				
Net Commitments	$1,676.66				

FUNDING YEAR 2002

FUNDING YEAR 2002					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$848.90	40.23%	$610.19	38.28%	71.88%
Internet Access	$250.99	11.89%	$169.40	10.63%	67.49%
Internal Connections	$1,010.37	47.88%	$814.60	51.10%	80.62%
TOTAL	$2,110.26	100.00%	$1,594.19	100.00%	75.54%
Deobligations due to Expired FRNs	($516.07)				
Net Commitments	$1,594.19				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2003

FUNDING YEAR 2003					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$898.73	35.68%	$657.50	33.94%	73.16%
Internet Access	$271.91	10.80%	$203.32	10.49%	74.77%
Internal Connections	$1,347.99	53.52%	$1,076.69	55.57%	79.87%
TOTAL	$2,518.63	100.00%	$1,937.51	100.00%	76.93%
Deobligations due to Expired FRNs	($581.12)				
Net Commitments	$1,937.51				

FUNDING YEAR 2004

FUNDING YEAR 2004					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$933.67	45.95%	$689.93	44.94%	73.89%
Internet Access	$242.31	11.93%	$193.34	12.59%	79.79%
Internal Connections	$855.91	42.12%	$651.97	42.47%	76.17%
TOTAL	$2,031.89	100.00%	$1,535.24	100.00%	75.56%
Deobligations due to Expired FRNs	($496.65)				
Net Commitments	$1,535.24				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2005

FUNDING YEAR 2005					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$983.92	48.98%	$778.02	47.93%	79.07%
Internet Access	$259.42	12.91%	$214.35	13.20%	82.63%
Internal Connections	$645.41	32.13%	$539.28	33.22%	83.56%
Internal Connections-Maint	$120.02	5.97%	$91.66	5.65%	76.37%
TOTAL	$2,008.77	100.00%	$1,623.31	100.00%	80.81%
Deobligations due to Expired FRNs	($384.88)				
Net Commitments	$1,623.89				

FUNDING YEAR 2006

FUNDING YEAR 2006					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,065.06	54.60%	$849.64	54.23%	79.77%
Internet Access	$290.32	14.88%	$236.49	15.09%	81.46%
Internal Connections	$476.38	24.42%	$394.60	25.19%	82.83%
Internal Connections-Maint	$118.97	6.10%	$86.02	5.49%	72.30%
TOTAL	$1,950.73	100.00%	$1,566.75	100.00%	80.32%
Deobligations due to Expired FRNs	($383.93)				
Net Commitments	$1,566.80				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2007

FUNDING YEAR 2007					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,163.98	49.35%	$947.36	48.51%	81.39%
Internet Access	$310.54	13.17%	$258.89	13.26%	83.37%
Internal Connections	$726.18	30.79%	$627.73	32.14%	86.44%
Internal Connections-Maint	$157.75	6.69%	$118.91	6.09%	75.38%
TOTAL	$2,358.45	100.00%	$1,952.89	100.00%	82.80%
Deobligations due to Expired FRNs	($405.40)				
Net Commitments	$1,953.05				

FUNDING YEAR 2008

FUNDING YEAR 2008					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,291.68	54.36%	$1,047.22	54.36%	81.07%
Internet Access	$333.55	14.04%	$278.64	14.46%	83.54%
Internal Connections	$625.95	26.34%	$508.16	26.38%	81.18%
Internal Connections-Maint	$124.95	5.26%	$92.34	4.79%	73.90%
TOTAL	$2,376.13	100.00%	$1,926.36	100.00%	81.07%
Deobligations due to Expired FRNs	($449.61)				
Net Commitments	$1,926.52				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2009

FUNDING YEAR 2009					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,353.71	48.23%	$1,111.41	47.63%	82.10%
Internet Access	$350.27	12.48%	$292.70	12.55%	83.56%
Internal Connections	$910.65	32.44%	$788.74	33.81%	86.61%
Internal Connections-Maint	$192.36	6.85%	$140.34	6.01%	72.96%
TOTAL	$2,806.99	100.00%	$2,333.19	100.00%	83.12%
Deobligations due to Expired FRNs	($473.80)				
Net Commitments	$2,333.19				

FUNDING YEAR 2010

FUNDING YEAR 2010					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,429.17	47.66%	$1,176.80	48.03%	82.34%
Internet Access	$392.66	13.09%	$330.10	13.47%	84.07%
Internal Connections	$974.26	32.49%	$795.48	32.46%	81.65%
Internal Connections-Maint	$202.51	6.75%	$147.89	6.04%	73.03%
TOTAL	$2,998.60	100.00%	$2,450.27	100.00%	81.71%
Deobligations due to Expired FRNs	($548.23)				
Net Commitments	$2,450.37				

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2011

FUNDING YEAR 2011					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,467.11	55.06%	$1,188.62	55.25%	81.02%
Internet Access	$467.59	17.55%	$387.77	18.03%	82.93%
Internal Connections	$603.77	22.66%	$498.70	23.18%	82.60%
Internal Connections-Maint	$126.05	4.73%	$76.19	3.54%	60.44%
TOTAL	$2,664.52	100.00%	$2,151.28	100.00%	80.74%
Deobligations due to Expired FRNs	($512.41)				
Net Commitments	$2,152.11				

FUNDING YEAR 2012

FUNDING YEAR 2012					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,516.31	51.04%	$1,220.97	51.43%	80.52%
Internet Access	$570.04	19.19%	$461.56	19.44%	80.97%
Internal Connections	$752.21	25.32%	$611.99	25.78%	81.36%
Internal Connections-Maint	$132.20	4.45%	$79.35	3.34%	60.02%
TOTAL	$2,970.76	100.00%	$2,373.87	100.00%	79.91%
Deobligations due to Expired FRNs	($596.88)				
Net Commitments	$2,373.88				

Cumulative payments to service providers through 3Q2026 are listed in Appendix SL01.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2013

FUNDING YEAR 2013					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,565.41	71.06%	$1,240.11	70.74%	79.22%
Internet Access	$637.66	28.94%	$513.05	29.26%	80.46%
Internal Connections	($0.01)	0.00%	$0.00	0.00%	0.00%
Internal Connections-Maint	$0.00	0.00%	$0.00	0.00%	0.00%
TOTAL	$2,203.06	100.00%	$1,753.16	100.00%	79.58%
Deobligations due to Expired FRNs	($449.90)				
Net Commitments	$1,753.16				

FUNDING YEAR 2014

FUNDING YEAR 2014					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$1,631.11	69.48%	$1,301.79	69.54%	79.81%
Internet Access	$716.63	30.52%	$570.30	30.46%	79.58%
Internal Connections	$0.02	0.00%	$0.00	0.00%	0.00%
Internal Connections-Maint	$0.00	0.00%	$0.00	0.00%	0.00%
TOTAL	$2,347.76	100.00%	$1,872.09	100.00%	79.74%
Deobligations due to Expired FRNs	($475.65)				
Net Commitments	$1,872.11				

Cumulative payments to service providers through 3Q2026 are listed in Appendix SL02.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2015

FUNDING YEAR 2015					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Telecommunications	$817.65	25.34%	$701.53	25.11%	85.80%
Internet Access	$725.56	22.48%	$605.23	21.67%	83.42%
Internal Connections	$1,156.94	35.85%	$1,097.80	39.30%	94.89%
Internal Connections-Maint	$22.69	0.70%	$17.29	0.62%	76.20%
MIBS	$23.13	0.72%	$13.13	0.47%	56.77%
Voice	$480.93	14.90%	$358.60	12.84%	74.56%
TOTAL	$3,226.90	100.00%	$2,793.58	100.00%	86.57%
Deobligations due to Expired FRNs	($433.18)				
Net Commitments	$2,793.72				

Cumulative payments to service providers through 3Q2026 are listed in Appendix SL03.

FUNDING YEAR 2016

FUNDING YEAR 2016					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,653.52	59.73%	$1,377.25	58.62%	83.29%
Internal Connections	$794.13	28.69%	$730.24	31.08%	91.95%
Internal Connections-Maint	$23.19	0.84%	$15.45	0.66%	66.62%
MIBS	$23.10	0.83%	$20.48	0.87%	88.66%
Voice	$274.43	9.91%	$206.04	8.77%	75.08%
TOTAL	$2,768.37	100.00%	$2,349.46	100.00%	84.87%
Deobligations due to Expired FRNs	($418.57)				
Net Commitments	$2,349.80				

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding commitments made to applicants during 3Q2026 are included in Appendix SL04. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL05 and SL06, respectively.

FUNDING YEAR 2017

FUNDING YEAR 2017					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,651.87	69.76%	$1,391.95	69.45%	84.27%
Internal Connections	$542.83	22.93%	$488.99	24.40%	90.08%
Internal Connections-Maint	$22.65	0.96%	$11.24	0.56%	49.62%
MIBS	$25.26	1.07%	$20.10	1.00%	79.57%
Voice	$125.24	5.29%	$92.03	4.59%	73.48%
TOTAL	$2,367.85	100.00%	$2,004.31	100.00%	84.65%
Deobligations due to Expired FRNs	($363.45)				
Net Commitments	$2,004.40				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL07. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL08 and SL09, respectively.

FUNDING YEAR 2018

FUNDING YEAR 2018					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,742.32	76.00%	$1,513.93	75.70%	86.89%
Internal Connections	$486.25	21.21%	$438.35	21.92%	90.15%
Internal Connections-Maint	$21.70	0.95%	$12.97	0.65%	59.77%
MIBS	$20.07	0.88%	$18.92	0.95%	94.27%

Universal Service Administrative Company 1Q2027 Fund Size Projections

Voice	$22.30	0.97%	$15.66	0.78%	70.22%
TOTAL	$2,292.64	100.00%	$1,999.83	100.00%	87.23%
Deobligations due to Expired FRNs	($292.70)				
Net Commitments	$1,999.94				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL10. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL11 and SL12, respectively.

FUNDING YEAR 2019

FUNDING YEAR 2019					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,581.06	67.06%	$1,349.75	66.52%	85.37%
Internal Connections	$731.11	31.01%	$647.96	31.93%	88.63%
Internal Connections-Maint	$24.72	1.05%	$12.15	0.60%	49.15%
MIBS	$20.73	0.88%	$19.20	0.95%	92.62%
Voice	$0.00	0.00%	$0.00	0.00%	0.00%
TOTAL	$2,357.62	100.00%	$2,029.06	100.00%	86.06%
Deobligations due to Expired FRNs	($325.70)				
Net Commitments	$2,031.92				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL13. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL14 and SL15, respectively.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2020

FUNDING YEAR 2020					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,574.63	62.92%	$1,305.66	63.78%	82.92%
Internal Connections	$871.18	34.81%	$704.12	34.40%	80.82%
Internal Connections-Maint	$28.56	1.14%	$12.44	0.61%	43.56%
MIBS	$28.36	1.13%	$24.89	1.22%	87.76%
TOTAL	$2,502.73	100.00%	$2,047.11	100.00%	81.80%
Deobligations due to Expired FRNs	($431.43)				
Net Commitments	$2,071.30				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL16. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL17 and SL18, respectively.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2021

FUNDING YEAR 2021					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,538.58	60.01%	$1,293.00	57.36%	84.04%
Internal Connections	$969.84	37.83%	$912.49	40.48%	94.09%
Internal Connections-Maint	$21.08	0.82%	$15.99	0.71%	75.85%
MIBS	$34.42	1.34%	$32.73	1.45%	95.09%
TOTAL	$2,563.92	100.00%	$2,254.21	100.00%	87.92%
Deobligations due to Expired FRNs	($297.52)				
Net Commitments	$2,266.40				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL19. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL20 and SL21, respectively.

FUNDING YEAR 2022

FUNDING YEAR 2022					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,549.24	58.34%	$1,314.39	55.75%	84.84%
Internal Connections	$1,046.24	39.40%	$991.74	42.06%	94.79%
Internal Connections-Maint	$22.56	0.85%	$15.93	0.68%	70.61%
MIBS	$37.51	1.41%	$35.78	1.52%	95.39%
TOTAL	$2,655.55	100.00%	$2,357.84	100.00%	88.79%
Deobligations due to Expired FRNs	($276.14)				
Net Commitments	$2,379.41				

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding commitments made to applicants during 3Q2026 are included in Appendix SL22. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL23 and SL24, respectively.

FUNDING YEAR 2023

FUNDING YEAR 2023					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,508.88	59.58%	$1,264.76	57.08%	83.82%
Internal Connections	$963.19	38.04%	$898.95	40.57%	93.33%
Internal Connections-Maint	$22.53	0.89%	$16.88	0.76%	74.92%
MIBS	$37.77	1.49%	$35.36	1.60%	93.62%
TOTAL	$2,532.37	100.00%	$2,215.95	100.00%	87.50%
Deobligations due to Expired FRNs	($262.71)				
Net Commitments	$2,269.66				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL25. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL26 and SL27 respectively.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2024

FUNDING YEAR 2024					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,714.85	62.17%	$1,438.48	61.93%	83.88%
Internal Connections	$976.70	35.41%	$828.42	35.66%	84.82%
Internal Connections-Maint	$21.39	0.78%	$13.80	0.59%	64.52%
MIBS	$45.49	1.65%	$42.13	1.81%	92.61%
TOTAL	$2,758.43	100.00%	$2,322.83	100.00%	84.21%
Deobligations due to Expired FRNs	($252.06)				
Net Commitments	$2,506.37				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL28. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL29 and SL30, respectively.

Universal Service Administrative Company 1Q2027 Fund Size Projections

FUNDING YEAR 2025

FUNDING YEAR 2025					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$1,574.73	59.26%	$1,054.72	58.07%	66.98%
Internal Connections	$1,018.86	38.34%	$719.84	39.63%	70.65%
Internal Connections-Maint	$25.11	0.94%	$10.41	0.57%	41.46%
MIBS	$38.79	1.46%	$31.40	1.73%	80.95%
TOTAL	$2,657.49	100.00%	$1,816.37	100.00%	68.35%
Deobligations due to Expired FRNs	$0.00				
Net Commitments	$2,657.49				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL31. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL32 and SL33, respectively.

FUNDING YEAR 2026

FUNDING YEAR 2026					
	Net Commitments		Net Authorized for Payment		Auth/Com
	Millions of Dollars	% of Total Commitments	Millions of Dollars	% of Total Authorized for Payment	% of Committed Authorized for Payment
Internet Access	$0.00	0.00%	$0.00	0.00%	0.00%
Internal Connections	$1,956.68	97.77%	$221.44	98.23%	11.32%
Internal Connections-Maint	$11.12	0.56%	$0.04	0.02%	0.36%
MIBS	$33.41	1.67%	$3.95	1.75%	11.82%
TOTAL	$2,001.21	100.00%	$225.43	100.00%	11.26%
Deobligations due to Expired FRNs	$0.00				
Net Commitments	$2,001.21				

Funding commitments made to applicants during 3Q2026 are included in Appendix SL34. Authorized funding by applicants during 3Q2026 and cumulative payments to service providers through 3Q2026 are listed in Appendices SL35 and SL36, respectively.

FCC DECISIONS AND UNUSED FUNDS

In the *Schools and Libraries Third Report and Order*, the Commission amended its rules to allow unused funds from prior Funding Years to be carried forward on an annual basis in the second quarter of each calendar year for use in the next full Funding Year.[66] The Commission required USAC to file quarterly estimates of unused funds from prior Funding Years in submitting its projection of Schools and Libraries Support Mechanism demand for the upcoming quarter.

The following is a summary of estimated unused funds as of September 30, 2026 for each funding year, including adjustments made by the Commission and projections of unused funds as required by Commission rules.

Funding Year 1998

Funding Year 1998 began on July 1, 1998 and ended on September 30, 1999. Balances as of September 30, 2026 are as follows:

FY 1998	Amounts in Millions
Amount Authorized and Actually Collected	$1,925.00
Amount Authorized for Disbursement	($1,398.97)
Administrative Expenses (21 months)	($41.79)
Amount Carried Forward / Backward	($6.69)
Amount Applied to Adjust 2000, 2001, and 2002 Collections	($477.16)
Potential Additional Disbursements on Committed FRNs	$0.00
Reserve for USAC Appeals	($0.01)

[66] Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 26912, paras. 52-57 (2003) (*Schools and Libraries Third Report and Order*).

Reserve for FCC Appeals	($0.38)
Estimated Remaining Balance	$0.00

Funding Year 1999

Funding Year 1999 began on July 1, 1999 and ended on September 30, 2000.

Balances as of September 30, 2026 are as follows:

FY 1999	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,649.93)
Administrative Expenses	($32.32)
Amount Applied to Adjust Third Quarter 2002 Collections	($256.16)
Amount Applied to Adjust Fourth Quarter 2002 Collections	($212.93)
Amount Carried Forward / Backward	($94.00)
Amount Received from Rollover	$0.00
Reserve for USAC Appeals	($0.02)
Reserve for FCC Appeals	($4.64)
Estimated Remaining Balance	**$0.00**

Funding Year 2000

Funding Year 2000 began on July 1, 2000 and ended on September 30, 2001.

Balances as of September 30, 2026 are as follows:

FY 2000	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,646.94)
Administrative Expenses	($32.24)
Amount Applied to Adjust Fourth Quarter 2002 Collections	($136.85)
Amount Applied to Adjust First Quarter 2003 Collections	($246.18)
Amount Carried Forward / Backward	($183.14)
Reserve for USAC Appeals	($0.01)
Reserve for FCC Appeals	($4.64)
Estimated Remaining Balance	**$0.00**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2001

Funding Year 2001 began on July 1, 2001 and ended on September 30, 2002.

Balances as of September 30, 2026 are as follows:

FY 2001	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,676.66)
Administrative Expenses	($30.56)
Amount Carried Forward / Backward	($489.38)
Remaining Uncommitted Requests	($20.33)
Reserve for USAC Appeals	($8.76)
Reserve for FCC Appeals	($24.31)
Estimated Remaining Balance	**$0.00**

Funding Year 2002

Funding Year 2002 began on July 1, 2002 and ended on September 30, 2003.

Balances as of September 30, 2026 are as follows:

FY 2002	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,594.19)
Administrative Expenses	($38.53)
Amount Carried Forward / Backward	($594.66)
Potential Additional Disbursements on Committed FRNs	$0.00
Remaining Uncommitted Requests	($0.93)
Reserve for USAC Appeals	($0.01)
Reserve for FCC Appeals	($21.68)
Estimated Remaining Balance	**$0.00**

Funding Year 2003

Funding Year 2003 began on July 1, 2003 and ended on September 30, 2004.

Balances as of September 30, 2026, are as follows:

Universal Service Administrative Company 1Q2027 Fund Size Projections

FY 2003	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,937.51)
Administrative Expenses	($44.19)
Amount Carried Forward / Backward	($638.64)
Amount Received from Rollover	$420.00
Potential Additional Disbursements on Committed FRNs	$0.00
Remaining Uncommitted Requests	($32.83)
Reserve for USAC Appeals	($0.01)
Reserve for FCC Appeals	($16.82)
Estimated Remaining Balance	**$0.00**

Funding Year 2004

Funding Year 2004 began on July 1, 2004 and ended on September 30, 2005.

Balances as of September 30, 2026 are as follows:

FY 2004	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,535.24)
Administrative Expenses	($55.75)
Amount Carried Forward / Backward	($723.91)
Amount Received from Rollover	$150.00
Amount Applied to Adjust Collections	($550.00)
Adjustment for Reduction in Collections	$550.00
Potential Additional Disbursements on Committed FRNs	$0.00
Reserve for USAC Appeals	($2.36)
Reserve for FCC Appeals	($82.64)
Estimated Remaining Balance	**$0.10**

Funding Year 2005

Funding Year 2005 began on July 1, 2005 and ended on September 30, 2006.

Balances as of September 30, 2026 are as follows:

FY 2005	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,623.31)

Administrative Expenses	($64.99)
Amount Carried Forward / Backward	($535.81)
Potential Additional Disbursements on Committed FRNs	($0.58)
Remaining Uncommitted Requests	($0.19)
Reserve for USAC Appeals	($0.02)
Reserve for FCC Appeals	($25.53)
Estimated Remaining Balance	**($0.43)**

Funding Year 2006

Funding Year 2006 began on July 1, 2006 and ended on September 30, 2007.

Balances as of September 30, 2026 are as follows:

FY 2006	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,566.75)
Administrative Expenses	($80.74)
Amount Carried Forward / Backward	($586.81)
Potential Additional Disbursements on Committed FRNs	($0.05)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	($0.06)
Reserve for FCC Appeals	($15.53)
Estimated Remaining Balance	**$0.06**

Funding Year 2007

Funding Year 2007 began on July 1, 2007 and ended on September 30, 2008.

Balances as of September 30, 2026 are as follows:

FY 2007	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,952.89)
Administrative Expenses	($81.24)
Amount Carried Forward / Backward	($850.30)
Potential Additional Disbursements on Committed FRNs	($0.16)
Amount Received from Rollover	$650.00
Remaining Uncommitted Requests	($0.99)

Reserve for USAC Appeals	($0.02)
Reserve for FCC Appeals	($14.56)
Estimated Remaining Balance	**($0.16)**

Funding Year 2008

Funding Year 2008 began on July 1, 2008 and ended on September 30, 2009.

Balances as of September 30, 2026 are as follows:

FY 2008	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($1,926.36)
Administrative Expenses	($125.59)
Amount Carried Forward / Backward	($787.20)
Amount Received from Rollover	$600.00
Potential Additional Disbursements on Committed FRNs	($0.16)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	($0.10)
Reserve for FCC Appeals	($10.74)
Estimated Remaining Balance	**($0.15)**

Funding Year 2009

Funding Year 2009 began on July 1, 2009 and ended on September 30, 2010.

Balances as of September 30, 2026 are as follows:

FY 2009	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($2,333.19)
Administrative Expenses	($81.27)
Amount Carried Forward / Backward	($725.97)
Amount Received from Rollover	$900.00
Potential Additional Disbursements on Committed FRNs	$0.00
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	($0.02)
Reserve for USAC Appeals	($0.12)
Reserve for FCC Appeals	($9.42)
Estimated Remaining Balance	**$0.01**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2010

Funding Year 2010 began on July 1, 2010 and ended on September 30, 2011.

Balances as of September 30, 2026 are as follows:

FY 2010	Amounts in Millions
Amount Authorized and Actually Collected	$2,270.25
Amount Authorized for Disbursement	($2,450.27)
Administrative Expenses	($75.33)
Amount Carried Forward / Backward	($741.34)
Amount Received from Rollover	$1,150.00
Amount Applied to Adjust Collections FY2004	($140.00)
Potential Additional Disbursements on Committed FRNs	($0.10)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Reserve for USAC Appeals	($0.02)
Reserve for FCC Appeals	($13.29)
Estimated Remaining Balance	**($0.10)**

Funding Year 2011

Funding Year 2011 began on July 1, 2011 and ended on September 30, 2012.

Balances as of September 30, 2026 are as follows:

FY 2011	Amounts in Millions
Amount Authorized and Actually Collected	$2,290.68
Amount Authorized for Disbursement	($2,151.28)
Administrative Expenses	($69.17)
Amount Carried Forward / Backward	($651.27)
Amount Received from Rollover	$850.00
Amount Applied to Adjust Collections FY2004	($250.00)
Potential Additional Disbursements on Committed FRNs	($0.83)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($17.85)
Estimated Remaining Balance	**$0.28**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2012

Funding Year 2012 began on July 1, 2012 and ended on September 30, 2013.

Balances as of September 30, 2026 are as follows:

FY 2012	Amounts in Millions
Amount Authorized and Actually Collected	$2,338.80
Amount Authorized for Disbursement	($2,373.87)
Administrative Expenses	($67.31)
Amount Carried Forward / Backward	($901.17)
Amount Received from Rollover	$1,050.00
Amount Applied to Adjust Collections FY2004	($40.00)
Potential Additional Disbursements on Committed FRNs	($0.01)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($6.45)
Estimated Remaining Balance	**($0.01)**

Funding Year 2013

Funding Year 2013 began on July 1, 2013 and ended on September 30, 2014.

Balances as of September 30, 2026 are as follows:

FY 2013	Amounts in Millions
Amount Authorized and Actually Collected	$2,380.30
Amount Authorized for Disbursement	($1,753.16)
Administrative Expenses	($62.90)
Amount Carried Forward / Backward	($881.10)
Amount Received from Rollover	$450.00
Amount Applied to Adjust Collections FY2004	($120.00)
Potential Additional Disbursements on Committed FRNs	$0.00
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($13.14)
Estimated Remaining Balance	**$0.00**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2014

Funding Year 2014 began on July 1, 2014 and ended on September 30, 2015.

Balances as of September 30, 2026 are as follows:

FY 2014	Amounts in Millions
Amount Authorized and Actually Collected	$2,413.82
Amount Authorized for Disbursement	($1,872.09)
Administrative Expenses	($74.94)
Amount Carried Forward / Backward	($651.63)
Amount Received from Rollover	$200.00
Potential Additional Disbursements on Committed FRNs	($0.02)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	($0.02)
Reserve for USAC Appeals	($0.56)
Reserve for FCC Appeals	($14.57)
Estimated Remaining Balance	**($0.01)**

Funding Year 2015

Funding Year 2015 began on July 1, 2015 and ended on September 30, 2016.

Balances as of September 30, 2026 are as follows:

FY 2015	Amounts in Millions
Amount Authorized and Actually Collected	$2,250.00
Amount Authorized for Disbursement	($2,793.58)
Administrative Expenses	($103.04)
Amount Carried Forward / Backward	($917.36)
Amount Received from Rollover	$1,575.05
Potential Additional Disbursements on Committed FRNs	($0.14)
Reserved for Invoices Awaiting Approval Expired FRNs	($0.01)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	($0.42)
Reserve for FCC Appeals	($10.60)
Estimated Remaining Balance	**($0.10)**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2016

Funding Year 2016 began on July 1, 2016 and ended on September 30, 2017.

Balances as of September 30, 2026 are as follows:

FY 2016	Amounts in Millions
Amount Authorized and Actually Collected	$1,842.25
Amount Authorized for Disbursement	($2,349.46)
Administrative Expenses	($120.35)
Amount Carried Forward / Backward	($1,254.03)
Amount Received from Rollover	$1,900.00
Potential Additional Disbursements on Committed FRNs	($0.35)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	($0.10)
Reserve for FCC Appeals	($17.92)
Estimated Remaining Balance	**$0.04**

Funding Year 2017

Funding Year 2017 began on July 1, 2017 and ended on September 30, 2018.

Balances as of September 30, 2026 are as follows:

FY 2017	Amounts in Millions
Amount Authorized and Actually Collected	$2,064.22
Amount Authorized for Disbursement	($2,004.31)
Administrative Expenses	($110.67)
Amount Carried Forward / Backward	($1,135.26)
Amount Received from Rollover	$1,200.24
Potential Additional Disbursements on Committed FRNs	($0.09)
Reserved for Invoices Awaiting Approval Expired FRNs	($0.01)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($14.18)
Estimated Remaining Balance	**($0.06)**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2018

Funding Year 2018 began on July 1, 2018 and ended on September 30, 2019.

Balances as of September 30, 2026 are as follows:

FY 2018	Amounts in Millions
Amount Authorized and Actually Collected	$1,629.45
Amount Authorized for Disbursement	($1,999.83)
Administrative Expenses	($97.28)
Amount Carried Forward / Backward	($703.52)
Amount Received from Rollover	$1,200.00
Potential Additional Disbursements on Committed FRNs	($0.11)
Reserved for Invoices Awaiting Approval Expired FRNs	($0.08)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($28.87)
Estimated Remaining Balance	**($0.24)**

Funding Year 2019

Funding Year 2019 began on July 1, 2019 and ended on September 30, 2020.

Balances as of September 30, 2026 are as follows:

FY 2019	Amounts in Millions
Amount Authorized and Actually Collected	$1,699.18
Amount Authorized for Disbursement	($2,029.06)
Administrative Expenses	($74.11)
Amount Carried Forward / Backward	($543.39)
Amount Received from Rollover	$1,000.00
Potential Additional Disbursements on Committed FRNs	($2.86)
Reserved for Invoices Awaiting Approval Expired FRNs	($0.03)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($49.49)
Estimated Remaining Balance	**$0.24**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2020

Funding Year 2020 began on July 1, 2020 and ended on September 30, 2021.

Balances as of September 30, 2026 are as follows:

FY 2020	Amounts in Millions
Amount Authorized and Actually Collected	$2,313.05
Amount Authorized for Disbursement	($2,047.11)
Administrative Expenses	($69.83)
Amount Carried Forward / Backward	($655.03)
Amount Received from Rollover	$500.00
Potential Additional Disbursements on Committed FRNs	($24.19)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($16.60)
Estimated Remaining Balance	**$0.29**

Funding Year 2021

Funding Year 2021 began on July 1, 2021 and ended on September 30, 2022.

Balances as of September 30, 2026 are as follows:

FY 2021	Amounts in Millions
Amount Authorized and Actually Collected	$2,373.25
Amount Authorized for Disbursement	($2,254.21)
Administrative Expenses	($66.61)
Amount Carried Forward / Backward	($305.71)
Amount Received from Rollover	$500.00
Potential Additional Disbursements on Committed FRNs	($12.19)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	$0.00
Reserve for Cybersecurity Pilot	($145.00)
Reserve for USAC Appeals	$0.00
Reserve for FCC Appeals	($5.88)
Estimated Remaining Balance	**$83.65**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2022

Funding Year 2022 began on July 1, 2022 and ended on September 30, 2023.

Balances as of September 30, 2026 are as follows:

FY 2022	Amounts in Millions
Amount Authorized and Actually Collected	$2,447.11
Amount Authorized for Disbursement	($2,357.84)
Administrative Expenses	($73.93)
Amount Carried Forward / Backward	($477.15)
Amount Received from Rollover	$500.00
Potential Additional Disbursements on Committed FRNs	($21.57)
Reserved for Invoices Awaiting Approval Expired FRNs	($0.01)
Remaining Uncommitted Requests	$0.00
Reserve for USAC Appeals	($8.38)
Reserve for FCC Appeals	($13.72)
Estimated Remaining Balance	**($5.49)**

Funding Year 2023

Funding Year 2023 began on July 1, 2023 and ended on September 30, 2024.

Balances as of September 30, 2026 are as follows:

FY 2023	Amounts in Millions
Amount Authorized and Actually Collected	$2,549.30
Amount Authorized for Disbursement	($2,215.95)
Administrative Expenses	($86.91)
Amount Carried Forward / Backward	($382.68)
Amount Received from Rollover	$250.00
Potential Additional Disbursements on Committed FRNs	($53.71)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	($3.28)
Reserve for USAC Appeals	($5.73)
Reserve for FCC Appeals	($10.38)
Estimated Remaining Balance	**$40.66**

Universal Service Administrative Company 1Q2027 Fund Size Projections

Funding Year 2024

Funding Year 2024 began on July 1, 2024 and ended on September 30, 2025.

Balances as of September 30, 2026 are as follows:

FY 2024	Amounts in Millions
Amount Authorized and Actually Collected	$2,606.79
Amount Authorized for Disbursement	($2,322.83)
Administrative Expenses	($82.07)
Amount Carried Forward / Backward	($402.62)
Amount Received from Rollover	$490.00
Potential Additional Disbursements on Committed FRNs	($183.54)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	($0.04)
Reserve for USAC Appeals	($0.62)
Reserve for FCC Appeals	($15.87)
Estimated Remaining Balance	**$89.20**

Funding Year 2025

Funding Year 2025 began on July 1, 2025 and ended on September 30, 2026.

Balances as of September 30, 2026 are as follows:

FY 2025	Amounts in Millions
Amount Authorized and Actually Collected	$2,502.70
Amount Authorized for Disbursement	($1,816.37)
Administrative Expenses	($83.67)
Amount Carried Forward / Backward	($109.49)
Amount Received from Rollover	$600.00
Potential Additional Disbursements on Committed FRNs	($841.12)
Reserved for Invoices Awaiting Approval Expired FRNs	$0.00
Remaining Uncommitted Requests	($143.46)
Reserve for USAC Appeals	($4.24)
Reserve for FCC Appeals	($2.34)
Estimated Remaining Balance	**$102.01**

SCHOOLS AND LIBRARIES SUPPORT MECHANISM SUMMARY

On March 25, 2026, the FCC announced the funding cap for Funding Year 2026 of $5,200.28 million.[67] This reflects a 2.8 percent inflation-adjusted increase to $5,058.64 million cap from Funding Year 2025.[68] The filing window for Funding Year 2026 closed on April 1, 2026. Based on applications received, USAC estimates demand for Funding Year 2026 will be $3,264.98 million (net of projected post window close adjustments).

In the 3Q2026 demand filing, USAC proposed to carry forward $600 million from prior funding years as follows, 2003: $0.42; 2004: $0.19 million; 2005: $1.70 million; 2006: $0.27 million; 2007: $0.29 million; 2008: $9.72 million; 2009: $0.56 million; 2010: $0.53 million; 2012: $5.09 million; 2013: $0.34 million; 2014: $1.54 million; 2015: $0.56 million; 2016: $1.33 million; 2017: $1.35 million; 2018: $0.84 million; 2019: $10.59 million; 2020: $69.71 million; 2021: $4.21 million; 2022: $38.10 million; 2023: $261.20 million, 2024: $275.98 million; and 2025: $109.48 million; (net of funds carried back to funding years with a negative carry forward balance). Based on further guidance provided by the FCC, USAC applied an additional $125 million to offset demand in 3Q2026, and $69 million from the Cybersecurity Pilot Program to offset demand for 4Q2026. Based on an estimated demand of $3,264.98 million and funds carried forward of $794 million, the 1Q2027 collection requirement for the Funding Year 2026 is $666.25 million.

The net fund requirement of $666.25 million is adjusted as follows: increased by the prior period adjustments of $37.67 million[69] and administrative expenses of $19.10 million;

[67] *See Wireline 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, Public Notice, DA 26-291(2026).
[68] *Id.*
[69] Prior period adjustments reconcile projections to actual results and include adjustments for billings, interest income, and bad debt.

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resulting in a total projected 1Q2027 funding requirement for the Schools and Libraries Support Mechanism of $723.02 million.

AUTHORIZATION TO FILE WITH THE COMMISSION

At their October 26, 2026 meetings, USAC's High Cost & Low Income, Schools and Libraries, and Rural Health Care Committees adopted resolutions authorizing USAC staff to file the 1Q2027 projected support mechanism funding requirements for those programs with the Commission. At its October 27, 2026 meeting, the USAC Board of Directors adopted a resolution authorizing USAC staff to file the 1Q2027 projected support mechanism funding requirements and include the projected 1Q2027 common administrative expenses in this report to the Commission.

Respectfully submitted,

UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY

Dale Francisco, Interim Chief Financial Officer

November 2, 2026