



Board of Directors

Briefing Book

Tuesday, April 29, 2025

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**

**Tuesday, April 29, 2025
10:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u> Available for Public Use		<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 January 28, 2025 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements	5
Chair	i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Schools & Libraries Committee, Rural Health Care Committee, Audit Committee	10
Michelle	a2. Approval of USAC Common and Consolidated 3rd Quarter 2025 Budgets for the May 2, 2025 Federal Communications Commission Filing	5
Michelle	i2. Enterprise Business Update A. Enterprise Resource Planning Update (ERP)	10

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Jeremy	i2. Enterprise Business Update (Continued) B. CEO Update C. Zero Trust Architecture Update	5 15
Michelle	i3. Information on Contribution Factor	5
Erin	a3. Review of USAC Statement of Ethical Conduct for Board of Directors and Board of Directors Annual Disclosure of Entity Affiliations Form	10
Chris	a4. Consideration of a Contract Award for Palo Alto Firewall Hardware and Software Support	5
Chris	a5. Consideration of a Contract Award for Splunk Cloud and Enterprise Security Subscription	5
Chris	a6. Consideration to Exercise the First One-year Option Term for Information Security and Privacy Assessment Services	—

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	a7. Consideration to Exercise the Third One-year Option Term for Information Security Program Compliance Support Services	–
Chris	a8. Consideration to Exercise the Second- One-year Option Term for Information Security Operations Center Services	–
Chris	a9. Consideration of a Task Order Modification for Web Applications Support Services	–

<u>EXECUTIVE SESSION – INFORMATION ONLY</u> Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	i4. Enterprise Risk Management Scorecard A. Q1 2025 Risk Management Scorecard B. Risk Management Council Minutes	–
Teleshia	i5. Information on Three USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports	–
Chris	i6. Procurement Business Update	–

CONFIDENTIAL EXECUTIVE SESSION Confidential Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chair	i7. Confidential Executive Session: Board of Directors Only	20

Next Scheduled USAC Board of Directors Meeting

Tuesday, July 29, 2025 USAC Offices, Washington, D.C.
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**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

Consent Items

Action Requested

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

Discussion

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

- A. Approval of Board of Directors meeting minutes of January 28, 2025 (*see item Attachment A*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i2B.** Enterprise Business Updates (*Continued*): CEO 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.
 - (2) **i2C.** Enterprise Business Updates (*Continued*): Zero Trust Architecture Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - (3) **i3.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because the report relates 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 report relates 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.

- (4) **a3.** Review of USAC Statement of Ethical Conduct for Board of Directors and Board of Directors Annual Disclosure Form. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because the discussion may include examples of how the Statement and Disclosure Form apply and could include specific facts protected by the ***attorney/client privilege***.
- (5) **a4.** Consideration of a Contract Award for Palo Alto 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***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (6) **a5.** Consideration of a Contract Award for Splunk Enterprise. 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) **a6.** Consideration to Exercise the First One-year Option Term for Information Security and Privacy Assessment 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.
- (8) **a7.** Consideration to Exercise the Third One-year Option Term for Information Security Program Compliance Support Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a8.** Consideration to Exercise the Second One-year Option Term for Information 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.
- (10) **a9.** Consideration of a Task Order Modification for Web Application Support Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (11) **i4.** 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.
- (12) **i5.** Information on Three USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in ***Executive Session*** because the report relates 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.
- (13) **i6.** 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.
- (14) **i7. 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 concerning specific individual(s)***.

C. Consideration and Approval of Four Routine Procurements.

- (1) Consideration to Exercise the First One-year Option Term for Information Security and Privacy Assessment Services. The resolution is provided in **aBOD06cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (2) Consideration to Exercise the Third One-year Option Term for Information Security Program Compliance Support Services. The resolution is provided in **aBOD07cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (3) Consideration to Exercise the Second One-year Option Term for Information Security Operations Center Services. The resolution is provided in **aBOD08cf**. If discussion is needed, it will be conducted in ***Executive Session***.

ACTION Item #aBOD01

4/29/2025

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- (4) Consideration of a Task Order Modification for Web Application Support Services. The resolution is provided in **aBOD09cf**. 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 RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the meeting minutes of January 28, 2025; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items **aBOD06cf-aBOD9cf**

ACTION Item: #aBOD01 4/29/2025

Attachment A

Minutes of January 28, 2025

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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

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

Washington, D.C. 20005

BOARD OF DIRECTORS MEETING

Tuesday, January 28, 2025

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 28, 2025. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 19 of the 20 Board members present:

Chacko, Sheba – *by telephone*
Chalk, Indra
Dalhover, Brian
Freeman, Sarah
Green, Anisa
Gregory, Amber
Kettwich, Dan
Mason, Ken – Chair
Polk, Stephenie – *by telephone*
Sanquist, Christine

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

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
Sweeney, Mark – Vice President of Rural Health Care

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

ACTION Item: #aBOD01 4/29/2025

Attachment A

Minutes of January 28, 2025

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Claxton, Naomi	USAC
Curtis, Jessamy – <i>by telephone</i>	USAC
Edson, Shauna – <i>by telephone</i>	National Digital Inclusion Alliance
Estrella, Giulianna	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Francisco, Dale	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Havivi, Daniel	USAC
King, Ryan	USAC
Louie, Keith – <i>by telephone</i>	USAC
Morgan, Meredith	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Obi, Ngozi	USAC
Sadirkhanova, Sabina	USAC
Santana–Gonzalez, Jeanette	USAC
Shrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Strandberg, Steve	USAC
Theobald, Fred	USAC
Walsh, Colleen	USAC
White, Stacy	USAC
Wirfs, Tyler	USAC
Zitin, Caroline	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 October 29, 2024, December 31, 2024, and January 7, 2025 (*see Attachments A1-A3*).

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

- (1) **i4.** Enterprise Business Updates (Continued). USAC management recommends that this item be discussed in *Executive Session* because it *involves discussion of USAC internal personnel matters concerning specific individual(s)*.
- (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) **a4.** Approval of 2025 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, as well as 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*. In addition, this *includes pre-decisional matters pending before the FCC*.
- (4) **a5.** Review of USAC Statement of Ethical Conduct for Employees and Employee Annual Disclosure Form. USAC management recommends that discussion of this item be conducted in *Executive Session* because the discussion *could include specific facts protected by the attorney/client privilege or any other legally recognized privilege where discussion of such matters in open session would compromise the continued applicability of the privilege*.
- (5) **a6.** Consideration of a Contract Award for Collibra 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*.
- (6) **a7.** Consideration of Contract Award for Dell EMC Unity Hardware Maintenance 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*.

- (7) **a8.** Consideration of a Contract Award for Appian 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.*
- (8) **a9.** Consideration of a Contract Award for SolarWinds License Maintenance Renewal. 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) **a10.** Consideration of a Contract Award for Splunk Application Performance Monitoring. 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) **a11.** Consideration of a Contract Award for Veracode 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) **a12.** Consideration of a Contract Award for VMware Enterprise Licensing Agreement. 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) **a13.** Consideration for Modifying the Fourth Option Period of Enterprise Resource Planning Analysis and PMO Services Contract to Include EDW 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) **i6.** 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.

- (14) **i7.** Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report. USAC management recommends that this item be discussed in ***Executive Session*** because the report relates 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.
- (15) **i8.** Annual Competition Advocate Report. 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***.
- (16) **i9.** 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***.
- (17) **i10.** November 2024 USAC Complaints Report. USAC management recommends that this item be discussed in ***Executive Session*** because discussion of this matter ***relates to specific internal controls and/or confidential company data that would constitute a discussion of internal rules and procedures***.
- (18) **i11.** 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 concerning specific individual(s)***.
- (19) **a14. Confidential Executive Session:** Consideration of a Compensation Item. USAC management recommends that this item occur in ***Confidential Executive Session*** because it involves ***internal personnel matters concerning specific individual(s)***.

C. Consideration and Approval of One Routine Procurement.

- (1) Consideration for Modifying the Fourth Option Period of Enterprise Resource Planning Analysis and PMO Services Contract to Include

EDW Assessment. The resolution is provided in **aBOD13cf**. If discussion is needed, it will be conducted in *Executive Session*.

D. Approval of Board of Directors Quarterly Meeting Schedule for April 2026-January 2027 (*see Attachment D*).

E. Review of the 2025 Audit Committee Charter (*see Attachments E1-3*).

F. Review of the Nominating Committee Charter (*see Attachments F1-2*).

G. Resolution Honoring Four Board Member Whose Service on the Board Has Recently Ended.

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 meeting minutes of October 29, 2024, December 31, 2024, and January 7, 2025; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of one routine procurement as presented in item **aBOD13cf**.

RESOLVED, that the USAC Board of Directors adopts the Board of Directors quarterly meeting schedule for April 2026 through January 2027; and

RESOLVED, that the USAC Board of Directors, having reviewed the revised 2025 Audit Committee Charter presented by the Audit Committee, hereby accepts the recommendation of the Audit Committee, and approves the revised 2025 Audit Committee Charter; and

RESOLVED, that the USAC Board of Directors, having reviewed the Nominating Committee Charter presented by the Nominating Committee, hereby accepts the recommendation of the Nominating Committee, and approves the Nominating Committee Charter without revisions; and

RESOLVED, that the USAC Board of Directors hereby expresses its sincere appreciation to Allan Buzacott, Dan Domenech, Brent Fontana, and Michael Skrivan for their dedicated service on the Board of Directors of the Universal Service Administrative Company and wishes them the best in their future endeavors.

- a2. Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers.** Mr. Mason introduced this item to the Board requesting that Ms. Freeman, Chair of the Nominating Committee, report on the Nominating Committee's recommendations for the

election of committee chairs, vice chairs, and at-large members, corporate officers.

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

Election of Board Members to Committee At-Large Seats

RESOLVED, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Schools & Libraries Committee: Sheba Chacko, Indra Chalk, Brian Dalhover, and Christine Sanquist**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **High Cost & Low Income Committee: Olivia Wein and Dr. Joan Wade**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Rural Health Care Committee: Kara Semmler** (representing service providers), **Mona Thompson**, and **Anisa Green**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Audit Committee: Stephanie Polk** (representing the High Cost & Low Income Committee), **Dan Kettwich** (representing the Rural Health Care Committee), **Amber Gregory** (representing the Schools & Libraries Committee), **Julie Tritt Schell**, and **Ken Mason**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Executive Compensation Committee: Dr. David Schuler, Dr. Joan Wade, Christine Sanquist, Julie Tritt Schell**, and **Dr. Kathy Wiberly**; and

Election of Committee Chairs and Vice Chairs

RESOLVED, that the USAC Board of Directors accepts the recommendation of the Schools & Libraries Committee and elects **Amber Gregory** as Chair and **Dr. Joan Wade** as Vice Chair of the **Schools & Libraries Committee**; and

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

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

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Audit Committee and elects **Julie Tritt Schell** as Chair and **Ken Mason** as Vice Chair of the **Audit Committee**; and

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

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

Election of Board Chair, Vice Chair, Secretary and Treasurer

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

- 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. Ms. Gregory 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 and the Executive Compensation Committee.
- a3. **Approval of USAC Common and Consolidated 2nd Quarter 2025 Budgets for the January 31, 2025 Federal Communications Commission Filing.** Ms.

Garber presented a written report on USAC management's recommendations for USAC's common and consolidated 2nd Quarter 2025 budget and demand projection for the January 31, 2025 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 2nd Quarter 2025 common budget of \$41.30 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$41.30 million for common costs in the required January 31, 2025 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2nd Quarter 2025 consolidated budget to administer the Universal Service Fund of \$74.41 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$74.41 million for consolidated costs in the required January 31, 2025 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. **Enterprise Business Update.** Ms. Sekar gave a verbal presentation on USAC's 2024 accomplishments and Mr. Butler presented a PowerPoint that provided an overview of the 2024 Annual Report timeline.
- i3. **Information on Two 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.

At 10:45 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 Update (Continued).**
 - **2024 Employee Retention Updates by Quarter.** Ms. Sadirkhanova reviewed a PowerPoint presentation that identified UASC vacancy rate over the last five years.

- i5. **Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 2nd Quarter 2025 contribution factor.
- a4. **Approval of 2025 Annual USAC Common and Consolidated Budgets.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the 2025 annual USAC common and consolidated budgets.

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

RESOLVED, that the USAC Board of Directors approves the 2025 annual common budget of \$160.40 million; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2025 annual consolidated budget of \$292.44 million.

- a5. **Review of USAC Statement of Ethical Conduct for Employees and Employee Annual Disclosure Form.** Ms. Williams presented this item to the Board that included a report detailing USAC management's request that the Board approve the revisions to the *USAC Statement of Ethical Conduct and Employee Disclosure Form*.

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

RESOLVED, that the USAC Board of Directors accepts the recommendation of the USAC General Counsel and hereby approves the *USAC Statement of Ethical Conduct and Employee Disclosure Form*, as revised.

At 11:10 a.m. Eastern Time the Board recessed and reconvened at 11:15 a.m. Eastern Time.

- a6. **Consideration of a Contract Award for Collibra Licenses.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Collibra Licenses used to track and manage data assets.

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 Collibra licenses to Collibra

Inc. for a one (1) year period of performance for a not-to-exceed amount of \$263,631.50 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Consideration of Contract Award for Dell EMC Unity Hardware Maintenance and Support Services.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Dell EMC Unity Hardware Maintenance and Support Services used to track and manage data assets for primary and backup storage.

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 for Dell EMC Unity Hardware Maintenance and Support Services to Ahead for a total not-to-exceed price of \$325,262.10 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a8. Consideration of a Contract Award for Appian Licenses, Cloud Services and Support.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Appian licenses, cloud services 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 thirty-six (36) month firm-fixed price contract to Appian Corporation for Appian licenses, cloud services and support for a not-to-exceed amount of \$16,544,425.80 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a9. Consideration of a Contract Award for SolarWinds License Maintenance Renewal.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for SolarWinds license maintenance renewal used to monitor all USAC software.

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 SolarWinds License Maintenance to Sterling Computers for a total not-to-exceed amount of \$345,663.52 (plus applicable taxes), subject to required Federal Communications Commission approval

- a10. Consideration of a Contract Award for Splunk Application Performance Monitoring (APM).** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Splunk APM used to monitor and manage the performance and availability of 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 to award a thirty-six (36) month firm-fixed price contract for Splunk APM licenses to Blackwood Associates for a total not-to-exceed amount of \$673,880.00 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes) to cover potential increases in licenses required during the thirty-six (36) month period of performance.

- a11. Consideration of a Contract Award for Veracode Licenses.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Veracode 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 Veracode Licenses to AlxTel Inc. for a total not-to-exceed price of \$827,300.00 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes) to cover potential future growth.

- a12. Consideration of a Contract Award for VMware Enterprise Licensing Agreement.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for VMware Enterprise Licensing Agreement that provides licensing and support for virtual servers.

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 a VMware Enterprise License Agreement to Ahead for a total not-to-exceed price of \$2,164,515.60 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a13. Consideration for Modifying the Fourth Option Period of Enterprise Resource Planning Analysis and PMO Services Contract to Include EDW Assessment.** 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 management to modify the contract with Ernst & Young LLP for analysis and project management services for the enterprise resource planning system to add the Evaluation of Enterprise Data Warehouse (EDW) scope to the contract for a not-to-exceed amount of \$1,597,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$25,949,744.00 (plus applicable taxes), to \$27,546,744.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- i6. Enterprise Risk Management Update.** Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Heat Map.
- i7. Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report.** This item was provided for *information purposes only*. No discussion was held.
- i8. Annual Competition Advocate Report.** This item was provided for *information purposes only*. No discussion was held.
- i9. Procurement Business Update.** This item was provided for *information purposes only*. No discussion was held.
- i10. November 2024 USAC Complaints Report.** This item was provided for *information purposes only*. No discussion was held.

At 12:00 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into **Confidential Executive Session** for the purpose of discussing confidential items. They recessed and reconvened at 12:10 p.m. with only members of the Board, Ms. Williams, and Mr. Davis present.

CONFIDENTIAL EXECUTIVE SESSION

Ms. Sekar shared information regarding a confidential matter. After discussion the Board continued in Confidential Executive Session with only members of the Board and Ms. Sadirkhanova present.

- a14. *Personnel Matter:*** Consideration of a Compensation Item. Ms. Sadirkhanova 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 proposed 2025 merit-based salary increase for USAC's Chief Executive Officer as recommended by the Executive Compensation Committee, hereby approves the salary increase, effective retroactively as of January 1, 2025.

At 12:30 p.m. Eastern Time the Board of Directors continued in ***Confidential Executive Session*** with only non-staff members of the Board present.

- i11. *Confidential Executive Session:*** Board of Directors Only. Mr. Mason facilitated this discussion.

OPEN SESSION

At 1:10 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 a4 – a12, and a14 and discussed items i4, i5, i6, and i11.

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

/s/ Erin Williams

Assistant Secretary



Board of Directors Meeting

Reports from Committee Chair (Verbal)

Open Session

April 29, 2025

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

ACTION ITEM

**Approval of USAC Common and Consolidated
3rd Quarter 2025 Budgets and Demand Projection
for the May 02, 2025 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 3rd Quarter 2025 (Q3 2025) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's May 02, 2025 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q3 2025 USAC consolidated budget of \$73.60 million to administer the Universal Service Fund (USF), which includes \$33.45 million in direct program costs and \$40.15 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q2 2025 Budget	Increase/ (Decrease)	Q3 2025 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$5.29	\$0.74	\$6.03
Lifeline	12.12	1.91	14.03
Rural Health Care	4.50	(0.24)	4.26
Schools & Libraries	11.20	(2.07)	9.13
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$33.11	\$0.34	\$33.45
Common Costs			
Employee Expenses	\$18.91	(\$0.12)	\$18.79
Professional Services	8.93	1.30	10.23
General & Administrative (Note 1)	13.46	(2.33)	11.13
Total Common Costs	\$41.30	(\$1.15)	\$40.15
Total Consolidated Costs	\$74.41	(\$0.81)	\$73.60

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

A comparison of actual common and consolidated expenditures to the budget for the three months ending March 31, 2025 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the Q3 2025 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2025 common budget of \$40.15 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$40.15 million for common costs in the required May 02, 2025 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 2025 consolidated budget to administer the Universal Service Fund of \$73.60 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$73.60 million for consolidated costs in the required May 02, 2025 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount

Comparison of Actual Expenditures and Headcount to the Budget for the
Three Months Ending March 31, 2025

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	63	64	1	\$4.38	\$5.48	\$1.10
Lifeline	94	97	3	10.42	12.69	2.27
Rural Health Care	58	59	1	4.56	4.14	(0.42)
Schools & Libraries	80	85	5	8.57	8.67	0.10
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	295	305	10	\$27.93	\$30.98	\$3.05
Common Costs						
Employee Expenses	413	423	10	\$17.65	\$18.38	\$0.73
Professional Services				9.77	8.98	(0.79)
General & Administrative (Note 2)				8.13	10.80	2.67
Total Common Costs	413	423	10	\$35.55	\$38.16	\$2.61
Total Consolidated Costs	708	728	20	\$63.48	\$69.14	\$5.66

Note 2: 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

Update on Enterprise Resource Planning (ERP) Implementation

Open Session

April 29, 2025

Agenda

- ERP Update
- Next Steps: Release 2 Planning

ERP Update

The ERP went live on October 1, 2024.

Accomplishments

- Six months of transactional processing
 - Obligations: 8k at \$729M
 - AP invoices: 200k at \$4.5B
 - AR invoices: 40k at \$4.6B
 - Collections: 28k at \$4.3B
 - Accurate monthly and quarterly financial statements

Pending Issues

- Red Light timing issue — April
- Netting automation — June
- Bank changes manual effort — June

Next Steps: Release 2 Planning

- USAC Financial Management Functionality
- Under consideration:
 - Sam.gov
 - Retiring Coupa
 - Enhancing Release 1 Program Recovery Functionality
 - Evaluation of Billing System



**Universal Service
Administrative Co.**