



Board of Directors

Briefing Book

July 27, 2021

9:00 a.m. - 2:00 p.m. Eastern Time

Available for Public Use

Universal Service Administrative Company

700 12th Street NW, Suite 900

Washington, DC, 20005

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

<p>Tuesday, July 27, 2021 9:00 a.m. – 2:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
--

	<u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of Board of Directors Meeting Minutes of April 26 and 28, May 7, May 21, and May 25, 2021</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p>	5
Chair	a2. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Charlie	a3. Approval of Connected Care Pilot Program 4th Quarter 2021 Budget and Demand Projection for the August 2, 2021 FCC Filing	5
Mark	i1. Connected Care Pilot Program (<i>For Information Only</i>)	-
Charlie	a4. Approval of USAC Common and Consolidated 4th Quarter 2021 Budgets for the August 2, 2021 FCC Filing	10
Radha	<p>i2. Enterprise Business Updates</p> <p style="padding-left: 20px;">A. CEO Update:</p> <ul style="list-style-type: none"> ○ Back to Office ○ Appropriation Program Status 	15

	<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended	<i>Estimated Duration in Minutes</i>
Radha Kyle James / Christine/ Emilie	<p>i3. Enterprise Business Updates (<i>Continued</i>)</p> <p style="padding-left: 20px;">A. CEO Update</p> <ul style="list-style-type: none"> ● Ransomware ● Appropriated Programs Update <ol style="list-style-type: none"> 1. Emergency Broadband Benefit Program Update 2. Round 2 COVID-19 Telehealth Program Update 3. Emergency Connectivity Fund Update 	20
Chris	<p style="padding-left: 20px;">B. Enterprise Risk Management Update:</p> <ol style="list-style-type: none"> 1. Q2 2021 Risk Management 2. Risk Management Council Minutes <p style="text-align: center;"><i>(For Information Only)</i></p>	-

Available For Public Use

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	C. 1. Procurement Update (<i>For Information Only</i>) 2. Contracting Approach and Vendor Performance Administration	- 30
Charlie	D. Information on Contribution Factor	5
Chris	a5. Consideration to Contract Modification for Cisco Spark Flex	5
Chris	a6. Consideration of Task Order Award for Geographic Information System Mapping	5
Chris	a7. Consideration of Contract Award for Palo Alto	5
Chris	a8. Consideration of Budget Realignment and Additional Funding for the Information Security Program Contract	5
Chris	a9. Consideration of Contract Award for Atlassian	5
Chris	a10. Consideration to Exercise Option Year and Add Time and Materials Component for Analysis and Project Management Office Support for the Enterprise Resource Planning System	5
Chris	a11. Consideration of a Contract Award for Governance, Risk and Compliance Solution	5
Chris	a12. Consideration of a Contract Awards for the National Supply Chain Audits	5
Charlie	i4. Acceptance of USAC’s 2020 Annual Financial Audit and Agreed-Upon Procedures Review (<i>Same as aAC02cf</i>)	10
Teleshia	i5. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. (<i>For Information Only</i>)	-
Tamika	i6. Human Resource Business Update	15
Chair	i7. Confidential Executive Session: Board of Directors Only	30

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, October 26, 2021 9:00 a.m. – 1:30 p.m. Eastern Time USAC Offices, Washington, D.C.</p>

**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 April 26 and 28, May 7, May 21, and May 25, 2021 (see Attachments A-1 through A-5).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
- (1) **i3** – Enterprise Business Updates (*Continued*).
- A. CEO Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or discussion related to USAC's *procurement strategy and contract administration*.
- B. Enterprise Risk Management 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. 1. Procurement Business Update. 2. Contracting Approach and Vendor Performance Administration. 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 *specific internal controls or confidential*

Available for Public Use

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) **a5** – Consideration of Contract Modification for Cisco Spark Flex. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (3) **a6** – Consideration of Task Order Award for Geographic Information System Mapping. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (4) **a7** – Consideration of Contract Award for Palo Alto. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (5) **a8** – Consideration of Budget Realignment and Additional Funding for the Information Security Program Contract. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **a9** – Consideration of Contract Award for Atlassian. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (7) **a10** – Consideration to Exercise Option Year and Add Time and Materials Component for Analysis and Project Management Office Support for the Enterprise Resource Planning System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (8) **a11** – Consideration of Contract Award for Governance, Risk and Compliance Solution. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (9) **a12** – Consideration of Contract Awards for National Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.

- (10) **i4** – Acceptance of USAC’s 2020 Annual Financial Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures.
- (11) **i5** – Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific 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*.
- (12) **i6** – Human Resource Business Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
- (13) **i7** – 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:

RESOLVED, that the USAC Board of Directors hereby approves:
(1) the Board meeting minutes of April 26 and 28, May 7, May 21, and May 25, 2021;
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, April 26, 2021

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the *Open Session* portion of the quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Monday, April 26, 2021. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:55 p.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Buzacott, Alan	Polk, Stephanie
Choroser, Beth	Schell, Julie Tritt – Treasurer
Fontana, Brent	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Skrivan, Michael
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Chair	Waller, Jeff
Gregory, Amber	Wein, Olivia – Secretary
Jacobs, Ellis	Wibberly, Dr. Kathy
Mason, Ken – Vice Chair	

Board members not present:

Domenech, Dr. Dan
Feiss, Geoff

Officers of the corporation present:

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 Resources Program and Acting Vice President of Shared Services
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Morning, Kimberly – Acting Vice President and General Counsel, and Assistant Secretary

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.

Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Alfred, Kraynal	USAC
Ayer, Catriona	USAC
Butler, Stephen	USAC
Crawford, Katherine	USAC
DiVo, Victor	USAC
Glisson, Connor	USAC
Goode, Vernell	USAC
James, Christine	USAC
Kriete, Debra	State E-Rate Coordinators' Alliance
Lee, James	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Scott, Latoya	Federal Communications Commission
Sherwood, Nicole	USAC
Spead, Laura	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 January 25, January 27, February 3, February 4, February 18, March 10, March 18, and April 9, 2021.

B. Approval of moving all *Executive Session* Items into *Executive Session*.

(1) i3 – Enterprise Business Updates (*Continued*).

A. CEO Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or discussion related to USAC's procurement strategy and contract administration.

B. Information Technology 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. This item may also include discussion of USAC's *procurement strategy and contract administration*.

C. Enterprise Risk Management 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.

D. Procurement Update. 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* 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) **a5** – Consideration for Contract Award for Red Hat Linux Enterprise License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (3) **a6** – Consideration to Exercise Contract Option for Chief Information Security Officer Advisory Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (4) **a7** – Consideration of Contract Award for Amazon Web Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (5) **a8** – Consideration of Contract Award for Dell/EMC Transformational License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **a9** – Consideration of Task Order Award for Open Data Platform Retooling Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (7) **a10** – Consideration of Task Order Modification for Software Development Life Cycle Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (8) **a11** – Consideration to Exercise Option Year for Statistician Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (9) **a12** – Consideration of Contract Modification for Emergency Connectivity Fund Business Process Outsourcing. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (10) **i5** – Contributor Revenue Audit Overview. 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*.
- (11) **i6** – Confidential *Executive Session*: Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

- C. Resolution Honoring a USAC Staff Member Whose Service Has Recently Concluded. The Board would like to recognize and honor Mr. Ernesto Beckford, who retired from USAC in January 2021. Mr. Beckford began his USAC career in 2017 as Deputy General Counsel, and was promoted to General Counsel in 2018. The Board and USAC management are extremely appreciative of Mr. Beckford's dedication, legal expertise, and service in support of universal service. We wish him the best in his retirement.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of January 25, January 27, February 3, February 4, February 18, March 10, March 18, and April 9, 2021; and (2) discussion in *Executive Session* of the items noted above; and

RESOLVED FURTHER, that the USAC Board of Directors hereby expresses its sincere appreciation for Mr. Ernesto Beckford for his dedicated service and legal expertise, and wish him the best in his retirement.

- a2. **Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Identifying that most Board members attended the meetings earlier in the day, the reports from the Committee Chairs were not presented.
- a3. **Approval of Connected Care Pilot Program 3rd Quarter 2021 Budget and Demand Projection for the April 30, 2021 FCC Filing.** Mr. Salvator presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 3rd Quarter 2021 demand projection for the April 30, 2021 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 3rd Quarter 2021 Connected Care Pilot Program direct budget of \$0.28 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.28 million for Connected Care Pilot Program administrative costs in the required April 30, 2021 filing to the FCC on behalf of the Board; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed at its meeting on April 26, 2021 the 3rd Quarter 2021 Connected Care Pilot Program demand estimate of \$8.59 million, hereby directs

USAC staff to proceed with the required April 30, 2021 filing to the FCC on behalf of the USAC Board of Directors.

- i1. **Connected Care Pilot Program Update.** Mr. Gillan noted that the report was provided for *information only* and would be posted on USAC's public website. No discussion was held.

- a4. **Approval of USAC Common and Consolidated 3rd Quarter 2021 Budgets for the April 30, 2021 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 3rd Quarter 2021 budgets for the April 30, 2021 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 3rd Quarter 2021 common budget of \$28.88 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$28.88 million for common costs in the required April 30, 2021 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 3rd Quarter 2021 consolidated budget to administer the USF of \$59.83 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.83 million for consolidated costs in the required April 30, 2021 filing to the FCC on behalf of the USAC Board of Directors.

- i2. **Enterprise Business Updates:**
 - A1. **Tribal Update.** Ms. Alfred presented a PowerPoint presentation identifying the cycle of internal and external tribal engagements and provided an overview and examples of strategic tribal outreach.

 - A2. **Supply Chain Outreach Plan.** Ms. Spעד presented the goal and various approaches to the Supply Chain outreach including a 2021 Activities Timeline.

 - B. **Emergency Broadband Benefit Program.** Mr. Lee presented a PowerPoint presentation summarizing the benefits of the Program, identifying the high level activities for Program administration and an update on the status of the outreach, the IT systems, staffing and financial processing of obligations and payments.

C. COVID-19 Telehealth Program. Ms. James presented a PowerPoint presentation providing background, requirements, the Program lifecycle and an update on outreach, the system, and operations.

At 1:52 p.m. Eastern Time, on a motion duly made and seconded, the Board adjourned until April 28, 2021 at approximately 10:00 a.m. Eastern Time.

/s/ Kimberly Morning
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Wednesday, April 28, 2021

(DRAFT) MINUTES¹

Due to the COVID-19 pandemic, USAC continued mandatory telework; therefore the *Executive Session* portion of the quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Wednesday, April 28, 2021. The Board meeting continued from the April 26, 2021 *Open Session* portion of the meeting. Mr. Joe Gillan, Board Chair, called the meeting to order at 10:01 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Buzacott, Alan	Polk, Stephanie
Choroser, Beth	Schell, Julie Tritt – Treasurer
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Skrivan, Michael
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Chair	Waller, Jeff
Gregory, Amber	Wein, Olivia - Secretary
Jacobs, Ellis	Wibberly, Dr. Kathy
Mason, Ken – Vice Chair	

Ms. Sarah Freeman joined the meeting at 10:15 a.m. Eastern Time. She participated in the discussion of and voted on all items.

Member of the Board not present:

Feiss, Geoff

Officers of the corporation present:

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 Resources Program and Acting
Vice President of Shared Services
Hutchinson, Kyle – Vice President of IT and Chief Information Officer

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.

Morning, Kim – Acting Vice President and General Counsel, and Assistant Secretary

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

Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Crowe, Jennifer	USAC
DiVo, Victor	USAC
Faulb, Justin	FCC
Glisson, Connor	USAC
Goode, Vernell	USAC
James, Christine	USAC
Lee, James	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Palmer, Ryan	FCC
Sherwood, Nicole	USAC
Tiwari, Tanya	USAC

OPEN SESSION

At 10:01 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. The Board approved discussing confidential items in *Executive Session* on Monday, April 26, 2021. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i3. A. CEO Update. Ms. Sekar provided an overview of recapped items from the January 2021 Board and committee meetings. Mr. Davis provided a PowerPoint presentation reviewing appropriated programs funding augmentation as a part of the 2021 annual budget and background to the Emergency Connectivity Fund Program. Mr. Palmer and Mr. Faulb provided information on the Federal Communications Commission's National Supply Chain rules and regulations and responded to Board questions.

B. Information Technology Update. Mr. Hutchinson presented to the Board a PowerPoint presentation that provided updates on USAC's IT security and compliance.

Available For Public Use

C. Enterprise Risk Management Update. Mr. Gillan noted that the report was provided for *information only*. No discussion was held.

- Q1 2021 Risk Management
- Risk Management Council Minutes

D. 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 1st Quarter 2021 and 2nd Quarter 2021 anticipated activities.

E. Information on Contribution Factor. Mr. Salvator presented this item to the Board. The presentation included a written report providing USAC's estimate of the 3rd Quarter 2021 contribution factor.

- a5. Consideration of Contract Award for Red Hat Linux Enterprise License Agreement.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a contract for the renewal of its Red Hat Enterprise License Agreement.

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, hereby authorizes USAC management to award a firm-fixed price contract for a Red Hat Enterprise License Agreement, effective May 21, 2021 through July 23, 2024, to Axelliant, LLC for a total not-to-exceed price of \$1,440,087.13 (plus applicable taxes).

- a6. Consideration to Exercise Contract Option Year for Chief Information Security Officer Advisory Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report requesting authorization for USAC to exercise the first one-year option to extend its firm fixed price contract for Chief Information Security Officer advisory services.

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, hereby authorizes USAC management to exercise the first one-year option to extend its firm fixed price contract to Kybernet for Chief Information Security Officer advisory services, for a not-to-exceed amount of \$362,355 (plus applicable taxes) over the one-year option period, subject to required Federal Communications Commission approval.

- a7. **Consideration of Contract Award for Amazon Web Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a contract for Amazon Web Service GovCloud hosting services.

On a motion duly made and seconded, with Mr. Fontana abstaining, and after discussion, 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 required Federal Communications Commission approval, to award a twelve (12) month, firm-fixed price contract for AWS GovCloud hosting services to Amazon Web Services, Inc. for a total not-to-exceed price of \$400,000.00 (plus applicable taxes).

- a8. **Consideration of Contract Award for Dell/EMC Transformational License Agreement.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a three-year Dell/EMC Transformational License Agreement.

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, hereby authorizes USAC management, subject to required Federal Communications Commission approval, to award a firm-fixed price contract for a three-year Dell/EMC Transformational License Agreement to Clearpath Solutions Group LLC for a total not-to-exceed price of \$1,319,977.03 (plus applicable taxes).

- a9. **Consideration of Task Order Award for Open Data Platform Retooling Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a task order under the USAC Professional Services IDIQ to acquire professional services for the retooling of USAC's Open Data Platform.

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, hereby authorizes USAC management to award, subject to required Federal Communications Commission approval, a firm-fixed-price task order to Grant Thornton Public Sector LLC for

performance of Open Data Platform retooling services for a period of twelve (12) months, for a not-to-exceed amount of \$633,850.60 (plus applicable taxes).

- a10. Consideration of Task Order Modification for Software Development Life Cycle Assessment.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report requesting authorization for an increase in the task order value for the Software Development Lifecycle 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, subject to required Federal Communications Commission approval, hereby authorizes USAC management to increase the task order value awarded to Grant Thornton for the Software Development Lifecycle Assessment by \$143,852.00 (plus applicable taxes) for a total not-to-exceed amount of \$358,555.52 (plus applicable taxes) over the remaining period of performance.

- a11. Consideration to Exercise Option Year for Statistician Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to exercise the first one-year option under its indefinite delivery indefinite quantity task order-based contract for enterprise statistician services.

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, hereby authorizes USAC management to exercise the first one-year option under its indefinite delivery indefinite quantity task order-based contract with Econometrica, Inc. for enterprise statistician services for a total not-to-exceed amount of \$300,000 (plus applicable taxes) over the one-year option period.

- a12. Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify its existing contract with Maximus Federal Services, Inc. by exercising the "Added Services" provision of the contract to add business process outsourcing services in support of establishing new processes for USAC's implementation of the Emergency Connectivity Fund program, using congressionally appropriated funds.

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 modify USAC's contract for business process outsourcing services with Maximus Federal Services, Inc. to include additional services to support the Emergency Connectivity Fund program, for a not-to-exceed amount of \$7,300,000 (plus applicable taxes) over a one-year base period, with the ability to exercise two additional one-year option terms, subject to required Federal Communications Commission and Board approval. Amounts associated with the additional services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- i5. Contributor Revenue Audit Overview.** Ms. Delmar presented PowerPoint slides providing an overview of Contributor Audits.

At 12:01 p.m. Eastern Time, the Board continued in *Executive Session* with only members of the Board present.

- i6. Confidential Executive Session. Board of Directors Only.** Mr. Gillan facilitated this discussion.

OPEN SESSION

At 12:07 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 items a5 – a12 and discussed items i3A, i3B, i3E, i5 and i6.

On a motion duly made and seconded, the Board adjourned at 12:08 p.m. Eastern Time.

/s/ Kimberly Morning
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Friday, May 7, 2021

(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 Friday, May 7, 2021. Mr. Joe Gillan, Board Chair, called the meeting to order at 1:31 p.m. Eastern Time, with a quorum of 15 of the 19 Board members present:

Buzacott, Alan	Polk, Stephanie
Feiss, Geoff	Schell, Julie Tritt – Treasurer
Fontana, Brent	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Wade, Dr. Joan
Gerst, Matthew	Waller, Jeff
Gillan, Joe – Chair	Wein, Olivia – Secretary
Gregory, Amber	Wibberly, Dr. Kathy
Mason, Ken – Vice Chair	

Members of the Board not present:

Choroser, Beth	Jacobs, Ellis
Domenech, Dr. Dan	Skriwan, Michael

Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer
Davis, Craig – Vice President of Schools and Libraries
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Morning, Kimberly – Acting Vice President and General Counsel, and Assistant Secretary
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>
Khan, Sammy	USAC
Nuzzo, Patsy	USAC
Sherwood, Nicole	USAC
Tiwari, Tanya	USAC

OPEN SESSION

- a1. **Consideration of Contract Award for Long-Term Project Management Office Services for Emergency Connectivity Fund.** 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 Award for Splunk Cloud and Enterprise Security Subscription.** 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*.

- a3. **Consideration of Increase to One-Year Contract Option for Fraud Risk Assessment.** 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 1:31 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 listed above.

EXECUTIVE SESSION

- a1. Consideration of Contract Award for Long-Term Project Management Office Services for Emergency Connectivity Fund.** Mr. Beyerhelm presented this item for consideration. The presentation included consideration to award a contract to provide project and program management, call center, and business process outsourcing services to support implementation of the Emergency Connectivity Fund program using congressionally appropriated funds.

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 to award a contract to Ernst & Young LLP to provide project and program management, call center, and business process outsourcing services to support the Emergency Connectivity Fund. The contract is for a base period of eighteen (18) months for a not-to-exceed amount of \$12,160,300 (plus applicable taxes) over the base period, with the ability to exercise three (3) additional one-year option terms, subject to required Federal Communications Commission and Board approvals. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a2. Consideration of Contract Award for Splunk Cloud and Enterprise Security Subscription.** Mr. Beyerhelm presented this item for consideration. The presentation included consideration to award a one-year contract for the renewal of USAC's Splunk Cloud and Enterprise Security Subscription.

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 to award a one-year contract for a Splunk Cloud and Enterprise Security Subscription to Blackwood Associates for a total not-to-exceed price of \$767,834.50 (plus applicable taxes) over the one-year term, subject to required Federal Communications Commission approval.

- a3. Consideration of Increase to One-Year Contract Option for Fraud Risk Assessment.** Mr. Beyerhelm presented this item for consideration. The presentation included consideration to exercise the first of three one-year options under USAC's Fraud Risk Assessment contract with Grant Thornton LLP and increase the option year amount.

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 management, subject to required Federal Communications Commission approval, to exercise the first one-year option under its contract with Grant Thornton LLP for fraud risk assessment services, and increase the option year amount by \$130,302.24 (plus applicable taxes), for a total not-to-exceed amount of \$586,452.24 (plus applicable taxes) over the first one-year option period.

OPEN SESSION

At 1:49 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, a2, and a3.

On a motion duly made and seconded, the Board adjourned at 1:52 p.m. Eastern Time.

/s/ Kimberly Morning
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Friday, May 21, 2021

(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 Friday, May 21, 2021. Mr. Joe Gillan, Board Chair, called the meeting to order at 1:01 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Buzacott, Alan	Mason, Ken – Vice Chair
Choroser, Beth	Schell, Julie Tritt – Treasurer
Freeman, Sarah	Sekar, Radha – Chief Executive Officer
Gerst, Matthew	Skrivan, Michael
Gillan, Joe – Chair	Wade, Dr. Joan
Gregory, Amber	Wein, Olivia – Secretary
Jacobs, Ellis	Wibberly, Dr. Kathy

Ms. Stephanie Polk joined the call at 1:20 p.m. She participated in the discussion of item i1.

Members of the Board not present:

Domenech, Dr. Dan	Fontana, Brent
Feiss, Geoff	Waller, Jeff

Officers of the corporation present:

Davis, Craig – Vice President of Schools and Libraries
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Morning, Kimberly – Acting Vice President and General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Lee, James	USAC
Nuzzo, Patsy	USAC

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.

OPEN SESSION

- ii. **Update on the Emergency Broadband Benefit Program (EBBP).** USAC management recommended that the EBBP update be discussed in *Executive Session* because it relates to discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms and federally appropriated programs where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity as well as *specific internal controls and confidential company data* that would constitute a discussion of internal rules and procedures.

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 1:02 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

- ii. **Update on the Emergency Broadband Benefit Program (EBBP).** Ms. Sekar made a verbal update to the Board on the status of the Emergency Broadband Benefit Program and responded to questions from the Board.

OPEN SESSION

At 1:54 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 item ii.

On a motion duly made and seconded, the Board adjourned at 1:54 p.m. Eastern Time.

/s/ Kimberly Morning
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Friday, May 25, 2021

(DRAFT) MINUTES¹

During the USAC Board of Directors (Board) meeting held on May 21, 2021, Mr. Joe Gillan, Board Chair, requested that the Board vote by unanimous written consent on an upcoming procurement regarding the Emergency Broadband Benefit Program Business Processing Outsourcing Services.

- a1. **Consideration of a Contract Modification for Emergency Broadband Benefit Program Business Processing Outsourcing Services.** On May 24, 2021, briefing papers were distributed to the Board requesting members to vote electronically for this matter pursuant to Article II, Section 9 of USAC's By-laws.² Responses to approve the consideration of a contract modification for Emergency Broadband Benefit Program Business Processing Outsourcing Services were timely received on May 25, 2021, providing unanimous consent from all 19 members of the Board, and the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to modify USAC's contract for business process outsourcing services with Maximus Federal Services, Inc. to include additional services to support the Emergency Broadband Benefit program, for a not-to-exceed amount of \$5 million (plus applicable taxes) over a four-month base period, with the ability to exercise two (2) additional four-month option terms for a not-to-exceed amount of \$3 million (plus applicable taxes) for the first four-month option period, and \$2 million (plus applicable taxes) for the second four-month option period, for a total not-to-exceed amount of \$10 million (plus applicable taxes) over the base period and two option terms, subject to required Federal Communications Commission approval. Amounts associated with the additional services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

¹ Draft resolutions were presented to the Board prior to the Board vote. 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.

² See USAC By-law, Article II, § 9 ("Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.").

/s/ Kimberly Morning
Assistant Secretary

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

ACTION ITEM

**Approval of Connected Care Pilot Program
4th Quarter 2021 Budget and
Demand Projection for the August 2, 2021 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2021 (4Q2021) Connected Care Pilot Program budget and demand projection for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2021 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC the projected budget¹ and demand² for the upcoming quarter.

Funding Requirement

USAC estimates the 4Q2021 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	3Q2021	Increase/ (Decrease)	4Q2021	Notes
Steady State:				
Connected Care Pilot Program	\$8.33	\$0.00	\$8.33	See Note 1
New Requirements:				
N/A	0.00	0.00	0.00	
Total Connected Care Demand	\$8.33	\$0.00	\$8.33	
Prior Period Adjustments (difference between projections and actuals):				
Billings	0.04	(0.06)	(0.02)	
Interest Income	0.00	0.00	0.00	
Bad Debt Expense	(0.07)	0.00	(0.07)	
Total Prior Period Adjustments	(0.03)	(0.06)	(0.09)	
USAC Administrative Expenses	0.29	0.02	0.31	See Table B
Total Funding Requirement	\$8.59	(\$0.04)	\$8.55	

¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Note 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.³ The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.⁴ 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.⁵ 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.⁶

Based on the projected burn rate, USAC estimates the following 4Q2021 budget:

Table B. Quarterly Budget

<i>(in millions)</i>	3Q2021 Budget	Increase/ (Decrease)	4Q2021 Budget	Notes
Direct Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.25	0.00	0.25	
General & Administrative	0.00	0.00	0.00	See Note 2
Total Direct Costs	\$0.25	\$0.00	\$0.25	
Direct Assigned Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.00	0.00	
General & Administrative	0.03	0.01	0.04	See Note 2
Total Direct Assigned Costs	\$0.03	\$0.01	\$0.04	
Total Direct & Direct Assigned Costs	\$0.28	\$0.01	\$0.29	
Common Allocated Costs	\$0.01	\$0.01	\$0.02	
Total Budget	\$0.29	\$0.02	\$0.31	

Note 2: General & Administrative expenses include computer support & maintenance.

A comparison of actual expenditures to the budget for the six months ending June 30, 2021 is provided in **Attachment 1**.

³ 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).

⁴ See *id.* at para. 42.

⁵ See *id.* at para. 5.

⁶ See *id.* at paras. 38, 42.

Recommendation:

USAC management recommends that the Board approve the 4Q2021 budget and projection of demand as proposed.

Recommended Board Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2021 Connected Care Pilot Program direct budget of \$0.29 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.29 million for Connected Care Pilot Program administrative costs in the required August 2, 2021 filing to the FCC on behalf of the Board; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed at its meeting on July 27, 2021 the 4th Quarter 2021 Connected Care Pilot Program demand estimate of \$8.55 million, hereby directs USAC staff to proceed with the required August 2, 2021 filing to the FCC on behalf of the USAC Board of Directors.

ATTACHMENT 1

Connected Care Pilot Program Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Six months ending June 30, 2021

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services (Note 3)				0.08	0.50	0.42
General & Administrative (Note 4)				0.00	0.00	0.00
Total Direct Costs				\$0.08	\$0.50	\$0.42
Direct Assigned Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services (Note 3)				0.01	0.00	(0.01)
General & Administrative (Note 4)				0.00	0.07	0.07
Total Direct Costs				\$0.01	\$0.07	\$0.06
Total Direct & Direct Assigned Costs	0	0	0	\$0.09	\$0.57	\$0.48
Common Allocated Costs (Note 5)				\$0.02	\$0.03	\$0.01
Total Costs and Budget				\$0.11	\$0.60	\$0.49

Note 3: Direct Assigned Professional Services include BPO costs.

Note 4: General & Administrative expenses include costs for software licenses.

Note 5: Common costs include costs not directly attributable to a program or the Connected Care Pilot Program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct costs in the prior year and 50% on demand in the prior year. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.



Board of Directors

Connected Care Pilot Program

Open Session

July 27, 2021



Universal Service
Administrative Co.

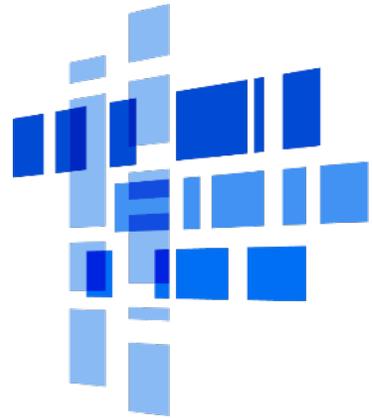
Connected Care Pilot Program Updates

- **Summary**

- Connected Care (first announced in April 2020) offers **\$100 million over a 3-year funding period**, and supports 85% of the cost of eligible services and equipment.
- FCC approved first group of 23 applications in January 2021 for \$26 million and an additional 36 in June 2021 for \$31 million, for a **total of 59 applications (\$57 million) approved to date**.
- Rules for participation in Connected Care are mostly aligned with HCF Program.
- Approved applicants will use My Portal (Modified HCF) to complete their forms.
- April 30 release contained My Portal FCC Form 461 and FCC Form 462 submission changes.
- The FCC Second Report and Order (June 21, 2021) clarified guidance on eligible services, competitive bidding, invoicing and data reporting.

Connected Care Updates (Continued)

- **USAC follow-up action to Second Report and Order (June 2021)**
 - Outreach:
 - Welcome letters sent to all selected projects.
 - Kick-off webinar for selected projects (July 8) to explain next steps (requirements, timelines, and future trainings).
 - System modifications:
 - July 30 release containing My Portal FCC Form 462 Commitment/Review and FCC Form 463 changes.
 - Currently working with procurement team and ICF who will process FCC Forms 461/462. RHC staff will process FCC Form 463.



**Universal Service
Administrative Co.**

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

ACTION ITEM

**Approval of USAC Common and Consolidated
4th Quarter 2021 Budgets for the August 2, 2021 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2021 (4Q2021) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2021 quarterly filing.

Discussion:

Based on the projected burn rate, USAC estimates a 4Q2021 USAC consolidated budget of \$61.14 million to administer the Universal Service Fund (USF), which includes \$30.89 million in direct program costs and \$30.25 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	3Q2021 Budget	Increase/ (Decrease)	4Q2021 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.37	\$0.08	\$6.45
Lifeline	9.99	(0.38)	9.61
Rural Health Care	3.44	0.23	3.67
Schools & Libraries	10.87	0.00	10.87
Connected Care Pilot	0.28	0.01	0.29
Total Direct Program & Direct Assigned Costs	\$30.95	(\$0.06)	\$30.89
Common Costs			
Employee Expenses	\$15.71	\$2.06	\$17.77
Professional Services	6.49	(0.26)	6.23
General & Administrative (Note 1)	6.68	(0.43)	6.25
Total Common Costs	\$28.88	\$1.37	\$30.25
Total Consolidated Costs	\$59.83	\$1.31	\$61.14

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 six months ending June 30, 2021 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Board approve the 4Q2021 budgets as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2021 common budget of \$30.25 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$30.25 million for common costs in the required August 2, 2021 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 2021 consolidated budget to administer the USF of \$61.14 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$61.14 million for consolidated costs in the required August 2, 2021 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
Six Months Ending June 30, 2021

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	64	74	10	\$7.89	\$12.71	\$4.82
Lifeline	83	86	3	12.65	20.21	7.56
Rural Health Care	54	62	8	5.81	7.79	1.98
Schools & Libraries	76	82	6	19.30	22.01	2.71
Connected Care Pilot	0	0	0	0.09	0.57	0.48
Total Direct Program & Direct Assigned Costs	277	304	27	\$45.74	\$63.29	\$17.55
Common Costs (Note 2)						
Employee Expenses	369	387	18	\$27.72	\$29.37	\$1.65
Professional Services				8.76	13.26	4.50
General & Administrative (Note 3)				10.99	13.57	2.58
Total Common Costs (Note 4)	369	387	18	\$47.47	\$56.20	\$8.73
Total Consolidated Costs	646	691	45	\$93.21	\$119.49	\$26.28

Note 2: Actual common costs reflect a reduction for costs allocated to the appropriated programs.

Note 3: 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.

Note 4: Actual USF common costs reflect a reduction for costs allocated to the appropriated programs.



Board of Directors

CEO Business Update

Open Session

July 27, 2021



Discussion Topics

- Back to Office Update
- Appropriations Program Status
- Ransomware – (***Executive Session***)