Board of Directors

Briefing Book

Tuesday, July 28, 2026

9:00 a.m. – 12:00 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, July 28, 2026 **9:00 a.m. – 12:00 p.m. Eastern Time** **USAC Offices** **700 12th Street, N.W., Suite 900** **Washington, D.C. 20005**

OPEN SESSION Available for Public Use		*Estimated Duration in Minutes*
Chair	**a1.** Consent Items (each available for discussion upon request): **A.** Approval of Board of Directors Meeting Minutes of April 28, 2026, July 8, 2026, and July 10, 2026 **B.** Approval of moving all ***Executive Session*** Items into ***Executive Session*** **C.** Consideration and Approval of Three Routine Procurement	5
Chair	**i1.** Reports from the Committee Chairs: Schools & Libraries Committee, Rural Health Care Committee, High Cost & Low Income Committee, and Audit Committee	10
Dale	**a2.** Approval of USAC Common and Consolidated 4th Quarter 2026 Budgets for the July 31, 2026 Federal Communications Commission Filing	5
Michelle Steve/Jaymie	**i2.** Enterprise Business Update **A.** 2026 Corporate Goals Status **B.** Two Way Communications Update	20

EXECUTIVE SESSION ***Executive Session Recommended*** Confidential – Not for Public Disclosure		*Estimated Duration in Minutes*
Michelle Kyle	**i3.** Enterprise Business Update (*Continued*) • CEO Updates: **A.** Q2 2026 Artificial Intelligence **B.** Zero Trust and FISMA Maturity	20
Dale	**i4.** Information on the Contribution Factor	5
Dale	**i5.** Acceptance of USAC's 2025 Financial Statement Audit and Agreed-Upon Procedures Review *(Same as aAC05cf)*	10
Chris S. Erin	**i6.** Office of General Counsel Update **A.** Q2 2026 Fraud Risk Group Update **B.** General Counsel Update (Verbal)	20
Chris	**i7.** Enterprise Risk Management Scorecard **A.** Risk Management Heatmap **B.** Risk Management Council Minutes	10

EXECUTIVE SESSION ***Executive Session Recommended*** Confidential – Not for Public Disclosure		Estimated Duration in Minutes
Chris/ Aaron	**a3.** Consideration of a Contract Award for Customer Service Center Support and Customer Relationship Management Operations and Maintenance Business Process Outsourcing Services.	3
Chris/ Aaron	**a4.** Consideration of a Contract Award for Financial Statement Audit and Agreed Upon Procedures Engagement Services	3
Chris/ Aaron	**a5.** Consideration of a Contract Award for Penetration Testing as a Service	3
Chris/ Aaron	**a6.** Consideration of Contract Award for Enterprise Cybersecurity and Monitoring Services	3
Chris/ Aaron	**a7.** Consideration of a Contract Award for Enterprise Firewall Replacement	3
Chris/ Aaron	**a8.** Consideration for Contract Award for Socrata Licenses and Support	3
Chris/ Aaron	**a9.** Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services	–
Chris/ Aaron	**a10.** Consideration to Exercise an Option Term for Information Security and Privacy Assessment Services	–
Chris/ Aaron	**a11.** Consideration of a Contract Modification for Okta Licensing and Support Services	–

EXECUTIVE SESSION – INFORMATION ONLY ***Executive Session Recommended*** Confidential – Not for Public Disclosure		Estimated Duration in Minutes
Teleshia	**i8.** Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports	–
Chris/ Aaron	**i9.** Procurement Business Update	–

CONFIDENTIAL EXECUTIVE SESSION Confidential – Not for Public Disclosure		Estimated Duration in Minutes
Chair	**i10.** ***Confidential Executive Session***: Board of Directors Only	30

Next Scheduled USAC Board of Directors Meeting

Tuesday, October 27, 2026
USAC Offices, Washington, D.C.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Consent Items

Action Requested

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

Discussion

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

A. Approval of Board of Directors Meeting Minutes of April 28, 2026, July 8, 2026, and July 10, 2026 (*see* **Attachment A1-A3**).

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

(1) **i3A-B.** Enterprise Business Update (*Continued*): CEO Updates. USAC management recommends that this matter be discussed in ***Executive Session*** because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(2) **i4.** Information on Contribution Factor. USAC management recommends that this matter be discussed in ***Executive Session*** because the reports relate to ***specific internal controls and/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. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***. Finally, this item includes ***pre-decisional matters pending before the FCC***.

(3) **i5.** Acceptance of USAC's 2025 Annual Financial Statement Audit and Agreed-Upon Procedures Review *(Same as aAC05cf)*. USAC management recommends that this matter be discussed in ***Executive Session*** because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(4) **i6A-B.** Office of the General Counsel Update. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to matters subject to attorney-client privilege, as well as USAC's ***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 item may include ***pre-decisional matters pending before the FCC***.

(5) **i7A-B.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

(6) **a3.** Consideration of Contract Award for Customer Service Center Support and Customer Relationship Management (CRM) Operations Maintenance (O&M) Business Process Outsourcing (BPO) Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(7) **a4.** Consideration of a Contract Award for Financial Statement Audit and Agreed Upon Procedures (AUP) Engagement Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(8) **a5.** Consideration of a Contract Award for Penetration Testing as a Service. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(9) **a6.** Consideration of a Contract Award for Enterprise Cybersecurity and Monitoring Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(10) **a7.** Consideration of a Contract Award for Enterprise Firewall Replacement. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(11) **a8.** Consideration of a Contract Award for Socrata Software Licenses and Support. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(12) **a9**. Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(13) **a10.** Consideration to Exercise an Option Term for Information Security and Privacy Assessment Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(14) **a11.** Consideration of a Contract Modification for Okta Licensing and Support Services. USAC management recommends that discussion of this item be conducted in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration*** and would compromise USAC's business objectives or negotiating strategy.

(15) **i8.** 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 and/or confidential company data*** that would constitute a discussion of internal rules and procedures and, in addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.***

(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*** and would compromise USAC's business objectives or negotiating strategy**.**

(17) **i10.** 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 Three Routine Procurements.

(1) Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(2) Consideration to Exercise an Option Term for Information Security and Privacy Assessment Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(3) Consideration of a Contract Modification for Okta Licensing and Support Services. The resolution is provided in **aBOD011cf**. If discussion is needed, it will be conducted in ***Executive Session***.

D. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended.

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

<u>Recommended USAC Board of Directors Action</u>

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 28, 2026, July 8, 2026; and July 10, 2026; and (2) discussion in ***Executive Session*** of the items noted above; and (3) the approval of three routine procurements as presented in items **aBOD09cf-aBOD11cf.**

RESOLVED FURTHER, that the USAC Board of Directors hereby expresses heartfelt sadness for the loss of one of our own, Ms. Anisa Green. Ms. Green's term on the Board began on January 1, 2025. With over 26 years of experience in regulatory, policy, advocacy, and legal work, she was a Director – Federal Regulatory for AT&T with extensive proficiency on universal service regulatory issues, focusing on consumer broadband affordability, digital equity, prevention and elimination of digital discrimination, secured access to communications afforded to survivors of domestic violence, and rural healthcare matters. The Board extends their appreciation for Ms. Green's dedicated service while on the Board of Directors and acknowledges that she will be missed not only by the Board, but also by her community, friends, and above all by her family. Rest in peace Anisa.

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

BOARD OF DIRECTORS MEETING
Tuesday, April 28, 2026

(DRAFT) MINUTES[1]

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C on Tuesday, April 28, 2026. Mr. Ken Mason, Board Chair, called the meeting to order at 9:02 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present (there is one vacancy):

Dalhover, Brian – *by telephone*
Forbes, Ian – *by telephone*
Garber, Michelle – Chief Executive Officer (Interim) and Assistant Treasurer
Green, Anisa
Gregory, Amber
Kettwich, Dan
Mason, Ken – Chair
Minard, Alexander
Sanborn, Heather
Schell, Julie Tritt – Vice Chair
Schram, Tim
Schuler, David
Siefer, Angela
Thompson, Mona
Wade, Dr. Joan – Treasurer
Wein, Olivia – Secretary
Wibberly, Dr. Kathy

Mr. Schram left the meeting at 11:00 a.m. and returned at 11:38 a.m. Eastern Time. He did not vote on items a3-a8 and a12 or participate in the discussion of item i10. Ms. Thompson left the meeting at 11:25 p.m. Eastern Time. She did not participate in the discussion of items i10 and i11.

Members of the Board not present:

Chacko, Sheba
Semmler, Kara

[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.

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
Francisco, Dale – Chief Financial Officer (Interim)
Gaither, Victor – Vice President of High Cost
Hutchinson, Kyle – Vice President and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline
Sweeney, Mark – Vice President of Rural Health Care
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

NAME	**COMPANY**
Armstrong, Katlyn	USAC
Ayer, Catriona	USAC
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Daniels, Joel	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Kriete, Debra – *by telephone*	South Dakota DOE & State E-Rate Coordinators' Alliance
Lee, Brandon – *by telephone*	USAC
Little, Chris	USAC
McConnell, Beth – *by telephone*	Federal Funding Advisors
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa – *by telephone*	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Theobald, Fred	USAC
Wirfs, Tyler	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 January 27, 2026.

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

(1) **i3.** Enterprise Business Updates (*Continued*): CEO 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.

(2) **i4.** Information on Contribution Factor. USAC management recommends that this matter be discussed in ***Executive Session*** because the reports relate 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. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***. Finally, this item includes ***pre-decisional matters pending before the FCC***.

(3) **i5.** Office of General Counsel Update. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to matters subject to attorney-client privilege, as well as USAC's ***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 item may include ***pre-decisional matters pending before the FCC***.

(4) **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***, where discussion of the matter in open session would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity.

(5) **a3.** Consideration of Contract Award for AWS Cloud Hosting 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.

(6) **a4.** Consideration of a Contract Award for RedHat Linux 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.

(7) **a5.** Consideration of a Contract Award for 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.

(8) **a6.** Consideration of a Contract Award for Redundant Telecom Services and VOIP. 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 for Contract Award for Benefits Broker Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, 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 Cisco Local Area Network Switches. 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) **a9.** Consideration of a Contract Modification for Information Security Program Compliance 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.

(12) **a10.** Consideration of a Contract Modification 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.

(13) **a11.** Consideration of a Contract Modification for Microsoft Enterprise 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.

(14) **a12.** Consideration to Increase the Simplified Acquisition Procurement Threshold Requiring Board of Directors Approval. 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) **i7.** Information on Three USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in ***Executive Session*** because the reports relate to the ***eligibility, payment status, request for funding, or other issue regarding a specific participant*** in any of the universal service support mechanisms where discussion of the matter in open session would reveal trade secrets or commercial or financial information obtained from a person or entity. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***. Finally, this matter 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.

(16) **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.

(17) **i9.** USAC License Software List. 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.

(18) **i10.** ***Confidential Executive Session Personnel Matter:*** USAC 2026 Employee Engagement Survey Action Plans*:* USAC management recommends that this item be discussed in ***Confidential Executive Session*** because it involves ***internal personnel matters.***

(19) **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)***.

C. Consideration and Approval of Three Routine Procurements.

(1) Consideration of a Contract Modification for Information Security Program Compliance Support. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(2) Consideration of a Contract Modification for IT Security Operations Center Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(3) Consideration of a Contract Amendment for Microsoft Enterprise Agreement. The resolution is provided in **aBOD011cf**. If discussion is needed, it will be conducted in ***Executive Session***.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the meeting minutes of January 27, 2026; (2) discussion in ***Executive Session*** of the items noted above; and (3) the approval of three routine procurements as presented in items **aBOD09cf-aBOD11cf.**

i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee. Ms. Gregory presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Ms. Wein presented the report for the High Cost & Low Income Committee. Ms. Tritt Schell presented the report for the Audit Committee.

a2. Approval of USAC Common and Consolidated 3rd Quarter 2026 Budgets for the May 1, 2026 Federal Communications Commission Filing. Mr. Francisco presented a written report on USAC management's recommendations for USAC's common and consolidated 3rd Quarter 2026 budget and demand projection for the May 1, 2026 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2026 common budget of $33.98 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $33.98 million for common costs in the required May 1, 2026 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 2026 consolidated budget to administer the Universal Service Fund of $65.82 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $65.82 million for consolidated costs in the required May 1, 2026 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

i2. Enterprise Business Update:

A. UNIFi Release 2.0 Updates. Mr. Franscisco presented a PowerPoint that provided an update on UNIFi Release 2.0, identifying the release scheduled to be deployed in the Fall of 2026 would include the SAM.gov integration into the USF disbursement process, USAC administrative financials, and USAC procurement.

B. Stakeholder Engagement Overview. Mr. Butler and Ms. Gustafson presented a PowerPoint identifying current USAC stakeholder engagement channels and how USAC can best align with stakeholders and gather actionable feedback. Mr. Butler explained that USAC will look to identify ways to improve consistency in engagement methods across the programs and divisions to form a standard and predictable experience. Discussion continued on how to ensure the correct contacts on the various forms are receiving the correct information. Mr. Butler and Ms. Gustafson committed to conduct research to study how to best develop a plan of action.

Ms. Siefer invited USAC to participate in NDIA's annual conference to share information about the USF programs.

At 10:10 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing confidential items. The meeting then recessed and reconvened at 10:16 a.m. Eastern Time in ***Executive Session*** with only members of the Board, and USAC staff present.

EXECUTIVE SESSION

i3. Enterprise Business Update (*Continued*)

A. CEO Update. Ms. Garber provided an update on USAC's Artificial Intelligence (AI) activities. At the request of Mr. Mason, Ms. Gaber confirmed that the Board would receive updates on the status of AI at USAC.

i4. Information on the Contribution Factor. Mr. Francisco presented a written report providing USAC's estimate of the 3rd Quarter 2026 contribution factor.

i5. Office of the General Counsel Update.

i5A. Q1 2026 Fraud Risk Group Update. Ms. Catriona Ayer and Mr. Chris Smith presented this item to the Board.

i5B. General Counsel Update. Ms. Williams provided a verbal presentation on recent legal matters.

i6. Enterprise Risk Management Scorecard. Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Scorecard.

a3. Consideration of Contract Award for AWS Cloud Hosting Services. Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract to Amazon Web Services, Inc. (AWS) for cloud hosting services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a twelve (12) month fixed price sole source contract to Amazon Web Services, Inc. for Cloud Hosting Services, for a total not-to-exceed amount of $3,600,000.00 (plus applicable taxes), with such amount including a contingency of $500,000.00 (plus applicable taxes) to cover USAC's additional hosting needs based on the 2026-2027 USAC IT projects roadmap, subject to required Federal Communications Commission approval.

a4. Consideration of a Contract Award for RedHat Linux Enterprise License Agreement. Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract for RedHat Enterprise License to TommyTQL LLC.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed price contract for RedHat Enterprise License to TommyTQL LLC for a two (2) year period of performance with a not-to-exceed (NTE) amount of $773,560.00 (plus applicable taxes), with such amount including a contingency of a $100,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a5. Consideration of a Contract Award for CyberArk Licenses. Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract for CyberArk Licenses to GuidePoint Security LLC.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed price contract for CyberArk Licenses to GuidePoint Security LLC for a three (3) year period of performance for a not-to-exceed amount of $2,166,090.66 (plus applicable taxes), with such amount including a contingency of $200,000.00 (plus applicable taxes) to cover the need for potential license increases, subject to required Federal Communications Commission approval.

a6. **Consideration of a Contract Award for Redundant Telecom Services and Voice Over Internet Protocol (VOIP).** Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract for Redundant Telecom Services & VOIP to Clear Connection-AT&T.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed price contract for Redundant Telecom Services and Voice Over Internet Protocol (VOIP) to Clear Connection-AT&T for a four (4) year period of performance for a not-to-exceed amount of $441,515.84 (plus applicable taxes), with such amount including a contingency of $50,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a7. C**onsideration of a Contract Award for Benefits Broker Services.** Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract for benefits broker services to Gallagher Benefit Services, Inc.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management hereby authorizes USAC management to award a firm-fixed price contract for benefits broker services to Gallagher Benefit Services, Inc. for a one (1) year period of performance with three (3) one-year renewal options for a not-to-exceed amount of $680,591.00 (plus applicable taxes), with such amount including a contingency of $50,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a8. **Consideration of a Contract Award for Cisco Local Area Network (LAN) Switches.** Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a contract for Cisco LAN switches to Ahead Inc.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed price contract for Cisco Local Area Network (LAN) Switches to Ahead Inc. for a not-to-exceed amount of $513,502.70 (plus applicable taxes), with such amount including a contingency of $20,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a9. **Consideration of a Contract Modification for Information Security Program Compliance Support.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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 extend the period of performance of Option Year Three of the information security program compliance support services contract with KPMG LLP by six months and increase the total not-to-exceed amount by $1,887,261.54 (plus applicable taxes), which thereby increases the total not-to-exceed amount for the third one-year option term from $3,594,783.88 (plus applicable taxes) to $5,482,045.42 (plus applicable taxes), and the total not-to-exceed contract value from $14,703,095.71 (plus applicable taxes) to $16,590,357.25 (plus applicable taxes), subject to required Federal Communications Commission approval.

a10. **Consideration of a Contract Modification for IT Security Operations Center Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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 extend the period of performance of Option Year Two of the Security Operations Center Services Contract with XOR Security LLC by five months and increase the total not-to exceed amount by $666,779.78 (plus applicable taxes), which thereby increases the total not-to-exceed amount for

Option Year Two from $1,524,068.06 (plus applicable taxes) to $2,190,847.84 (plus applicable taxes), and the total not-to-exceed contract value from $4,407,066.49 (plus applicable taxes) to $5,073,846.27 (plus applicable taxes), subject to required Federal Communications Commission approval.

a11. Consideration of a Contract Modification for Microsoft Enterprise Agreement. No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the total not-to-exceed amount of its Microsoft Enterprise Agreement with Microsoft Corporation to cover the cost of Microsoft Co-pilot licenses and the annual True up by adding $600,000.00 (plus applicable taxes) to the third year of the contract, thereby increasing the total not-to-exceed amount from $6,800,000.00 (plus applicable taxes) to $7,400,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a12. Consideration to Increase the Simplified Acquisition Procurement (SAP) Threshold Requiring Board of Directors Approval. Mr. Beyerhelm 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 recommendation of USAC management, hereby authorizes USAC management to increase the Board approval threshold for procurements from $250,000 to $350,000 to match the simplified acquisition threshold approval amount required in the Code of Federal Regulations and approved by the Federal Communications Commission.

i7. Information on Three USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. This item was provided for *information purposes only*. No discussion was held.

i8. Procurement Business Update. This item was provided for *information purposes only*. No discussion was held.

i9. USAC Licensed Software List. This item was provided for *information purposes only*. No discussion was held.

At 11:25 a.m. Eastern Time, the Board approved a motion to move into ***Confidential Executive Session*** then recessed and reconvened at 11:30 a.m. Eastern Time with only the Board and USAC leadership present.

CONFIDENTIAL EXECUTIVE SESSION

i10. *Personnel Matter:* **USAC 2026 Employee Engagement Survey Action Plan.** Ms. Sadirkhanova presented this item to the Committee and responded to questions from the Board.

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

At 11:49 a.m. Eastern Time, the Board continued in ***Confidential Executive Session*** with only non-staff members of the Board present.

OPEN SESSION

At 12:00 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 a3-a8, and a12 and discussed items i3-i6 and i10-i11.

On a motion duly made and seconded, the Board adjourned at 12:00 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Wednesday, July 8, 2026

(DRAFT) MINUTES

A hybrid meeting of the USAC Board of Directors (Board) was conducted at USAC Wednesday, July 8, 2026. Mr. Ken Mason, Board Chair, called the meeting to order at 7:50 a.m. Eastern Time, with a quorum of 12 of the 18 Board members present (There are two vacancies and USAC's interim Chief Executive Officer (CEO) did not participate in the CEO selection process):

In Person	Virtual
Gregory, Amber	Dalhover, Brian
Mason, Ken – Chair	Kettwich, Dan
Minard, Alex	Schell, Julie Tritt - Vice Chair
Schuler, Dr. Dave	Schram, Tim
Wade, Dr. Joan –Treasurer	Thompson, Mona
Wein, Oliva – Secretary	Wibberly, Dr. Kathy

Mr. Ian Forbes joined the meeting virtually at 9:57 a.m. Eastern Time and left the meeting at 11:45 a.m. Eastern Time. Ms. Sheba Chacko joined the meeting virtually at 12:03 p.m. Eastern Time and left the meeting at 2:03 p.m. Eastern Time.

Member of the Board not present:

Sanborn, Heather a
Semmler, Kara
Siefer, Angela

Officers of the corporation present:

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

Others present:

NAME	COMPANY
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Wilkinson, Derek	Odgers

OPEN SESSION

a1. Consideration of Candidates for the Position of Chief Executive Office. Mr. Ken Mason, Board Chair, recommended that discussion of this matter be conducted in ***Confidential Executive Session*** because it ***involves a personnel matter.***

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

RESOLVED, that the Board determines that discussion of this personnel matter shall be conducted in ***Confidential Executive Session***.

At 7:58 a.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 a Candidate for the Position of Chief Executive Office. Mr. Mason presented this item for discussion.

Following a competitive procurement, on March 4, 2026 the CEO Search Committee (Committee) retained Odgers, a global executive search firm, to assist the Board in conducting a search for a new CEO. Odgers' efforts led to a list of multiple applicants for the position. Odgers screened all applicants and identified a list of 21 potential candidates, which were submitted to the Committee for consideration. The Committee selected eight candidates from this list to participate in the first round of interviews. Available Committee members interviewed each of the eight candidates on June 1-9, 2026. At the conclusion of the first round interviews, the Committee held discussions on the candidates and selected three candidates to participate in second round interviews with the Board, to be held on July 8, 2026.

After the conclusion of the second round interviews on July 8 ,2026, the Board held general discussions on the candidates and requested an additional meeting for final deliberations and selection of a final candidate be held on July 10, 2026.

On a motion duly made and seconded, at 2:00 p.m. Eastern Time, the Board adjourned to reconvene for final deliberations and selection of a final candidate to be held on July 10, 2026.

/s/ Olivia Wein
Secretary

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

BOARD OF DIRECTORS MEETING
Friday, July 10, 2026

(DRAFT) MINUTES

A non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Friday, July 10, 2026. Mr. Ken Mason, Board Chair, called the meeting to order at 9:02 p.m. Eastern Time, with a quorum of 11 of the 18 Board members present (There are two vacancies and USAC's interim Chief Executive Officer (CEO) did not participate in the CEO selection process):

Dalhover, Brian
Gregory, Amber
Kettwich, Dan
Mason, Ken – Chair
Minard, Alex
Schell, Julie Tritt - Vice Chair
Schram, Tim
Thompson, Mona
Wade, Dr. Joan –Treasurer
Wein, Oliva – Secretary
Wibberly, Dr. Kathy

Member of the Board not present:

Chacko, Sheba
Forbes, Ian
Sanborn, Heather
Schuler, Dr. David
Semmler, Kara
Siefer, Angela

Officers of the corporation present:

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

Others present:

NAME	COMPANY
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Wilkinson, Derek	Odgers

OPEN SESSION

a1. **Consideration of Candidates for the Position of Chief Executive Office**. In accordance with the approved criteria and procedures for conducting Board and committee business in ***Executive Session.*** Mr. Ken Mason, Board Chair, recommended that discussion of this matter be conducted in ***Confidential Executive Session*** because it ***involves a personnel matter.***

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

> **RESOLVED**, that the Board determines that discussion of this personnel matter shall be conducted in ***Executive Session***.

At 9:03 a.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 a Candidate for the Position of Chief Executive Office. Mr. Mason provided a brief update on the CEO Search and noted that the Board would deliberate on the candidates interview and select final candidate.

At 9:04 a.m. Eastern Time the Board moved into ***Confidential Executive Session*** with only members of the Board and Mr. Wilkinson present.

CONFIDENTIAL EXECUTIVE SESSION

a1. Consideration of a Candidate for the Position of Chief Executive Office. Mr. Mason facilitated this discussion.

On a motion duly made and seconded, and after discussion, with Mr. Mason and Mr. Kettwich abstaining, the Board adopted the following resolutions:

> **RESOLVED**, that the USAC Board of Directors hereby nominates *a candidate* to serve as USAC's Chief Executive Officer, and the USAC staff is requested to work with the FCC to determine the appropriate process and timing for submitting *the candidate's* nomination to the Chairman of the FCC for approval consistent with the requirements set forth in 47 C.F.R. § 54.704(b); and
>
> **FURTHER RESOLVED**, that upon approval by the Chairman of the FCC of the candidate's nomination, the USAC Board Chair is hereby authorized to enter into an employment arrangement with *the candidate* consistent with the requirements set forth in 47 C.F.R. § 54.715(b).

OPEN SESSION

At 9:41 a.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Confidential Executive Session*** and reconvened in Open Session, at which time, Mr. Mason reported that in ***Confidential Executive Session,*** the Board acted on item a1.

On a motion duly made and seconded, the Board adjourned at 9:42 a.m. Eastern Time.

/s/ Olivia Wein
Secretary

Board of Directors Meeting

Reports From the Committee Chairs

Open Session (Verbal)

July 28, 2026

Universal Service Administrative Co.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Approval of USAC Common and Consolidated 4th Quarter 2026 Budgets and Demand Projection for the July 31, 2026 FCC Filing

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2026 (Q4 2026) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's July 31, 2026 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q4 2026 USAC consolidated budget of $68.06 million to administer the Universal Service Fund (USF), which includes $30.53 million in direct program costs and $37.53 million in common indirect costs. This does not include projected spending related to the appropriated programs.

(in millions)	Q3 2026 Budget	Increase/ (Decrease)	Q4 2026 Budget
Direct Program & Direct Assigned Costs			
High Cost	$6.70	($0.32)	$6.38
Lifeline	12.24	(0.57)	11.67
Rural Health Care	3.50	(0.27)	3.23
Schools & Libraries	9.40	(0.15)	9.25
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	**$31.84**	**($1.31)**	**$30.53**
Common Costs			
Employee Expenses	$17.41	$0.53	$17.94
Professional Services	7.95	1.81	9.76
General & Administrative (Note 1)	8.62	1.21	9.83
Total Common Costs	**$33.98**	**$3.55**	**$37.53**
Total Consolidated Costs	**$65.82**	**$2.24**	**$68.06**

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 six months ending June 30, 2026 is provided in **Attachment 1.**

Recommendation

USAC management recommends that the Board approve the Q4 2026 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2026 common budget of $37.53 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $37.53 million for common costs in the required July 31, 2026 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 2026 consolidated budget to administer the Universal Service Fund of $68.06 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $68.06 million for consolidated costs in the required July 31, 2026 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount

Comparison of Actual Expenditures and Headcount to the Budget for the
Six Months Ending June 30, 2026

($ in millions)	**FTE Actual**	**FTE Budget**	**FTE Variance**	**YTD Actual**	**YTD Budget**	**Variance**
Direct Program & Direct Assigned Costs						
High Cost	59	57	(2)	$10.54	$11.65	$1.11
Lifeline	84	88	4	18.80	22.80	4.00
Rural Health Care	66	66	0	7.21	7.90	0.69
Schools & Libraries	84	84	0	18.69	18.92	0.23
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	**293**	**295**	**2**	**$55.24**	**$61.27**	**$6.03**
Common Costs						
Employee Expenses	381	373	(8)	$34.58	$34.34	($0.24)
Professional Services				16.60	14.99	(1.61)
General & Administrative (Note 2)				17.44	16.59	(0.85)
Total Common Costs	**381**	**373**	**(8)**	**$68.62**	**$65.92**	**($2.70)**
Total Consolidated Costs	**674**	**668**	**(6)**	**$123.86**	**$127.19**	**$3.33**

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 Meeting

2026 Corporate Goals Status

Open Session

July 28, 2026

Universal Service Administrative Co.

2026 USAC Goals – Mid-Year Status and Highlights

- **Effectively manage the programs and deliver on FCC directives.**
  - Program lifecycles are on schedule, and nearly all operational targets are being met or exceeded.
  - Met all agreed-upon deadlines for FCC directives including but not limited to integrating CA into the National Verifier, the Cybersecurity Pilot program, and implementation of Sam.gov for USF.
- **Continue system modernization.**
  - The E-Rate legacy system has been decommissioned, with RHC scheduled for July 31.
  - CAMP, the modernized audit system, is fully implemented for BCAP, A-123, Corrective Action Plan Management, and FCC Report Tracking, with applicable legacy system decommissioning planned for Q3 2026.
  - ERP Release 2, USF Billing modernization, and the enterprise GIS tool are on track for 2026 deployment.
  - Modernization has kicked off for FCC Form 481 and HUBB/PMM systems.
  - USAC has created an AI Strategy and a quarterly reporting cadence with the Board in *Executive Session.* See further updates in item iBOD02Bcf.

2026 USAC Goals – Mid-Year Status and Highlights

- **Define and implement Enterprise Architecture and Data Governance frameworks.**
  - Centralized IT architecture expertise is now sought early and often to ensure selected tools and system designs leverage common approaches wherever possible to streamline efforts and reduce cost and complexity.
  - The Data Strategy Team and programs have made notable progress in improving data classification and data quality frameworks, which are crucial to protecting data, particularly as we pursue AI.
- **Mature the fraud risk framework.**
  - USAC is actively managing any identified corrective actions to strengthen fraud risk prevention, making progress on reassessing programs routinely, and utilizing more data analytics.
  - USAC has created a quarterly reporting cadence with the Board in *Executive Session*. See further update in Item iBOD06Acf.
- **Review stakeholder touchpoints and implement comprehensive, two-way engagement processes.**
  - Additional feedback channels are in development and USAC has begun acting on feedback received to date this year. See further update in Item iBOD02B.

2026 USAC Goals – Mid-Year Status and Highlights

- **Insource additional BCAP and Supply Chain audits.**
  - AAD has increased its internally performed BCAP and SCAP audits from 29 last year to 42 this year.
- **Make meaningful progress on implementation of the Zero Trust Architecture.**
  - USAC provides an update on this goal in *Executive Session*. See further update in Item iBOD03Bcf.
- **Evaluate resourcing models and enhance employee skill sets and cross training.**
  - The Human Resources Team (HR) has deployed an internal career preferences tool and has enhanced communication to potential internal candidates about job opportunities.
  - HR also met with divisional leadership to identify skill or knowledge gaps and develop cross training plans, as well as identify tailored training that would be of assistance.
- **Offer enhanced leadership and compliance training and took action on employee engagement survey.**
  - HR rolled out an enhanced Progressive Leadership Series to reach Senior Managers and Directors, and a new compliance training for all levels of management on understanding FMLA and ADA.
  - USAC developed an engagement action plan that was reported to the Board in April 2026.

Universal Service
Administrative Co.

Board of Directors Meeting

Stakeholder Engagement Update

Open Session

July 28, 2026

Universal Service Administrative Co.

Two-Way Communication Update

Since our discussion at the April Board meeting, USAC has been actively working to add additional channels to collect stakeholder feedback.

- Incorporating a Stakeholder Feedback option on USAC.org and establishing a system to monitor and share that feedback.
- Developing a feedback tag for call center staff to flag calls and emails containing feedback or suggestions.
- Including survey questions on all Rural Health Care (RHC) Forms to gather stakeholder feedback promptly.

Two-Way Communication Update (Continued)

USAC has incorporated stakeholder feedback to enhance our operations:

- Enhancing system outage content by including additional information and developing a standardized approach for communicating about system availability.
- Initiating the outreach tracking project to understand how programs utilize their systems for outreach and identify the recipients of each outreach.
- Working on including case numbers in call center emails and surveys to better track the specific interactions stakeholders are referencing.

Universal Service Administrative Co.