To: Universal Service Fund Working Group
From: All4Ed
Re: Request for Comment
Date: September 15, 2025

Thank you for the opportunity to provide recommendations regarding the future of the Universal Service Fund (USF). All4Ed is a national nonprofit organization whose mission is to ensure all students graduate from high school prepared for postsecondary education and lifelong success. We lead the Future Ready Schools initiative, a nationwide network of school districts that promotes innovation and provides professional learning opportunities that strengthen student outcomes in school, career, and life. Grounded in a comprehensive, research-based framework, FRS helps school and district administrators build leadership capacity and improve learning opportunities, particularly for students from marginalized backgrounds. Through this work, we see that reliable, affordable connectivity is a foundational imperative for teaching and learning.

High-speed internet is as essential to education today as traditional textbooks were 20 years ago. Nearly every school district in the country relies on E-Rate to help defray the cost of internet access, making E-Rate a critical component of the nation's educational infrastructure. Therefore, the solvency of USF and its support for E-Rate is critical. We are pleased to provide the following information and recommendations in response to the questions posed by the USF Working Group.

How should Congress evaluate the effectiveness of each USF program in achieving their respective missions to uphold universal service?

It is important for Congress to evaluate each USF program on how well it advances universal service. For E-Rate, that means assessing performance against its statutory mission: expanding affordable, reliable access to advanced communications for schools and libraries. While E-Rate is a vital part of educational infrastructure, it is not an instructional program. Learning outcomes (e.g., test scores) depend on many factors beyond connectivity, including funding, equitable access to high quality instruction, school leadership, and more. Evaluations should therefore focus on outcomes within E-Rate's purview, such as:

- Adoption: Do all eligible schools and libraries have access to high-speed broadband?
- Capacity and reliability: Do they meet or exceed FCC benchmark speeds and experience consistent performance sufficient for modern teaching and learning?
- Affordability: Are service prices sustainable, especially for rural, low-income, and other historically marginalized communities?

As technology evolves, Congress should work with the FCC to keep connectivity benchmarks current and ensure transparent, regular reporting to policymakers and the public on E-Rate's progress toward these goals.

How well has each USF program fulfilled Section 254 of the Communications Act of 1996?

Section 254 directs that elementary and secondary schools and libraries should have access to advanced communications services at discounted rates. E-Rate delivers on that charge at scale and with measurable results. From 2022–2024, E-Rate supported approximately 106,000 schools and 12,597 libraries with just over $7.02 billion for broadband and internal connections, benefiting roughly 54.4 million students nationwide.[1] In addition, the program has propelled steady progress toward modern targets: by 2023, nearly three-quarters of districts met or exceeded the 1 Mbps per-student goal, up sharply since 2020, reflecting both market discipline and sustained investment in internal connections and broadband backbones.[2]

Further, the Supreme Court recently affirmed the constitutionality of the USF framework and the FCC's authority to administer it under the principles set by Congress in Section 254.[3] This clarity supports continued investment and modernization within the statutory guardrails Congress established.

Has the FCC adequately assessed each USF program against consistent metrics for performance and advancement of universal service?

Consistent with E-Rate's statutory purpose, the FCC and stakeholders have appropriately focused on connectivity metrics rather than academic outcomes. In its most recent Section 706 Report, the FCC adopted a short-term goal of 1 Gbps per 1,000 students and staff and reported that 74% of school districts now meet this goal, a more than 57% increase since 2020. Moreover, in 2023, districts in 15 states exceeded the 80% threshold for meeting the goal, up from 9 states in 2020.[4]

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[1] Federal Communications Commission, *The Universal Service Fund: How It Impacts the United States*, (Fact Sheet, Aug. 8, 2024), https://docs.fcc.gov/public/attachments/DOC-404602A1.pdf. (106,000 schools; 12,597 libraries; $7,020,502,347; 54,367,186 students.)

[2] Connect K-12, *2023 Report on School Connectivity*, (Connected Nation/Funds For Learning, 2023), pp. 3, 6, https://connectk12.org/static/media/Connect_K12_Connectivity_Report_2023_FINAL.dfc96770.pdf (74% of districts meet the 1 Mbps/student goal; 27.1 million students; 57% increase since 2020.)

[3] *FCC v. Consumers' Research*, Nos. 24-354 & 24-422, slip op. at 1–3 (U.S. June 27, 2025), https://www.supremecourt.gov/opinions/24pdf/24-354_0861.pdf. (USF constitutional; FCC retains decision-making authority.)

[4] Federal Communications Commission, *2024 Section 706 Report*, GN Docket No. 22-270, FCC 24-27 (Mar. 18, 2024), p. 80, https://docs.fcc.gov/public/attachments/FCC-24-27A1.pdf. (Reporting the percentage of districts meeting the FCC's connectivity goal.)

Looking ahead, Congress can reinforce this outcomes-based approach by directing the FCC to (1) maintain clear short- and long-term connectivity goals aligned to evolving classroom needs; (2) report regularly on affordability (e.g., price per Mbps and total cost of ownership) and adoption (applicant participation and coverage); and (3) publish a public-facing dashboard so policymakers and the public can track progress and identify gaps across E-Rate and other USF programs.

What reforms within the four existing USF programs would most improve their:
- Transparency;
- Accountability;
-Cost-effectiveness;
- Administration; and
- Role supporting universal service?

Role supporting universal service?

- Clarify eligibility for off-campus learning: While E-Rate focuses on on-campus connectivity, the COVID-19 pandemic exposed off-campus gaps: nearly 16.9 million children lacked the high-speed home internet needed for online learning, disproportionately affecting one in three students of color and two in five rural students.[5] The Emergency Connectivity Fund, created by Congress through the American Rescue Plan Act, demonstrated the FCC's capacity to meet home-access needs rapidly and at scale: across three filing windows, applicants requested more than $9.3 billion; funding supported over 13.5 million connected devices and 8 million broadband connections, reaching about 18 million students—nearly one-third of U.S. K–12 students.[6]

  Congress should clarify by statute that E-Rate may support off-campus broadband for students, educators, and library patrons and allow funding for connected devices. Further, Congress should not limit the types of technologies that can be supported through E-Rate for this purpose. The ECF experience demonstrates the FCC's capacity to administer device and off-campus service support efficiently, and documented demand shows the ongoing need.

- Codify support for cybersecurity: Add explicit authority in Section 254 for cybersecurity measures (e.g., firewalls, intrusion detection/prevention, endpoint protection) required to keep school and library networks reliable and safe. The FCC has already established a three-year, up-to-$200 million K–12 Schools and Libraries

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[5] Alliance for Excellent Education; National Indian Education Association; National Urban League; UnidosUS, *Students of Color Caught in the Homework Gap*, (Aug. 2020), p. 1, https://futureready.org/wp-content/uploads/2020/08/HomeworkGap_FINAL8.06.2020.pdf. (16.9M children; 1 in 3 students of color; 2 in 5 rural students.)
[6] Federal Communications Commission, *Report and Order,* FCC 24-76 (July 29, 2024), p. 8, https://docs.fcc.gov/public/attachments/FCC-24-76A1.pdf. (More than 13.5M devices; 8M broadband connections; approximately 18M students; $9.3B requested.)

Cybersecurity Pilot Program, demonstrating both need and administrative capacity to evaluate cost-effective models.[7]

- Maintain transparency and accountability without undue burden: Maintain rigorous oversight and quality assurance, but right-size the process. E-Rate continues to be a very difficult program to administer, with many districts relying on external consultants to help manage the program.

What reforms would ensure that the USF contribution factor is sufficient to preserve universal service?

It is essential that Congress modernize and broaden the USF contribution base so support does not depend on shrinking legacy telecommunications revenues. The communications marketplace has transformed since the Telecommunications Act of 1996 was passed, when mobile service was nascent and social media nonexistent. Any revision to Section 254 will likely endure for years. To keep pace with rapid innovation including artificial intelligence and other emerging technologies, Congress should place USF on a durable financial foundation. Section 254 must continue to ensure that connectivity closes opportunity gaps.

In addition, we oppose shifting USF programs to annual appropriations. The volatility and uncertainty of the appropriations process would undermine multi-year planning by districts and libraries and jeopardize critical infrastructure upgrades. The Supreme Court's 2025 decision confirms Congress's authority to structure contributions consistent with intelligible principles; Congress should modernize the contributor base in that spirit.[8]

What reforms would reduce waste, fraud, and abuse in each of the four USF programs?

USF programs already operate with extensive oversight through USAC and the FCC. USAC publicly documents oversight processes and coordinates annually with the FCC on review procedures and structures that promote accountability and consistency. Strengthening simplicity is often the best anti-fraud policy: clearer eligibility rules, fewer forms, and targeted training reduce applicant error rates and processing delays, especially for small entities.

Available analyses demonstrate low improper payment rates in E-Rate in recent years. Specifically, the FCC reports an improper payment rate of 1.27%.[9] Any new anti-fraud

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[7] Federal Communications Commission, *Schools and Libraries Cybersecurity Pilot Program, Report and Order*, FCC 24-63 (adopted June 6, 2024; released June 11, 2024), https://docs.fcc.gov/public/attachments/FCC-24-63A1.pdf. (Establishes a three-year pilot providing up to $200 million.)
[8] *FCC v. Consumers' Research*
[9] Federal Communications Commission, *Agency Financial Report, Fiscal Year 2024* (DA 24-1142, Nov. 15, 2024), p. 100, https://www.fcc.gov/sites/default/files/FCC-Agency-Financial-Report-FY-2024-508.pdf. (Payment Integrity—USF Schools & Libraries table reporting total estimated improper payment rate of 1.27%.)

measures should be proportionate so they do not impose undue burdens that deter participation by under-resourced schools and libraries.

Conclusion

Sustaining and strengthening universal service is essential to America's educational infrastructure. While Congress modernizes Section 254 to reflect how and where learning happens today, E-Rate should continue to be judged on what it can directly deliver: affordable and reliable connectivity for schools and libraries. That means keeping clear connectivity and affordability benchmarks, enabling targeted support for off-campus access and cybersecurity, simplifying administration to reduce burdens on under-resourced applicants, and broadening the contribution base rather than shifting USF to annual appropriations. These steps will provide predictable, durable support so districts and libraries can plan multi-year upgrades, protect their networks, and ensure that connectivity closes opportunity gaps.

All4Ed stands ready to assist the Subcommittee and the FCC in implementing these reforms. Should you have any questions, please contact Phillip Lovell, Associate Executive Director, at plovell@all4ed.org.