

Board of Directors

Briefing Book

Tuesday, October 27, 2026

9:00 a.m. – 12:30 p.m. Eastern Time

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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, October 27, 2026
9:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices and Webex Webinar
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 July 28, 2026, and September 30, 2026. **B.** Approval of moving all ***Executive Session*** Items into ***Executive Session*.** **C.** Consideration and Approval of Three Routine Procurements. **D.** Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a Quarterly USAC Board or Committee Meeting.	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 1st Quarter 2027 Budgets for the November 2, 2026 Federal Communications Commission Filing	5
Chair	**a3.** Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	5
Michelle Steve Kyle	**i2.** Enterprise Business Update **A.** CEO Update: UNIFi Release 2 Post Go-live Update **B.** Two-Way Communication Update **C.** IT Operating Model	20

INFORMATION ONLY Available for Public Use		*Estimated Duration in Minutes*
Teleshia	**i3.** Information on Two USAC Internal Audit Division Supply Chain Audit Reports	–

EXECUTIVE SESSION ***Executive Session Recommended*** Confidential – Not for Public Disclosure		*Estimated Duration in Minutes*
Michelle	**i4.** Enterprise Business Update (*Continued*) • Artificial Intelligence Update	30

EXECUTIVE SESSION ***Executive Session Recommended*** Confidential – Not for Public Disclosure		*Estimated Duration in Minutes*
Dale	**i5.** Information on the Contribution Factor	5
Chris S. Erin	**i6.** Office of General Counsel Updates **A.** Q3 2026 Fraud Risk Group Update **B.** General Counsel Update (Verbal)	20
Ben	**i7.** Enterprise Risk Management Scorecard **A.** Risk Management Heatmap **B.** Risk Management Council Minutes	10
Aaron	**i8.** Procurement Business Update	10
Aaron	**a4.** Consideration of a Contract Award Development, Modernization, and Enhancement and Operations and Maintenance for Appian Enterprise Applications	5
Aaron	**a5.** Consideration of a Contract Award for Adobe Pro DC Enterprise Licenses	5
–	**a6.** Reserved	–
Aaron	**a7.** Consideration to Exercise an Option Term for High-Cost Broadband Network Engineering Audit Services	–
Aaron	**a8.** Consideration of a Contract Increase for CyberArk Licenses	–
Aaron	**a9.** Consideration to Exercise an Option Term for Beneficiary and Contributor Audit Program and Supply Chain Audit Services	–

EXECUTIVE SESSION – INFORMATION ONLY ***Executive Session Recommended*** Confidential – Not for Public Disclosure		*Estimated Duration in Minutes*
Teleshia	**i9.** Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report	–

CONFIDENTIAL EXECUTIVE SESSION Confidential – Not for Public Disclosure		*Estimated Duration in Minutes*
Sabina	**a10. *Personnel Matter*:** Consideration of 2027 Compensation Item	10
Chair	**i10. *Personnel Matter***: Board of Directors Only	30

Next Scheduled USAC Board of Directors Meeting

Tuesday, January 26, 2027
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 July 28, 2026, and September 30, 2026 (*see* **Attachment A-1 and A-2**).

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

(1) **i4.** Enterprise Business Update (*Continued*): Artificial Intelligence Update. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to ***specific internal controls*** *or* ***confidential company data*** that would constitute a discussion of ***internal rules and procedures*** 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.

(2) **i5.** Information on the 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***. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***. In addition, this item includes ***pre-decisional matters pending before the FCC***.

(3) **i6A-B.** Office of General Counsel Update. 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 includes ***pre-decisional matters pending before the FCC***.

(4) **i7.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to ***specific internal controls or confidential company data*** and ***internal rules and procedures*** concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity.

(5) **i8.** Procurement Business Update. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration,*** where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

(6) **a4.** Consideration of a Contract Award Development, Modernization, and Enhancement (DME) and Operations and Maintenance for Appian Enterprise Applications. 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 Adobe Pro DC Enterprise 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.** Reserved.

(9) **a7.** Consideration to Exercise an Option Term for High-Cost Broadband Network Engineering Audit Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

(10) **a8.** Consideration of a Contract Increase 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.

(11) **a9.** Consideration to Exercise an Option Term for Beneficiary and Contributor Audit Program and Supply Chain Audit Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract***

administration, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

(12) **i9.** 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***.

(13) **a10.** ***Personnel Matter:*** Consideration of a 2027 Compensation Item. USAC management recommends that this item occur in ***Confidential Executive Session*** because it involves internal ***personnel matters***.

(14) **i10.** ***Personnel Matter:*** Board of Directors Only. USAC management recommends that this item be discussed in ***Confidential Executive Session*** because it involves ***internal personnel matters***.

C. Consideration and Approval of Three Routine Procurements.

(1) Consideration to Exercise an Option Term for High-Cost Broadband Network Engineering Audit Services. The resolution is provided in **aBOD07cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(2) Consideration of a Contract Increase for CyberArk Licenses. The resolution is provided in **aBOD08cf**. If discussion is needed, it will be conducted in ***Executive Session***.

(3) Consideration to Exercise an Option Term for Beneficiary and Contributor Audit Program and Supply Chain Audit Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in ***Executive Session***.

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

Upon request of a Committee member, the above items are available for discussion by the Committee.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 28, 2026, and September 30, 2026; (2) discussion in ***Executive Session*** of the items noted above; and (3) the approval of three routine procurements as presented in items aBOD07cf-aBOD9cf.

RESOLVED FURTHER, that in accordance with the

Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings, the Board of Directors authorizes USAC management to reimburse Mr. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2027 Budget Planning Review.

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

BOARD OF DIRECTORS MEETING
Tuesday, July 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 and virtually on a Webex webinar platform on Tuesday, July 28, 2026. Mr. Ken Mason, Board Chair, called the meeting to order at 9:00 a.m. Eastern Time, with a quorum of 12 of the 18 Board members present (there are two vacancies):

Chacko, Sheba – *by Webex*
Forbes, Ian – *by Webex*
Garber, Michelle – Chief Executive Officer (Interim) and Assistant Treasurer
Gregory, Amber
Mason, Ken – Chair
Minard, Alexander – *by Webex*
Schell, Julie Tritt – Vice Chair
Schuler, David
Semmler, Kara
Thompson, Mona – *by Webex*
Wade, Dr. Joan – Treasurer
Wibberly, Dr. Kathy

Mr. Tim Schram joined the meeting *by Webex* at 9:24 a.m. Eastern Time. He did not vote on item a1 and did not participate in the discussion of item i1. Ms. Heather Sanborn joined the meeting *by Webex* at 9:34 a.m. Eastern Time. She did not vote on items a1 or a2 and did not participate in the discussion of item i1. Ms. Olivia Wein joined the meeting at 9:37 a.m. Eastern Time. She did not vote on items a1 or a2 and did not participate in the discussion of items i1 or i2.

Members of the Board not present:

Dalhover, Brian
Kettwich, Dan
Siefer, Angela

[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
Carlin, Tyler – *by Webex*	KPMG
Dei Peter – *by Webex*	Cisco
Goode, Vernell	USAC
Green, Kevin	USAC
Gustafson, Jaymie	USAC
Hamm, Aaron	USAC
Kriete, Debra – *by Webex*	South Dakota DOE & State E-Rate Coordinators' Alliance
Loretta, Mark – *by Webex*	Microsoft
Lougheed, Matt	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa – *by Webex*	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Tiwari, Tanya – *by Webex*	FCC
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 April 28, 2026, July 8, 2026, and July 10, 2026.

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

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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.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of 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.

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. Semmler 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 4th Quarter 2026 Budgets and Demand Projection for the July 31, 2026 Federal Communications Commission Filing. Mr. Francisco presented a written report on USAC management's recommendations for USAC's common and consolidated 4th Quarter 2026 budget and demand projection for the July 31, 2026 Federal Communications Commission filing.

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

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 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

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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.

i2. Enterprise Business Update:

A. 2026 Corporate Goals Status. Ms. Garber presented a PowerPoint on the mid-year status and highlights of the 2026 Corporate Goals.

B. Stakeholder Engagement Update. Mr. Butler presented a PowerPoint providing status on activities since April on two-way communications, USAC stakeholder engagement channels, and how USAC can best align with stakeholders and gather actionable feedback.

At 9:36 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing confidential items.

EXECUTIVE SESSION

i3. Enterprise Business Update (*Continued*)

- **CEO Update**:
  - **A.** Ms. Garber provided an update on USAC's Artificial Intelligence activities.
  - **B. Zero Trust and FISMA Maturity.** Mr. Hutchinson provided an update on the status of USAC's Zero Trust and FISMA Maturity Model.

i4. Information on the Contribution Factor. Mr. Francisco presented a written report providing USAC's estimate of the 4th Quarter 2026 contribution factor.

i5. Acceptance of USAC's 2025 Financial Statement Audit and Agreed-Upon Procedures Review. Mr. Francisco provided the Board with an update on this item. Ms. Tritt Schell informed the Board that the Audit Committee adopted the resolution to postpone items **aAC05cf** and **iAC03cf** indefinitely, until such time that the materials are available for the Audit Committees consideration and the Board would be invited when the meetings are rescheduled.

The meeting then recessed and reconvened at 10:36 a.m. Eastern Time and reconvened at 10:46 a.m. and continued in ***Executive Session*** with only members of the Board, Staff, and USAC staff present.

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i6. Office of the General Counsel Update. Mr. Chris Smith and Ms. Williams presented the Office of General Counsel Updates that included the following:

i6A. Q2 2026 Fraud Risk Group Update. Mr. Smith presented this item to the Board.

i6B. General Counsel Update. Ms. Williams provided a verbal presentation on recent legal matters.

i7. Enterprise Risk Management Scorecard. Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Scorecard.

a3. Consideration of a Contract Award for Customer Service Center Support and Customer Relationship Management Operations and Maintenance Business Process Outsourcing Services. Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a to award a firm-fixed-price contract for Customer Service Center and Customer Relationship Management Operations and Maintenance Business Process Outsourcing Services.

On a motion duly made and seconded with Ms. Tritt Schell abstaining, 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 to Ernst & Young LLP for Customer Service Center and Customer Relationship Management Operations and Maintenance, and Business Process Outsourcing Services. The contract will have a one (1) year base period of performance with four (4) one-year renewal option periods for a total not-to-exceed amount of $22,228,300.00 (plus applicable taxes), with such amount including a contingency in the amount of $2,000,000.00 (plus applicable taxes) to cover unforeseen business needs and associated costs during the life of the contract. The ability to exercise four (4) additional one-year option terms is subject to required Federal Communications Commission approval.

a4. Consideration of a Contract Award for Financial Statement Audit and Agreed Upon Procedures Engagement Services. Mr. Beyerhelm presented this item to the Board requesting authorization for USAC to award a firm-fixed price (FFP) contract for Financial Statement Audit and Agreed Upon Procedures (AUP) Engagement 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, authorizes USAC management to award a firm fixed price contract to Brown & Company CPAs and Management Consultants, PLLC for Financial Statement Audit and Agreed Upon Procedures Engagement Services. The contract is for a base period of twelve (12) months for a not-to-exceed amount of $843,701.88 (plus applicable taxes), with the ability to exercise four (4) additional one-year terms at an average cost of $895,865.57 per one-year option (plus applicable taxes), for a total not to exceed amount of $4,879,327.86 (plus applicable taxes), with such amount including a contingency in the amount of $400,000.00 (plus applicable taxes) to cover unforeseen costs during the life of the contract. The ability to exercise four (4) additional one-year option terms is subject to required Federal Communications Commission approval.

a5. Consideration of a Contract Award for Penetration Testing as a Service. Mr. Hamm presented this item to the Board requesting authorization for USAC to award a firm-fixed price contract for Penetration Testing as a Service.

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 Penetration Testing as a Service to RedTrace Technologies, Inc. for a base period of one (1) year with four (4) one-year renewal option periods for a not-to-exceed amount of $2,129,658.09 (plus applicable taxes), with such amount including a contingency of $200,000.00 (plus applicable taxes), to cover potential unforeseen business needs, subject to required Federal Communications Commission approval.

a6. Consideration of a Contract Award for Consideration of Contract Award for Enterprise Cybersecurity and Monitoring Services. Mr. Hamm presented this item to the Board requesting authorization for USAC to award a contract for Enterprise Cybersecurity and Monitoring 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 contract to KPMG LLP for Enterprise Cybersecurity and Monitoring Services. The contract will have a hybrid fee structure of firm-fixed-price and time and materials over a one (1) year base period of performance with four (4) one-year renewal option periods for a total not-to-exceed amount of

$35,243,903.85 (plus applicable taxes), subject to required Federal Communications Commission approval.

a7. C**onsideration of a Contract Award for Enterprise Firewall Replacement.** Mr. Hamm presented this item to the Board requesting authorization for USAC to award a firm-fixed price contract for Enterprise Firewall Replacement.

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 Enterprise Firewall Replacement to Sun Management, Inc. for a three (3) year period of performance for a not-to-exceed amount of $1,937,276.20 (plus applicable taxes), which includes a contingency in the amount of $250,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a8. **Consideration of a Contract Award for Socrata Licenses and Support.** Mr. Hamm and Mr. Parker presented this item to the Board requesting authorization for USAC to award a firm-fixed price contract for Socrata Licenses and Support.

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 Socrata Software Licenses and Support to New Tech Solutions for a one (1) year period of performance for a not-to-exceed amount of $709,623.97 (plus applicable taxes), with such amount including a contingency of $70,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

a9. **Consideration of a Contract Modification for Enterprise Architecture Assessment and Support 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 increase the not-to-exceed amount of the fourth one-year option of the Enterprise Architecture and Standards Practice Assessment and Support Services contract with Guidehouse (formerly Grant Thornton Public Sector) to continue the work needed to support the planning, deployment, and optimization

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of Zero Trust Architecture (ZTA) across cloud and network infrastructure, by a total not to exceed amount of $1,320,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from $13,372,493.64 (plus applicable taxes) to $14,692,493.64 (plus applicable taxes), subject to required Federal Communications Commission approval.

a10. Consideration to Exercise an Option Term for Information Security and Privacy Assessment 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 exercise the second one-year option of the Information Security and Privacy Assessment Services contract with Coalfire Federal, for a total not-to-exceed amount of $495,000.00 (plus applicable taxes), which thereby increases the total not-to-exceed amount of the contract from $1,270,488.40 (plus applicable taxes) to $1,765,488.40 (plus applicable taxes), subject to required Federal Communications Commission approval.

a11. Consideration of a Contract Modification for Okta Licensing and Support 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 increase the total not-to-exceed (NTE) amount of its contract for Okta support, services, and licensing contract with Okta, Inc. (Okta) to cover the cost of the Identity Governance Add On (IGA) by adding $250,000.00 (plus applicable taxes) to the year 3 of the contract, thereby increasing the total not-to-exceed amount from $2,100,000.00 (plus applicable taxes) to $2,350,000.00 (plus applicable taxed), subject to required Federal Communications Commission approval.

i8. 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.

i9. Procurement Business Update. This item was provided for *information purposes only*. No discussion was held.

Available for Public Use

At 12:20 p.m. Eastern Time, the Board approved a motion to move into ***Confidential Executive Session*** with only the Board present.

CONFIDENTIAL EXECUTIVE SESSION

i10. ***Confidential Executive Session***: **Board of Directors Only.** Mr. Mason facilitated the Board discussion.

OPEN SESSION

At 12:45 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Confidential Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Mason reported that, in ***Executive Session***, the Board acted on items a3-a8 and discussed items i3-i7 and i10.

On a motion duly made and seconded, the Board adjourned at 12:45 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

Available for Public Use

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

BOARD OF DIRECTORS VIRTUAL MEETING
Wednesday, September 30, 2026

(DRAFT) MINUTES[1]

The non-quarterly meeting of the USAC Board of Directors (Board) was held virtually on a Webex webinar platform on Wednesday, September 30, 2026. Mr. Ken Mason, Board Chair, called the meeting to order at 12:03 p.m. Eastern Time, with a quorum of 13 of the 18 board members present (there are two vacancies).

Chacko, Sheba
Dalhover, Brian
Forbes, Ian
Garber, Michelle – Chief Executive Officer (Interim), and
Assistant Treasurer
Kettwich, Dan
Mason, Ken –Chair
Minard, Alexander
Sanborn, Heather
Schell, Julie Tritt – Vice Chair
Schuler, Dr. David
Semmler, Kara
Siefer, Angela
Wade, Dr. Joan – Treasurer

Dr. Kathy Wibberly joined the meeting at 12:04 p.m. Eastern Time; she voted on all items. Ms. Amber Gregory joined the meeting at 12:06 p.m. Eastern Time. She did not vote on item a1. Mr. Tim Schram joined the meeting at 12:12 p.m. Eastern Time. He did not vote on item a1. Ms. Olivia Wein joined the meeting at 12:15 p.m. Eastern Time. She did not vote on item a1.

Board members not present:

Thompson, Mona

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

Other officers of the corporation present:

Delmar, Teleshia – Vice President of Audit and Assurance
Francisco, Dale – Chief Financial Officer (Interim)
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

NAME	COMPANY
Feruson, Cameron	PricewaterhouseCoopers
Gin, Gina	PricewaterhouseCoopers
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	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 moving all ***Executive Session*** items into ***Executive Session***:

(1) **a2. *Personnel Matter:* Consideration of Contract Awards for the USAC Employee Benefit Programs.** 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, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy*** and it ***involves personnel matters.***

(2) **i1. Acceptance of USAC's 2025 Agreed-Upon Procedures Review *(same as aAC02cf).*** USAC management recommends that this matter be discussed in ***Executive Session*** because the report relates to ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Board of Directors hereby approves discussion in ***Executive Session*** of the items noted above.

Available for Public Use

At 12:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing the confidential items above with members of the Board and USAC staff were present.

EXECUTIVE SESSION

a2. ***Personnel Matter:*** **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Ms. Sadirkhanova presented this item to the Board.

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, subject to required Federal Communications Commission approval, to award a contract for employee medical, prescription, dental and vision benefits to Cigna for a not-to-exceed cost of $16,711,480 (plus applicable taxes) and a contract to The Guardian Life Insurance Company of America, Inc. for life, and disability benefits, for a not-to-exceed cost of $615,336 (plus applicable taxes). The total estimated costs for the Calendar Year 2027 for USAC employee benefits program are $17,326,816 (plus applicable taxes).

At 12:31 p.m. Eastern Time, the Board continued in ***Executive Session*** with members of the Board, USAC staff, and PricewaterhouseCoopers present.

i1. Acceptance of USAC's 2025 Agreed-Upon Procedures Review *(same as aAC02cf*). Ms. Delmar introduced Ms. Gin to review the Report to the Audit Committee, as submitted by PricewaterhouseCoopers LLP. Ms. Gin and Mr. Ferguson presented this item to the Board.

At 12:45 p.m. Eastern Time, the Board continued in Executive Session with only non-staff members of the Board and PricewaterhouseCoopers present.

At 12:47 p.m. Eastern Time, the Board of Directors continued in ***Executive Session*** with only non-staff members of the Board present.

OPEN SESSION

At 12:59 p.m. Eastern Time, the Board moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Mason reported that, in ***Executive Session***, the Board acted on item a2 and discussed item i1.

Available for Public Use

On a motion duly made and seconded, the Board adjourned at 12:59 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

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

Issue

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

Background – Analysis – Justification

One or more Board members may be traveling to Washington, D.C., to discuss the 2027 annual budget with the Interim Chief Executive Officer (CEO), the Interim Chief Financial Officer (CFO), and associated staff. The Board Chair, Mr. Ken Mason, requested that he, together with the Board Vice Chair, Ms. Julie Tritt Schell, and the Board Treasurer, Dr. Joan Wade, participate in these discussions in person as their schedules permit. Board members participating in these meetings may be reimbursed by USAC for any reasonable and customary travel expenses associated with this effort. In accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings* (*see* **Attachment D-2** to this issue paper), those Board members participating in the meeting will submit a USAC Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses Other than for Board Meetings* (*see* **Attachment D-3** to this issue paper).

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade for reasonable expenses to allow them to travel to Washington, D.C., as their schedule permits, for the purpose of participating in USAC's 2027 Budget Planning Review.

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

1. The Board member must seek prior approval for reimbursement of expenses associated with activities other than a Board meeting and must submit a Request for Approval form (*See* attached Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses other than for Board Meetings*) to the USAC CEO that includes the following information:
   a. The title, date, and location of the event.
   b. The event title and event sponsor(s).
   c. How the function, event, or activity is directly related to the administration of the universal service program(s).
   d. The estimated cost of participation.
   e. A commitment that the Board member will include a statement that he or she is representing USAC and that the Board member will not advocate a policy position.
2. The USAC CEO will provide a recommended Board or Committee Resolution, along with a summary of the justification provided by the Board member, to the Board or the relevant Board Committee for review.
3. The request will be approved if Board or relevant Committee members support the request.
4. The Board member should submit documentation of actual expenditures to the USAC CEO for reimbursement.

Request for Approval / Reimbursement for a Board Member to be Reimbursed for Expenses Other Than Board Meetings Rev 9/2026 Form 3001)

SECTION I – General Information

Board Member Name	Board Member Reimbursement Address
Event Title / Sponsor	**Event Name and How it Relates to the Administration of the Fund/Program**
USAC	
Date(s) of Event	

SECTION II – Expenses

Date and Time left Home or Office:

			Estimated Costs				***Actual Costs***	
Registration:								
Lodging:								
Travel (air, cab, train, bus):								
Mileage:		X	$0.76	0.00		X	$0.76	$ 0.00
Meals & Incidentals (see per diems below):								
Other (Parking):								
Total Out-of-Pocket Expenses				**$ 0.00**				**$ 0.00**

I will include a statement in the presentation or speech that I am representing USAC and I will refrain from advocating a policy position in the presentation or speech and in any conversation or discussion. Initial

Per diem should not include meals provided by hotel or event. In those instances, subtract the amount of the meal provided as listed below.

2026 Per Diem	M&IE* Total	Breakfast	Lunch	Dinner	Incidental* Expenses	First & Last Day of Travel
DC	**$92**	**$23**	**$26**	**$38**	**$5**	**$69.00**

**Incidental expenses include fees/tips for porters, hotel staff, and baggage handlers. M&IE Total is the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel.*

Date and Time returned to Home or Office:

SECTION III – Signature

I hereby certify that I have incurred the out-of-pocket expenses indicated above on behalf of the Corporation and am requesting reimbursement in accordance with USAC's "Travel and Expense" policy. I certify that I have not requested reimbursement for these expenses from any other source.

Board of Director Member Signature	Date

To be Completed by USAC

Date Resolution submitted to Board or Committee:	Date Vote of Board or Committee Completed:
10/19/2026	10/28/2025

Vote Count	Actual Costs Approved by CEO	Account Code
Yes No Abstained	Yes CEO Signature	**61200-60-600-60**

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

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



Board of Directors Meeting

Reports From the Committee Chairs

Open Session (Verbal)

October 27, 2026

Universal Service Administrative Co.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Approval of USAC Common and Consolidated 1st Quarter 2027 Budgets and Demand Projection for the November 2, 2026 FCC Filing

Action Requested

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2027 (Q1 2027) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2026 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q1 2027 USAC consolidated budget of $60.17 million to administer the Universal Service Fund (USF), which includes $26.27 million in direct program costs and $33.90 million in common indirect costs. This does not include projected spending related to the appropriated programs.

(in millions)	**Q4 2026 Budget**	**Increase/ (Decrease)**	**Q1 2027 Budget**
Direct Program & Direct Assigned Costs			
High Cost	$6.38	($1.88)	$4.50
Lifeline	11.67	(1.89)	9.78
Rural Health Care	3.23	0.04	3.27
Schools & Libraries	9.25	(0.53)	8.72
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	**$30.53**	**($4.26)**	**$26.27**
Common Costs			
Employee Expenses	$17.94	($1.51)	$16.43
Professional Services	9.76	(0.76)	9.00
General & Administrative (Note 1)	9.83	(1.36)	8.47
Total Common Costs	**$37.53**	**($3.63)**	**$33.90**
Total Consolidated Costs	**$68.06**	**($7.89)**	**$60.17**

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 nine months ending September 30, 2026 is provided in **Attachment 1.**

Recommendation

USAC management recommends that the Board approve the Q1 2027 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2027 common budget of $33.90 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $33.90 million for common costs in the required November 2, 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 1st Quarter 2027 consolidated budget to administer the Universal Service Fund of $60.17 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $60.17 million for consolidated costs in the required November 2, 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
Nine Months Ending September 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)	$16.98	$18.35	$1.37
Lifeline	87	88	1	30.34	35.04	4.70
Rural Health Care	63	66	3	10.27	11.40	1.13
Schools & Libraries	87	84	(3)	27.52	28.32	0.80
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	**296**	**295**	**(1)**	**$85.11**	**$93.11**	**$8.00**
Common Costs						
Employee Expenses	381	373	(8)	$52.00	$51.75	($0.25)
Professional Services				25.32	22.94	(2.38)
General & Administrative (Note 2)				26.87	25.21	(1.66)
Total Common Costs	**381**	**373**	**(8)**	**$104.19**	**$99.90**	**$(4.29)**
Total Consolidated Costs	**677**	**668**	**(9)**	**$189.30**	**$193.01**	**$3.71**

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.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

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

Action Requested

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

Function of the Nominating Committee

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

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

[1] *See* Universal Service Administrative Company Nominating Committee Charter, Section B (Reaffirmed January 28, 2025) (Nominating Committee Charter).
[2] *See* Nominating Committee Charter, Section A.

Establishment of a Nominating Committee and Selection of Officers

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

New officer terms will begin when elected, which is presently planned to occur at the January 26, 2026, Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Ken Mason
Vice Chair	Julie Tritt Schell
Secretary	Olivia Wein
Treasurer	Dr. Joan Wade
Interim Chief Executive Officer[3]	Michelle Garber
Assistant Secretary	Erin Williams
Assistant Treasurer	Dale Francisco
USAC Staff[4]	• Vacant – Vice President and Chief Administrative Officer • Stephen Butler – Vice President of Shared Services • Craig Davis – Vice President of Schools and Libraries • Teleshia Delmar – Vice President of Audit and Assurance • Victor Gaither – Vice President of Program Management, High Cost • Kyle Hutchinson – Vice President of Information Technology and Chief Information Officer • Tim O'Brien – Vice President of Lifeline • Mark Sweeney – Vice President of Rural Health Care • Erin Williams, Vice President and General Counsel

Appointment of Board Members to Committees

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on July 26, 2026, of the terms of seven Board members expiring on December 31, 2026, and two additional Board members whose seats are currently vacant with their term to expire on December 31, 2027 and December 31, 2028. On August 21, 2026, the Federal Communications Commission issued a Public Notice seeking nominations for the seats held by the eight Board members noted above. The directors

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

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

whose terms expire on December 31, 2026, and their current committee memberships and officer positions (if any) are as follows unless otherwise noted:

Director	Representing	Committee Assignments / Officer Position
Sheba Chacko Senior Director, Chief Regulatory Counsel BT in the Americas	Representative for competitive local exchange carriers	High Cost & Low Income (CLEC) Schools & Libraries Committee (At-Large)
Brian Dalhover Vice President of SLED Engineering & Policy, Zayo Group, LLC	Representative for interexchange carriers with annual operating revenues of $3 billion or less	Schools & Libraries Committee (At-Large)
Kara Semmler, General Counsel and Executive Director South Dakota Telecommunications Association	Representative for incumbent local exchange carriers (other than the Bell Operating Companies) with annual operating revenues of $40 million or less	High Cost & Low Income (ILEC, Vice Chair of HCLI) Rural Health Care Committee (At-Large - Service Provider) Nominating Committee (At-Large)
Angela Siefer Executive Director, National Digital Inclusion Alliance	Representative for low-income consumers	Audit Committee (High Cost & Low Income) High Cost & Low Income Committee (Low Income Consumer) Nominating Committee (At-Large)
Mona Thompson Enrolled member of the Cheyenne River Sioux Tribe	Representative for Tribal communities	Schools & Libraries Committee (Tribal Communities) Rural Health Care Committee (At-Large)
Joan Wade, Ed.D. Executive Director, Association of Educational Service Agencies	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Audit Committee (High Cost & Low Income) Executive Committee (Treasurer) Executive Compensation Committee (At-Large) High Cost & Low Income Committee (At-Large) Schools & Libraries Committee (Schools)
Kathy Hsu Wibberly, Ph.D. Director, University of Virginia Health System's Mid-Atlantic Telehealth Resource Center	Representative for rural health care providers that are eligible to receive supported services pursuant to section 54.601 of the Commission's rules	Rural Health Care Committee (Chair) Executive Committee (RHC Chair) Nominating Committee) (Chair)
Vacant The term of this position will expire on December 31, 2027.	Representative for interexchange carriers with annual operating revenues of more than $3 Billion.	High Cost & Low Income Committee (IXC>$3B) Rural Health Care (IXC>$3B) Executive Compensation Committee (At-Large)

On March 24, 2026, USAC notified the Federal Communications Commission that Ms. Stephannie Minnock submitted her resignation from the USAC Board of Directors, effective September 23, 2026. Ms. Minnock represented incumbent local exchange carriers (Bell Operating Companies) and was a member of the Schools & Libraries Committee, as an At-Large member representing service providers. Her term was scheduled to expire on December 31, 2028. The Federal Communications Commission has not released a Public Notice seeking nominations to fill that vacant position.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors, at its January 26, 2027 meeting, nominations for the elected USAC officer positions; and

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

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board, at the January 26, 2027 meeting, nominations for a chair and vice chair of each respective committee.



Board of Directors

UNIFi Release 2 Post Go-Live Update

Open Session

October 27, 2026

Universal Service Administrative Co.

Agenda

- Overview: USAC Release 2 Scope
- Current Operational Status
- Key Challenges and Mitigation Strategies
- Readiness Activities Completed Prior to Go-Live
- SAM.gov Disbursements and Holds

Overview: UNIFi Release 2 Scope

Release 2 fulfilled the remaining goals of USAC's financial system modernization program.

Release 2 Scope	Description
Replace Great Plains (GP) with UNIFi for USAC Administrative Financials	Enhance UNIFi to support USAC Administrative Financials. Retire the Great Plains (GP) system. **Benefits Include:** Effective management of all financial records; Enhanced financial tracking capabilities; Improved transparency and accountability in our reporting
Utilize SAM.gov for USF disbursements	Utilize SAM.gov banking data for USF disbursement process. Remove banking data from FCC Form 498. **Benefits Include:** SAM.gov registration status check; Access to up-to-date bank account information, reducing banking errors in disbursements; Compliance with federal standards and data quality requirements
Replace Coupa with UNIFi for USAC Procurement functions	Enhance UNIFi to support USAC Procurement process. Retire the Coupa system. **Benefits Include:** Centralized supplier management; Streamlined purchasing process; Improved reporting; Cost savings

UNIFi Modules

- General Ledger
- Fixed Assets
- Receivables
- iProcurement (Requisitions)
- Purchasing (Obligations)
- Sourcing (Bid Management)
- Payables

Operational Status

Business Activity	Processed as of September 28	Current as of October 20
Purchase Requisitions Created (USAC)	30	55
Purchase Orders issued (USAC)	10	24
Obligations Processed (USF)	3,252 new purchase orders for $168M from SL and RHC programs	6,661 new purchase orders for $428M from SL and RHC programs
Workflow Approvals Completed (USAC)	231 approval actions across multiple PR, PO, Invoices, and GL Journals	887 approvals actions across multiple PR, PO, Invoices, and GL Journals
Invoices Processed (USAC)	77 invoices processed/paid for $4.6M 74 in progress for $7.7M	248 invoices processed/paid for $20.6M 44 in progress for $4M
Journal Entries (USAC)	141 journals for $233M	407 journals for $433M
Suppliers Added (USAC)	0	9
Active Users (USAC)	121 users	123 users
Production Support Tickets Resolved (USF/USAC)	26	104

The UNIFi system is operating successfully in production with strong user adoption, stable transaction processing, and continued reduction of post-go-live support issues.

Key Challenges and Mitigation Strategies

- ❑ **User Adoption**
- ✓ Provided targeted office hours, quick reference guides, and in-office support to accelerate user proficiency.
- ❑ **SAM.gov registration**
- ✓ Executed robust communication strategy with ongoing targeted emails, monthly newsletter updates, and FAQs for Customer Support Center and Program Outreach teams.
- ❑ **SAM.gov data access for administration of USF programs**
- ✓ FCC sponsored USAC's account to access entity information. Coordinated with FCC and GSA to obtain authorization of data.
- ❑ **Report Familiarization and Adoption**
- ✓ Implemented flexible APEX reporting with Excel export functionality, enabling user self-service reporting capabilities and reducing demand for custom reports.

Readiness Activities Completed Prior to Go-Live

- ✓ Three mock conversions and production dress rehearsals for most data migrations. An additional fourth mock conversion was completed for select data sources to confirm data processing for production cutover.
- ✓ Executed four-week comprehensive UAT and additional regression testing executed across all critical newly added business processes in UNIFi and validated existing Release 1 functionality was not impacted.
- ✓ Data conversion, reconciliation, and interface validation.
- ✓ User training, role provisioning, and workflow validation.
- ✓ Cutover planning and Hypercare support established.
- ✓ Business, technical, and executive go/no-go approvals obtained.

SAM.gov Disbursements and Holds

Program	Payment File Date	Total Authorized $	Total $ Held for Missing UEI	Total # of Authorized Transactions	Total # of Transactions Held for Missing UEI	Total $ Released from UEI Hold	Total # of Transactions Released from UEI Hold
SL - CYBER	9/10/2026	$ 1,323,682.41	$ 79,405.03	154	4	$ -	-
SL	9/11/2026	$ 43,468,870.78	$ 8,948,160.12	6852	120	$ -	-
SL	9/15/2026	$ 35,947,728.55	$ 4,322,389.25	2007	70	$ 778,308.77	19
SL-legacy	9/18/2026	$ 401,720.56	$ 277,616.56	18	2	$ -	-
SL	9/22/2026	$ 33,168,050.96	$ 4,076,315.42	3660	138	$ 5,537,916.35	40
SL - CYBER	9/25/2026	$ 5,076,095.88	$ 1,810,292.36	244	33	$ 170,921.97	5
RH	9/9/2026	$ 32,232,178.77	$ 2,801,767.83	1127	23	$ -	-
RH	9/22/2026	$ 16,754,094.95	$ 336,048.84	1015	17	$ 2,502,796.32	11
HC	9/25/2026	$ 379,660,945.71	$ 14,232,951.09	2927	119	$ -	-
LI	9/25/2026	$ 65,217,085.00	$ 22,588.00	1699	66	$ -	-



Universal Service
Administrative Co.



Board of Directors

Two-Way Communication Update

Open Session

October 27, 2026

Universal Service Administrative Co.

Two-Way Communication Update

Since our discussion at the July Board meeting, USAC has expanded its stakeholder feedback channels to make input easier to submit, and track. To date, we have implemented the following:

- Stakeholders are now provided with a case numbers when contacting the call center, enabling easy tracking. These numbers are also included in follow-up surveys to help identify the transaction being evaluated.
- A new email address has been created for stakeholder feedback, replacing the systems feedback address on USAC's website and providing a way to collect broader input. The next step is to promote the new email in program newsletters.
- Call Center staff have been trained on how to use the newly introduced feedback tag, enabling staff to identify interactions containing suggestions or feedback.



Universal Service
Administrative Co.



Board of Directors Meeting

IT Operating Model

Open Session

October 27, 2026

Universal Service Administrative Co.

Executive Summary

- IT began its transition to a new operating model in Q1 2026, completing in July 2026.
- Designed to solve structural challenges and better align USAC IT to industry standards.

Starting Point

Stable, experienced IT organization with deep Subject Matter Expert (SME) capability, a mature delivery engine, and an established Software Development Life Cycle (SDLC) discipline.

Structural Challenge

Increasing organizational complexity, silo culture, slower decision-making process, need for tighter strategy-to-investment alignment, and stronger enterprise integration.

Model Objective

Strengthen investment governance, clarify accountability and decision process, organize workforce around solution groups, and align capacity to roadmap priorities.

A structural evolution toward greater clarity, speed, and enterprise alignment.

Executive Summary (Continued)

- Successfully transitioned the workforce and delivery remained stable.

Accomplishments

- Workforce transition completed
- Delivery continuity maintained
- Program Applications teams fully operating in new model
- Stronger ownership and lower contractor dependency
- More predictable sprint execution
- Greater investment visibility

Maturing Opportunities

- Enterprise Applications adoption
- Standard Key Performance Indicators (KPIs) and Service Level Agreement (SLAs)
- Initiative intake and early architecture decisions
- Communities of Practice / knowledge sharing
- Contract management discipline

Management Implication

The operating model is no longer a design concept. The first 120 days show adoption, measurable management practices, and a defined path to complete the remaining maturity work.

100%

Workforce Transition Completed

59 employees transitioned within first 90 days

8

Contractors Reduced

No measurable delivery impact

81%

On-Time Delivery of PI Commitments

Planned releases

40+

Agile Training Sessions

Enterprise-wide adoption support

Executive Summary (Continued)

- The operating model is moving from transition to sustained performance.

1 Transition

Program delivery teams are fully transitioned; Enterprise teams are adopting to standard and consistent Agile delivery practices.

2 Evidence

Delivery predictability, investment visibility, and enterprise governance are becoming measurable management capabilities.

3 Next horizon

The remaining work is primarily adoption and institutionalization especially Enterprise teams, initiative intake process, performance metrics, and contract governance.

The next phase is to scale the practices consistently across IT and use the resulting data to improve decisions.



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