



Board of Directors

Briefing Book

Tuesday, July 26, 2022

10:00 a.m. – 1:40 p.m. Eastern Time

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USAC Offices

700 12th Street NW, Suite 900

Washington, D.C. 20005

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

**Tuesday, July 26, 2022
10:00 a.m. –1:40 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of April 26, May 18, and June 27, 2022 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Review of the Executive Compensation Committee Charter	5
Chair	i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Michelle	a2. Approval of Connected Care Pilot Program 4th Quarter 2022 Budget and Demand Projection for the August 2, 2022 Federal Communications Commission Filing	5
Mark	i2. Connected Care Pilot Program Update (<i>For Information Only</i>)	-
Michelle	a3. Approval of USAC Common and Consolidated 4th Quarter 2022 Budget and Demand Projection for the August 2, 2022 Federal Communications Commission Filing	10
Radha	i3. Enterprise Business Updates A. CEO Update <ul style="list-style-type: none"> • Organization Update 	5
Craig Pam	B. Appropriated Programs <ul style="list-style-type: none"> • Emergency Connectivity Fund Update • Affordable Connectivity Program Update 	15

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Pam Kyle Michelle Sammy Teleshia/ Bob Devine	i4. Enterprise Business Updates (<i>Continued</i>) A. CEO Update <ul style="list-style-type: none"> • Affordable Connectivity Program Update • Software Development Lifecycle Update • Enterprise Resource Planning 101 • Robotic Processing Automation 101 • Audits for Modernized High Cost Funds 	60
Chris	B. Enterprise Risk Management: <ol style="list-style-type: none"> 1. 2Q 2022 Risk Management Update 2. Risk Management Council Minutes (<i>For Information Only</i>) 	–
Chris	C1. Procurement Business Update (<i>For Information Only</i>) C2a. Indefinite Delivery/Indefinite Quantity Contracts C2b. Professional Services Vendor Contract List (<i>For Information Only</i>)	5
Michelle	D. Information on Contribution Factor	15
Michelle	a4. Approval of Revised 2022 Annual USAC Common and Consolidated Budgets	5
Chris	a5. Consideration of a Contract Award for Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support	5
Chris	a6. Consideration of a Contract Modification for Xacta Licenses and Support	5
Chris	a7. Consideration of a Contract Modification for Red Hat Linux Enterprise License Agreement	5
Chris	a8. Consideration to Exercise Remaining Option Terms for Financial Statement Audit and Agreed-Upon Procedures Review Services	5
Chris	a9. Consideration to Exercise Remaining Option Terms for Enterprise Statistician Services	5
Chris	a10. Consideration to Exercise Remaining Options Terms for Analysis and Project Management for Enterprise Resource Planning System and Rural Health Care Modernization	5
Michelle	i5. Acceptance of USAC’s 2021 Annual Financial Audit and Agreed-Upon Procedures Review (<i>Same as aAC05cf</i>)	10
Teleshia	i6. Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report (<i>For Information Only</i>)	–
Erin	a11. Confidential Executive Session: Executive Compensation Committee Charter	–
Chair	i7. Confidential Executive Session: Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

**Tuesday, October 25, 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 April 26, May 18, and June 27, 2022 (*see Attachments A-1, A-2, and A-3*).
- 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.** Affordable Connectivity Program 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*.
- A3.** Software Development Lifecycle 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*.
- A4.** Enterprise Resource Planning 101. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential*

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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*.

A5. Robotic Process Automation 101. 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*.

A6. Audits for Modernized High Cost Funds. 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.

C1. Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

C2a. Indefinite Delivery/Indefinite Quantity Contracts. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

C2b. Professional Services Vendor Contact List. 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)*

requires USAC to keep all data obtained from contributors confidential.

- (2) **a4** – Approval of Revised 2022 Annual USAC Common and Consolidated Budgets. 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 Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support. 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 Modification for Xacta Licenses and Support. 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 Contract Modification for Red Hat Linux Enterprise License Agreement USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **a8** – Consideration to Exercise Remaining Option Terms for Financial Statement Audit and Agreed-Upon Procedures Review Services. 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 Remaining Option Terms for Enterprise Statistician 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 to Exercise Remaining Options Terms for Analysis and Project Management for Enterprise Resource Planning System and Rural Health Care Modernization. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (9) **i5** – Acceptance of USAC’s 2020 Annual Financial Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data that would constitute a discussion of internal rules and procedures*.
- (10) **i6** – 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.*

- (11) **a11 – Confidential Executive Session:** Executive Compensation Committee Charter USAC management recommends that discussion of this item occur in *Executive Session* because it involves *internal personnel matters*.
- (12) **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. Review of Executive Compensation Committee Charter. In accordance with Section C of USAC’s Executive Compensation Committee Charter, the Executive Compensation Committee of the USAC Board of Directors is required to review and reassess the adequacy of the Charter and recommend changes, as deemed necessary, to the Board (*see aBOD11cf*; if discussion is needed, it will be conducted in *Executive Session*).

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 26, May 18, and June 27, 2022; (2) discussion in *Executive Session* of the items noted above; and (3) the review of the Executive Compensation Committee Charter.

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

BOARD OF DIRECTORS MEETING
Tuesday, April 26, 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, April 26, 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 10:01 a.m. Eastern Time, with a quorum of 18 of the 19 Board members present:

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

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

Members of the Board not present:

Wibberly, Dr. Kathy

Officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer – *by telephone*
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, Chief Financial Officer, and
Assistant Treasurer
Hughes, 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.

Williams, Erin – Acting Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Bolling, Christopher – <i>by telephone</i>	USAC
Carlin, Tyler – <i>by telephone</i>	KPMG
Goode, Vernell	USAC
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators' Alliance
Little, Christopher – <i>by telephone</i>	USAC
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Parker, Ben	USAC
Phillippi, Megan	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Wilson Jr., Jerusa Carl – <i>by telephone</i>	USAC

OPEN SESSION

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

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

A. Approval of Board meeting minutes of January 25 and February 22, 2022.

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

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

A1. CEO Update. USAC management recommended 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 recommended 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*.

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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, 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 recommended that these items 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 *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 recommended 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 recommended 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 recommended 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 recommended 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 recommended that this item be discussed in

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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 recommended 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 recommended 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 recommended 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 recommended 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 Division Universal Service Contributor Revenue Audit Report. USAC management recommended that this item be discussed in *Executive Session* because 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 recommended 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 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 resolution:

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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.

- ii. Reports from the Committee Chairs: Audit Committee, High Cost & Low 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. Mr. Fontana presented the report for the Rural Health Care Committee. Dr. Domenech presented the report for the Schools & Libraries Committee.
- a2. Approval of Connected Care Pilot Program 3rd Quarter 2022 Budget and Demand Projection for the May 2, 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 3rd quarter 2022 demand projection for the May 2, 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 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.

- i2. 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.
- a3. Approval of USAC Common and Consolidated 3rd Quarter 2022 Budgets for the May 2, 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 3rd Quarter 2022 budgets for the May 2, 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 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.

i3. Enterprise Business Updates:

- A. CEO Update.** Ms. Sekar provided a verbal update on USAC's return to office status, and appropriated programs.
- B. Appropriated Programs.** Mr. Davis presented PowerPoint slides providing updates on the Emergency Connectivity Fund 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 Call Center Stakeholder Satisfaction Survey and an overview of the Customer Relationship Management system.

At 11:00 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

i4. Enterprise Business Updates (Continued):

A1. CEO Update. Ms. Sekar presented a verbal update on the program management approach for program systems development

A2. Information Security Update. Mr. Hutchinson presented PowerPoint slides providing an update on Log4J, the Cybersecurity Executive Order Goals, and FISMA compliance.

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:

- Q1 2022 Enterprise Risk Management Update
- Q1 2022 Risk Management Council Minutes

C. 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 Q1 2022 and Q3 2022 anticipated activities.

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 3rd Quarter 2022 contribution factor.

- a4. Consideration of a Task Order Award for High Cost Payment Quality Assurance (PQA) Assessments.** 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 the High Cost PQA assessments of selected carriers who receive Universal Service Fund High Cost 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 time and material task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract to Grant Thornton LLP for High Cost Payment Quality Assurance assessments of selected carriers who receive Universal Service Fund High Cost support for a not-to-exceed amount of \$1,935,772.80 (plus applicable taxes) over a twelve (12) month period of performance.

- a5. Consideration of a Contract Award for Information Security Program Compliance Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation award a contract for Information Security Program Compliance 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

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management, subject to required Federal Communications Commission approval, to award a contract to KPMG LLP for Information Security Program Compliance Support Services. The contract will have a not-to-exceed amount of \$3,833,187.20 (plus applicable taxes) over a twelve (12) month base period, with the ability to exercise three (3) additional one-year option terms, for a four (4) year total not-to-exceed amount of \$14,703,095.71 (plus applicable taxes). Exercise of options to extend the contract beyond the initial twelve (12) month base period is subject to Federal Communications Commission and Board of Director approval.

- a6. Consideration of a Contract Award for EnterpriseDB Postgres Licenses.** 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 EnterpriseDB Postgres 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 one-year, firm-fixed price contract for EnterpriseDB Postgres licenses and support to Axelliant LLC for a total not-to-exceed price of \$413,106.00 (plus applicable taxes).

- a7. Consideration of a Multi-Award Task Order for Web Application Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award two task orders to provide web application support services for the High Cost Program and the Lifeline 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, subject to required Federal Communications Commission approval, to award two time and material task orders under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract. The first task order award is to 22nd Century Technologies, Inc. to provide web application support services for the High Cost Program for a total not-to-exceed amount of \$2,408,742.60 (plus applicable taxes), over the twelve (12) month base period. The second task order award is to Accenture Federal Services LLC to provide web application support services for the Lifeline Program for a total not-to-exceed amount of \$3,628,464.96 (plus applicable taxes), over the twelve (12) month base period. Each task order will have a twelve (12) month base period, with the ability to exercise three (3) additional one-year

option terms, subject to required Federal Communications Commission and Board approvals.

- a8. Consideration of a Contract Award for IT Development and Technical Services to Support Appian-Based Platform.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a contract to provide systems development and technical services supporting the E-Rate Productivity Center, the HC-CAP & HC-Verification System, the Connected Care Pilot, and Appian Enterprise Applications.

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 sole source contract to ICF Incorporated, LLC to continue providing systems development and technical services supporting the E-Rate Productivity Center, the HC-CAP & HC-Verification System, the Connected Care Pilot, and Appian Enterprise Applications. The contract will be a time and materials task order based contract with a not-to-exceed amount of \$10,500,000.00 (plus applicable taxes) for a twelve (12) month base period, which includes a contingency in the amount of \$772,468.00 (plus applicable taxes), with the ability to exercise two (2) additional one-year option terms. Exercise of option terms to extend the contract beyond the initial twelve (12) month base period is subject to FCC and Committee approval.

- a9. Consideration to Exercise Option Year for Chief Information Security Officer (CISO) Advisory Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to exercise the second one-year option of contract with Kybernet LLC for CISO advisory services supporting USAC IT security.

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 second one-year option of its firm-fixed price contract with Kybernet LLC for Chief Information Security Officer (CISO) advisory services supporting USAC Information Technology security for a not-to-exceed amount of \$367,790.33 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a10. Consideration of a Contract Award for a Governance, Risk and Compliance (GRC) Tool and Professional Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to management's recommendation award a contract for a GRC tool and professional 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 Four LLC for a governance, risk and compliance tool and professional services. The contract will have a not-to-exceed amount of \$438,600.00 (plus applicable taxes) over a twelve (12) month base period with the ability to exercise two (2) additional one-year option terms for a total not-to-exceed amount of \$1,065,800.00 (plus applicable taxes). USAC also requests that the Board approve a contingency in the amount of \$200,000.00 (plus applicable taxes) for additional professional and support services that can be utilized across the entire three-year period of performance. Exercise of option terms to extend the contract beyond the initial twelve (12) month base term are subject to FCC and Board approval.

- a11. Consideration of a Contract Award for Benefits Broker 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 benefits broker 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 Gallagher Benefit Services, Inc. for benefits broker services. The contract will have a total not-to-exceed (NTE) amount of \$495,663.00 (plus applicable taxes) over a twelve (12) month base period and three (3) additional one-year option terms. The cost of the contract is \$115,000.00 (plus applicable taxes) for the twelve (12) month base period, \$120,750.00 (plus applicable taxes) for the first one-year option term, \$126,787.00 (plus applicable taxes) for the second one-year option term, and \$133,126.00 (plus applicable taxes) for the third and final one-year option term. Exercise of option terms to extend the contract beyond the (12) month base period are subject to FCC and Board approval.

- a12. Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services.** 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 to provide call center service to support the ACP.

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 Board approval, authorizes management to modify its contract with Ernst & Young, LLP to provide call center service to support the Affordable Connectivity Program, extending the period of performance by two (2) months for a total period of performance of six (6) months, and increasing the contract's not-to-exceed amount by \$1,600,000.00 (plus applicable taxes) for a total not-to-exceed amount of \$4,695,680.00 (plus applicable taxes). Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

The Board recessed at 12:25 p.m. Eastern Time. , The Board reconvened in **Executive Session** at 1:00 p.m. Eastern Time.

- 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 that the summary and reports can be found in the Board Audit Briefing Book. No discussion was held.

At 1:02 p.m. Eastern Time, the meeting continued in **Executive Session** with only members of the Board and officers of the corporation present.

- i6. Personnel Matter: Employee Engagement Survey.** Ms. Sadirkhanova presented PowerPoint slides highlighting the results of the USAC employee engagement survey.

At 1:27 p.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 2:05 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 a4-a12 and

discussed items i4A1, i4A2, i4D, i6, and i7.

On a motion duly made and seconded, the Board adjourned at 2:05 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Wednesday, May 18, 2022

(DRAFT) MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Wednesday, May 18, 2022. Mr. Joe Gillan, Board Chair, called the meeting to order at 1:01 p.m. Eastern Time, with a quorum of 13 of the 19 Board members present:

Buzacott, Alan	Gregory, Amber
Chalk, Indra	Mason, Ken – Vice Chair
Choroser, Beth	Schell, Julie Tritt – Treasurer
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Skrivan, Michael
Freeman, Sarah	Wein, Olivia – Secretary
Gillan, Joe – Chair	

Dr. Kathy Wibberly joined the meeting at 1:12 p.m. Eastern Time. She did not take action or participate in the discussion of item a1 and she did not participate in the discussion of item a2.

Member of the Board not present:

Domenech, Dr. Dan	Wade, Dr. Joan
Jacobs, Ellis	Waller, Jeff
Polk, Stephanie	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools & Libraries
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Hughes, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer

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

Williams, Erin – Acting Vice President and General Counsel; and Assistant Secretary

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Pace, Regina	USAC
Phillippi, Megan	USAC
Wilson, Carl	USAC

OPEN SESSION

- a1. **Consideration of a Contract Award for Coupa 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*.

- a2. **Consideration of Contract Award for Redundant Telecom Circuits and Related Service.** 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 Amazon Web Services and GovCloud Hosting.** 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 Modification for Cisco Smartnet 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*.

- a5. Consideration of a Task Order Modification for Enterprise Architecture Assessment and Support 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*.

- a6. Consideration of a Contract Modification for Long-Term Project Management Office Services for Emergency Connectivity Fund (ECF)** 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*.

- a7. 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*.

- a8. Consideration of Contract Award for Computer Matching Program Operations and Maintenance 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*.

At 1:02 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

- a1. Consideration of a Contract Award for Coupa 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 contract for Coupa licenses and 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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for Coupa licenses and support services to Coupa Software, Inc. for a three (3) year period of performance for a not-to-exceed amount of \$640,801.35 (plus applicable taxes), with such amount including a contingency of \$30,514.35 (plus applicable taxes) to cover potential increases in licenses and required support throughout the life of the contract.

- a2. Consideration of Contract Award for Redundant Telecom Circuits and Related Service.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a contract for redundant telecom circuits and related 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, and subject to required Federal Communications Commission approval, hereby authorizes USAC management to award a firm-fixed price contract for redundant telecom circuits and related services with Clear Connection, Inc. for a 48-month period of performance for a not-to-exceed amount of \$431,938.56 (plus applicable taxes), with such amount including a contingency in the amount of \$30,000.00 (plus applicable taxes).

- a3. Consideration of a Contract Award for Amazon Web Services and GovCloud Hosting.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a contract Amazon Web Services and GovCloud hosting services.

On a motion duly made and seconded, with Mr. Fontana abstaining, 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 Amazon Web Services and GovCloud hosting services to Amazon Web Services, Inc. for a twelve (12) month period of performance for a not-to-exceed price of \$600,000.00 (plus applicable taxes), with such amount including a contingency of \$120,000.00 (plus applicable taxes) to cover USAC additional hosting needs based on the 2022 USAC IT projects roadmap over the twelve (12) month period of performance.

- a4. Consideration of a Contract Modification for Cisco Smartnet Support.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify the contract with Truth Technology, Inc. to cover license conversion fees and potential increases in the required level support over the life of the 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 USAC management to increase the one-year amount of its contract with Truth Technology, Inc. to cover license conversion fees and potential increases in the required level support over the life of the agreement by \$50,000.00 (plus applicable taxes), with such amount including a contingency of \$20,288.12 (plus

applicable taxes), increasing the total not-to-exceed amount to \$299,981.90 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a5. Consideration of a Task Order Modification for Enterprise Architecture Assessment and Support Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify the task order with Grant Thornton for Enterprise Architecture Assessment and support service.

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 base year amount of its firm-fixed price task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract (Contract No. USAC 20-015) with Grant Thornton for Enterprise Architecture Assessment and support services by \$670,840.00 (plus applicable taxes), increasing the total not-to-exceed amount to \$2,129,993.64 (plus applicable taxes) over the remainder of the base period.

- a6. Consideration of a Contract Modification for Long-Term Project Management Office Services for Emergency Connectivity Fund (ECF).** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify contract with Ernst & Young using congressionally appropriated funds to provide additional project and program management, call center, and business process outsourcing services to support implementation of the ECF 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, subject to required Federal Communications Commission approval, to increase the base year amount of its contract with Ernst & Young LLP using congressionally appropriated funds by \$3,670,826.00 (plus applicable taxes) to provide additional project and program management, call center, and business process outsourcing services to support implementation of the Emergency Connectivity Fund program, increasing the not-to-exceed price to \$15,831,126.00 (plus applicable taxes) over the remainder of the base period. This contract modification will also modify the current contract structure from time and materials to firm-fixed price.

- a7. **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 contract with Ernst & Young to provide Customer Relationship Management implementation and additional call center services in support of USAC Financial Operations.

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 base period amount of its contract with Ernst & Young LLP to provide Customer Relationship Management implementation and additional call center services in support of USAC Financial Operations by \$793,280.00 (plus applicable taxes), increasing the not-to-exceed price to \$5,593,280.00 (plus applicable taxes) over the remainder of the base period.

- a8. **Consideration of Contract Award for Computer Matching Program Operations and Maintenance Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation award a contract for operations and maintenance services and IT security incident work in support of the currently developed and in-use application programming interface providing automated computer matching for eligibility verifications for 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 award a one-year sole source contract to the Centers for Medicare and Medicaid Services for operations and maintenance services and IT security incident work in support of the currently developed and in-use application programming interface providing automated computer matching for eligibility verifications for the Affordable Connectivity Program, for a firm-fixed price of \$648,120.00 (plus applicable taxes) over the one year term, subject to required Federal Communications Commission approval and subject an allocation of the total contract cost to the congressionally appropriated funds available to the Affordable Connectivity Program, as eventually determined by the parties and as instructed in writing by the Federal Communications Commission.

OPEN SESSION

At 2:15 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 – a8.

On a motion duly made and seconded, the Board adjourned at 2:16 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Monday, June 27, 2022

(DRAFT) MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Monday, June 27, 2022. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:02 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Buzacott, Alan	Gillan, Joe – Chair
Chalk, Indra	Gregory, Amber
Choroser, Beth	Jacobs, Ellis
Domenech, Dr. Dan	Mason, Ken – Vice Chair
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Skrivan, Michael
Freeman, Sarah	Wibberly, Dr. Kathy

Member of the Board not present:

Polk, Stephanie	Waller, Jeff
Schell, Julie Tritt – Treasurer	Wein, Olivia – Secretary
Wade, Dr. Joan	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Davis, Craig – Vice President of Schools & Libraries
Garber, Michelle – Vice President of Finance, Chief Financial Officer; and
Assistant Treasurer
Hughet, Pamela – Vice President of Lifeline
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Williams, Erin – 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>
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Wilson, Carl	USAC

OPEN SESSION

- a1. **Consideration of a Contract Award for Splunk Cloud and Enterprise Security Subscription.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

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

- a2. **Consideration of a Contract Award for Proofpoint Licenses and Support 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*.

- a3. **Consideration of a Modification to Task Order for Long Term Affordable Connectivity Program Project Management Office 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*.

At 12:03 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 a Contract Award for Splunk Cloud and Enterprise Security 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 a Splunk Cloud and Enterprise Security Subscription

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

RESOLVED, that the Board of Directors, having reviewed the recommendation of USAC management hereby authorizes USAC management to award a firm-fixed price contract for a Splunk Cloud and Enterprise Security Subscription to Blackwood Associates, Inc. for a three (3) year period of performance for a not-to-exceed amount of \$2,882,195.00 (plus applicable taxes), with such amount including a contingency of \$500,000.00 (plus applicable taxes) to ensure USAC's licensing and support requirements are met as Splunk is installed on all USAC servers.

- a2. Consideration of a Contract Award for Proofpoint Licenses and Support Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to award a firm-fixed price contract for Proofpoint Email Fraud Defense 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 to award a firm-fixed price contract for Proofpoint Email Fraud Defense licenses and support services to SHI International Corp. for a one (1) year period of performance for a not-to-exceed amount of \$397,181.39 (plus applicable taxes).

- a3. Consideration of a Modification to Task Order for Long Term Affordable Connectivity Program Project Management Office Services.** Mr. Beyerhelm presented this item to the Board. The presentation included a written summary and report detailing USAC management's recommendation to modify the task order for project management office support to assist in continued program integrity efforts for 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 modify the task order with Deloitte Consulting LLP for project management office support to assist in continued program integrity efforts for the Affordable Connectivity Program, increasing the total not-to-exceed amount by \$540,000.00 (plus applicable taxes) using congressionally appropriated funds, thereby increasing the total not-to-exceed amount from \$13,200,258.00 (plus applicable taxes) to \$13,740,258.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

OPEN SESSION

At 12:19 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 – a3.

On a motion duly made and seconded, the Board adjourned at 12:21 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
4th Quarter 2022 Budget and
Demand Projection for the August 2, 2022 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2022 (4Q2022) Connected Care Pilot Program budget and demand projection for submission to the Federal Communications Commission (FCC) in USAC's August 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 4Q2022 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	3Q2022	Increase/ (Decrease)	4Q2022	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	(0.03)	0.02	(0.01)	
Bad Debt Expense	(0.07)	(0.01)	(0.08)	
Total Prior Period Adjustments	(\$0.10)	0.01	(0.09)	
USAC Administrative Expenses	\$0.11	0.01	0.12	See Table B
Total Funding Requirement	\$8.34	\$0.02	\$8.36	

¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Note 1: On April 2, 2020, the FCC issued Order FCC 20-44, establishing the Connected Care Pilot Program within the Universal Service Fund (Fund) making an \$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 \$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 4Q2022 budget:

Table B. Quarterly Budget

<i>(in millions)</i>	3Q2022 Budget	Increase/ (Decrease)	4Q2022 Budget	Notes
Direct Program Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.03	0.00	0.03	
General & Administrative	0.00	0.00	0.00	
Total Direct Program Costs	\$0.03	\$0.00	\$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	\$0.03	\$0.00	\$0.03	
Common Allocated Costs	\$0.08	\$0.01	\$0.09	
Total Programmatic Budget	\$0.11	\$0.01	\$0.12	

A comparison of actual expenditures to the budget for the six months ending June 30, 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).

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 4Q2022 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 4th 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 August 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 July 26, 2022 the 4th Quarter 2022 Connected Care Pilot Program demand estimate of \$8.36 million, hereby directs USAC staff to proceed with the required August 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
Six months ending June 30, 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	0.07	0.07
General & Administrative				0.00	0.00	0.00
Total Direct Program Costs				\$0.00	\$0.07	\$0.07
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	\$0.10	\$0.10
Common Allocated Costs (Note 3)				\$0.12	\$0.14	\$0.02
Total Programmatic Budget				\$0.12	\$0.24	\$0.12

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

July 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 and welcome letters were sent to all newly selected projects
 - Kick-off webinars were held after each FCC announcement to review requirements, timelines, and future trainings
 - Additional system modifications and requirements for documents upload is set for delivery in Q4
 - To date, we have received 97 FCC Forms 461 and 26 entities have filed FCC Forms 462 (138 Forms)
 - We issued funding commitments for \$9.4M
 - We received seven FCC Form 463 for disbursement and disbursed five invoices valued at \$583K
 - 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
4th Quarter 2022 Budgets and Demand Projection
for the August 2, 2022 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2022 (4Q2022) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2022 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a 4Q2022 USAC consolidated budget of \$75.63 million to administer the Universal Service Fund (USF), which includes \$44.55 million in direct program costs and \$31.08 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	3Q2022 Budget	Increase/ (Decrease)	4Q2022 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.32	\$0.12	\$6.44
Lifeline	9.96	12.58	22.54
Rural Health Care	4.61	(0.66)	3.95
Schools & Libraries	11.46	0.13	11.59
Connected Care Pilot	0.03	0.00	0.03
Total Direct Program & Direct Assigned Costs	\$32.38	\$12.17	\$44.55
Common Costs			
Employee Expenses	\$15.17	\$2.34	\$17.51
Professional Services	6.86	(0.23)	6.63
General & Administrative (Note 1)	7.19	(0.25)	6.94
Total Common Costs	\$29.22	\$1.86	\$31.08
Total Consolidated Costs	\$61.60	\$14.03	\$75.63

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

A comparison of actual common and consolidated expenditures to the budget for the six months ending June 30, 2022 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the 4Q2022 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2022 common budget of \$31.08 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$31.08 million for common costs in the required August 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 4th Quarter 2022 consolidated budget to administer the Universal Service Fund of \$75.63 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.63 million for consolidated costs in the required August 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
Six Months Ending June 30, 2022

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	61	70	9	\$10.54	\$12.32	\$1.78
Lifeline	85	90	5	24.54	20.49	(4.05)
Rural Health Care	55	59	4	8.27	9.25	0.98
Schools & Libraries	70	83	13	19.85	22.23	2.38
Connected Care Pilot	0	0	0	0.00	0.10	0.10
Total Direct Program & Direct Assigned Costs	271	302	31	\$63.20	\$64.39	\$1.19
Common Costs (Note 2)						
Employee Expenses	354	391	37	\$27.08	\$29.52	\$2.44
Professional Services				10.87	5.59	(5.28)
General & Administrative (Note 3)				11.50	14.16	2.66
Total Common Costs	354	391	37	\$49.45	\$49.27	(\$0.18)
Total Consolidated Costs	625	693	68	\$112.65	\$113.66	\$1.01

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

July 26, 2022



Universal Service
Administrative Co.

Discussion Topic

- Organization Update



**Universal Service
Administrative Co.**



Board of Directors Meeting

Emergency Connectivity Fund Update

Open Session

July 26, 2022



Universal Service
Administrative Co.

Agenda

- Emergency Connectivity Fund (ECF) Processing Update.
- ECF Invoice Processing Update.

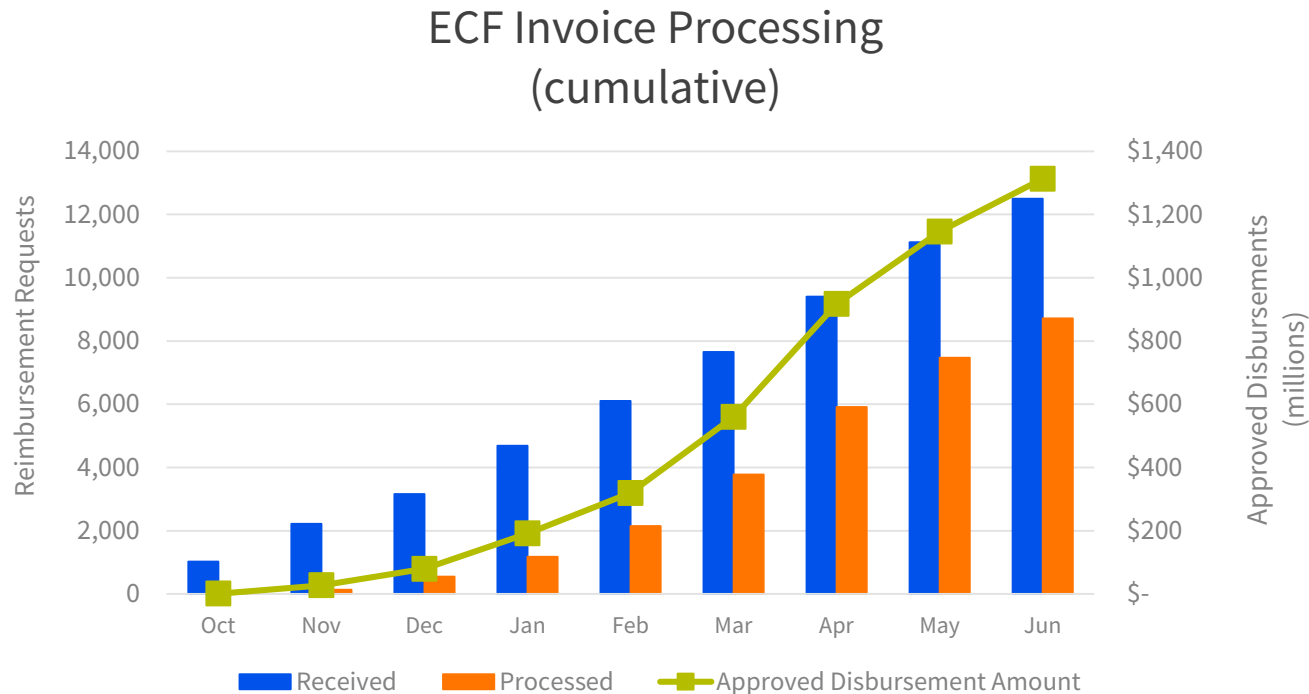
ECF Processing Update

- Over 23,000 applications submitted requesting \$9.25 billion in three filing windows.
 - 15,307 applications committed (66.5 percent) with \$6.49 billion reviewed (70.2 percent) and \$5.27 billion committed as of June 30.

ECF Window	Applications Submitted	Applications Processed	Demand (in billions)	Committed (in billions)
Window 1 (June 29 - August 13, 2021)	10,726	10,461	\$ 5.14	\$ 4.05
Window 2 (Sept. 28 - Oct. 13, 2021)	4,145	4,038	\$ 1.29	\$ 0.82
Window 3 (April 28 - May 13, 2022)	8,130	808	\$ 2.81	\$ 0.40
Total	23,001	15,307	\$ 9.25	\$ 5.27

ECF Invoice Processing Update

- Invoice submission opened October 1, 2021.
 - Over 12,000 reimbursement requests received for \$1.94 billion as of June 30.
 - Over 8,700 reimbursement requests processed for \$1.31 billion in disbursements as of June 30.
 - Invoice processing time has trended down each month but April/May spike affected June average.



Average Invoice Processing Time (Days)	
January	55.6
February	71.4
March	65.4
April	57.5
May	45.8
June	65.5



**Universal Service
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Board of Directors Meeting

Affordable Connectivity Program (ACP)
Business Update

Open Session

July 26, 2022



ACP Update

- Key Metrics
 - 12 million households were enrolled by end of May
 - The White House held a press briefing on May 9 to increase awareness about the program
- New Resources
 - Transition from ACPbenefit.org to AffordableConnectivity.gov
 - ACP widget: Pre-screening tool to determine if consumer qualifies for ACP
 - [Community Resources](#) page: Contains new resources to help consumers learn about ACP
- Communications and Outreach
 - Training and bulletins for service providers: Continue to host webinars and send bulletins to provide updates
 - Training for consumer advocate groups: Continue to participate in events with FCC



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