



Board of Directors

Open Session Briefing Book

Available For Public Use

October 26, 2020

Virtual Meeting

Universal Service Administrative Company Offices

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

**Universal Service Administrative Company
Board of Directors Quarterly Meeting
Virtual Agenda**

USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

	OCTOBER 26, 2020 <u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of July 27, 2020, July 28, 2020, and September 29, 2020 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i>	5
Chair	a2. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Chair	a3. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	10
Charlie	a4. Approval of Connected Care Pilot Program 1st Quarter 2021 Demand Projection for the November 2, 2020 FCC Filing	5
Charlie	a5. Approval of USAC Common and Consolidated 1st Quarter 2021 Budgets for the November 2, 2020 FCC Filing	5
Kyle	i1. Enterprise Business Updates A. Information Technology Update	10

	OCTOBER 27, 2020 <u>EXECUTIVE SESSION</u> Confidential – <i>Executive Session Recommended</i>	<i>Estimated Duration in Minutes</i>
Radha	ii1. Enterprise Business Updates (<i>Continued</i>) B. CEO Update <ul style="list-style-type: none"> • July 2020 Board and Committee Recaps • COVID-19 Update 	10
Michelle Vic	<ul style="list-style-type: none"> • ERP Update • Supply Chain Order Update 	15 15
Chris	C. Enterprise Risk Management Update (<i>For Information only</i>) <ol style="list-style-type: none"> 1. Q3 2020 Update 2. Risk Management Council Minutes 	-
Chris	D. 1 Procurement Business Update (<i>For Information Only</i>) 2. Information on Vendor Selection	10
Charlie	E. Information on Contribution Factor	10

Chris	a6. Consideration of Task Award for Legacy Report Migration to Tableau Services	10
Chris	a7. Consideration of a Third One-Year Contract Option for Call Center Services	5
Chris	a8. Consideration of Contract Award for Acrobat Pro DC Licenses	5
Teleshia	i2. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–
Tamika	i3. <i>Personnel Matter:</i> Human Resources Business Update	15
Chair	i4. <i>Confidential Executive Session:</i> Board of Directors Only	30

Next USAC Board of Directors Meeting

<p>January 25-26, 2020 Virtual Meeting</p>
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**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

Consent Items

Action Requested

The USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Board is requested to approve the following items using the consent resolutions below:

- A. Board meeting minutes of July 27, July 28, and September 29, 2020 (*see Attachments A-1, A-2, and A-3*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
- (1) **ii** – Enterprise Business Updates.
- **B.** CEO Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - **C.** Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - **D.** Procurement Business Update and Information on Procurement Process. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - **E.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session*

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because it relates to *internal controls or confidential company data*, and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.

- (2) **a6** – Consideration of Contract Award for Legacy Report Migration to Tableau Service. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (3) **a7** – Consideration of a Third One-Year Contract Option for Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (4) **a8** – Consideration of Contract Award for Acrobat Pro DC Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (5) **i2** – Information on One Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *internal controls or confidential company data* and would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (6) **i3** – Personnel Matter: Human Resources Business Update. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *confidential company data* and *internal personnel matters*.
- (7) **i4** – Confidential Executive Session: Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

Upon request of a Board member, any one or more of the above items are available for discussion by the Board.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

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RESOLVED, that the USAC Board of Directors hereby approves:
(1) the Board meeting minutes of July 27, 2020, July 28, 2020, and September 29, 2020;
and (2) discussion in *Executive Session* of the items noted above.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Monday, July 27, 2020

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the quarterly *Open Session* meeting of the USAC Board of Directors (Board) was conducted by web conference on Monday, July 27, 2020. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:25 p.m. Eastern Time, with a quorum of 16 of the 19 Board members present:

Buzacott, Alan	Jacobs, Ellis
Choroser, Beth	Mason, Ken – Vice Chair
Domenech, Dr. Dan	Polk, Stephanie
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Waller, Jeff
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Chair	Wein, Olivia – Secretary
Gregory, Amber	Wibberly, Dr. Kathy

Mr. Tinic join the meeting at 12:32 p.m. Eastern Time. He did not vote on item a1.

Members of the Board not present:

Fontana, Brent
Schell, Julie Tritt – Treasurer

Officers of the corporation present:

Ayer, Catriona – Vice President of Shared Services
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Chief Administrative Officer
Davis, Craig – Vice President of Schools ad Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer

¹ Draft resolutions were presented to the Board prior to the Board meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Benham, Cathy	CMS Consulting Inc.
Butler, Stephen	USAC
Carroll, Kathy	CMS Consulting Inc.
DiVo, Victor	USAC
Goode, Vernell	USAC
Hamm, Aaron	USAC
James, Christine	USAC
Kriete, Debra	SECA
Lee, James	USAC
Mitchell, Tamika	USAC
Nelbach, Nick	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC
Tiwari, Tanya	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Mr. Gillan presented this item to the Board.

A. Approval of Board Meeting Minutes of April 28, 2020 and June 26, 2020.

On a motion duly made and seconded and after discussion, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors hereby approves the Board meeting minutes of April 28, 2020 and June 26, 2020.

a2. Reports from Committee Chairs: Audit Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee. The committee chairs reported on matters discussed and actions taken by their respective committees since the April 2020 quarterly meetings. Mr. Feiss reported for the Audit Committee; Mr. Mason reported for the High Cost and Low Income Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Dr. Domenech reported for the Schools and Libraries Committee.

a3. Approval of the Connected Care Pilot Program 4th Quarter 2020 Demand Projection for the July 31, 2020, FCC Filing. Mr. Salvator presented this item

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for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 4th Quarter 2020 demand projection for the July 31, 2020 FCC filing.

On a motion duly made and seconded and after discussion, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed at its meeting on July 27, 2020 the 4th Quarter 2020 Connected Care Pilot Program demand estimate of \$8.33 million, hereby directs USAC staff to proceed with the required July 31, 2020 filing to the FCC on behalf of the USAC Board of Directors.

- a4. Approval of USAC Common and Consolidated 4th Quarter 2020 Budgets for the July 31, 2020 FCC Filing.** Mr. Salvator presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 4th Quarter 2020 budgets for the July 31, 2020 FCC filing.

On a motion duly made and seconded and after discussion, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2020 common budget of \$25.90 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.90 million for common costs in the required July 31, 2020 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 4th Quarter 2020 consolidated budget of \$59.38 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.38 million for consolidated costs in the required July 31, 2020 filing to the FCC on behalf of the USAC Board of Directors.

ii. Enterprise Business Updates:

A. Information Technology Update. Mr. Hutchinson presented PowerPoint slides covering the following:

- Program Updates
- Enterprise Updates
- Compliance Updates
- Organization Updates

- IT Strategic Vision

On a motion duly made and seconded, the Board adjourned at 12:58 p.m. Eastern Time, with Mr. Gillan noting that an *Executive Session* meeting of the Board of Directors would be held on July 28, 2020.

/s/ Ernesto Beckford
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Tuesday, July 28, 2020

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the quarterly *Executive Session* meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, July 28, 2020. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:49 p.m. Eastern Time, with a quorum of 18 of the 19 Board members present:

Buzacott, Alan	Mason, Ken – Vice Chair
Choroser, Beth	Polk, Stephanie
Domenech, Dr. Dan	Schell, Julie Tritt – Treasurer
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Tinic, Atilla
Gerst, Matthew	Waller, Jeff
Gillan, Joe – Chair	Wade, Dr. Joan
Gregory, Amber	Wien, Olivia - Secretary
Jacobs, Ellis	Wibberly, Dr. Kathy

Member of the Board not present:

Fontana, Brent

Officers of the corporation present:

Ayer, Catriona – Vice President of Shared Services
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Chief Administrative Officer
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Enterprise Resource Program
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care

¹ Draft resolutions were presented to the Board prior to the Board meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
DiVo, Victor	USAC
Goode, Vernell	USAC
Hamm, Aaron	USAC
James, Christine	USAC
Lee, James	USAC
Mitchell, Tamika	USAC
Nelbach, Nick	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC
Tiwari, Tanya	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Mr. Gillan presented this item to the Board.

B. Approval of moving all *Executive Session* items into *Executive Session*:

(1) **i1** – Enterprise Business Updates.

- **B.** CEO Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- **C.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- **D.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *internal controls or confidential company data*, and may also include *pre-decisional matters pending before the FCC*. *In addition, 47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*

- (2) **a4** – Consideration of a Contact Award for the Fraud Risk Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (3) **i2** – Information on Two Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *internal controls or confidential company data* and would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.

On a motion duly made and seconded and after discussion, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors hereby approves discussion in *Executive Session* of the items noted above.

At 12:52 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items noted above. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

ii. Enterprise Business Updates:

B. CEO Update. Ms. Sekar, Ms. Ayer, and Ms. Garber presented PowerPoint slides covering the following:

- April 2020 Board and Committee Recaps
- COVID-19 Update
- Business and Enterprise System Realignment
- Shared Services – Enterprise Initiatives
- Business Systems

C. Procurement Business Update: Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included an update that provided an overview of major procurements completed in 2nd Quarter 2020 and 3rd Quarter anticipated activities.

D. Finance – Information on Contribution Factor. Mr. Salvator presented this item to the Board. The presentation included a written report providing USAC’s estimate for the 4th Quarter 2020 contribution factor.

a4. Consideration of Contract Award for Fraud Risk Assessment. Mr. Beyerhelm presented this item to the Board. The presentation included a written

summary and report detailing USAC management's recommendation to award a firm-fixed price contract to Grant Thornton LLP for the Fraud Risk Assessment.

On a motion duly made and seconded, and after discussion, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to award a firm fixed price (FFP) contract to Grant Thornton LLP for Fraud Risk Assessment. The contract is for a base period of twelve (12) months for a not-to-exceed amount of \$571,091.70 (plus applicable taxes), with the ability to exercise three additional one-year option terms at an average cost of \$456,150 per one-year option (plus applicable taxes), for a total not-to-exceed amount of \$1,939,541.70 (plus applicable taxes), subject to Federal Communications Commission and Board approval. USAC management also requests an additional 10 percent contingency reserve of the FFP in the base period in the amount of \$57,109.17 (plus applicable taxes) for a total not-to-exceed amount of \$1,996,650.87 (plus applicable taxes). Exercise of options to extend the contract beyond the initial twelve (12) month term are subject to FCC and Board approval.

- i2. **Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held.

OPEN SESSION

At 1:27 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Board took action on item a5 and discussed items i1B, i1C, and i1D.

On a motion duly made and seconded, the Board adjourned at 1:27 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Tuesday, September 29, 2020

(DRAFT) MINUTES¹

Due to the temporary closure of USAC's offices in Washington, D.C. in response to the COVID-19 pandemic, the non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, September 29, 2020. Mr. Joe Gillan, Board Chair, called the meeting to order at 2:02 p.m. Eastern Time, with a quorum of 15 of the 19 Board members present:

Buzacott, Alan	Mason, Ken – Vice Chair
Choroser, Beth	Gregory, Amber
Domenech, Dr. Dan	Jacobs, Ellis
Feiss, Geoff	Schell Julie Tritt – Treasurer
Fontana, Brent	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Wein, Olivia – Secretary
Gerst, Matt	Waller, Jeff
Gillan, Joe – Chair	

Mr. Atilla Tinic joined the conference at 2:21 p.m. Eastern Time. He did not participate in the discussion or vote on items a1 or a2.

Members of the Board not present:

Wade, Dr. Joan
Wibberly, Dr. Kathy

Officers of the corporation present by telephone:

Beyerhelm, Chris – Chief Administrative Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer

¹ Draft resolutions were presented to the Board prior to the Board meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
James, Christine	USAC
Morning, Kimberly	USAC
Nuzzo, Patsy	USAC
Samuels, Victoria	USAC

OPEN SESSION

- a1. **Consideration of Contract Award for the Financial Statement Audit and Agreed Upon Procedures (AUP) Audit.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

- a2. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

At 2:02 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. **Consideration of Contract Award for the Financial Statement Audit and Agreed Upon Procedures (AUP) Audit.** Mr. Beyerhelm presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed award for a firm-fixed-price contract for performance of the Financial Statement Audit and Agreed Upon Procedures Audit.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to award a

firm-fixed-price contract to PricewaterhouseCoopers LLP for performance of the Financial Statement Audit and Agreed Upon Procedures (AUP) Audit. The contract is for a base period of twelve (12) months for a not-to-exceed amount of \$1,135,000.00 (plus applicable taxes), with the ability to exercise four additional one-year option terms at an average cost of \$1,120,000.00 per one-year option (plus applicable taxes), subject to FCC and Board approval, for a total not-to-exceed amount of \$5,615,000.00 (plus applicable taxes). Exercise of options to extend the contract beyond the initial twelve (12) month term are subject to FCC and Board approval.

- a2. Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Beyerhelm presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed award for contracts to for medical and prescription drug benefits (collectively, medical benefits) and dental, vision, FMLA, life and disability benefits for calendar year (CY) 2021.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to FCC approval, to award a one-year contract for employee medical benefits to Cigna for a not-to-exceed cost of \$12,486,385 and to award a one-year contract to Guardian with a new 2-years rate guarantee for dental, and a one-year rate guarantee for FMLA, vision, life, and disability benefits, at a not-to-exceed cost of \$1,371,621. The total estimated costs for the 2021 USAC employee benefits program is \$13,858,007.

OPEN SESSION

At 2:20 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Board discussed and took action on items a1 and a2.

On a motion duly made and seconded, the Board adjourned at 2:22 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Appointment of a Nominating Committee and Direction to Committees for the
Nomination of Committee Chairs and Vice Chairs**

Action Requested

The USAC Board of Directors (Board) is requested to appoint a Nominating Committee (Committee) consisting of members of the Board for the purpose of soliciting nominations and recommending to the Board a slate of candidates for each of USAC's corporate officer positions, assisting the Audit (AC), High Cost & Low Income (HCLI), Rural Health Care (RHC), and Schools & Libraries (SL) committees in identifying Board members to serve as committee chair and vice chair for each committee, and assisting committees in filling at-large seats.

Function of the Nominating Committee

USAC's By-laws require an annual election of officers to be held at the first quarterly meeting of the Board of Directors in any given year. The Nominating Committee of the USAC Board of Directors is appointed at the October Board meeting in anticipation of the January elections and appointments. At times, the Nominating Committee is appointed and called upon to meet off-cycle, as needed, to ensure key positions are filled.

At the October 25, 2016 meeting, the Board adopted a Nominating Committee Charter (Charter) to memorialize the Board's ongoing practice of appointing a Nominating Committee to assume certain responsibilities associated with the annual elections. As prescribed in the Charter, members of the Nominating Committee, including a Nominating Committee Chair, are appointed annually by the Chair of the Board and each member shall hold office until their resignations, removal by the Board, or until their successors are duly appointed by the Chair of the Board.¹ The Board appoints a Nominating Committee to assume the responsibility of: (i) soliciting nominations and recommending to the Board a slate of candidates for each of USAC's corporate officer positions (i.e., Board Chair, Vice Chair, Treasurer, Secretary, Assistant Treasurer, and Assistant Secretary); (ii) assisting the Audit, HCLI, RHC, and SL committees in identifying Board members to serve as committee chair and vice chair for each committee; and (iii) assisting committees in filling at-large seats.²

¹ See Universal Service Administrative Company Nominating Committee Charter, Section B (October 2016) (Nominating Committee Charter).

² See Nominating Committee Charter, Section A.

Establishment of a Nominating Committee and Selection of Officers

The USAC Board Chair recommends that the Board appoint _____ as Nominating Committee Chair and _____ and _____ as members of the Nominating Committee.

New officer terms will begin when elected, which is presently planned to occur at the January 25, 2021 Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Joe Gillan
Vice Chair	Ken Mason
Secretary	Olivia Wein
Treasurer	Julie Tritt Schell
Chief Executive Officer ³	Radha Sekar
Assistant Secretary	Ernesto Beckford, Vice President and General Counsel
Assistant Treasurer	Charles Salvator, Vice President of Finance and Chief Financial Officer
USAC Staff ⁴	<ul style="list-style-type: none"> • Catriona Ayer – VP of Shared Services • Chris Beyerhelm – Chief Administrative Officer • Craig Davis – VP of Schools and Libraries • Victor Gaither – VP of High Cost • Michelle Garber – VP of Enterprise Resource Program • Kyle Hutchinson – VP of IT and Chief Information Officer • Mark Sweeney– VP of Rural Health Care • Teleshia Delmar – VP of Audit and Assurance

Appointment of Board Members to Committees

³ The Chief Executive Officer (CEO) is elected to a term coincident with the term of the CEO’s employment and is not elected annually.

⁴ The Board determined that each vice president shall be designated an officer of the corporation immediately upon his or her assumption of the duties of the position and shall serve as such until his or her employment in such position with USAC terminates for any reason or is removed by the Board or the CEO from such position; therefore, these positions are not elected annually. However, the positions of Assistant Secretary and Assistant Treasurer are elected annually.

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on July 27, 2019 of the terms of six Board members expiring on December 31, 2020. On August 13, 2020, the Federal Communications Commission (FCC) issued a Public Notice (PN) seeking nominations for the seats held by these Board members. The directors whose terms expire on December 31, 2020 and their current committee memberships and officer positions (if any) are as follows:

Director	Representing	Committee Assignments / Officer Position
Geoffrey A. Feiss	Representative for incumbent local exchange carriers (non-Bell Operating Companies) with \$40 million or less in annual revenues	AC (Chair/At-large) Executive Committee (AC Chair) HCLI (Rural ILEC Representative) Executive Compensation Committee
Joseph Gillan	Representative for competitive local exchange carriers	Executive Committee (Board Chair) HCLI (CLEC Representative) AC (HCLI Representative); Executive Compensation; Committee (Non-voting member)
Ellis Jacobs	Representative for low-income consumers	HCLI (Low Income Consumer Representative)
Atilla Tinic	Representative for interexchange carriers with annual operating revenues of \$3 billion or less	AC (At-Large) HCLI (IXC Representative) RHC (Service Provider Representative)
Dr. Joan H. Wade	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules.	SL (Schools Representative); Executive Compensation Committee; RHC (At-large)
Dr. Katharine Hsu Wibberly,	Representative for rural health care providers that are eligible to receive supported services pursuant to section 54.601.	Executive Committee (RHC Chair); Executive Compensation; Committee; RHC (Chair/Rural Health Care Provider Representative)

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 25, 2021 meeting nominations for the elected USAC officer positions; and

RESOLVED FURTHER, that the USAC Board of Directors appoints _____ as Nominating Committee Chair and _____ and _____ as members of the Nominating Committee; and

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board at the January 25, 2021 meeting nominations for a chair and vice chair of each respective committee.

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Approval of Connected Care Pilot Program
1st Quarter 2021 Demand Projection for the November 2, 2020 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2021 (1Q2021) Connected Care Pilot Program demand projection for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2020 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC projected demand for the upcoming quarter.¹

On April 2, 2020, the FCC issued Order FCC 20-44, establishing the Connected Care Pilot Program within the Universal Service Fund (Fund) making an additional \$100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, which focused primarily to low-income or veteran patients.² The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.³ 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 income consumers and veterans.⁴ 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.⁵

¹ See 47 C.F.R. § 54.709(a)(3).

² 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).

³ *Id.*, para. 42.

⁴ *Id.*, para. 5.

⁵ *Id.*, paras. 38, 42.

Funding Requirement

USAC estimates the 1Q2021 funding requirement for the Connected Care Pilot Program as follows:

<i>(in millions)</i>	4Q2020	Increase/ (Decrease)	1Q2021	Notes
Connected Care Pilot Program	\$8.33	\$0.00	\$8.33	

Recommendation:

USAC management recommends that the Board approve the 1Q2021 projection of demand as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors, having reviewed at its meeting on October 26, 2020 the 1st Quarter 2021 Connected Care Pilot Program demand estimate of \$8.33 million, hereby directs USAC staff to proceed with the required November 2, 2020 filing to the FCC on behalf of the USAC Board of Directors.

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Approval of USAC Common and Consolidated
1st Quarter 2021 Budgets for the November 2, 2020 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2021 (1Q2021) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2020 quarterly filing.

Discussion:

Based on the projected burn rate, USAC estimates a 1Q2021 USAC consolidated budget of \$58.91 million, which includes \$31.66 million in direct program costs and \$27.25 million in common indirect costs.

<i>(\$ in millions)</i>	4Q2020 Budget	Increase/ (Decrease)	1Q2021 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.90	(\$0.52)	\$6.38
Lifeline	11.50	(1.10)	10.40
Rural Health Care	2.76	1.09	3.85
Schools & Libraries	12.32	(1.29)	11.03
Total Direct Program & Direct Assigned Costs	\$33.48	(\$1.82)	\$31.66
Common Costs			
Employee Expenses	\$15.25	(\$0.99)	\$14.26
Professional Services	4.77	1.81	6.58
General & Administrative (Note 1)	5.88	0.53	6.41
Total Common Costs	\$25.90	\$1.35	\$27.25
Total Consolidated Costs	\$59.38	(\$0.47)	\$58.91

Note 1: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, and data collection billing revenue.

A comparison of actual common and consolidated expenditures to the budget for the nine months ending September 30, 2020 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Board approve the 1Q2021 budgets as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2021 common budget of \$27.25 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$27.25 million for common costs in the required November 2, 2020 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 1st Quarter 2021 consolidated budget of \$58.91 million; and

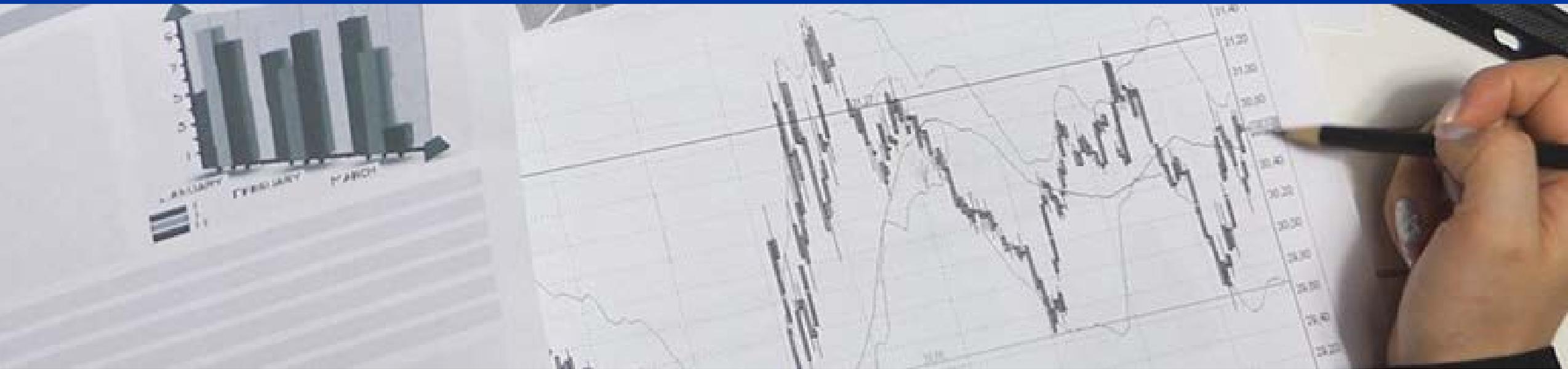
RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$58.91 million for consolidated costs in the required November 2, 2020 filing to the FCC on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Nine Months Ending September 30, 2020

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	63	62	(1)	\$12.12	\$22.55	\$10.43
Lifeline	79	84	5	25.91	37.84	11.93
Rural Health Care	55	59	4	8.48	9.84	1.36
Schools & Libraries	77	78	1	30.20	37.66	7.46
Total Direct Program & Direct Assigned Costs	274	283	9	\$76.71	\$107.89	\$31.18
Common Costs						
Employee Expenses	352	365	13	\$39.40	\$37.59	(\$1.81)
Professional Services				12.51	15.19	2.68
General & Administrative (Note 2)				16.47	19.58	3.11
Total Common Costs	352	365	13	\$68.38	\$72.36	\$3.98
Total Consolidated Costs	626	648	22	\$145.09	\$180.25	\$35.16

Note 2: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, data collection billing revenue, and interest income.



Information Technology Update

Board of Directors Meeting

October 26, 2020

Agenda – Information Technology (IT)

Updates	Description	Purpose	Presenter	Length
Compliance Updates	<ul style="list-style-type: none">• 508 Compliance Status / External 508 Vendor Testing Updates• FISMA Status	Informational	Kyle	5 min
IT Performance Measures & SLAs	<ul style="list-style-type: none">• IT Infrastructure & Operations Metrics	Informational	Kyle	2 min
E-Gov Assessment Update	<ul style="list-style-type: none">• E-Gov Assessment Update	Informational	Kyle	3 min
Appendix	Glossary	Informational		

508 Compliance Updates

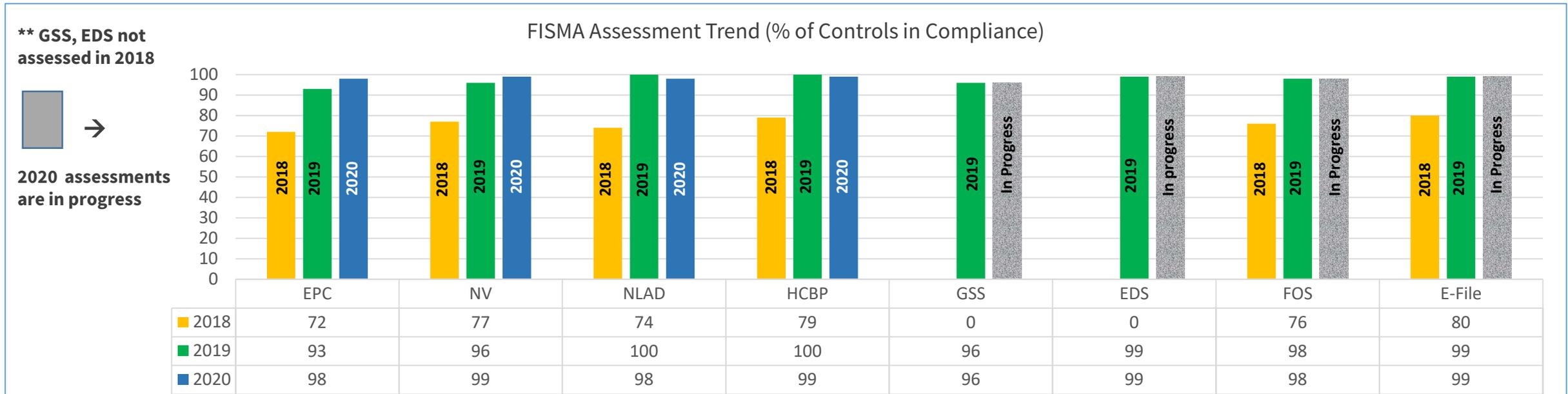
USAC’s goal is to achieve 95% or higher on 508 Compliance score. Eighteen (18) applications have been brought into compliance to date and six remaining applications are on track with the December 2020 compliance date.

Area	USAC System	Planned Compliance Date	Current Status
Lifeline	National Verifier (NV)	December 2020	91% compliance score
	National Lifeline Accountability Database (NLAD)	December 2020	83% compliance score
	Representative Accountability Database (RAD)	Compliant	98% compliance score
	Funding Disbursement Search	December 2020	87% compliance score
	Companies Near Me	Compliant	100% compliance score
	Lifeline Claims System (LCS)	Compliant	97% compliance score
High Cost	High Cost Universal Broadband (HUBB)	Compliant	95% compliance score
	Middle Mile	Compliant	95% compliance score
	Performance Measures MVP	December 2020	91% compliance score
	State Access Tool	Compliant	100% compliance score
	CAF Map	October 2020	90% compliance score
Schools & Libraries	E-Rate Productivity Center (EPC)	Compliant	95% compliance score
USF Finance	E-File and One Portal	Compliant	100% compliance score
Corporate Systems	USAC Public Website	Compliant	97% compliance score



External testing vendor delivered recommendations that were found by both automated 508 scanning technology and specialized manual human testing observations. USAC has a plan to address recommended fixes for general usability in early 2021.

FISMA Update



Major Accomplishments and Initiatives

- All Major Systems have achieved and maintained ATO
- Early integration of Information Security Program into upcoming system development
- Leading and supporting cloud adoption and security monitoring capabilities

IT Performance Measures & SLAs

- USAC has a daily average of 890 remote users (via VPN = 650, CITRIX = 240) accessing USAC infrastructure systems during the pandemic.
- Achieved 99.97% system uptime and availability with the increased number of remote users from March to October of 2020.
- Implemented and institutionalized the Requirements Control Board to fully evaluate new projects by key stakeholders and prioritize based on the value generated. Lifeline IT's demand shaping pilot has already saved approximately five months worth of IT development effort.
- Streamlined delivery across IT by following a uniform approach across the IT teams and introducing more automation. This approach reduced the regression testing time spent on repetitive tasks by 30% while the quality of release increased with fewer defects.

E-Gov Assessment Update

Business Risks

1. RHC Out-of-Support Systems
2. E-rate Out-of-Support Invoicing System
3. Lifeline Calculation System
4. High Cost Out-of-Support Calculation System
5. Finance Key functions in Desktop Systems

Lack of Automation

1. RHC: System support for reviews non-existent
2. Lifeline: Data verification reviews not automated
3. High Cost: Extensive data validation & reviews unsupported
4. E-rate: Extensive manual processes for invoicing

Financial Operations Consolidation

1. Processes, Systems, Procedures overlapping across USF Programs and USF Finance

Improve UX

1. Inconsistent User Interfaces across USF program Web Apps
2. 508 Compliance required
3. User assistance is needed for complex forms

Status Summary

1. RHC: Assessment complete; Planning in-progress
2. E-rate: Evaluation of legacy systems are underway
3. Lifeline: Finished updating Calculation System
4. High Cost: HCLI as-is complete; Visioning future
5. Finance: Modernization efforts are underway

1. RHC: Currently planning New RHC
2. Lifeline: Now developing Business Requirements
3. High Cost: Visioning for modernizing HCLI
4. E-rate: Evaluation of legacy systems are underway

1. Modernization efforts are underway

1. Improved consistency of UIs via common tech
2. External facing Apps are achieving 94% average compliance scores
3. Reviewing new technologies to improve user experience

Appendix A: Glossary of Terms

Acronym	Definition
ADP	HR and Payroll System
AWS	Amazon Web Services
CAF Map	Connect America Fund Map
Coupa	Procurement System
E-Gov Assessment	The assessment performed by a Third Party Professional Services firm of USAC IT.
ELAP	Eligible Locations Adjustment Process – High Cost subsystem of the High Cost Universal Broadband Portal
EPC	E-rate Productivity Center is the account and application management portal for the Schools and Libraries (E-rate) Program. Applicants, consultants, and service providers participating in the E-rate Program use this tool to manage program processes and to submit questions.
ERP	Enterprise Resource Planning system
GSS	General Support Systems

Appendix A: Glossary of Terms

Acronym	Definition
LCS	Lifeline Claims Systems
NLAD	National Lifeline Accountability Database: An existing system that allows service providers (SPs) to check on a real time, nationwide basis whether a consumer is already receiving a Lifeline Program-supported service, and to maintain records of Lifeline subscribers.
NV	National Verifier: A framework of systems and processes for which roll out is in progress that will conduct eligibility determinations and other functions necessary to enroll subscribers into the Lifeline program, transferring the responsibility from ETCs.
PMM	Performance Measurements Module (High Cost application)
RAD	Representative Accountability Database, which is being developed to register and monitor Eligible Telecommunication Carriers' (ETC) representatives who perform transactions in Lifeline systems. The RAD will track the representatives' activities to identify unusual, suspicious and potentially inappropriate behavior, and restrict their system access where appropriate.
RDOF	Rural Digital Opportunity Fund – High Cost subsystem

Appendix B: USAC 508 Compliance Project Timeline

Phase I

- Project Initiation & Planning
- Application Inventory Identification
- Tool Procurement
- Policy Development
- Training
- Initial Compliance Scoring
- Implementation Planning
- Schedule Development

Phase II

- Continued Scanning and Baselining
- Lifeline Support made compliant
- USAC Public Website made compliant
- One Portal made compliant

Phase III

- Remaining in-scope applications made compliant
- Disability Testing for selected Applications

