



Board of Directors

Briefing Book

Tuesday, April 26, 2022

10:00 a.m. – 1:30 p.m. Eastern Time

Available for Public Use

USAC Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

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

<p>Tuesday, April 26, 2022 10:00 a.m. –1:30 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 January 25 and February 22, 2022</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p>	5
Chair	<p>i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee</p>	10
Michelle	<p>a2. Approval of Connected Care Pilot Program 3rd Quarter 2022 Budget and Demand Projection for the May 2, 2022 Federal Communications Commission Filing</p>	5
Mark	<p>i2. Connected Care Pilot Program Update (<i>For Information Only</i>)</p>	-
Michelle	<p>a3. Approval of USAC Common and Consolidated 3rd Quarter 2022 Budgets for the May 2, 2022 FCC Filing</p>	10
Radha	<p>i3. Enterprise Business Updates</p> <p style="padding-left: 20px;">A. CEO Update</p> <ul style="list-style-type: none"> • Return to office status update • High-level appropriated programs update 	10
Craig/ Pam	<p style="padding-left: 20px;">B. Appropriated Programs</p> <ul style="list-style-type: none"> • Emergency Connectivity Fund (ECF) Update • Emergency Broadband Benefit (EBB) Program and Affordable Connectivity Program (ACP) Update 	5 5
Stephen	<p style="padding-left: 20px;">C. Shared Services Update</p> <ul style="list-style-type: none"> • Stakeholder Satisfaction: Call Center Survey • Customer Relationship Management (CRM) Overview 	10

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Kyle	i4. Enterprise Business Updates <i>(Continued)</i> A1. CEO Update <ul style="list-style-type: none"> • Program Management Approach for Program Systems Development • Annual Report Feedback A2. Information Security Update <ul style="list-style-type: none"> • Log4J Update • Cybersecurity Executive Order Goals • FISMA Compliance Update 	30
Chris	B. Enterprise Risk Management: <ol style="list-style-type: none"> 1. 1Q 2022 Risk Management Update 2. Risk Management Council Minutes <i>(For Information Only)</i> 	–
Chris	C. Procurement Business Update <i>(For Information Only)</i>	–
Michelle	D. Information on Contribution Factor	5
Chris	a4. Consideration of a Task Order Award for High Cost Payment Quality Assurance (PQA) Assessments	5
Chris	a5. Consideration of a Contract Award for Information Security Program Compliance Support Services	5
Chris	a6. Consideration of a Contract Award for EnterpriseDB Postgres Licenses	5
Chris	a7. Consideration of a Multi-Award Task Order for Web Application Support Services	5
Chris	a8. Consideration of a Contract Award for IT Development and Technical Services to Support Appian-Based Platform	5
Chris	a9. Consideration to Exercise Option Year for Chief Information Security Officer (CISO) Advisory Services	5
Chris	a10. Consideration of a Contract Award for a Governance, Risk and Compliance (GRC) Tool and Professional Services	5
Chris	a11. Consideration of a Contract Award for Benefits Broker Services	5
Chris	a12. Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services	5
Teleshia	i5. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report <i>(For Information Only)</i>	–
Sabina	i6. <i>Personnel Matter:</i> Employee Engagement Survey	10
Chair	i7. Confidential Executive Session: Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

**Tuesday, July 26, 2022
USAC Offices, Washington, D.C.**

**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. Approval of Board of Directors Meeting Minutes of January 25 and February 22, 2022 (*see Attachments A-1 and A-2*).

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

(1) **i4** – Enterprise Business Updates (*Continued*).

A1. 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*.

A2. Information Security 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 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

C. Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session*

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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) requires USAC to keep all data obtained from contributors confidential*.

- (2) **a4** – Consideration of a Task Order Award for High Cost Payment Quality Assurance (PQA) Assessments. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (3) **a5** – Consideration of a Contract Award for Information Security Program Compliance Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (4) **a6** – Consideration of a Contract Award for EnterpriseDB Postgres Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (5) **a7** – Consideration of a Multi-Award Task Order for Web Application 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) **a8** – Consideration of a Contract Award for IT Development and Technical Services to Support Appian-Based Platform. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **a9** – Consideration to Exercise Option Year for Chief Information Security Officer (CISO) Advisory Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (8) **a10** – Consideration of a Contract Award for a Governance, Risk and Compliance (GRC) Tool and Professional Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (9) **a11** – Consideration of a Contract Award 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*.

- (10) **a12** - Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (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** – *Personnel Matter*: Employee Engagement Survey. USAC management recommends that discussion of this item occur 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 January 25 and February 22, 2022; 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
Tuesday, January 25, 2022

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 25, 2022. 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 10:00 a.m. Eastern Time, with a quorum of 18 of the 19 Board members present:

Buzacott, Alan – *by telephone*
Chalk, Indra – *by telephone*
Choroser, Beth – *by telephone*
Domenech, Dr. Dan
Fontana, Brent – *by telephone*
Freeman, Sarah
Gillan, Joe – Chair
Gregory, Amber – *by telephone*
Jacobs, Ellis – *by telephone*

Mason, Ken – Vice Chair – *by telephone*
Polk, Stephanie – *by telephone*
Schell, Julie Tritt – Treasurer – *by telephone*
Sekar, Radha – Chief Executive Officer
Skrivan, Michael – *by telephone*
Wade, Dr. Joan – *by telephone*
Waller, Jeff – *by telephone*
Wein, Olivia – Secretary
Wibberly, Dr. Kathy

Members of the Board not present:

Feiss, Geoff

Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance and Chief Financial Officer
Hughet, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*

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>
Burgess, Melody – <i>by telephone</i>	USAC
Carlin, Tyler – <i>by telephone</i>	KPMG
Case, Kevin – <i>by telephone</i>	USAC
James, Christine – <i>by telephone</i>	USAC
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators’ Alliance
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Shrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Tiwari, Tanya	USAC
Williams, Erin	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 October 21 and 26; November 15 and 16; and December 2, 16, and 30, 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. Procurement Business Update and Annual Competition Advocate Report. USAC management recommended that these

items be discussed in *Executive Session* because they relate 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) **a6** – Review of Statement of Ethical Conduct for Members of the USAC Board of Directors and Board Member Annual Disclosure of Corporate or Entity Affiliations Form. USAC management recommended that discussion of this item be conducted in *Executive Session* because the discussion may include examples of how the Statement and Disclosure Form apply, and could include specific facts protected by the *attorney/client privilege*.
- (3) **a7** – Consideration to Approve an Amendment to the Acknowledgement of Confidentiality Agreement. USAC management recommended that discussion of this item be conducted in *Executive Session* because the discussion of the Confidentiality Agreement may include examples of how the Agreement applies, and could include specific facts protected by the *attorney/client privilege*.
- (4) **a8** – Approval of 2022 Annual USAC Common and Consolidated Budgets. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (5) **a9** – Approval of 2022 Annual Connected Care Pilot Program Budget. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (6) **a10** – Consideration of a Contract Award for Oracle Technical Support. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **a11** – Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems Modifications for Affordable Connectivity Program Portal. USAC management recommended that this item

be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (8) **a12** – Consideration of a Contract Award for WordPress Hosting Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (9) **a13** – Consideration of a Contract Modification for Red Hat. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (10) **a14** – Consideration of a Task Order Award for Contributor Revenue Audit Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (11) **a15** – Consideration of a Contract Modification for Internet Service Provider (ISP) and Wide Area Network (WAN) Services (Zayo). USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a16** – Consideration of a Contract Modification for Internet Service Provider (ISP) and Wide Area Network (WAN) Services (Cogent). USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a17** – Consideration of a Contract Award for Cisco WebEx FedRamp Licenses. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **a18** – Consideration of a Contract Modification for Analysis and Project Management Office Support for the Enterprise Resource Planning System. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (15) **i4** – Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report. USAC management recommended that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and would constitute a discussion of

internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*

- (16) **a19A & B – Personnel Matter:** USAC management recommended that discussion of these items occur in *Executive Session* because they involve *internal personnel matters*.
- (17) **i5 – Confidential Executive Session:** Board of Directors Only. USAC management recommended that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Review of the 2022 Audit Committee Charter

D. Approval of April 2023 – January 2024 Board of Directors Quarterly Meeting Schedule.

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 October 21, October 26, November 15, November 16, December 2, December 16, and December 30, 2021; and (2) discussion in *Executive Session* of the items noted above; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the revised 2022 Audit Committee Charter presented by the Audit Committee, hereby accepts the recommendation of the Audit Committee and approves the revised 2022 Audit Committee Charter; and

RESOLVED FURTHER, that the USAC Board of Directors adopts the Board of Directors and committee quarterly meetings schedule for April 2023 through January 2024.

- a2. **Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers.** Mr. Gillan introduced this item to the Board requesting that Dr. Wade, Chair of the Nominating Committee, report on the Nominating Committee’s recommendations for the election of committee chairs, vice chairs, and at-large members, corporate officers, and the appointment of USAC staff members as Assistant Secretary and Assistant Treasurer.

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

Election of Board Members to Committee At-Large Seats

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RESOLVED, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Schools & Libraries Committee**: **Ken Mason** (representing service providers), **Alan Buzacott** (at-large member), **Brent Fontana** (at-large member), and **Beth Choroser** (at-large member); and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **High Cost & Low Income Committee**: **Olivia Wein** (at-large member) and **Ken Mason** (at-large member); and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Rural Health Care Committee**: **Geoff Feiss** (representing service providers), **Dr. Joan Wade** (at-large member), and **Olivia Wein** (at-large member); and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Audit Committee**: **Joe Gillan** (representing the High Cost & Low Income Committee), **Brent Fontana** (representing the Rural Health Care Committee), **Beth Choroser** (representing the Schools & Libraries Committee), **Geoff Feiss** (at-large member), and **Julie Tritt Schell** (at-large member); and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Executive Compensation Committee**: **Ken Mason** (at-large member), **Dr. Dan Domenech** (at-large member), **Julie Tritt Schell** (at-large member), **Dr. Joan Wade** (at-large member) and **Dr. Kathy Wibberly** (at-large member).

Election of Committee Chairs and Vice Chairs

RESOLVED, that the USAC Board of Directors accepts the recommendation of the Schools & Libraries Committee and elects **Dr. Dan Domenech** as Chair and **Julie Tritt Schell** as Vice Chair of the **Schools & Libraries Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the High Cost & Low Income Committee and elects **Ken Mason** as Chair and **Olivia Wein** as Vice Chair of the **High Cost & Low Income Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Rural Health Care Committee and elects **Dr. Kathy Wibberly** as Chair and **Brent Fontana** as Vice Chair of the **Rural Health Care Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Audit Committee and elects **Geoff Feiss** as Chair and **Beth Choroser** as Vice Chair of the **Audit Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Board Chair and elects **Ken Mason** as Chair of the **Executive Compensation Committee**; and

RESOLVED FURTHER, that each of the aforementioned directors shall serve for a term that begins immediately upon the adoption of this resolution by the Board and ends at such time as the chair or vice chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

Election of Board Chair, Vice Chair, Secretary and Treasurer

RESOLVED, that the USAC Board of Directors elects **Joe Gillan** as Chair of the Board and **Ken Mason** as Vice Chair of the Board, **Olivia Wein** as Secretary of the corporation, and **Julie Tritt Schell** as Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such member's successor has been elected, when such member resigns such position, is removed by resolution of the Board, or is no longer a member of the Board.

Appointment of USAC Staff Members as Assistant Secretary and Assistant Treasurer

RESOLVED, that the USAC Board of Directors accepts the recommendation of the USAC Nominating Committee and appoints **Erin Williams** as Assistant Secretary of the corporation and **Michelle Garber** as Assistant Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such person's successor has been appointed, such person resigns from such position, his employment with USAC terminates for whatever reason, or such person is removed by the CEO or by resolution of the Board.

- a3. **Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Choroser presented the report for the Audit Committee. Mr. Mason presented the report for the High Cost & Low Income Committee and the

Executive Compensation Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Dr. Domenech presented the report for the Schools & Libraries Committee.

- a4. Approval of Connected Care Pilot Program 2nd Quarter 2022 Budget and Demand Projection for the January 31, 2022 Federal Communications Commission (FCC) Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 2nd quarter 2022 demand projection for the January 31, 2022 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 2nd Quarter 2022 Connected Care Pilot Program direct budget of \$0.00 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.00 million for Connected Care Pilot Program administrative costs in the required January 31, 2022 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 January 25, 2022 the 2nd Quarter 2022 Connected Care Pilot Program demand estimate of \$7.81 million, hereby directs USAC staff to proceed with the required January 31, 2022 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- ii. 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.

- a5. Approval of USAC Common and Consolidated 2nd Quarter 2022 Budgets for the January 31, 2022 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 2nd Quarter 2022 budgets for the January 31, 2022 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 2nd Quarter 2022 common budget of \$24.07 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$24.07 million

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for common costs in the required January 31, 2022 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 2nd Quarter 2022 consolidated budget to administer the Universal Service Fund of \$58.09 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$58.09 million for consolidated costs in the required January 31, 2022 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

i2. Enterprise Business Updates:

- A. CEO Update.** Ms. Sekar provided a verbal update on USAC's 2021 accomplishments.
- B. Appropriated Programs.** Mr. Davis presented PowerPoint slides providing updates on the Emergency Connectivity Fund Program. Ms. James presented PowerPoint slides providing updates on the COVID-19 Telehealth Program. Ms. Hughet presented PowerPoint slides providing updates on the Emergency Broadband Benefit Program and the Affordable Connectivity Program.
- C. Shared Services Update.** Mr. Butler presented PowerPoint slides providing updates on the 2021 annual report timeline and the call center transition.
- D. IT Update.** Mr. Hutchinson presented PowerPoint slides providing updates on IT modernization efforts.

At 11:19 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 presented a verbal update on appropriated programs including the Emergency Broadband Benefit Program closeout, Affordable Connectivity Program challenges, and Emergency Connectivity Fund invoicing.

The Board recessed at 11:45 a.m. Eastern Time and reconvened in *Executive Session* at 12:15 p.m. Eastern Time.

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:

- Q4 2021 Enterprise Risk Management Update
- Q4 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 Q4 2021 and Q1 2022 anticipated activities.

C2. Annual Competition Advocate Report. Mr. Gillan noted there would be no formal presentation of the report unless Board members had questions pertaining to the report's contents. No discussion was held.

D. Information on Contribution Factor. Ms. Garber presented this item to the Board. The presentation included a written report providing USAC's estimate of the 2nd Quarter 2022 contribution factor.

- a6. **Review of Statement of Ethical Conduct for Members of the USAC Board of Directors and Board Member Annual Disclosure of Corporate or Entity Affiliations Form.** Ms. Williams presented this item to the Board. The presentation included a report detailing USAC management's request that the Board review and reaffirm the Statement of Ethical Conduct for Members of the USAC Board of Directors without revision, and approve minor revisions to the Director Affiliation Disclosure Form.

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

RESOLVED, that the USAC Board of Directors hereby reaffirms the Statement of Ethical Conduct for Members of the USAC Board of Directors without revision, and approves the Director Affiliation Disclosure Form, as revised.

- a7. **Consideration to Approve an Amendment to the Acknowledgement of Confidentiality Agreement.** Ms. Williams presented this item to the Board. The presentation included a report detailing USAC management's recommendation that the Board adopt a revision to the USAC Confidential Information and Disclosure Agreement.

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

RESOLVED, that the USAC Board of Directors adopts the proposed revision of the USAC Confidentiality Agreement.

At the request of the Vice President of Finance and Chief Financial Officer, item a9 was presented for consideration to the Board prior to item a8.

- a9. **Approval of Connected Care Pilot Program 2022 Annual Programmatic Budget.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 2022 annual programmatic budget.

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

RESOLVED, that the USAC Board of Directors approves a 2022 annual programmatic budget for the Connected Care Pilot Program of \$0.16 million.

- a8. Approval of 2022 Annual USAC Common and Consolidated Budgets.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the 2022 annual USAC common and consolidated budgets.

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

RESOLVED, that the USAC Board of Directors approves the 2022 annual common budget of \$109.57 million; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2022 annual consolidated budget of \$238.39 million.

- a10. Consideration of a Contract Award for Oracle 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 firm-fixed price contract for Oracle licenses and technical support.

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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for Oracle licenses and technical support with Oracle America, Inc. for nineteen (19) months for a not-to-exceed amount of \$2,183,084.40 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover potential increases in the level of required support throughout the life of the contract.

- a11. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems Modifications for the Affordable Connectivity Program Portal.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report

detailing USAC management's recommendation to modify the Accenture contract for services related to the Affordable Connectivity 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, hereby authorizes management, subject to required Federal Communications Commission approval, to use congressionally appropriated funds to modify the contract with Accenture Federal, LLC by: (i) extending the base period expiration date from April 7, 2022 to December 31, 2022; and (ii) increasing the base period not-to-exceed amount by \$4,300,000.00 (plus applicable taxes), for services related to the Affordable Connectivity Program, thereby increasing the total not-to-exceed amount for the base period from \$2,800,000.00 (plus applicable taxes) to \$7,100,000.00 (plus applicable taxes).

- a12. Consideration of a Contract Award 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 award a contract for WordPress hosting and consulting 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 management, subject to required Federal Communications Commission approval, to award a contract to New Tech Solutions, Inc. for WordPress hosting and consulting services for a firm-fixed price of \$342,033.36 (plus applicable taxes) over a twelve (12) month base period and two (2) additional one-year option terms, plus an additional 15 percent contingency reserve in the amount of \$51,305.00 (plus applicable taxes) for a total not-to-exceed amount of \$393,338.36 (plus applicable taxes) over the base period and two (2) one-year option terms.

- a13. Consideration of a Contract Modification for Red Hat.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to modify the Red Hat Enterprise License Agreement.

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

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management to increase the amount of its three-year Red Hat Enterprise License Agreement with Axelliant, LLC by \$100,000 (plus applicable taxes) from a not-to-exceed price of \$1,440,087.13 (plus applicable taxes) to a not-to-exceed price of \$1,540,087.13 (plus applicable taxes), subject to required Federal Communications Commission approval, to procure additional licenses and support.

- a14. Consideration of a Task Order Award for Contributor Revenue Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a Task Order for contributor revenue audit 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 time and material task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract to Moss Adams LLP for contributor revenue audit services for a period of twelve (12) months for a not-to-exceed price of \$919,375.00 (plus applicable taxes).

- a15. Consideration of a Contract Modification for Internet Service Provider (ISP) and Wide Area Network (WAN) Services (Zayo).** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to modify the ISP and WAN services contract with Zayo.

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 extend the two-year period of performance of USAC's ISP and WAN services contract with Zayo Group, LLC by three (3) months, thereby extending the expiration date from April 30, 2022 to July 30, 2022, and to increase the total not-to-exceed amount for the period by \$70,000.00 (plus applicable taxes) from \$247,100.00 (plus applicable taxes) to \$317,100.00 (plus applicable taxes).

- a16. Consideration of a Contract Modification for Internet Service Provider (ISP) and Wide Area Network (WAN) Services (Cogent).** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to management's

recommendation to modify the ISP and WAN services contract with Cogent Communications Inc.

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 extend the period of performance of the Internet Service Provider and Wide Area Network services contract with Cogent Communications Inc. by five (5) months, thereby extending the expiration date from May 11, 2022 to October 11, 2022, and to increase the total not-to-exceed amount for the period by \$45,000.00 (plus applicable taxes) from \$225,000.00 (plus applicable taxes) to \$270,000.00 (plus applicable taxes).

a17. Consideration of a Contract Award for Cisco WebEx FedRAMP Licenses.

Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award contract for Cisco for WebEx FedRAMP licenses and support to Iron Bow Technologies, LLC.

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 three-year, firm-fixed price contract for Cisco WebEx FedRAMP licenses and support to Iron Bow Technologies, LLC for a total not-to-exceed price of \$901,403.34 (plus applicable taxes).

a18. Consideration of a Contract Modification for Analysis and Project Management Office Support for the Enterprise Resource Planning System.

Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to modify its contract with Ernst & Young for an enterprise resource planning system project.

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 modify USAC's contract with Ernst & Young U.S. LLP as follows: (i) increase the total not-to-exceed amount of the current one-year option period by

\$1,800,000.00 (plus applicable taxes), from \$749,744.00 (plus applicable taxes) to \$2,549,744.00 (plus applicable taxes); (ii) add \$4,200,000.00 (plus applicable taxes) to the second one-year option period amount, and (iii) add \$500,000.00 (plus applicable taxes) to the third one-year option period for financial systems and process analysis, functional system requirements gathering, and project management office support for an Enterprise Resource Planning system project. Upon approval of the proposed modification, the new total not-to-exceed contract amount will be \$11,910,000.00 over the base period and three option terms. Exercise of the second and third options is subject to required Federal Communications Commission and Board approvals.

- i4. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report.** This item was provided for *information purposes only*. Mr. Gillan noted that the summary and reports can be found in the Board Audit Briefing Book. No discussion was held.

At 12:52 p.m. Eastern Time, the meeting continued in *Executive Session* with only members of the Board and Patsy Nuzzo, Senior Advisor to the Board and CEO, present.

a19. Personnel Matter:

A: Personal Matter. Mr. Gillan presented this time to the Board for consideration.

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 proposed 2022 merit-based salary increase for the USAC CEO, as recommended by the Executive Compensation Committee, hereby approves the salary increase, effective retroactively as of January 1, 2022.

B: Personal Matter: Consideration to Increase Annual Leave for USAC's Chief Executive Officer. Mr. Gillan presented this item to the Board for consideration.

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

RESOLVED, that the USAC Board of Directors, hereby approves an increase in annual leave for USAC's Chief Executive Officer.

At 12:55 p.m. Eastern Time, the Board continued in confidential *Executive Session* with only members of the Board present.

- i5. Confidential Executive Session: Board of Directors Only.** Mr. Gillan facilitated this discussion.

OPEN SESSION

At 1:10 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 a6-a19 and discussed items i3A, i3D, and i5.

On a motion duly made and seconded, the Board adjourned at 1:10 p.m. Eastern Time.

/s/ Olivia Wein

Secretary

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

BOARD OF DIRECTORS MEETING
Tuesday, February 22, 2022

(DRAFT) MINUTES¹

Due to the temporary closure of USAC's offices in Washington, D.C. in response to the COVID-19 pandemic, the non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, February 22, 2022. Mr. Joe Gillan, Board Chair, called the meeting to order at 2:01 p.m. Eastern Time, with a quorum of 15 of the 19 Board members present:

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

Dr. Kathy Wibberly joined the meeting at 2:05 p.m. Eastern Time. She did not participate in the discussion of item a1. Stephanie Polk joined the meeting at 2:13 p.m. Eastern Time. She did not take action on or participate in the discussion of items a1, a2, and a3.

Member of the Board not present:

Chalk, Indra	Wade, Dr. Joan
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Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Hughes, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Williams, Erin – 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.

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Faunce, Donna	USAC
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Phillippi, Megan	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC

OPEN SESSION

- a1. **Consideration to Exercise Option Year for Third Party Identification and Verification Services for the Lifeline Program and the Affordable Connectivity Program.** 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 of a Contract Award for Appian Cloud Services and Licenses.** 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*.

- a3. **Consideration of a Contract Award for ServiceNow Licenses and Support Renewal.** 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*.

- a4. Consideration of a Contract Award for Puppet Enterprise 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 approves discussion of this item in *Executive Session*.

- a5. Consideration of a Contract Award for Tableau Licenses 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 approves discussion of this item in *Executive Session*.

- a6. Consideration of a Contract Modification for Call Center Services and Customer Relationship Management System.** 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*.

At 2:01 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 to Exercise Option Year for Third Party Identification and Verification Services for the Lifeline Program and the Affordable Connectivity Program.** 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 period of the contract with Transunion Public Sector for the performance of third party identification verification services to support the Affordable Connectivity 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, hereby authorizes USAC management to exercise the first one-year option period of its contract with Transunion Public Sector for the performance of third party identification verification services to accommodate new entrants/carriers and operation of the Affordable Connectivity Program from submission through authentication (Task 2). The one-year option will have an amount not-to-exceed \$440,000.00 (plus applicable taxes), using congressionally appropriated funds, to support the Affordable Connectivity Program.

- a2. Consideration of a Contract Award for Appian Cloud Services and Licenses.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a award a firm-fixed price contract for Appian licenses and support.

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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for Appian licenses and support to Appian Corporation for a term of thirty-six (36) months for a total not-to-exceed amount of \$13,785,697.32 (plus applicable taxes), which includes a contingency of \$150,000.00 (plus applicable taxes) to cover potential increases in the level of required licensing and support throughout the life of the contract.

- a3. Consideration of a Contract Award for ServiceNow Licenses and Support Renewal.** 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 for ServiceNow licenses and support.

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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for ServiceNow licenses and support to vCloud Tech Inc. for twelve (12) months for a not-to-exceed amount of \$605,451.28 (plus applicable taxes), with such amount including a contingency of \$250,000.00 (plus applicable taxes) to cover: (i) projected increases in the number of licenses and support throughout the life of the contract; and (ii) USAC's plan to move the current functions of its IT Service Desk over to ServiceNow.

- a4. Consideration of a Contract Award for Puppet Enterprise Subscription.** 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 for Puppet Enterprise licenses and support.

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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for Puppet Enterprise licenses and support to New Tech Solutions, Inc. for a term of thirty-six (36) months for a not-to-exceed amount of \$278,395.00 (plus applicable taxes), with such amount including a contingency of \$25,309.00 (plus applicable taxes) to cover potential increases in the level of required licensing and support throughout the life of the contract.

- a5. Consideration of a Contract Award for Tableau Licenses and Support.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a two-year, firm-fixed price contract for Tableau licenses and support.

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 two-year, firm-fixed price contract to Tableau Software, LLC for Tableau licenses and support, for a total not-to-exceed price of \$601,320.00 (plus applicable taxes), with such amount including a contingency of \$60,000.00 (plus applicable taxes) to cover growth in the business units throughout the life of the contract.

- a6. Consideration of a Contract Modification for Call Center Services and Customer Relationship Management System.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify the existing contract with Ernst & Young LLP to include full scope, omni-channel customer service to stakeholders that is currently performed by the USAC Financial Operations customer service team.

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 modify its existing contract with Ernst & Young LLP to include full scope, omni-channel customer service to stakeholders that is currently performed by the USAC Financial Operations customer service team. The additional service requested shall be performed under the current contract terms, period of performance, and total not-to-exceed amount of \$4.8 million (plus applicable taxes) over a twelve (12) month base period, with the ability to exercise four (4) additional one-year option terms, subject to required Federal Communications Commission and USAC Board of Directors approvals, for a five (5) year total not-to-exceed amount of \$17.3 million (plus applicable taxes) over the base year and four (4) one-year option terms.

OPEN SESSION

At 2:25 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 2:26 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

ACTION ITEM

**Approval of Connected Care Pilot Program
3rd Quarter 2022 Budget and
Demand Projection for the May 2, 2022 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 3rd Quarter 2022 (3Q2022) Connected Care Pilot Program budget and demand projection for submission to the Federal Communications Commission (FCC) in USAC's May 2, 2022 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 3Q2022 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	2Q2022	Increase/ (Decrease)	3Q2022	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	(0.53)	0.50	(0.03)	
Bad Debt Expense	(0.06)	(0.01)	(0.07)	
Total Prior Period Adjustments	(\$0.59)	\$0.49	(\$0.10)	
USAC Administrative Expenses	\$0.07	\$0.04	\$0.11	See Table B
Total Funding Requirement	\$7.81	\$0.53	\$8.34	

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 (Pilot Program) within the Universal Service Fund (Fund), making \$100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, with a primary focus on providing these services 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 the \$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 3Q2022 budget:

Table B. Quarterly Budget

<i>(in millions)</i>	2Q2022 Budget	Increase/ (Decrease)	3Q2022 Budget	Notes
Direct Program Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.03	0.03	
General & Administrative	0.00	0.00	0.00	
Total Direct Program Costs	\$0.00	\$0.03	\$0.03	
Direct Assigned Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.00	0.00	
General & Administrative	0.00	0.00	0.00	
Total Direct Assigned Costs	\$0.00	\$0.00	\$0.00	
Total Direct Program & Direct Assigned Costs	\$0.00	\$0.03	\$0.03	
Common Allocated Costs	\$0.07	\$0.01	\$0.08	
Total Programmatic Budget	\$0.07	\$0.04	\$0.11	

A comparison of actual expenditures to the budget for the three months ending March 31, 2022 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, 35 FCC Rcd 3366, 3384, paras. 37-38 (2020) (Order).

⁴ See *id.* at 3387-88, para. 42.

⁵ See *id.* at 3368-69, para. 5.

⁶ See *id.* at 3384, 3387, paras. 38, 42.

Recommendation

USAC management recommends that the Board approve the 3Q2022 budget and projection of demand as proposed.

Recommended USAC Board Actions

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2022 Connected Care Pilot Program direct budget of \$0.03 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.03 million for Connected Care Pilot Program administrative costs in the required May 2, 2022 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 April 26, 2022 the 3rd Quarter 2022 Connected Care Pilot Program demand estimate of \$8.34 million, hereby directs USAC staff to proceed with the required May 2, 2022 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
Three months ending March 31, 2022

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services (Note 2)				0.00	0.03	0.03
General & Administrative				0.00	0.00	0.00
Total Direct Program Costs				\$0.00	\$0.03	\$0.03
Direct Assigned Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services (Note 2)				0.00	0.03	0.03
General & Administrative				0.00	0.00	0.00
Total Direct Assigned Costs				\$0.00	\$0.03	\$0.03
Total Direct Program & Direct Assigned Costs	0	0	0	\$0.00	\$0.06	\$0.06
Common Allocated Costs (Note 3)				\$0.06	\$0.06	\$0.00
Total Programmatic Budget				\$0.06	\$0.12	\$0.06

Note 2: Direct Program Professional Services include business process outsourcing (BPO) costs. Direct Assigned Professional Services include system O&M costs.

Note 3: 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

April 26, 2022



Universal Service
Administrative Co.

Connected Care Pilot Program Updates

- **USAC follow-up action to Second Report and Order (October 2021)**
 - Outreach
 - The FCC announced a final list of approved projects. Welcome letters will be sent to all newly selected projects.
 - Subsequent kick-off webinars will be held after each FCC announcement (requirements, timelines, and future trainings).
 - Additional system modifications are being contemplated and requirements for documents upload were discussed with the FCC in March and is set for delivery in Q4.
 - To date, we have received 79 FCC Form 461s and 11 Entities have filed FCC Form 462s (32 Forms).
 - We issued funding commitments for \$5.007M
 - We have received 4 FCC Form 463 for disbursement and disbursed 2 Invoices value \$562k
 - Deadline to submit initial FCC Form 462 per project is September 2022.



**Universal Service
Administrative Co.**

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

ACTION ITEM

**Approval of USAC Common and Consolidated
3rd Quarter 2022 Budgets for the May 2, 2022 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 3rd Quarter 2022 (3Q2022) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's May 2, 2022 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a 3Q2022 USAC consolidated budget of \$61.60 million to administer the Universal Service Fund (USF), which includes \$32.38 million in direct program costs and \$29.22 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	2Q2022 Budget	Increase/ (Decrease)	3Q2022 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.34	(\$0.02)	\$6.32
Lifeline	10.62	(0.66)	9.96
Rural Health Care	5.62	(1.01)	4.61
Schools & Libraries	11.44	0.02	11.46
Connected Care Pilot	0.00	0.03	0.03
Total Direct Program & Direct Assigned Costs	\$34.02	(\$1.64)	\$32.38
Common Costs			
Employee Expenses	\$14.99	\$0.18	\$15.17
Professional Services	2.24	4.62	6.86
General & Administrative (Note 1)	6.84	0.35	7.19
Total Common Costs	\$24.07	\$5.15	\$29.22
Total Consolidated Costs	\$58.09	\$3.51	\$61.60

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 three months ending March 31, 2022 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the 3Q2022 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2022 common budget of \$29.22 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$29.22 million for common costs in the required May 2, 2022 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 3rd Quarter 2022 consolidated budget to administer the Universal Service Fund of \$61.60 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$61.60 million for consolidated costs in the required May 2, 2022 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
Three Months Ending March 31, 2022

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	60	70	10	\$4.70	\$5.98	\$1.28
Lifeline	85	90	5	12.11	10.00	(2.11)
Rural Health Care	56	59	3	3.34	4.61	1.27
Schools & Libraries	72	83	11	7.44	10.91	3.47
Connected Care Pilot	0	0	0	0.00	0.06	0.06
Total Direct Program & Direct Assigned Costs	273	302	29	\$27.59	\$31.56	\$3.97
Common Costs (Note 2)						
Employee Expenses	352	391	39	\$13.49	\$14.64	\$1.15
Professional Services				5.32	1.15	(4.17)
General & Administrative (Note 3)				5.79	7.07	1.28
Total Common Costs	352	391	39	\$24.60	\$22.86	(\$1.74)
Total Consolidated Costs	625	693	68	\$52.19	\$54.42	\$2.23

Note 2: Actual USF 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.



Board of Directors Meeting

CEO Update

Open Session

April 26, 2022



Discussion Topics

- Return to office status update
- High-level appropriated programs update



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Board of Directors Meeting

Emergency Connectivity Fund (ECF) Update

Open Session

April 26, 2022



Agenda

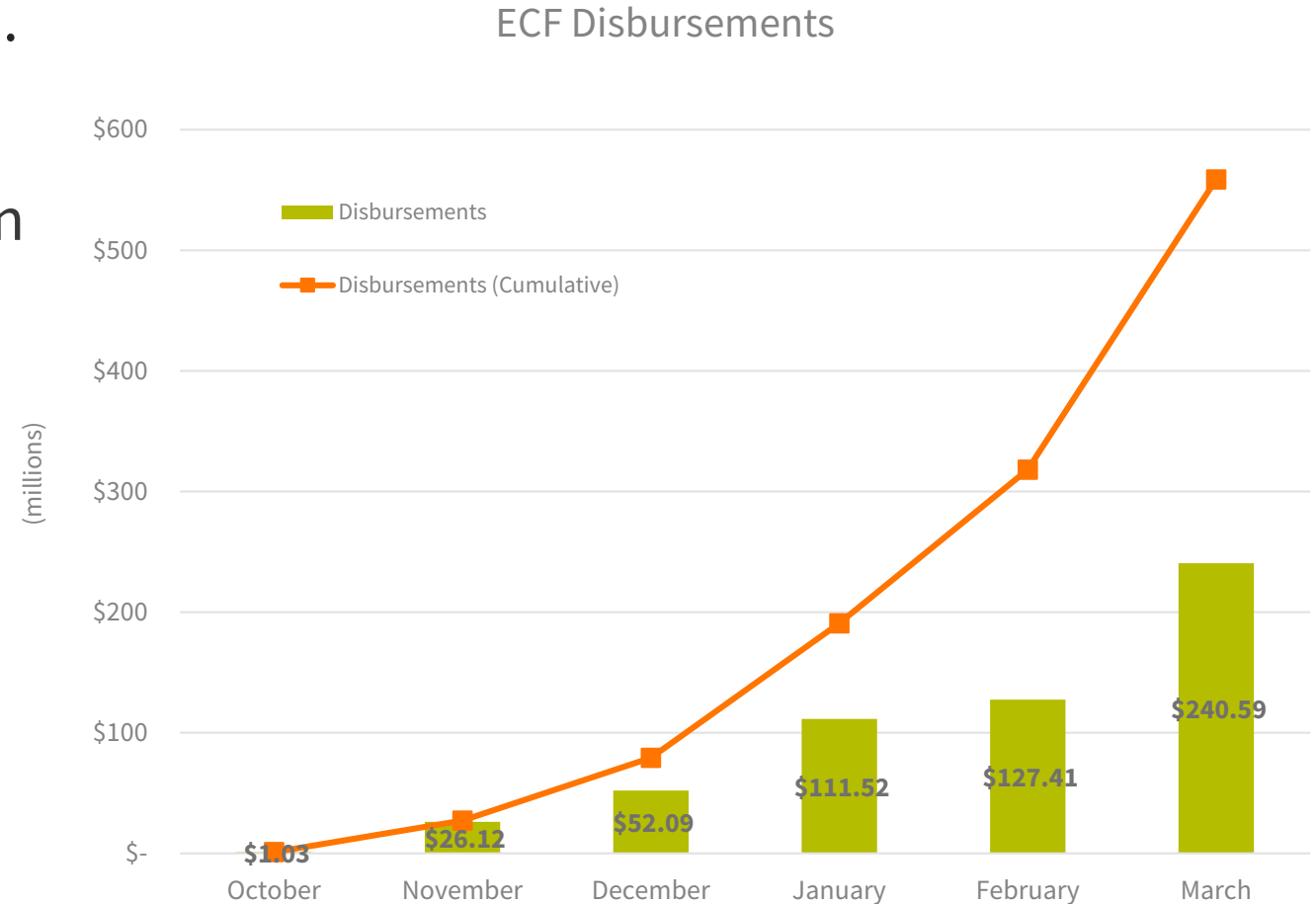
- ECF Update
- ECF Invoicing
- ECF Post-Commitment

ECF Update

- Funding Update – Over 14,800 applications submitted requesting \$6.43 billion.
 - 13,872 applications committed (93.3%) with \$5.57 billion reviewed (86.7%) and \$4.76 billion committed as of March 31, 2022.
- On March 23, the FCC directed USAC to open a third application filing window.
 - Window 3 is set to open on April 28 and close on May 13, 2022.
 - Requests for funding to purchase eligible equipment and services between July 1, 2022 and December 31, 2023.
 - The FCC estimates approximately \$1 billion of the \$7.17 billion allocated for ECF remains for additional funding.

ECF Invoicing

- Invoice submission opened October 1.
 - Over 4,600 reimbursement requests approved for \$559 million as of March 31, 2022.
 - Key challenges for invoicing include collecting shipping date documentation and SAM.gov registration information for participants seeking payments.



ECF Post-Commitment

- Post-Commitment processes deployed on September 24, 2021, including appeals and commitment adjustments.
- The FCC extended the service delivery deadline for Windows 1 and 2 by one year to June 30, 2023.
 - Applies to requests for equipment, other non-recurring services, and recurring services.
- The FCC service delivery deadline for Window 3 is December 31, 2023.
 - Applies to requests for equipment, other non-recurring services, and recurring services.
 - The invoicing deadline is 60 days from the latest funding decision or February 29, 2024, whichever is later.



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Board of Directors Meeting

Emergency Broadband Benefit (EBB)
Program and Affordable Connectivity
Program (ACP) Update

Open Session

April 26, 2022



EBB Program Close-Out

- Key metrics:
 - Approximately 9 million households were enrolled in the EBB Program at the transition date.
 - Approximately \$1.9 billion claimed for the EBB Program through the December 2021 data period.
 - Providers had until March 15, 2022 to submit final EBB Program claims.
- Transition:
 - As of March 1, 2022, legacy non-Tribal EBB Program subscribers' maximum monthly benefit decreased from \$50 to \$30.

ACP Launch

- Key Metrics:
 - 10 million households were enrolled by mid-February.
 - The White House held a press briefing on the achievement.
- ACP Order
 - Published in the Federal Register on February 14, 2022.
 - Majority of the final rules became effective on March 16, 2022, with the remainder of the final rules effective on April 15, 2022.
- Communications and Outreach:
 - Service provider training and bulletins: Continuing to host webinars and send bulletins to provide updates.
 - Website launch: Regularly updating [ACPBenefit.org](https://www.acpbenefit.org), which provides key information on ACP.



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Board of Directors Meeting

Shared Services Update

Open Session

April 26, 2022



Agenda

- Stakeholder Satisfaction: Call Center Survey
- Customer Relationship Management (CRM) Overview

Stakeholder Satisfaction: Call Center Survey

Stakeholders have the option after each call to rate the quality of service that the call center agent provided.

- Stakeholders are asked to participate in an interactive voice response (IVR) phone survey after each call with the call center.

- “How satisfied were you with your Customer Support experience today, from 1 to 5?”

- 5 - Very Satisfied
 - 4 - Satisfied
 - 3 - Neutral
 - 2 - Dissatisfied
 - 1 - Very Dissatisfied

Program	Survey Count	February Satisfaction Score*
E-Rate	409	89.2%
Rural Healthcare	36	88.9%
High Cost	27	77.8%

- All surveys with two or lower ratings are reviewed the following day. Verbal feedback and coaching is provided to the agent that received the call.
- A low rating and any general themes or best practices are reinforced with all agents.

CRM is making USAC Smarter and Faster

CRM speeds service to USF participants, increasing USAC's support efficiency and insights by:

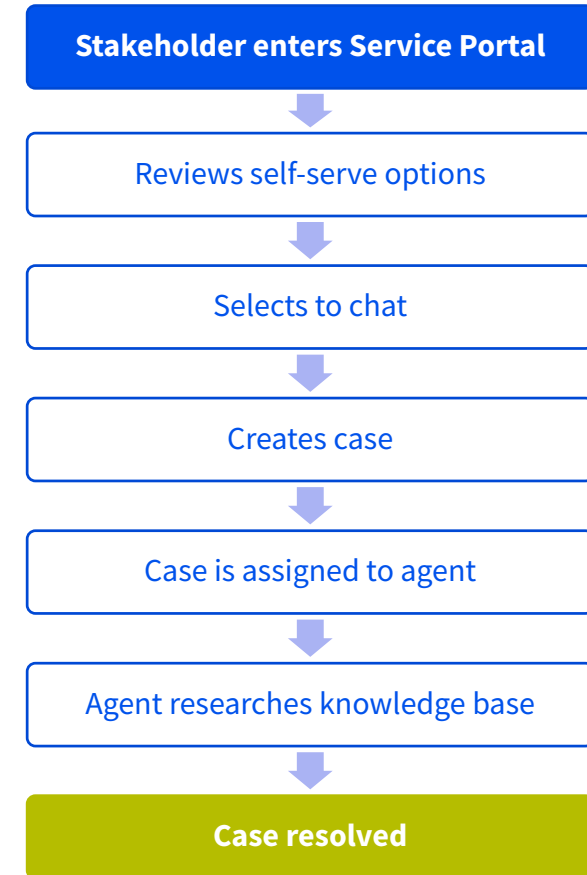
- Increasing customer service agility in a single system and introducing accountability through metrics.
- Capturing trend-based insights that increase proactive strategic support.
 - Supporting continuous improvements needed to meet USAC's changing business needs.
- Introducing tracking and reporting that will improve escalation management and overall responsiveness.
- Enhancing support channel options for a better customer experience, including:
 - Introduction of self-service resources
 - Live agent chat functionality
 - Seamless transfer of chat to phone support
- Strategically expanding CRM to non-customer service enterprise capabilities. (TBD; e.g., ERP, Finance, HR)

Stakeholder CRM Process Flow - Future State

Stakeholder enters the Service Portal:

1. Reviews self-serve options (e.g., FAQs, Articles, etc.).
2. Selects chat option for support.
3. Creates a case, reviews case history, or responds to agent question.
4. Case is assigned to an agent to be worked.
5. Agent utilizes the knowledge base to resolve the case.
6. Agent responds to Stakeholder to resolve the case.

Note: All normal contact channels such as calling or emailing will remain in place.





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