



# Board of Directors

## Briefing Book

October 26, 2021

10:00 a.m. - 2:00 p.m. Eastern Time

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Universal Service Administrative Company

700 12th Street NW, Suite 900

Washington, DC, 20005

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

<p><b>Tuesday, October 26, 2021 10:00 a.m. – 2:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</b></p>
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	<u><b>OPEN SESSION</b></u>	<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="margin-left: 20px;"><b>A.</b> Approval of Board of Directors Meeting Minutes of July 27, and September 10, 21, 24, 2021</p> <p style="margin-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p> <p style="margin-left: 20px;"><b>C.</b> Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting</p> <p style="margin-left: 20px;"><b>D.</b> Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended</p>	5
Chair	<b>a2.</b> Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Executive Compensation Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Chair	<b>a3.</b> Appointment of a Nominating Committee and Direction to Committees for the Nomination of Committee Chairs and Vice Chairs	10
Michelle	<b>a4.</b> Approval of Connected Care Pilot Program 1st Quarter 2022 Budget and Demand Projection for the November 2, 2021 FCC Filing	5
Mark	<b>i1.</b> Connected Care Pilot Program Update ( <i>For Information Only</i> )	-
Michelle	<b>a5.</b> Approval of USAC Common and Consolidated 1st Quarter 2022 Budgets for the November 2, 2021 FCC Filing	10
Radha	<p><b>i2.</b> Enterprise Business Updates</p> <p style="margin-left: 20px;"><b>A.</b> CEO Update:</p> <ul style="list-style-type: none"> <li>• Appropriation Program Status</li> </ul>	10

	<u><b>EXECUTIVE SESSION</b></u> <b>Confidential – Executive Session Recommended</b>	<i>Estimated Duration in Minutes</i>
	<p><b>i3.</b> Enterprise Business Updates (<i>Continued</i>)</p> <p style="margin-left: 20px;"><b>A.</b> CEO Update</p>	25

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<b><u>EXECUTIVE SESSION</u></b> <b>Confidential – Executive Session Recommended</b>		<i>Estimated Duration in Minutes</i>
Craig/ Christine/ Pam	<ul style="list-style-type: none"> <li>• Appropriated Programs Update               <ol style="list-style-type: none"> <li>1. Emergency Connectivity Fund Update</li> <li>2. Round 2 COVID-19 Telehealth Program Update</li> <li>3. Emergency Broadband Benefit Program Update</li> </ol> </li> </ul>	
Chris	<b>B.</b> Enterprise Risk Management Update: <ol style="list-style-type: none"> <li>1. 3Q 2021 Risk Management</li> <li>2. Risk Management Council Minutes <i>(For Information Only)</i></li> </ol>	–
Chris	<b>C.</b> Procurement Business Update <i>(For Information Only)</i>	–
Michelle	<b>D.</b> Information on Contribution Factor	5
Chris	<b>a6.</b> Consideration to Exercise a One Year Option for Beneficiary and Contributor Audit Program	5
Chris	<b>a7.</b> Consideration of Task Order Modification for Emergency Connectivity Fund Systems Development and Technical Services	5
Chris	<b>a8.</b> Consideration of Contract Extension for Benefits Broker Services	5
Chris	<b>a9.</b> Consideration of Contract Award for Redundant Telecom Circuits and Support Services	5
Teleshia	<b>i4.</b> Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–
Chris Smith	<b>i5.</b> Overview and Fraud Risk Framework Assessment	10
Erin Williams	<b>i6.</b> Legal Update: <i>Consumers’ Research, et al. v. FCC</i>	10
Tamika/ Radha	<b>a10. Personnel Matter:</b> Consideration of 2022 Compensation Items	15
Chair	<b>i7.</b> Confidential Executive Session: Board of Directors Only	30

**Next Scheduled USAC Board of Directors Meeting**

<p><b>Tuesday, January 25, 2022</b>  <b>9:00 a.m. – 2:00 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**Universal Service Administrative Company  
Board of Directors Meeting**

<b>ACTION ITEM</b>
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**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. Approval of Board meeting minutes of July 27, and September 10, 21, and 24, 2021 (*see Attachments A-1 through A-4*).
- 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. Procurement 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 *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)*

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- (2) **a6** – Consideration to Exercise a One Year Option for Beneficiary and Contributor Audit Program. 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 Task Order Modification for Emergency Connectivity Fund Systems Development and Technical 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 Extension for Benefits Broker Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (5) **a9** – Consideration of Contract Award for Redundant Telecom Circuits and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **i4** – Information on One 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*.
- (7) **i5** – Overview and Fraud Risk Framework Assessment. 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.
- (8) **i6** – Legal Update: *Consumers’ Research, et al. v. FCC*. USAC management recommends that this item be discussed in *Executive Session* because it relates to *pre-decisional matters pending before the FCC* and might be subject to the *attorney-client privilege or any other legally recognized privilege* where discussion of such matters in open session would compromise the continued applicability of the privilege.

- (9) **a10 – Personnel Matter:** Consideration of 2022 Compensation Items. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
- (10) **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*.
- C. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting (*see Attachments C-1 through C-3*).
- D. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended. The Board would like to recognize and honor Matthew Gerst, whose term has recently concluded. Mr. Gerst served as a Board member from October 2015 through August 2021. The USAC Board and USAC management are extremely appreciative of his dedication to universal service as well as his leadership, guidance, and expertise in USAC’s administration of the federal Universal Service Fund.

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 RESOLUTIONS:

**RESOLVED**, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 27 and September 10, 21, and 24, 2021; and (2) discussion in *Executive Session* of the items noted above.

**RESOLVED FURTHER**, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Joe Gillan, Mr. Ken Mason, and Ms. Julie Tritt Schell should they travel to Washington, D.C. for the purpose of participating in USAC’s 2022 Budget Planning Review.

**RESOLVED FURTHER**, that the USAC Board of Directors hereby expresses its sincere appreciation to Matthew Gerst for his dedicated service on the Board of Directors of the Universal Service Administrative Company, and wishes the best in his future endeavors.

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

**BOARD OF DIRECTORS MEETING**  
**Tuesday, July 27, 2021**

**(DRAFT) MINUTES<sup>1</sup>**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 27, 2021. A virtual meeting platform was available to the general public for *Open Session* to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Mr. Joe Gillan, Board Chair, called the meeting to order at 9:01 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Buzacott, Alan	Jacobs, Ellis – <i>by telephone</i>
Choroser, Beth – <i>by telephone</i>	Mason, Ken – Vice Chair
Domenech, Dr. Dan	Polk, Stephanie – <i>by telephone</i>
Feiss, Geoff	Schell, Julie Tritt – Treasurer
Fontana, Brent – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Skriwan, Michael
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Chair	Wibberly, Dr. Kathy
Gregory, Amber – <i>by telephone</i>	

Due to Metrorail delays, Ms. Olivia Wein, Secretary, joined the meeting at 9:21 a.m. Eastern Time. She did not take action or participate in the discussion of items a1 - a4, and i2. Due to technical difficulties, Mr. Jeff Waller joined the meeting by telephone at 10:43 a.m. Eastern Time. He did not take action or participate in the discussion of items a1- a4, i2, i3A, i3C, and i3D.

Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer  
Davis, Craig – Vice President of Schools and Libraries – *by telephone*  
Delmar, Teleshia – Vice President of Audit and Assurance – *by telephone*  
Gaither, Victor – Vice President of High Cost – *by telephone*  
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

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<sup>1</sup> 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, 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 – *by telephone*

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steve – <i>by telephone</i>	Kelley Drye & Warren LLP
Castle, Emilie – <i>by telephone</i>	USAC
Glisson, Connor – <i>by telephone</i>	USAC
James, Christine – <i>by telephone</i>	USAC
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators' Alliance
Lee, James – <i>by telephone</i>	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Sherwood, Nicole – <i>by telephone</i>	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 26, April 28, May 7, May 21, and May 25, 2021.

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

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

**A.** CEO Update. USAC management recommended 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.** Enterprise Risk Management Update. USAC management recommended 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 recommended 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 of Contract Modification for Cisco Spark Flex. USAC management recommended 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 recommended 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 recommended 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 recommended 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 recommended 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

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management recommended 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 recommended 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 recommended 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 recommended 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 recommended 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 recommended 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 recommended that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

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 April 26 and 28, May 7, May 21, and May 25, 2021; and (2) discussion in *Executive Session* of the items noted above.

**a2. Reports from the Committee Chairs: Audit Committee, High Cost & Low**

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**Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Mr. Feiss presented the report for the Audit Committee. Mr. Mason presented the report for the High Cost & Low Income Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Dr. Domenech presented the report for the Schools & Libraries Committee.

- a3. **Approval of Connected Care Pilot Program 4th Quarter 2021 Budget and Demand Projection for the August 2, 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 4th Quarter 2021 demand projection for the August 2, 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 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.

- 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 4th Quarter 2021 Budgets for the August 2, 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 4th Quarter 2021 budgets for the August 2, 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 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.

**i2. Enterprise Business Updates:**

**A. CEO Update.** Ms. Sekar discussed the current plans for returning to the office starting Tuesday, September 7, 2021 following USAC's mandatory telework due to the COVID-19 pandemic. Ms. Sekar noted that the plans were subject to change in accordance with any further information and guidance from the CDC and the District of Columbia Government regarding COVID-19 protocols.

Ms. Sekar announced the retirement of Mr. Salvator effective September 1, 2021, acknowledging his contributions to USAC. In addition, she also announced that Ms. Garber would assume the role of Vice President of Finance and Chief Financial Officer effective September 1, 2021.

At 9:21 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into **Executive Session** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

**EXECUTIVE SESSION**

**i3. A. CEO Update.** Ms. Sekar introduced this item and expressed appreciation to the USAC staff working on the appropriated programs. Mr. Lee presented a PowerPoint presentation providing updates on the Emergency Broadband Benefit Program. Ms. James presented a PowerPoint presentation providing updates on the COVID-19 Telehealth Program. Ms. Castle presented a PowerPoint presentation providing updates on the Emergency Connectivity Fund Program.

Ms. Sekar introduced the topic of ransomware and Mr. Hutchinson provided an update on efforts to protect USAC's information technology systems from ransomware attacks.

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

following items:

- Q2 2021 Enterprise Risk Management Update
- Q2 2021 Risk Management Council Minutes

**C1. Procurement Business Update.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q2 2021 and Q3 2021 anticipated activities.

**C2. Contracting Approach and Vendor Performance Administration.** Mr. Beyerhelm presented a PowerPoint presentation providing an overview of USAC's procurement process and options, contract categories, vendor management, and USAC's procurement best practices.

**D. Information on Contribution Factor.** Mr. Salvator presented this item to the Board. The presentation included a written report providing USAC's estimate of the 4th Quarter 2021 contribution factor.

The Board recessed at 10:30 a.m. Eastern Time and reconvened in *Executive Session* at 10:45 a.m. Eastern Time.

**a5. Consideration of Contract Modification for Cisco Spark Flex.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify the Cisco Collaboration Spark Flex Plan Enterprise License Agreement contract Iron Bow Technologies, LLC.

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

**RESOLVED**, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the total not-to-exceed amount of the Iron Bow Technologies, LLC contract by \$181,747.88 from a total amount of \$604,807.00 to a total not-to-exceed amount of \$786,554.88 (plus applicable taxes) to increase its current Cisco Collaboration Spark Flex Plan Enterprise License Agreement usage and procure additional licenses.

**a6. Consideration of Task Order Award for Geographic Information System Mapping.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report requesting authorization for USAC to award a firm fixed-price task order to KPMG LLP for Geographic Information System Mapping.

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

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**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed-price task order to KPMG LLP, subject to Federal Communications Commission approval, for Geographic Information System mapping, with a period of performance of twelve (12) months, for a total amount of \$1,048,976.45 (plus applicable taxes), plus an additional contingency reserve of \$200,000.00 (plus applicable taxes), for a total not-to-exceed amount of \$1,248,976.45 (plus applicable taxes), with the ability to exercise one (1) additional one-year option period, subject to required Federal Communications Commission and Board approvals.

- a7. **Consideration of Contract Award for Palo Alto.** 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 Sun Management, Inc., for a Palo Alto Enterprise License Agreement and Firewall Hardware Support Services.

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 required Federal Communications Commission approval, to award a firm-fixed price contract to Sun Management, Inc., for a Palo Alto Enterprise License Agreement and Firewall Hardware Support Services over an approximately one (1) year period of performance, for a not-to-exceed price of \$480,514.90 (plus applicable taxes).

- a8. **Consideration of Budget Realignment and Additional Funding for the Information Security Program Contract.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to transfer funds previously approved for services under USAC's Information Security Program Contract with KPMG, LLP, from the contract line item numbers (CLINs) for services supporting the congressionally appropriated programs administered by USAC, to the CLINs for services supporting the universal service fund. The report also detailed USAC management's recommendation to modify its contract with KPMG to add additional funding for Authorization and Accreditation (A&A) services to support USF-related activities.

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

management to transfer \$455,000 previously approved for services under USAC's Information Security Program Contract with KPMG, LLP, from the contract line item numbers (CLINs) for services supporting the congressionally appropriated programs administered by USAC, to the CLINs for services supporting the universal service fund, and further authorizes USAC management to add an additional \$85,000 to the not-to-exceed contract amount for additional Authorization and Accreditation activities. The total contract not-to-exceed amount will increase by \$85,000 for a new total not-to-exceed contract amount of \$3,538,660.

- a9. Consideration of Contract Award for Atlassian.** 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, firm-fixed price contract (plus contingency) for the renewal of Atlassian Toolset Licenses and Support Services to Architecture Solutions, LLC.

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 three-year, firm-fixed price contract (plus contingency) for the renewal of Atlassian Toolset Licenses and Support Services to Architecture Solutions, LLC for a total not-to-exceed price of \$908,581.00 (plus applicable taxes).

- 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.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to (i) exercise the first one-year option period of its firm-fixed price contract with Ernst & Young U.S. LLP for financial systems and process analysis, functional system requirements gathering, and project management office (PMO) support; and (ii) amend such contract to include a time and materials component for a portion of the work to be performed during the first option year for an Enterprise Resource Planning system project.

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: (i) exercise the first one-year option period of its firm-fixed price contract with Ernst & Young U.S. LLP; and (ii) amend such contract to include a time and materials component for a portion of the work to be performed during the first option year, subject to required Federal Communications Commission

approval, for financial systems and process analysis, functional system requirements gathering, and project management office support for an Enterprise Resource Planning system project, for the not-to-exceed amount of \$749,744.00 (plus applicable taxes).

- a11. Consideration of Contract Award for Governance, Risk and Compliance Solution.** 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, firm-fixed price contract for Governance, Risk and Compliance Solution Licenses, Support, and Professional Services to RSA Security LLC.

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 three-year, firm-fixed price contract for Governance, Risk and Compliance Solution Licenses, Support and Professional Services to RSA Security LLC for a not-to-exceed firm-fixed price of \$715,940.00 (plus applicable taxes).

- a12. Consideration of Contract Awards for National Supply Chain Audit Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award Indefinite Delivery Indefinite Quantity task order-based contracts for National Supply Chain audit services to KPMG LLP, PwC, Moss Adams, and Ernst & Young.

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 management, subject to required Federal Communications Commission approval, to award Indefinite Delivery Indefinite Quantity task order-based contracts for National Supply Chain audit services to KPMG LLP, PwC, Moss Adams, and Ernst & Young, subject to required Federal Communications Commission (FCC) approval, each with a twelve (12) month base period, for a total not-to-exceed amount collectively of \$2.5 million (plus applicable taxes) over the base periods, with the ability to exercise four (4) additional one-year option periods, subject to required Federal Communications Commission and Board approval.

- i4. Acceptance of USAC's 2020 Annual Financial Audit and Agreed-Upon Procedures Review.** Mr. Salvator summarized USAC's 2020 Annual Financial Audit and Agreed-Upon Procedures (AUP) review prepared by the independent

auditor, PriceWaterhouseCoopers (PwC). He noted that USAC received a “clean” audit opinion for its financial statements and that the AUP review did not disclose any significant audit findings.

- i5. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports.** This item was provided for information purposes only. Mr. Gillan noted the summary and reports can be found in the Board Audit Briefing Book. No discussion was held.

At 11:30 a.m. Eastern Time, the meeting continued in *Executive Session* with only members of the Board, leadership, and Office of General Counsel present.

- i6. Human Resources Update.** Ms. Mitchell presented a PowerPoint presentation with updates from the USAC Human Resources division.

At 11:48 a.m. Eastern Time, the Board continued in confidential *Executive Session* with only members of the Board present.

- i7. Confidential Executive Session. Board of Directors Only.** Mr. Gillan facilitated this discussion.

### **OPEN SESSION**

At 12:30 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, i3C, i3D, i4, i6, and i7.

On a motion duly made and seconded, the Board adjourned at 12:30 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, September 10, 2021**

**(DRAFT) MINUTES<sup>1</sup>**

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, September 10, 2021. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:30 p.m. Eastern Time, with a quorum of 12 of the 18 Board members present (there is one vacancy):

Buzacott, Alan	Mason, Ken – Vice Chair
Choroser, Beth	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Skrivan, Michael
Freeman, Sarah	Waller, Jeff
Gillan, Joe – Chair	Wein, Olivia – Secretary
Gregory, Amber	Wibberly, Dr. Kathy

Mr. Geoff Feiss joined the meeting at 12:33 p.m. Eastern Time. He participated in the discussion of and voted on all items. Dr. Joan Wade joined the call at 12:38 p.m. Eastern Time. She did not participate in the discussion of or vote on item a1. Ms. Julie Tritt Schell, Treasurer, joined the call at 12:40 p.m. Eastern Time. She did not participate in the discussion of or vote on items a2 or a3.

Members of the Board not present:

Domenech, Dr. Dan	Polk, Stephanie
Jacobs, Ellis	

Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer  
Delmar, Teleshia – Vice President of Audit and Assurance  
Garber, Michelle – Vice President of Finance, Chief Financial Officer  
Morning, Kimberly – Acting Vice President and General Counsel, and Assistant Secretary  
Sweeney, Mark – Vice President of Rural Health Care

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<sup>1</sup> 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>
Daniels, Joel	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Phillippi, Megan	USAC
Tiwari, Tanya	USAC

### OPEN SESSION

- a1. **Consideration of Contract Modification for WordPress Hosting Services.** 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 approves discussion of this item in *Executive Session*.

- a2. **Consideration to Exercise Option Year for Financial Statement Audit and Agreed-Upon Procedures Review Services.** 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 Contract Modification for Okta Licensing and Support.** 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*.

- a4. **Consideration of Contract Award for Oracle Java SE Licenses and Technical Support.** 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*.

- a5. **Consideration of a Four-Month Contract Option for Emergency Broadband Benefit Program Business Process Outsourcing Services.** 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*.

- a6. **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 12:31 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 Modification for WordPress Hosting Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to increase the amount of the contract with New Tech Solutions Inc. for WordPress Hosting services.

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 required Federal Communications Commission approval, to increase the current not-to-exceed amount of the contract with New Tech Solutions Inc. for

WordPress Hosting services by \$19,685.52 (plus applicable taxes), for a total not-to-exceed amount of \$269,565.62 (plus applicable taxes).

- a2. Consideration to Exercise Option Year for Financial Statement Audit and Agreed-Upon Procedures Review Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to exercise the first one-year option under the contract with PricewaterhouseCoopers LLP (PwC) for continued services to perform a Financial Statement Audit and provide Agreed-Upon Procedures Review Services.

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 exercise the first one-year option period of its firm-fixed price contract with PricewaterhouseCoopers LLP for the performance of a Financial Statement Audit and Agreed-Upon Procedures review services, for the not-to-exceed amount of \$1,150,000.00 (plus applicable taxes).

- a3. Consideration of Contract Modification for Okta Licensing and Support.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to increase the amount of USAC's three-year contract for Okta Licensing and Support with Okta, Inc. to increase the number of licenses.

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 to increase the amount of USAC's three-year contract for Okta Licensing and Support with Okta, Inc. by \$250,000 (plus applicable taxes), for a total not-to-exceed price of \$2,100,000 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a4. Consideration of Contract Award for Oracle Java SE Licenses and Technical Support.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a three-year sole source contract to Oracle America, Inc. for Oracle Java SE licenses and technical support services.

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 three-year contract to Oracle America, Inc. for Oracle Java SE licenses and technical support for a total not-to-exceed amount of \$467,820.00 (plus applicable taxes).

- a5. Consideration of a Four-Month Contract Option for Emergency Broadband Benefit Program Business Process Outsourcing Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to exercise the first four-month contract option under USAC's contract for Business Processing Outsourcing services with Maximus to include additional services to support the Emergency Broadband Benefit Program.

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 exercise the first four-month contract option in 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 \$1.4 million (plus applicable taxes) over a four-month option period, 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.

- a6. Consideration of Contract Awards for the USAC Employee Benefit Programs.** Ms. Mitchell presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award contracts for USAC's employee medical, prescription drug, dental, vision, life, and disability benefits for Calendar Year 2022.

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 required Federal Communications Commission approval, to award a one-year contract for employee medical and prescription drug benefits to Cigna Corporation for a not-to-exceed cost of \$10,390,110 (plus applicable taxes) and to award a one-year contract to The Guardian Life Insurance Company of America, Inc. with a new two year rate guarantee for dental, vision, life, and disability benefits, for a not-to-exceed cost of \$1,350,012 (plus applicable taxes). The total estimated costs for the calendar year 2022 USAC employee benefits program is \$11,740,122 (plus applicable taxes).

**OPEN SESSION**

At 1:02 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- a6.

On a motion duly made and seconded, the Board adjourned at 1:03 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  
Tuesday, September 21, 2021

(DRAFT) MINUTES<sup>1</sup>

During the non-quarterly USAC Board of Directors (Board) meeting held on Friday, September 10, 2021, the Board was notified that a vote by unanimous written consent on approval of a modification to the project management office (PMO) task order (Task Order) with Deloitte Consulting LLP would be forthcoming.

- a1. **Consideration of Modification to Task Order for Long Term Project Management Office Services.** On September 17, 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.<sup>2</sup> Responses to approve the consideration of a task order modification for long term PMO services for the administration of the Emergency Broadband Benefit Program and COVID-19 Telehealth Program were timely received on September 21, 2021, providing unanimous consent from 17 of the 18 Board members. One board position is currently vacant, and Beth Choroser abstained. The Board adopted the following resolutions:

**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 increase the base period not-to-exceed amount of the project management office task order with Deloitte Consulting LLP, pursuant to which Deloitte Consulting LLP provides program management support to assist USAC staff and business process outsourcing providers in administering the Emergency Broadband Benefit Program and the COVID-19 Telehealth Program, by transferring the entire amount of \$2,299,721.00 (plus applicable taxes) originally allocated for the single one-year contract option to the base period, thereby increasing the not-to-exceed amount for the base period from \$3,883,537.00 (plus applicable taxes) to \$6,183,258.00 (plus applicable taxes).

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management,

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<sup>1</sup> 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.

<sup>2</sup> 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.").

subject to required Federal Communications Commission approval, to further increase the total not-to-exceed amount of the subject task order with Deloitte Consulting LLP by \$1,600,000.00 (plus applicable taxes) for additional services related to the COVID-19 Telehealth Program by transferring funds originally allocated to the Business Process Outsourcing Services for COVID-19 Telehealth Program Contract with ICF Incorporated, LLC to this task order, for a total not-to-exceed amount of \$7,783,258.00 (plus applicable taxes).

/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, September 24, 2021

(DRAFT) MINUTES<sup>1</sup>

The USAC COVID-19 policy requires all staff and contractors to be fully vaccinated for COVID-19 before returning to in-person work at the USAC headquarters in Washington, DC. USAC will consider exemptions for individuals with medical conditions or religious beliefs that prohibit them from vaccination. However, exempt employees must submit to weekly COVID-19 testing, wear a mask, and practice social distancing while in the office. On September 17, 2021, at the request of Mr. Joe Gillan, Board Chair, the Board was asked to vote by unanimous written consent on the application of USAC's COVID-19 policy to members of the Board.

- a1. **Consideration of USAC's COVID-19 Vaccine Policy and the Application to the Board of Directors.** On September 17, 2021, a briefing paper was distributed to the Board requesting members to vote electronically on this matter pursuant to Article II, Section 9 of USAC's By-laws.<sup>2</sup> Responses to approve the adoption of this policy for all members of the Board of Directors were timely received on September 21, 2021, providing unanimous consent from 18 members (one Board position was vacant at the time of the vote) of the Board, and the Board adopted the following resolution:

**RESOLVED**, that the USAC Board of Directors, having reviewed the above recommendation, hereby adopts USAC's COVID-19 vaccine policy and applies the policy to all members of the Board of Directors participating in any in-person meetings with USAC staff.

/s/ Kimberly Morning  
Assistant Secretary

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<sup>1</sup> 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.

<sup>2</sup> 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.").

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

**ACTION ITEM**

**Consideration of Approval to Reimburse Board Members to Attend an Event  
Other Than a USAC Board or Committee Meeting**

**Issue**

USAC Board of Directors (Board) policy requires that a Board member must request approval from the Board or appropriate committee for reimbursement of expenses for attendance at a non-USAC Board or committee meeting or event before any such reimbursement can be made.

**Background – Analysis – Justification**

One or more Board members will be travelling to Washington, D.C. to discuss the 2022 annual budget with the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and associated staff. The Board Chair, Mr. Joe Gillan, has requested that he, together with the Board Vice Chair, Mr. Ken Mason, and the Board Treasurer, Ms. Julie Tritt Schell, participate in these discussions in person. Board members participating in the meetings may be reimbursed by USAC for any reasonable and customary travel expenses associated with this effort. In accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings* (see **Attachment C-2** to this issue paper), those Board members participating in the meetings will submit a USAC Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses Other than for Board Meetings* (see **Attachment C-3** to this issue paper) and will list estimated travel costs for their travel.

The procedures approved by the Board require that the reimbursement be directly related to the responsibilities of the Board in managing the affairs of USAC. These proposed trips are directly related to the business of USAC.

**Recommended USAC Board of Directors Action**

APPROVAL OF THE FOLLOWING RESOLUTION:

**RESOLVED**, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Joe Gillan, Mr. Ken Mason, and Ms. Julie Tritt Schell should they travel to Washington, D.C. for the purpose of participating in USAC’s 2022 Budget Planning Review.

## **Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business Other Than Board of Directors Meetings**

1. The Board member must seek prior approval for reimbursement of expenses associated with activities other than a Board meeting and must submit a Request for Approval form (See attached Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses other than for Board Meetings*) to the USAC CEO that includes the following information:
  - a. The title, date, and location of the event.
  - b. The name of the event sponsor.
  - c. The purpose and substance of the event.
  - d. How the function, event, or activity is directly related to the administration of the universal service program or programs.
  - e. Why it is essential to USAC and the universal service program or programs for the Board member specifically to participate and how participation is vital to achieving USAC's goals.
  - f. The estimated cost of participation.
  - g. A commitment that the Board member will include a statement that he or she is representing USAC and that the Board member will not advocate a policy position.
2. The USAC CEO will provide a recommended Board or Committee Resolution, along with a summary of the justification provided by the Board member, to the Board or the relevant Board Committee for review.
3. The USAC CEO will request an email response from each Board or relevant Committee member by a certain date and time.
4. The USAC CEO will inform the Board member as well as the Board or relevant Committee of the decision.
5. The request will be approved if all Board or relevant Committee members support the request.
6. The Board member should submit documentation of actual expenditures to the USAC CEO for reimbursement.



REQUEST FOR APPROVAL FOR A BOARD MEMBER TO BE REIMBURSED  
FOR EXPENSES OTHER THAN FOR BOARD MEETINGS

USAC 3001 9/2017

To be Completed by Board Member			
Last Name	First Name	Date(s) of Event	
Event Title	Sponsor	Location	
Purpose and Substance of the Event			
How the Event is Directly Related to the Administration of the Fund			
Why Board Member Participation is Necessary			
How Participation Achieves USAC Goal			
Estimated Costs		Actual Costs	
Registration		Registration	
Meals		Meals	
Lodging		Lodging	
Travel		Travel	
Miscellaneous		Miscellaneous	
<b>TOTAL</b>		<b>TOTAL</b>	
I will include a statement in the presentation or speech that I am representing USAC and I will refrain from advocating a policy position in the presentation or speech and in any conversations or discussions.			
Board Member Signature:			Date:
To be Completed by USAC			
Date Resolution submitted to Board or Committee:		Date Vote of Board or Committee Completed:	
Vote Count ___ Yes    ___ No    ___ Abstain	Actual Costs Approved by CEO ___ Yes    ___ No	Account Code: <b>61200-60-600-60</b>	
<ul style="list-style-type: none"> <li>Attach receipts for any expenditure over \$50.00. USAC will reimburse the actual cost of meals at or below \$50 without receipts. Meals exceeding \$50 must be accompanied by an <b>ITEMIZED</b> receipts.</li> <li>USAC does not reimburse first class airfare or alcohol.</li> <li>Standard IRS mileage rates.</li> <li>All expense must be in compliance with USAC's Travel and Expense Policy in order to be reimbursed. Please attach a detailed list of each expense category to ensure compliance.</li> </ul>			

**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.<sup>1</sup> 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.<sup>2</sup>

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<sup>1</sup> See Universal Service Administrative Company Nominating Committee Charter, Section B (renewed January 2021) (Nominating Committee Charter).

<sup>2</sup> 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, 2022 Board meeting. The current officers of the Corporation are as follows:

<b>Officer Position</b>	<b>Incumbent</b>
Chair	Joe Gillan
Vice Chair	Ken Mason
Secretary	Olivia Wein
Treasurer	Julie Tritt Schell
Chief Executive Officer <sup>3</sup>	Radha Sekar
Assistant Secretary	Vacant
Assistant Treasurer	Vacant
USAC Staff <sup>4</sup>	<ul style="list-style-type: none"> <li>• Chris Beyerhelm – Chief Administrative Officer</li> <li>• Stephen Butler – VP of Shared Services</li> <li>• Craig Davis – VP of Schools and Libraries</li> <li>• Victor Gaither – VP of High Cost</li> <li>• Michelle Garber – Vice President of Finance and Chief Financial Officer</li> <li>• Pamela Hughet – VP of Lifeline</li> <li>• Kyle Hutchinson – VP of IT and Chief Information Officer</li> <li>• Mark Sweeney– VP of Rural Health Care</li> <li>• Teleshia Delmar – VP of Audit and Assurance</li> </ul>

### **Appointment of Board Members to Committees**

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on August 5 and August 13, 2021, respectively, of the terms of six Board members expiring on December 31, 2021 and the resignation of Matthew Gerst.

<sup>3</sup> The Chief Executive Officer (CEO) is elected to a term coincident with the term of the CEO's employment and is not elected annually.

<sup>4</sup> 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.

On August 20, 2021, the Federal Communications Commission (FCC) issued a Public Notice (PN) seeking nominations for the seats held by the six Board members with terms expiring on December 31, 2021. The directors whose terms expire on December 31, 2021 and their current committee memberships and officer positions (if any) and one additional Board vacancy are as follows:

<b>Director</b>	<b>Representing</b>	<b>Committee Assignments / Officer Position</b>
Alan Buzacott	Representative for interexchange carriers with annual operating revenues of more than \$3 billion	SL (At-Large)
Brent Fontana	Representative for rural healthcare providers that are eligible to receive supported services under section 54.601 of the Commission's rules	AC (RHC Representative); RHC (RHC Provider Representative, Vice Chair); SL (At-Large)
Sarah Freeman	Representative for state telecommunications regulators	HCLI (State Regulator Representative); RHC (State Regulator Representative)
Kenneth F. Mason	Representative for incumbent local exchange carriers (non-Bell Operating Companies) with more than \$40 million in annual revenues	Executive Committee (Board Vice Chair); HCLI (Chair, At-Large); SL (At-Large, Service Provider Representative); Executive Compensation Committee (Chair)
Julie Tritt Schell	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Executive Committee (Treasurer) SL (Schools Representative, Vice Chair); AC (At-Large)
Olivia Wein	Representative for information service providers	Executive Committee (Secretary); HCLI (Vice Chair, At-Large); RHC (At-Large)
Matthew Gerst	Representative for commercial mobile radio service providers	HCLI (Mobile Radio Service Provider); Nominating Committee (Chair)

### **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, 2022 meeting nominations for the elected USAC officer positions; and

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**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, 2022 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 2022 Budget and  
Demand Projection for the November 2, 2021 FCC Filing**

**Action Requested**

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2022 (1Q2022) Connected Care Pilot Program budget and demand projection for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2021 quarterly filing.

**Discussion**

On a quarterly basis, USAC is required to submit to the FCC the projected budget<sup>1</sup> and demand<sup>2</sup> for the upcoming quarter.

**Funding Requirement**

USAC estimates the 1Q2022 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	4Q2021	Increase/ (Decrease)	1Q2022	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	
<b>Total Connected Care Demand</b>	<b>\$8.33</b>	<b>\$0.00</b>	<b>\$8.33</b>	
Prior Period Adjustments (difference between projections and actuals):				
Billings	(0.02)	0.81	0.79	
Interest Income	0.00	0.00	0.00	
Bad Debt Expense	(0.07)	(0.01)	(0.08)	
<b>Total Prior Period Adjustments</b>	<b>(0.09)</b>	<b>0.80</b>	<b>0.71</b>	
USAC Administrative Expenses	\$0.31	\$(0.14)	\$0.17	See Table B
<b>Total Funding Requirement</b>	<b>\$8.55</b>	<b>\$0.66</b>	<b>\$9.21</b>	

<sup>1</sup> See 47 C.F.R. § 54.715(c).

<sup>2</sup> 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.<sup>3</sup> The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup>

Based on the projected burn rate, USAC estimates the following 1Q2022 budget:

Table B. Quarterly Budget

<i>(in millions)</i>	<b>4Q2021 Budget</b>	<b>Increase/ (Decrease)</b>	<b>1Q2022 Budget</b>	<b>Notes</b>
<b>Direct Costs</b>				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.25	(0.18)	0.07	
General & Administrative	0.00	0.00	0.00	See Note 2
<b>Total Direct Costs</b>	<b>\$0.25</b>	<b>(\$0.18)</b>	<b>\$0.07</b>	
<b>Direct Assigned Costs</b>				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.03	0.03	
General & Administrative	0.04	(0.04)	0.00	See Note 2
<b>Total Direct Assigned Costs</b>	<b>\$0.04</b>	<b>(\$0.01)</b>	<b>\$0.03</b>	
<b>Total Direct &amp; Direct Assigned Costs</b>	<b>\$0.29</b>	<b>(\$0.19)</b>	<b>\$0.10</b>	
<b>Common Allocated Costs</b>	<b>\$0.02</b>	<b>\$0.05</b>	<b>\$0.07</b>	
<b>Total Budget</b>	<b>\$0.31</b>	<b>(\$0.14)</b>	<b>\$0.17</b>	

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

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

<sup>3</sup> See *Promoting Telehealth for Low-Income Consumers; COVID-19 Telehealth Program*, WC Docket Nos. 18-213 and 20-89, Report and Order, 35 FCC Rcd 3366, 3384, paras. 37-38 (2020).

<sup>4</sup> See *id.* at 3387-88, para. 42.

<sup>5</sup> See *id.* at 3368-69, para. 5.

<sup>6</sup> See *id.* at 3384, 3387, paras. 38, 42.

**Recommendation**

USAC management recommends that the Board approve the 1Q2022 budget and projection of demand as proposed.

**Recommended Board Actions**

APPROVAL OF THE FOLLOWING RESOLUTIONS:

**RESOLVED**, that the USAC Board of Directors approves a 1st Quarter 2022 Connected Care Pilot Program direct budget of \$0.10 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.10 million for Connected Care Pilot Program administrative costs in the required November 2, 2021 filing to the Federal Communications Commission on behalf of the Board; and

**RESOLVED FURTHER**, that the USAC Board of Directors, having reviewed at its meeting on October 26, 2021 the 1st Quarter 2022 Connected Care Pilot Program demand estimate of \$9.21 million, hereby directs USAC staff to proceed with the required November 2, 2021 filing to the Federal Communications Commission 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  
Nine months ending September 30, 2021

<i>(\$ in millions)</i>	<b>FTE Actual</b>	<b>FTE Budget</b>	<b>FTE Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>
<b>Direct Costs</b>						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services (Note 3)				0.08	0.75	0.67
General & Administrative (Note 4)				0.00	0.00	0.00
<b>Total Direct Costs</b>				<b>\$0.08</b>	<b>\$0.75</b>	<b>\$0.67</b>
<b>Direct Assigned Costs</b>						
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	0.10	0.10
<b>Total Direct Costs</b>				<b>\$0.01</b>	<b>\$0.10</b>	<b>\$0.09</b>
<b>Total Direct &amp; Direct Assigned Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0.09</b>	<b>\$0.85</b>	<b>\$0.76</b>
<b>Common Allocated Costs (Note 5)</b>				<b>\$0.04</b>	<b>\$0.04</b>	<b>\$0.00</b>
<b>Total Costs and Budget</b>				<b>\$0.13</b>	<b>\$0.89</b>	<b>\$0.76</b>

**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 Meeting

Connected Care Pilot Program Update

*Open Session*

October 26, 2021



Universal Service  
Administrative Co.

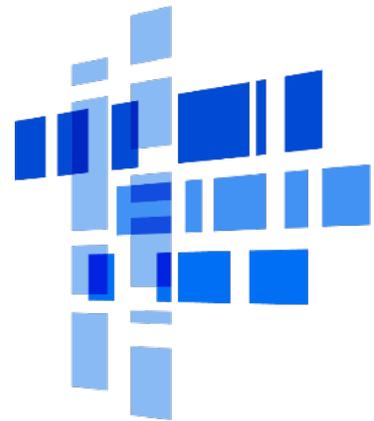
# Connected Care Pilot Program Updates

- **Summary**

- Connected Care (first announced in April 2020) offers **\$100 million over a three-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 Pilot Program 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 Maximus who will process FCC Forms 461/462. RHC staff will process FCC Form 463.
  - To date we have received 5 FCC Form 461 and 1 FCC Form 462.



**Universal Service  
Administrative Co.**

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

**ACTION ITEM**

**Approval of USAC Common and Consolidated  
1st Quarter 2022 Budgets for the November 2, 2021 FCC Filing**

**Action Requested**

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2022 (1Q2022) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2021 quarterly filing.

**Discussion**

Based on the projected burn rate, USAC estimates a 1Q2022 USAC consolidated budget of \$55.57 million to administer the Universal Service Fund (USF), which includes \$30.37 million in direct program costs and \$25.20 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	<b>4Q2021 Budget</b>	<b>Increase/ (Decrease)</b>	<b>1Q2022 Budget</b>
<b>Direct Program &amp; Direct Assigned Costs</b>			
High Cost	\$6.45	(\$0.47)	\$5.98
Lifeline	9.61	0.26	9.87
Rural Health Care	3.67	(0.04)	3.63
Schools & Libraries	10.87	(0.08)	10.79
Connected Care Pilot	0.29	(0.19)	0.10
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>\$30.89</b>	<b>(\$0.52)</b>	<b>\$30.37</b>
<b>Common Costs</b>			
Employee Expenses	\$17.77	(\$3.24)	\$14.53
Professional Services	6.23	(2.88)	3.35
General & Administrative (Note 1)	6.25	1.07	7.32
<b>Total Common Costs</b>	<b>\$30.25</b>	<b>(\$5.05)</b>	<b>\$25.20</b>
<b>Total Consolidated Costs</b>	<b>\$61.14</b>	<b>(\$5.57)</b>	<b>\$55.57</b>

**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, 2021 is provided in **Attachment 1**.

**Recommendation**

USAC management recommends that the Board approve the 1Q2022 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 2022 common budget of \$25.20 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.20 million for common costs in the required November 2, 2021 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2022 consolidated budget to administer the Universal Service Fund of \$55.57 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$55.57 million for consolidated costs in the required November 2, 2021 filing to the Federal Communications Commission 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, 2021

<i>(\$ in millions)</i>	<b>FTE Actual</b>	<b>FTE Budget</b>	<b>FTE Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>
<b>Direct Program &amp; Direct Assigned Costs</b>						
High Cost	59	74	15	\$12.10	\$19.08	\$6.98
Lifeline	80	86	6	20.88	30.20	9.32
Rural Health Care	54	62	8	9.39	11.23	1.84
Schools & Libraries	73	82	9	27.48	32.88	5.40
Connected Care Pilot	0	0	0	0.09	0.85	0.76
<b>Total Direct Program &amp; Direct Assigned Costs</b>	<b>266</b>	<b>304</b>	<b>38</b>	<b>\$69.94</b>	<b>\$94.24</b>	<b>\$24.30</b>
<b>Common Costs (Note 2)</b>						
Employee Expenses	364	387	23	\$41.95	\$45.08	\$3.13
Professional Services				12.83	19.75	6.92
General & Administrative (Note 3)				16.58	20.25	3.67
<b>Total Common Costs (Note 4)</b>	<b>364</b>	<b>387</b>	<b>23</b>	<b>\$71.36</b>	<b>\$85.08</b>	<b>\$13.72</b>
<b>Total Consolidated Costs</b>	<b>630</b>	<b>691</b>	<b>61</b>	<b>\$141.30</b>	<b>\$179.32</b>	<b>\$38.02</b>

**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 Meeting

Appropriation Program Status

*Open Session – Discussion Only*

October 26, 2021



Universal Service  
Administrative Co.