

THE UNIVERSAL SERVICE FUND: HOW IT IMPACTS ARKANSAS

Under Threat by the Courts, FCC May Be Forced to End Vital Programs That Help Connect Schools and Libraries, Hospitals, Rural Areas & Low-Income Households

The Universal Service Fund is a \$8 billion decades-old mechanism created by Congress in 1996 to support vital communications investments where the marketplace falls short: connecting schools and libraries to high-speed internet; helping rural hospitals adopt telemedicine; ensuring low-income households have basic communications services; and investing in broadband in communities that need it most. As required by law, telecommunications carriers contribute a portion of their revenues to the Universal Service Fund.

The Fifth Circuit Court of Appeals recently held that the current administration of the Universal Service Fund is unconstitutional. Chairwoman Rosenworcel [called](#) the decision “misguided and wrong,” because it “upends decades of bipartisan support for FCC programs that help communications reach the most rural and least-connected households in our country, as well as hospitals, schools, and libraries nationwide.”

This decision breaks with rulings by the Sixth and Eleventh Circuits. Chairwoman Rosenworcel has said the agency will pursue all available avenues for review.

Why Does the Universal Service Fund Matter in Arkansas?

Connecting Schools and Libraries (E-Rate Program):

- From 2022-2024, 888 schools and 129 libraries received \$48,501,994 for broadband connectivity and internal connections.
- These programs benefited 437,972 students.

Broadband for Health Care Providers (Rural Health Care Program)

- From 2021-2023, 669 health care providers received \$30,509,422 for connections.
- One project received \$6,183,189 for the Connected Care Pilot Program, which explores how the Universal Service Fund can support telehealth beyond brick-and-mortar medical facilities.

Basic Phone and Internet for Low-Income Households (Lifeline Program)

- In March 2024, 79,188 subscribers received discounted phone and/or internet service.