



Board of Directors

Briefing Book

Tuesday, October 29, 2024

10:00 a.m. –12:30 p.m. Eastern Time

Available For Public Use

Universal Service Administrative Company Offices

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

Washington, D.C. 20005

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

<p>Tuesday, October 29, 2024 10:00 a.m. – 12:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

<u>OPEN SESSION</u> Available for Public Use		<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 July 30, September 12, and September 24, 2024</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p> <p style="padding-left: 20px;">C. Consideration and Approval of Four Routine Procurements</p> <p style="padding-left: 20px;">D. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a Quarterly USAC Board or Committee Meeting</p>	5
Chair	<p>i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Schools & Libraries Committee, Rural Health Care Committee, Audit Committee, and Executive Compensation Committee</p>	10
Chair	<p>a2. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs</p>	5
Michelle	<p>a3. Approval of USAC Common and Consolidated 1st Quarter 2025 Budgets for the November 1, 2024, Federal Communications Commission Filing</p>	10
Michelle	<p>i2. Enterprise Business Update</p> <ul style="list-style-type: none"> • Enterprise Resource Planning Launch Status 	15

<u>INFORMATION ONLY</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Teleshia	<p>i3. Information on One USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports <i>(For Information Only)</i></p>	–

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Kyle	<p>i4. Enterprise Business Update <i>(Continued)</i></p> <p style="padding-left: 20px;">A. Zero Trust Architecture Maturity Model</p>	10

Available For Public Use

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Aaron Hamm Chris S./Ben Sabina	B. Contract Administration and Vendor Performance C. USAC Fraud Risk Insights and Antifraud Activities D. USAC Retention, Growth, and Effectiveness Story	10 10 10
Michelle	i5. Information on Contribution Factor	5
Chris	a4. Consideration to Exercise Option Terms for Call Center Services and Customer Relationship Management System	–
Chris	a5. Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Office (PMO) Services Contract	–
Chris	a6. Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services	–
Chris	a7. 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 for the Affordable Connectivity Program	–
Chris	a8. Consideration of a Contract Award for Fraudulent Document Identification Tool	5

<u>EXECUTIVE SESSION – INFORMATION ONLY</u>		<i>Estimated Duration in Minutes</i>
Executive Session Recommended		
Teleshia	i6. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports	–
Chris	i7. Enterprise Risk Management Scorecard 1. Q3-Q4 2024 Risk Management Scorecard 2. Risk Management Council Minutes	–
Chris	i8. Procurement Business Update	–

CONFIDENTIAL EXECUTIVE SESSION		<i>Estimated Duration in Minutes</i>
Confidential Executive Session Recommended		
Erin	i9. Litigation Update	10
Chris	a9. Personnel Matter: Consideration of Contract Awards for the USAC Employee Benefit Programs	10
Sabina	a10. Personnel Matter: Consideration of 2025 Compensation Item	10
Chair	i10. Confidential Executive Session: Board of Directors Only	20

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, January 28, 2025 USAC Offices, Washington, D.C.</p>

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

ACTION ITEM

Consent Items

Action Requested

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

Discussion

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

- A. Approval of Board of Directors Meeting Minutes of July 30, September 12, and September 24, 2024 (*see Attachment A*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i4A-D.** Enterprise Business Updates (*Continued*). USAC management recommends that these items be discussed in *Executive Session* because they relate to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures, relate to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy, and involve *personnel matters*.

 - (2) **i5.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because the reports relate to specific *internal controls or confidential company data*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*. Additionally, the reports relate to *pre-decisional matters* before a governmental agency or instrumentality to which USAC is privy, where discussion of such matters in open session would undermine the agency's deliberative process or would result in the disclosure of an agency's conclusions or rationales before the agency had formally decided the matter.

- (3) **i6.** Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that these items be discussed in *Executive Session* because they relate to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
- (4) **i7.** Enterprise Risk Management Scorecard. 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.
- (5) **i8.** 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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (6) **a4.** Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (7) **a5.** Consideration of a Contract Modification for Enterprise Resource Planning Analysis and PMO Services Contract. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy*

- and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (8) **a6.** Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a7.** 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 for the Affordable Connectivity Program. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **a8.** Consideration of a Contract Award for Fraudulent Document Identification Tool. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (11) **i9. *Litigation Update (verbal presentation)*.** USAC management recommends that discussion of this item occur in *Confidential Executive Session* because *it involves Attorney Client Privileged Communications*.
- (12) **a9. *Personnel Matter*:** Consideration of Contract Awards for the USAC Employee Benefit Program. USAC management recommends that this item be discussed in *Confidential Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy *and relates to personnel matters*.

- (13) **a10. Personnel Matter:** Consideration of 2025 Compensation Item. USAC management recommends that this item occur in *Confidential Executive Session* because it involves internal *personnel matters*.
- (14) **i10. Confidential Executive Session:** Board of Directors Only. USAC management recommends that this item be discussed in *Confidential Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Four Routine Procurements.

- (1) Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System. The resolution is provided in **aBOD04cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Enterprise Resource Planning Analysis and PMO Services Contract. The resolution is provided in **aBOD05cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD06cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) 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 for the Affordable Connectivity Program. The resolution is provided in **aBOD07cf**. If discussion is needed, it will be conducted in *Executive Session*.

D. Consideration of Approval to Reimburse Board Members to Attend an Event Other than a Quarterly USAC Board or Committee Meeting.

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 30, September 12, and September 24, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD04cf-aBOD7cf.

RESOLVED FURTHER, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2025 Budget Planning Review.

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

BOARD OF DIRECTORS MEETING
Tuesday, July 30, 2024

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 30, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 18 of the 20 Board members present:

Buzacott, Alan – *by telephone*
Chacko, Sheba
Chalk, Indra
Domenech, Dr. Dan
Freeman, Sarah
Gregory, Amber – *by telephone*
Mason, Ken – Chair
Polk, Stephanie – *by telephone*
Sanquist, Christine

Schell, Julie Tritt – Vice Chair
Sekar, Radha – Chief Executive Officer
Semmler, Kara
Siefer, Angela
Skrivan, Michael
Thompson, Mona – *by telephone*
Wade, Dr. Joan – Treasurer
Wein, Olivia – Secretary
Wibberly, Kathy

Mr. Brent Fontana joined the meeting at 11:05 a.m. Eastern Time. He did not vote on items a1, a2, or participate in the discussion of item i1–i5.

Members of the Board not present:

Waller, Jeff

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 and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline

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, or to correct grammatical or spelling errors.

Sweeney, Mark – Vice President of Rural Health Care

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Archer, Christopher – by telephone	Radius Technology Group
Armstrong, Katlyn	USAC
Bailey, Macey	USAC
Borg, Jeanenne – <i>by telephone</i>	USAC
Bui, Brandon	USAC
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Claxton, Naomi	USAC
Estrella, Guilianna – <i>by telephone</i>	USAC
Franciso, Dale	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Gustafson, Jaymie	USAC
Harvey, Casey	Iron Bow
Janne, Nina	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Kurisch, William	USAC
Labarta, Gem	USAC
Little, Chris	USAC
Morgan, Meredith	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Santana–Gonzalez, Jeanette	USAC
Shrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Theobald, Fred	USAC
Wirfs, Tyler	USAC
Zitin, Carolyn	USAC

OPEN SESSION

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

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

A. Approval of Board of Directors Meeting Minutes of April 30, 2024.

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

- (1) **i3B-C.** Enterprise Business Updates (*Continued*). 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*.
- (2) **i4.** 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* that would constitute a discussion of internal rules and procedures 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.
- (3) **i5.** Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement 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.
- (4) **i6.** 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 to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b)* requires USAC to keep all data obtained from contributors confidential.
- (5) **i7.** Enterprise Risk Management Scorecard. 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.
- (6) **i8.** 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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (7) **a3.** Consideration of a Contract Award for Oracle Licenses and Technical Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (8) **a4.** Consideration of Contract Awards for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a5.** Consideration of Contract for Award CyberArk Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **a6.** Consideration of Contract Award for Atlassian Jira and Confluence Cloud Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (11) **a7.** Consideration of a Contract Award for Carto Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (12) **a8.** Consideration of a Contract Award for Security and Privacy Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (13) **a9.** Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (14) **a10.** Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing 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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (15) **a11. Confidential Executive Session:** Review of the Executive Compensation Charter. USAC management recommends that discussion of this item occur in *Executive Session* because *it involves internal personnel matters*. In addition, as set forth in Section D of the Committee charter, Committee business shall be conducted in *Executive Session*.
- (16) **i9. Confidential Executive Session:** Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Two Routine Procurements.

- (1) Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 30, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of two routine procurements as presented in items aBOD09cf and aBOD10cf.

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Dr. Domenech presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Ms. Schell presented the report for the Audit Committee.
- i2. Information on Five USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Mr. Mason noted that the Board of

Directors Supply Chain Audit Briefing Book would be made public and posted to the USAC website.

- a2. **Approval of USAC Common and Consolidated 4th Quarter 2024 Budget and Demand projection for the August 2, 2024 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 4th Quarter 2024 budget and demand projection for the August 2, 2024 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2024 common budget of \$39.79 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$39.79 million for common costs in the required August 2, 2024 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 2024 consolidated budget to administer the Universal Service Fund of \$76.88 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$76.88 million for consolidated costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i3. **A. Enterprise Business Updates: Enterprise Resource Planning (ERP) Readiness and Launch.** Ms. Garber provided an update on the ERP project that included the project background, design overview, implementation timeline, and next steps.

At 10:29 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. **Enterprise Business Update (Continued). A. CEO Update.** Ms. Sekar provided a verbal CEO update. **B. FISMA Maturity at USAC.** Mr. Hutchinson shared a PowerPoint presentation that provided definitions of the maturity levels, self-assessment metrics, a compliance update, and next steps.

- i4. **Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 4th Quarter 2024 contribution factor.
- i5. **Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review.** Ms. Garber provided a summary of PwC presentation provided to the Audit Committee the previous day.
- i6. **Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.
- i7. **Enterprise Risk Management Update.** Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Heat Map.
- i8. **Procurement Business Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q2 2024 and Q3 2024 anticipated activities.
- a3. **Consideration of a Contract Award for Oracle Licenses and Technical Support.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract to Oracle for licensing 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, hereby authorizes USAC management to award a twelve (12) month firm-fixed price contract to Oracle America, Inc. for Oracle licenses and technical support, for a total not-to-exceed (NTE) amount of \$1,754,301.04 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover potential increases in license and support required during the twelve (12) month period of performance, subject to required Federal Communications Commission approval.

- a4. **Consideration of a Contract Award for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award 12 indefinite delivery indefinite quantity (IDIQ) task order-based contracts for Beneficiary and Contributor Audit Program (BCAP) & Supply Chain 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 twelve (12) Indefinite Delivery Indefinite Quantity task order-based contracts to CohnReznick, Crowe, Deloitte & Touche, DP George, Ernst & Young, GKA, Hurlbert, Kearney, KPMG, Moss Adams, Regis, and Sikich for Beneficiary and Contributor Audit Program (BCAP) & Supply Chain Audit Services for a not-to-exceed amount of \$15,000,000.00 (plus applicable taxes) covering all twelve (12) IDIQ task order-based contracts over a twelve (12) month base period, subject to required Federal Communications Commission (FCC) approval.

- a5. Consideration of a Contract for Award CyberArk Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price contract for CyberArk Licenses.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a twenty-four (24) month firm-fixed price contract to Access IT Group Inc. for CyberArk Licenses for a total not-to-exceed amount of \$1,237,838.00 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover potential increases in licenses required during the twenty-four (24) month period of performance, subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Award for Atlassian Jira and Confluence Cloud Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for Atlassian Jira and Confluence Cloud Licenses.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month, firm-fixed price contract for Atlassian Jira and Confluence Cloud Licenses to Empyra.com, Inc. for a total not-to-exceed amount of \$1,495,000.00 (plus applicable taxes), with such amount

including a contingency of \$60,463.25 (plus applicable taxes) to cover potential increases in the number of licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Award for Carto Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for Carto Licenses.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month firm-fixed price contract to SHI International Corp for the renewal of Carto Licenses for a total not-to-exceed amount of \$362,986.11 (plus applicable taxes), with such amount including a contingency of \$32,998.74 (plus applicable taxes) to cover potential increases in licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a8. Consideration of a Contract for Security and Privacy Assessment.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for security and privacy assessment 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 firm-fixed price contract to Veris Group LLC dba Coalfire Federal for Security and Privacy Assessment Services. The contract will have a total not-to-exceed (NTE) amount of \$625,000.00 (plus applicable taxes) over the twelve (12) month base period, with such amount including a contingency of \$31,972.00 (plus applicable taxes) to cover unforeseen costs over the twelve (12) month base period, with the ability to exercise four (4) additional one (1) year option terms, for a five (5) year total not-to-exceed amount of \$2,358,884.56 (plus applicable taxes), subject to required Federal Communications Commission approval. Exercise of options to extend the contract beyond the initial twelve (12) month base period is subject to additional required Federal Communications Commission and USAC Board of Directors approval.

- a9. Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

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 of the IT Security Operations Center (SOC) Services Contract with XOR Security LLC, for a total not-to-exceed amount of \$1,479,677.73 (plus applicable taxes), thereby increasing the total not-to-exceed amount of the contract from \$1,403,320.70 (plus applicable taxes) to \$2,882,998.43 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a10. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to modify its contract with Ernst & Young LLP for Emergency Connectivity Fund (ECF) long-term project management, business process outsourcing, and call center services by increasing the not-to-exceed amount of the second and final option term by \$400,000.00 (plus applicable taxes) for a not-to-exceed amount of \$8,800,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount of the contract from \$41,731,126.00 to \$42,131,126.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

The Board recessed for lunch at 11:33 a.m. Eastern Time and reconvened, in **Confidential Executive Session** at 12:15 p.m. Eastern Time with only members the Board, Ms. Williams, Ms. Goode, and Ms. Nuzzo present.

- a11. Review of the Executive Compensation Charter.** Ms. Williams presented this item to the Board.

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

RESOLVED, that the USAC Board of Directors, having reviewed the existing Executive Compensation Committee Charter, hereby accepts the recommendation of the Executive Compensation Committee and approves the current Executive Compensation Committee Charter without revision.

At 12:17 p.m. Eastern Time the Board of Directors continued in *Confidential Executive Session* with only non-staff members of the Board present.

i9. *Confidential Executive Session*: Board of Directors Only. Mr. Mason facilitated this discussion.

OPEN SESSION

At 12:45 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Confidential Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board acted on items a1-a8, and a11, and discussed items i3B and C, i5, i4, i7, and i9.

On a motion duly made and seconded, the Board adjourned at 12:45 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
Thursday, September 12, 2024**

(DRAFT) MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Thursday, September 12, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 4:02 p.m. Eastern Time, with a quorum of 13 of the 20 Board members present:

Buzacott, Alan	Sekar, Radha – Chief Executive Officer
Chacko, Sheba	Semmler, Kara
Chalk, Indra	Siefer, Angela
Freeman, Sarah	Thompson, Mona
Gregory, Amber	Wein, Olivia – Secretary
Mason, Ken – Chair	Wibberly, Dr. Kathy
Schell, Julie Tritt - Vice Chair	

Member of the Board not present:

Domenech, Dr. Dan	Skriwan, Michael
Fontana, Brent	Wade, Dr. Joan – Treasurer
Polk, Stephanie	Waller, Jeff
Sanquist, Christine	

Officers of the corporation present:

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

Others present by telephone:

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

OPEN SESSION

- a1. Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** USAC management recommends that discussion of this matter be

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.

conducted in *Executive Session* because it involves *attorney/client privileged communications*.

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

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

At 4:04 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** Ms. Williams presented this item for consideration. The presentation included a written summary highlighting the changes from 2018 Memorandum of Understanding.

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

RESOLVED, that the USAC Board of Directors hereby approves the adoption of the new FCC-USAC Memorandum of Understanding (MOU) recommended by USAC management, and the Board authorizes management, subject to making editorial changes agreed upon by USAC and the FCC, to execute the new MOU as proposed.

OPEN SESSION

At 4:29 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. Mason reported that, in *Executive Session*, the Board took action on item a1.

On a motion duly made and seconded, the Board adjourned at 4:29 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
Tuesday, September 24, 2024

(DRAFT) MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, September 24, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 3:02 p.m. Eastern Time, with a quorum of 14 of the 20 Board members present:

Chalk, Indra	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Semmler, Kara
Freeman, Sarah	Siefer, Angela
Gregory, Amber	Skrivan, Mike
Mason, Ken – Chair	Waller, Jeff
Sanquist, Christine	Wein, Olivia – Secretary
Schell, Julie Tritt – Vice Chair	Wibberly, Dr. Kathy

The following Board member joined the call after roll call and did participate in the discussion of item 11: Dr. Dan Domenech, Mona Thompson, Dr. Joan Wade – Treasurer

Members of the Board not present:

Buzacott, Alan
Chacko, Sheba
Polk, Stephanie

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present by telephone:

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

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

OPEN SESSION

- a1. Informational Update on the USAC Employee Benefits Program.** USAC management recommends that discussion of this matter be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration and personnel matters*.

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

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

At 3:03 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. Informational Update on the USAC Employee Benefits Program.** The presentation included a written summary with Ms. Sekar presenting and responding to questions from the Board regarding the termination of the USAC medical and life insurance retiree benefit effective August 6, 2024.

OPEN SESSION

At 3:18 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. Mason reported that, in *Executive Session*, the Board discussed item a1.

On a motion duly made and seconded, the Board adjourned at 3:18 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

ACTION ITEM

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

Issue

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

Background – Analysis – Justification

One or more Board members will be traveling to Washington, D.C., to discuss the 2025 annual budget with the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and associated staff. The Board Chair, Mr. Ken Mason, has requested that he, together with the Board Vice Chair, Ms. Julie Tritt Schell, and the Board Treasurer, Dr. Joan Wade, participate in these discussions in person. Board members participating in the meetings may be reimbursed by USAC for any reasonable and customary travel expenses associated with this effort. In accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings* (see **Attachment D-2** to this issue paper), those Board members participating in the meetings will submit a USAC Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses Other than for Board Meetings* (see **Attachment D-3** to this issue paper) and will list estimated travel costs for their travel.

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Ken Mason, and Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2025 Budget Planning Review.

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

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

Request for Approval / Reimbursement for a Board Member to be Reimbursed for Expenses Other Than Board Meetings

Rev 10/2025 (Form 3001)

SECTION I – General Information																	
Board Member Name	Purpose of Event and How it Relates to the Administration of the Fund/Program																
Event Title / Sponsor	Necessity of Board Member Participation, Relation to the Fund Administration, How does Participation Achieve USAC Goals																
Date(s) of Event																	
SECTION II – Expenses																	
Date and Time left Home or Office:																	
	<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Estimated Costs</th> <th style="width: 50%; text-align: center;">Actual Costs</th> </tr> </thead> <tbody> <tr> <td>Registration:</td> <td></td> </tr> <tr> <td>Lodging:</td> <td></td> </tr> <tr> <td>Travel (air, cab, train, bus):</td> <td></td> </tr> <tr> <td>Mileage: X</td> <td style="text-align: center;">X</td> </tr> <tr> <td>Meals & Incidentals (see per diems below):</td> <td></td> </tr> <tr> <td>Other (Parking):</td> <td></td> </tr> <tr> <td style="text-align: center;">Total Out-of-Pocket Expenses</td> <td></td> </tr> </tbody> </table>	Estimated Costs	Actual Costs	Registration:		Lodging:		Travel (air, cab, train, bus):		Mileage: X	X	Meals & Incidentals (see per diems below):		Other (Parking):		Total Out-of-Pocket Expenses	
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Meals & Incidentals (see per diems below):																	
Other (Parking):																	
Total Out-of-Pocket Expenses																	
<p><i>I will include a statement in the presentation or speech that I am representing USAC and I will refrain from advocating a policy position in the presentation or speech and in any conversation or discussion.</i></p> <p style="text-align: right;">Initial _____</p>																	
<p>Per diem should not include meals provided by hotel or event. In those instances, subtract the amount of the meal provided as listed below.</p> <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>2025 Per Diem</th> <th>M&IE* Total</th> <th>Breakfast</th> <th>Lunch</th> <th>Dinner</th> <th>Incidental*</th> <th>First & Last Day of Travel</th> </tr> </thead> <tbody> <tr> <td>DC</td> <td>\$92</td> <td>\$23</td> <td>\$26</td> <td>\$38</td> <td>\$5</td> <td>\$69.20</td> </tr> </tbody> </table>		2025 Per Diem	M&IE* Total	Breakfast	Lunch	Dinner	Incidental*	First & Last Day of Travel	DC	\$92	\$23	\$26	\$38	\$5	\$69.20		
2025 Per Diem	M&IE* Total	Breakfast	Lunch	Dinner	Incidental*	First & Last Day of Travel											
DC	\$92	\$23	\$26	\$38	\$5	\$69.20											
<p><i>*Incidental expenses include fees/tips for porters, hotel staff, and baggage handlers. M&IE Total is the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel.</i></p>																	
Date and Time returned to Home or Office:																	
SECTION III – Signature																	
<p><i>I hereby certify that I have incurred the out-of-pocket expenses indicated above on behalf of the Corporation and am requesting reimbursement in accordance with USAC’s “Travel and Expense” policy. I certify that I have not requested reimbursement for these expenses from any other source.</i></p>																	
Board of Director Member Signature	Date																
To be Completed by USAC																	
Date Resolution submitted to Board or Committee:	Date Vote of Board or Committee Completed:																
Vote Count Yes No Abstained	Actual Costs Approved by CEO CEO Signature	Account Code 61200-60-600-60															

Attach itemized receipts for any non per diem expenses over \$75. USAC does not pay for travel upgrades or alcohol.

Please email this form, a detailed list of final expenses, and receipts to patsy.nuzzo@usac.org

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

ACTION ITEM

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

Action Requested

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

Function of the Nominating Committee

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

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

¹ See Universal Service Administrative Company Nominating Committee Charter, Section B (Reaffirmed January 31, 2023) (Nominating Committee Charter).

² See Nominating Committee Charter, Section A.

Establishment of a Nominating Committee and Selection of Officers

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

New officer terms will begin when elected, which is presently planned to occur at the January 28, 2025, Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Ken Mason
Vice Chair	Julie Tritt Schell
Secretary	Olivia Wein
Treasurer	Dr. Joan Wade
Chief Executive Officer ³	Radha Sekar
Assistant Secretary	Erin Williams
Assistant Treasurer	Michelle Garber
USAC Staff ⁴	<ul style="list-style-type: none"> • Chris Beyerhelm – Vice President and Chief Administrative Officer • Stephen Butler – Vice President of Shared Services • Craig Davis – Vice President of Program Management, Schools and Libraries • Teleshia Delmar – Vice President of Audit and Assurance • Victor Gaither – Vice President of Program Management, High Cost • Michelle Garber – Vice President of Finance and Chief Financial Officer • Kyle Hutchinson – Vice President of Information Technology and Chief Information Officer • Tim O’Brien – Vice President of Program Management, Lifeline • Mark Sweeney – Vice President of Program Management, Rural Health Care • Erin Williams, Vice President and General Counsel

Appointment of Board Members to Committees

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on August 12, 2024, of the terms of six Board members expiring on December 31, 2024, in addition to filling the seat representing interexchange carriers with

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

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

annual operating revenues of \$3 billion or less that was a carryover vacancy, and the seat representing schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules, that will be vacant due to a resignation. On August 27, 2024, the Federal Communications Commission issued a Public Notice seeking nominations for the seats held by the eight Board members noted above. The directors whose terms expire on December 31, 2024, and the two additional vacancies and their current committee memberships and officer positions (if any) are as follows:

Director	Representing	Committee Assignments / Officer Position
Alan Buzacott	Representative for interexchange carriers with annual operating revenues of more than \$3 billion	Schools & Libraries Committee (Service Provider)
Brent Fontana	Representative for rural health care providers that are eligible to receive supported services under section 54.601 of the Commission's rules	Audit Committee (RHC) Rural Health Care Committee (RHC Provider) Schools & Libraries Committee (At-Large)
Sarah Freeman	Representative for state telecommunications regulators	High Cost & Low Income Committee (State Regulator) Nominating Committee (Chair; At-Large) Rural Health Care Committee (State Regulator)
Kenneth F. Mason	Representative for incumbent local exchange carriers (non-Bell Operating Companies) with more than \$40 million in annual revenues	Executive Committee (Board Chair) Executive Compensation Committee (Board Chair; Non-Voting) High Cost & Low Income Committee (At-Large)
Julie Tritt Schell	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Audit Committee (Chair; At-Large) Executive Committee (Board Vice Chair) Executive Compensation Committee (Chair) Schools & Libraries Committee (Schools)
Olivia Wein	Representative for information service providers	Executive Committee (Secretary and HCLI Chair) High Cost & Low Income (Chair, At-Large)
Michael Skrivan	Representative for interexchange carriers with annual operating revenues of \$3 billion or less	High Cost & Low Income Committee (IXC) Rural Health Care (At-Large)
Dr. Daniel A. Domenech	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Executive Committee (SL Chair) Executive Compensation Committee (At-Large) Schools & Libraries Committee (Chair; Schools)

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 28, 2025 meeting nominations for the elected USAC officer

positions; and

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

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board, at the January 28, 2025 meeting, nominations for a chair and vice chair of each respective committee.

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

ACTION ITEM

**Approval of USAC Common and Consolidated
1st Quarter 2025 Budgets and Demand Projection
for the November 1, 2024 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2025 (Q1 2025) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 1, 2024 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q1 2025 USAC consolidated budget of \$68.84 million to administer the Universal Service Fund (USF), which includes \$32.72 million in direct program costs and \$36.12 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q4 2024 Budget	Increase/ (Decrease)	Q1 2025 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$7.59	(\$1.66)	\$5.93
Lifeline	13.82	(0.01)	13.81
Rural Health Care	5.07	(1.09)	3.98
Schools & Libraries	10.61	(1.61)	9.00
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$37.09	(\$4.37)	\$32.72
Common Costs			
Employee Expenses	\$18.33	(\$0.24)	\$18.09
Professional Services	12.31	(2.78)	9.53
General & Administrative (Note 1)	9.15	(0.65)	8.50
Total Common Costs	\$39.79	(\$3.67)	\$36.12
Total Consolidated Costs	\$76.88	(\$8.04)	\$68.84

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 projected revenue associated with data collection billings.

A comparison of actual common and consolidated expenditures to the budget for the nine months ending September 30, 2024 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the Q1 2025 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2025 common budget of \$36.12 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$36.12 million for common costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 1st Quarter 2025 consolidated budget to administer the Universal Service Fund of \$68.84 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$68.84 million for consolidated costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Nine Months Ending September 30, 2024

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	63	66	3	\$26.67	\$21.69	(\$4.98)
Lifeline	97	112	15	38.27	41.53	3.26
Rural Health Care	56	58	2	15.77	14.54	(1.23)
Schools & Libraries	82	88	6	33.35	30.81	(2.54)
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	298	324	26	\$114.06	\$108.57	(\$5.49)
Common Costs (Note 2)						
Employee Expenses	408	411	3	\$52.33	\$51.57	(\$0.76)
Professional Services				27.16	35.33	8.17
General & Administrative (Note 3)				23.85	27.26	3.41
Total Common Costs	408	411	3	\$103.34	\$114.16	\$10.82
Total Consolidated Costs	706	735	29	\$217.40	\$222.73	\$5.33

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, and data collection billing revenue.



Board of Directors

Enterprise Resource Planning (ERP)
Launch Status

Open Session

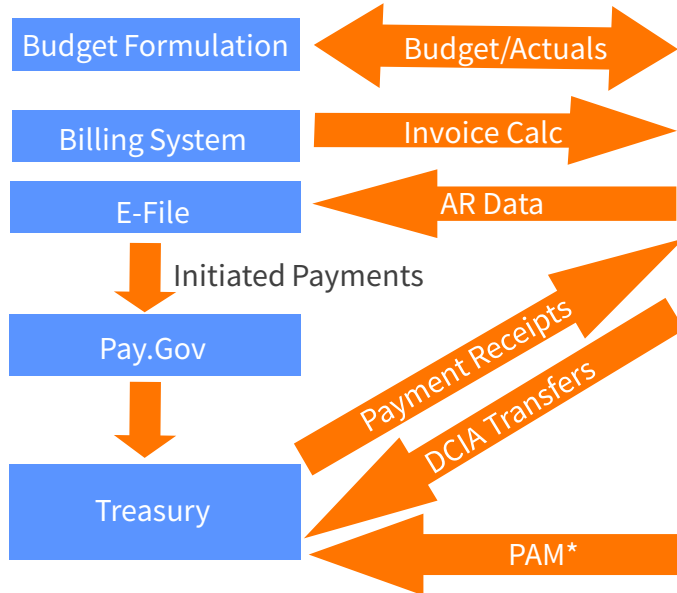
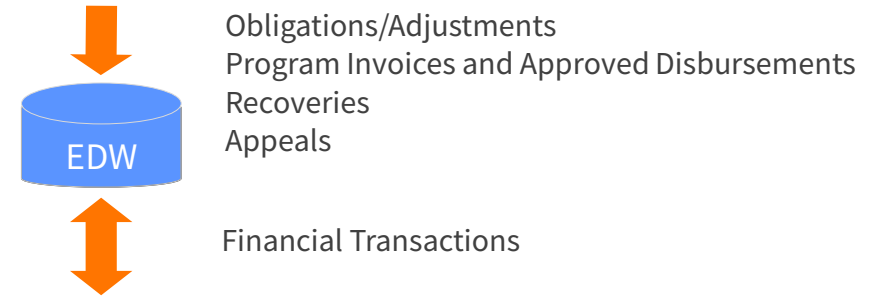
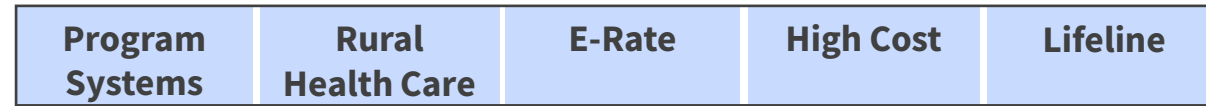
October 29, 2024

Agenda

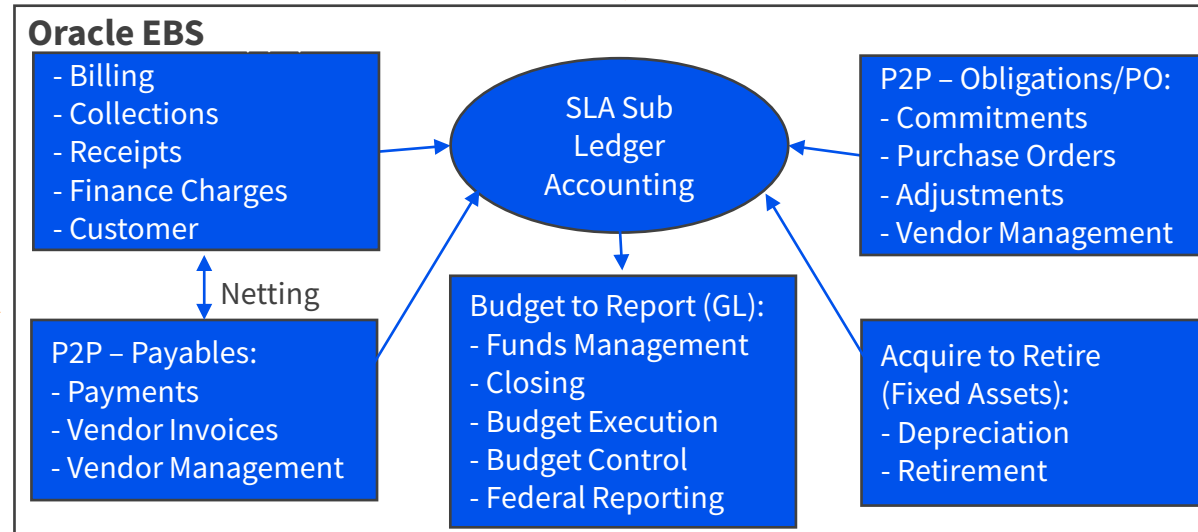
- Design Overview
- Current Status
- Path to Go Live
 - Parallel Processing
 - Data Conversion
 - Operations & Maintenance (O&M) Readiness
- Next Steps

Design Overview

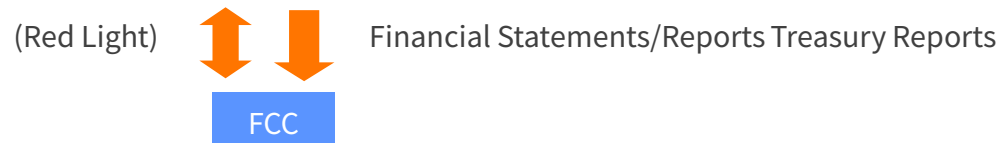
- USAC previously used disparate financial systems and Excel spreadsheets that were only partially integrated.
- The ERP improves integration, reduces manual entry and reconciliation, and ensures all financial events are promptly and accurately reported.



*PAM File to Treasury Parallel to SPS440



- Key Future State Changes:
- All A/R sub ledgers within EBS
 - Obligation sub ledger functionality
 - Red Light functionality met by EBS (retires existing system)



Current Status

- The ERP, named “UNIFi” by the Finance Team, went live on October 1.
- In the first 20 business days of production, the system has handled:
 - Hundreds of customer and supplier updates
 - One contributor billing cycle
 - Dozens of program recoveries
 - 19 days of collection receipts
 - Thousands of obligations and adjustments
 - 4 E-Rate disbursement cycles
 - 2 RHC disbursement cycles
 - One HC/LL disbursement cycle
 - One DCIA transfer to Treasury

Current Status (Continued)

- The team has overcome the following production challenges:
 - Delay in issuing first remittance statements- resolved by 2nd payment cycle
 - Payments made for each invoice, rather than aggregated by payee – resolved by October 25.
 - Inconsistencies with netting and hold notifications – produced manually until automation resolved in late October
- The team is now getting ready for the October month end close.

Path to Go Live: Parallel Processing

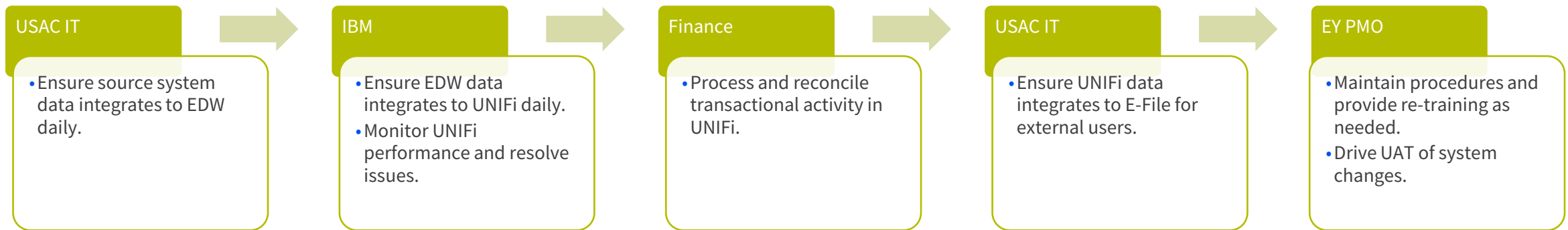
- In August and September, USAC used UNIFi in parallel to the existing system and processes.
- The Parallel UNIFi environment ingested all production transactions from the EDW, resulting in the processing of nearly all transactions that would be seen upon Go Live.
- During this time, USAC learned the appropriate timing and sequencing of production activities in UNIFi, identified and resolved issues with system functionality that were not identified in UAT, and refined procedure documentation for users.
- USAC also produced several files for the U.S. Treasury and the FCC to ensure that external integrations were functioning effectively.

Path to Go Live: Data Conversion Approach

- All open balances were converted to UNIFi as of September 30, 2024.
- USAC stopped some processing prior to month end to allow time for the migration and reconciliation activities (i.e., E-File Payment Portal was offline starting September 25).
- Data was converted sequentially based on the system criteria: Supplier and Customer Data, Obligations, Open Accounts Payable, and Receivables.
- Converted data was reconciled by comparing counts and dollar totals to the source, as well as spot checking a sample of records for data element accuracy.
- The September 30, 2024 balances in UNIFi were reconciled back to the September 30, 2024 balance recorded in the Great Plains month end close.
- The October 1, 2024 starting general ledger balance in UNIFi was created using the September 30, 2024 ending balance.

Path to Go Live: O&M Readiness

- In O&M, several teams work together to ensure effective management of the system and processes.



- A “hypercare,” or high-touch support model is currently in place, where EY and IBM shadow Finance in processing working sessions and meet daily to discuss production outcomes and issues.
- We are now monitoring service level agreements such as system up time, reporting of security and privacy incidents, and response time for critical system issues.
- O&M processes have been implemented for error resolution, reporting issues, system refreshes, and environment management.

Next Steps

- Complete October month end close and produce statements and reports for FCC.
- Continue to stabilize the O&M framework.
- Create a roadmap for Release 2, with kick off in early 2025.



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