



Board of Directors

Briefing Book

Tuesday, July 30, 2024

10:00 a.m. – 12:30 p.m. Eastern Time

Available for Public Use

Universal Service Administrative Company Offices

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

Washington, D.C. 20005

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

<p>Tuesday, July 30, 2024 10:00 a.m. – 12:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <ul style="list-style-type: none"> A. Approval of Board of Directors Meeting Minutes of April 30, 2024 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Two Routine Procurements D. Review of the Executive Compensation Charter (<i>See aBOD11cf</i>) 	5
Chair	<p>i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Schools & Libraries Committee, Rural Health Care Committee, Audit Committee, and Executive Compensation Committee</p>	10
Teleshia	<p>i2. Information on Five USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports (<i>For Information Only</i>)</p>	–
Michelle	<p>a2. Approval of USAC Common and Consolidated 4th Quarter 2024 Budgets for the August 2, 2024, Federal Communications Commission Filing</p>	10
Michelle	<p>i3. Enterprise Business Update:</p> <ul style="list-style-type: none"> A. Enterprise Resource Planning (ERP) Readiness and Launch 	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Kyle	<p>i3. Enterprise Business Updates (<i>Continued</i>)</p> <ul style="list-style-type: none"> B. CEO Update C. FISMA Maturity at USAC 	10 10
Michelle	<p>i4. Information on Contribution Factor</p>	5
Michelle	<p>i5. Acceptance of USAC’s Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review (<i>Same as aAC05cf</i>)</p>	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i6. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–
Chris	i7. Enterprise Risk Management Scorecard 1. Q2 2024 Risk Management 2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	i8. Procurement Business Update <i>(For Information Only)</i>	–
Chris	a3. Consideration of a Contract Award for Oracle Licenses and Technical Support	20 min.
Chris	a4. Consideration of Contract Awards for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services	
Chris	a5. Consideration of a Contract for Award CyberArk Licenses	
Chris	a6. Consideration of a Contract Award for Atlassian Jira and Confluence Cloud Licenses	
Chris	a7. Consideration of a Contract Award for Carto Licenses	
Chris	a8. Consideration of a Contract for Security and Privacy Assessment	
Chris	a9. Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services	–
Chris	a10. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services	–

CONFIDENTIAL EXECUTIVE SESSION Confidential Executive Session Recommended		
Erin	a11. Confidential Executive Session: Review of the Executive Compensation Charter	–
Chair	i9. Confidential Executive Session: Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

Tuesday, October 29, 2024 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 30, 2024 (*see Attachment A*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3B-C**. Enterprise Business Updates (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC*.
 - (2) **i4**. Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
 - (3) **i5**. Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls, or confidential company data* that would constitute a discussion of internal rules and procedures.
 - (4) **i6**. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending

before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*

- (5) **i7.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (6) **i8.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (7) **a3.** Consideration of a Contract Award for Oracle Licenses and Technical Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (8) **a4.** Consideration of Contract Awards for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a5.** Consideration of a Contract for Award CyberArk Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **a6.** Consideration of a Contract Award for Atlassian Jira and Confluence Cloud Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (11) **a7.** Consideration of a Contract Award for Carto Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
 - (12) **a8.** Consideration of a Contract Award for Security and Privacy Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
 - (13) **a9.** Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
 - (14) **a10.** Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
 - (15) **a11. Confidential Executive Session:** Review of the Executive Compensation Charter. USAC management recommends that discussion of this item occur in *Executive Session* because *it involves internal personnel matters*. In addition, as set forth in Section D of the Committee charter, Committee business shall be conducted in *Executive Session*.
 - (16) **i9. Confidential Executive Session:** Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
- C. Consideration and Approval of Two Routine Procurements.
- (1) Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in *Executive Session*.
 - (2) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

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

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

BOARD OF DIRECTORS MEETING
Tuesday, April 30, 2024

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, April 30, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 13 of 20 Board members present:

Buzacott, Alan	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Semmler, Kara
Fontana, Brent	Skrivan, Michael
Gregory, Amber	Thompson, Mona – <i>by telephone</i>
Mason, Ken – Chair	Wade, Dr. Joan – Treasurer
Sanquist, Christine – <i>by telephone</i>	Wein, Olivia – Secretary
Schell, Julie Tritt – Vice Chair	

Commissioner Sarah Freeman joined the meeting at 10:18 a.m. Eastern Time. She did not vote on or participate in the discussion of items a1, a2, and i1. Ms. Stephanie Polk joined the meeting *by telephone*, at 11:07 a.m. Eastern Time. She did not vote on or participate in the discussion of items a1, a2, i1, and i2a.

Members of the Board not present:

Chacko, Sheba	Waller, Jeff
Domenech, Dr. Dan	Wibberly, Dr. Kathy
Siefer, Angela	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer

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.

Hutchinson, Kyle – Vice President of IT and Chief Information Officer
 O'Brien, Tim – Vice President of Lifeline
 Sweeney, Mark – Vice President of Rural Health Care
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Botts, Rachel – <i>by telephone</i>	Kellogg & Sovereign Consulting, LLC.
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Campbell, Jo-Ann	USAC
Chavez, Luis – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Estrella, Guilianna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Hung, Jennifer – <i>by telephone</i>	USAC
Janne, Nina	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Krueger, Katie – <i>by telephone</i>	KPMG
Little, Chris	USAC
Lougheed, Matt	USAC
McKoy, Charmira – <i>by telephone</i>	USAC
Mitchelle, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Sneed, Matthew	USAC
Spade, Gina – <i>by telephone</i>	Broadband Legal Strategies, LLC
Stepto, Carolyn	USAC
Walsh, Colleen	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 26, 2024, and January 30, 2024.

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

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- (1) **i3A-B.** Enterprise Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or discussion related to USAC's *procurement strategy and contract administration*.
- (2) **i4.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (3) **i5.** Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (4) **i6.** Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (5) **i7.** 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*.
- (6) **a3.** Consideration of Contract Award for Carbon Black VMware Licenses and Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **a4.** Consideration of Contract Award for Red Hat Linux Enterprise License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (8) **a5.** Consideration of Contract Award for Proofpoint Email Fraud Defense Licenses and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (9) **a6.** Consideration of Contract Award for AWS GovCloud Hosting Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (10) **a7.** Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (11) **a8.** Consideration of Contract Award for EnterpriseDB Postgres License and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a9.** Consideration of Contract Award for Disaster Recovery Collocation. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a10.** Consideration of a Task Order Modification for Web Application Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **a11.** Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (15) **a12.** Consideration of a Contract Modification for Document Redaction Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (16) **a13.** Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (17) **a14.** Consideration of a Contract Modification 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*.

- (18) **a15.** Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (19) **i8. Confidential Executive Session: Personnel Matter:** Employee Survey Results. Consideration of Item. USAC management *recommends* that discussion of this item occur in *Executive Session* because it involves *personnel matters*.
- (20) **a16. Confidential Executive Session: Personnel Matter:** Consideration of a Contract Modification for Employee Benefits. USAC management *recommends* that discussion of this item occur in *Executive Session* because it involves *personnel matters* and relates to USAC's *procurement strategy and contract administration*.
- (21) **i9. Confidential Executive Session:** Board of Directors Only. USAC *management* recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Seven Routine Procurements.

- (1) Consideration of a Task Order Modification for Web Application Support Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services. The resolution is provided in **aBOD11cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration of a Contract Modification for Document Redaction Services. The resolution is provided in **aBOD12cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms. The resolution is provided in **aBOD13cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (5) Consideration of a Contract Modification for Benefits Broker Services. The resolution is provided in **aBOD14cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (6) Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services. The resolution is provided in **aBOD15cf**. If discussion is needed, it will be conducted in *Executive Session*.

- (7) Consideration of a Contract Modification for Employee Benefits. The resolution is provided on **aBOD16cf**. If discussion is needed, it will be conducted in *Confidential Executive Session*.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of January 26 and 30, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of seven routine procurements as presented in items aBOD10cf – aBOD16cf.

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Ms. Gregory presented the report for the Schools & Libraries Committee. Mr. Fontana presented the report for the Rural Health Care Committee. Ms. Schell presented the report for the Audit Committee.
- a2. Approval of USAC Common and Consolidated 3rd Quarter 2024 Budget and Demand projection for the May 2, 2024 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management’s recommendations for USAC’s common and consolidated 3rd Quarter 2024 budget and demand projection for the May 2, 2024 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2024 common budget of \$38.49 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$38.49 million for common costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 3rd Quarter 2024 consolidated budget to administer the Universal Service Fund of \$75.85 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.85 million for consolidated costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. Enterprise Business Updates.** Mr. O’Brien provided an update on the

Affordable Connectivity Program wind down and Mr. Butler presented the 2023 Annual Complaints Report to the Board.

At 11:08 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, and USAC staff were present.

EXECUTIVE SESSION

i3. Enterprise Business Update (Continued). Ms. Sekar provided an update on the Appropriated Programs and Mr. Hutchinson shared a PowerPoint presentation on Cybersecurity Directives and Zero Trust Architecture.

The Board recessed at 11:38 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11:45 a.m. Eastern Time.

i4. Information on the Contribution Factor. Ms. Garber presented a written report providing USAC's estimate of the 3rd Quarter 2024 contribution factor.

i5. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. This item was provided for *information purposes only*. No discussion was held.

i6. Enterprise Risk Management Update. Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included the following items:

- Q1 2024 Enterprise Risk Management Update
- Q1 2024 Risk Management Council Minutes

i7. Procurement Business Update. Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q1 2024 and Q2 2024 anticipated activities.

The Board recessed at 11:49 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11:55 a.m. Eastern Time.

a3. Consideration of Contract Award for Carbon Black VMware Licenses and Support. Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for VMware licenses and support services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month, firm-fixed price contract for Carbon Black VMware licenses and support to AccessIT Group, Inc. for a total not-to-exceed amount of \$709,232.16 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes)) to cover potential increases on the number of licenses and/or software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a4. Consideration of Contract Award for Red Hat Linux Enterprise License Agreement.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Red Hat Linux Enterprise License Agreement.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month, firm-fixed price contract for a Red Hat Enterprise License Agreement to New Tech Solutions, Inc. for a total not-to-exceed amount of \$1,579,511.92 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover potential increases in the number of licenses and/or software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a5. Consideration of Contract Award for Proofpoint Email Fraud Defense Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Proofpoint Email Fraud Defense licenses and support services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month, firm-fixed price contract for Proofpoint Email Fraud Defense licenses and support services to SHI International Corporation for a total not-to-exceed amount of \$1,467,229.00 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes) to cover potential increases in the number of licenses and/or

software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a6. Consideration of Contract Award for AWS GovCloud Hosting Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for AWS GovCloud hosting services.

On a motion duly made and seconded, with Mr. Fontana abstaining, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a twelve (12) month firm-fixed price sole source contract to Amazon Web Services, Inc. for GovCloud hosting services, for a total not-to-exceed amount of \$3,700,000.00 (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 2024-2025 USAC IT projects roadmap, subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for computer matching operations and maintenance services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a one (1) year sole source contract to the Centers for Medicare and Medicaid Services for operations and maintenance services and IT security incident work in support of the currently developed and in-use application programming interface providing automated computer matching for eligibility verifications for the Affordable Connectivity Program, for a firm-fixed price of \$648,120.00 (plus applicable taxes) over the one (1) year term, subject to required Federal Communications Commission approval and subject to an allocation of the total contract cost to the congressionally appropriated funds available to the Affordable Connectivity Program, as eventually determined by the parties and as instructed in writing by the Federal Communications Commission.

- a8. Consideration of Contract Award for Enterprise DB Postgres License and Support Services.** Mr. Beyerhelm presented this item for consideration. The

presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for EnterpriseDB Postgres license and support services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month, firm-fixed price contract for EnterpriseDB Postgres licenses and support to New Tech Solutions, Inc. for a total not-to-exceed amount of \$1,421,374.00 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover potential increases in licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a9. Consideration of Contract Award for Disaster Recovery Collocation.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Disaster Recovery Collocation.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a thirty-six (36) month firm-fixed price contract to Quality Investment Properties Richmond, LLC for USAC's disaster recovery collocation, for a not-to-exceed amount of \$600,000.00 (plus applicable taxes), with such amount including a contingency of \$40,000.00 (plus applicable taxes) to cover USAC's additional needs during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a10. Consideration of a Task Order Modification for Web Application Support Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of three one-year option terms with 22nd Century Technologies, Inc. for services related to the operations and maintenance, development, modernization, and enhancement support for USAC's High Cost program, increasing the total not-to-exceed amount by \$1,855,750.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from

\$4,853,573.60 (plus applicable taxes) to \$6,709,323.60 (plus applicable taxes), subject to required Federal Communications Commission approval.

RESOLVED, that Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of three one-year option terms with Accenture Federal Services LLC, for services related to the operations and maintenance, development, modernization, and enhancement support for USAC's Lifeline program, increasing the total not-to-exceed amount by \$2,669,612.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$7,356,328.16 (plus applicable taxes) to \$10,025,940.20 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a11. Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second one-year option term of the information security program compliance support services contract with KPMG LLP, for a total not-to exceed amount of \$3,595,851.81 (plus applicable taxes), increasing the total not-to-exceed amount of the contract from \$7,512,460.02 (plus applicable taxes) to \$11,108,311.83 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a12. Consideration of a Contract Modification for Document Redaction Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the total not-to-exceed amount of the Document Reduction Contract with Ampcus Inc. by \$700,000.00 (plus applicable taxes), increasing the total not-to-exceed amount of option year two (2) from \$2,500,000.00 (plus applicable taxes) to \$3,200,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a13. Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC

management to modify its contract with ICF International, Inc. for IT development and technical services to support Appian-based platforms and associated support by increasing the not-to-exceed amount of the first option year by \$2,000,000.00 (plus applicable taxes), increasing the total not-to-exceed amount from \$8,848,569.60 (plus applicable taxes) to \$10,848,569.60 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a14. Consideration of a Contract Modification for Benefits Broker Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, subject to required Federal Communications Commission approval, hereby authorizes management to modify its existing contract with Gallagher Benefit Services, Inc. to add services related to post-employment benefits other than pensions, increasing the total not-to-exceed amount of the remaining option terms by \$24,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$495,663.00 (plus applicable taxes) to \$519,663.00 (plus applicable taxes) over the contract term.

- a15. Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its contract with Deloitte LLP for long-term project management office services to support the Affordable Connectivity Program (ACP) by increasing the total not-to-exceed amount of the second option year by \$2,000,000.00 (plus applicable taxes), increasing the total not-to-exceed amount from \$22,830,195.00 (plus applicable taxes) to \$24,830,195.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

At 12:19 p.m. the Board continued in *Confidential Executive Session* with only members of the Board, the Leadership team, Ms. Nuzzo, and Ms. Goode.

- i8. Personnel Matter: Employee Survey Results.** Ms. Sadirkhanova presented this item to the Board and facilitated this discussion.

- a16. Consideration of a Contract Modification for to Employee Benefits.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Cigna for a health benefits plan to remove pre-authorization requirements for services, increasing the total not-to-exceed amount of the remaining option terms by \$253,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$13,543,594.00 (plus applicable taxes) to \$13,796,594.00 (plus applicable taxes) over the contract term, subject to required Federal Communications Commission approval.

At 12:45 p.m. the Board continued in *Confidential Executive Session* with only non-staff members of the Board present.

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

OPEN SESSION

At 1:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board acted on items a3-a9 and discussed items i3-i4 and i8-i9.

On a motion duly made and seconded, the Board adjourned at 1:05 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary



Board of Directors

Reports from Committee Chair (Verbal)

Open Session

July 30, 2024

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

ACTION ITEM

**Approval of USAC Common and Consolidated
4th Quarter 2024 Budgets and Demand Projection
for the August 2, 2024 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2024 (Q4 2024) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2024 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q4 2024 USAC consolidated budget of \$76.88 million to administer the Universal Service Fund (USF), which includes \$37.09 million in direct program costs and \$39.79 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q3 2024 Budget	Increase/ (Decrease)	Q4 2024 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$7.74	(\$0.15)	\$7.59
Lifeline	14.87	(1.05)	13.82
Rural Health Care	5.25	(0.18)	5.07
Schools & Libraries	9.50	1.11	10.61
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$37.36	(\$0.27)	\$37.09
Common Costs			
Employee Expenses	\$17.28	\$1.05	\$18.33
Professional Services	11.79	0.52	12.31
General & Administrative (Note 1)	9.42	(0.27)	9.15
Total Common Costs	\$38.49	\$1.30	\$39.79
Total Consolidated Costs	\$75.85	\$1.03	\$76.88

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

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

Recommendation

USAC management recommends that the Board approve the Q4 2024 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 2024 common budget of \$39.79 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$39.79 million for common costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 4th Quarter 2024 consolidated budget to administer the Universal Service Fund of \$76.88 million; and

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

ATTACHMENT 1

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

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	61	66	5	\$14.18	\$13.95	(\$0.23)
Lifeline	99	112	13	25.71	26.66	0.95
Rural Health Care	59	58	(1)	10.31	9.29	(1.02)
Schools & Libraries	80	88	8	22.53	21.31	(1.22)
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	299	324	25	\$72.73	\$71.21	(\$1.52)
Common Costs (Note 2)						
Employee Expenses	405	411	6	\$34.63	\$34.29	(\$0.34)
Professional Services				23.59	23.54	(0.05)
General & Administrative (Note 3)				16.10	17.84	1.74
Total Common Costs	405	411	6	\$74.32	\$75.67	\$1.35
Total Consolidated Costs	704	735	31	\$147.05	\$146.88	(\$0.17)

Note 2: Actual USF common costs reflect a reduction for costs allocated to the appropriated programs.

Note 3: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, and data collection billing revenue.



Board of Directors

Enterprise Resource Planning (ERP)
Readiness and Launch

Open Session

July 30, 2024

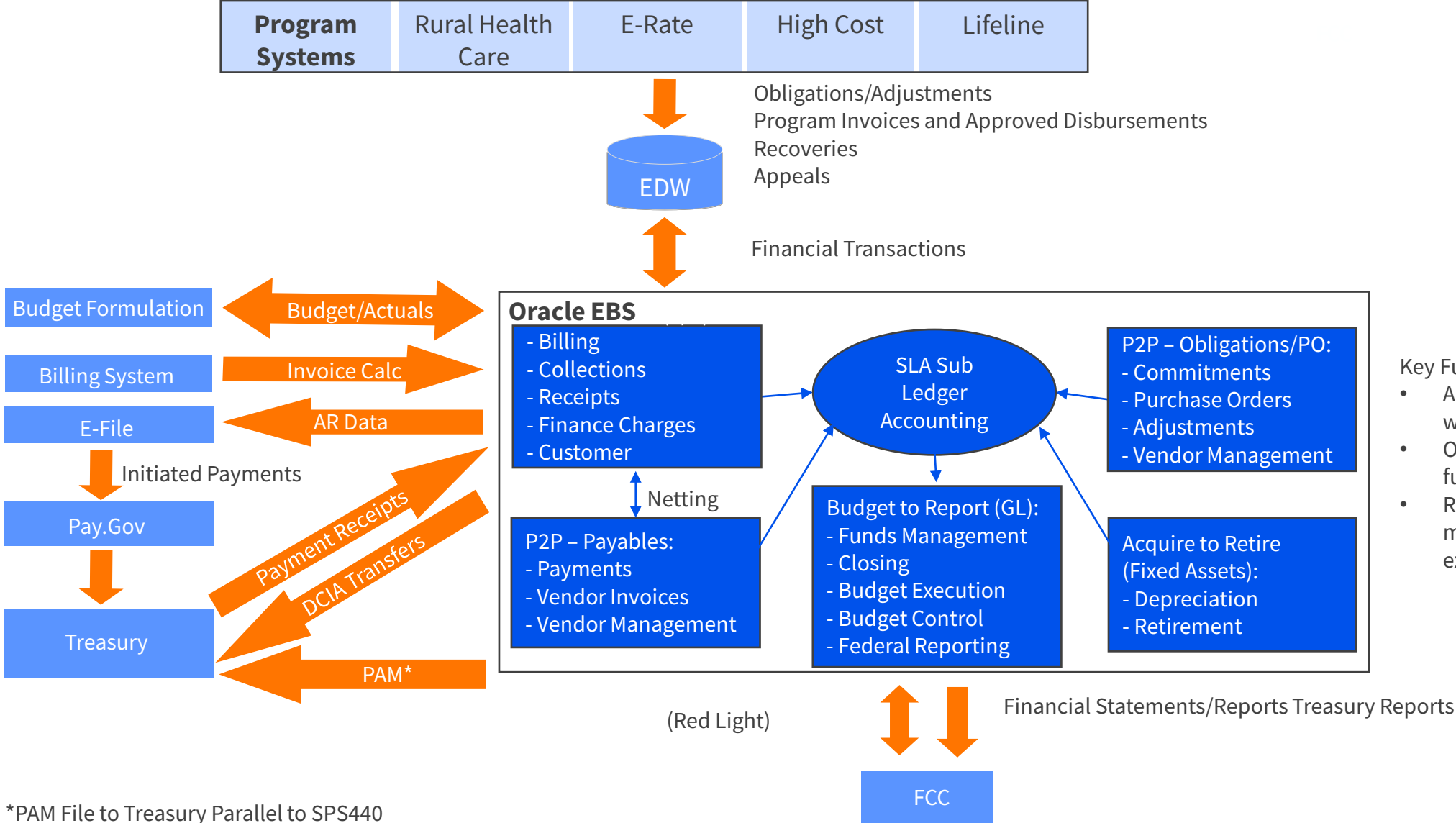
Agenda

- ERP Project Background
- Design Overview
- ERP Implementation Timeline and Status
- Next Steps

ERP Background

- USAC currently uses disparate financial systems that are only partially integrated.
- We aim to improve integration across our systems, reduce manual reconciliation efforts, provide a clear end-to-end view of financial activity, and ensure all financial actions are promptly and accurately reported.
- To achieve this, we will implement an ERP system to integrate multiple business processes and enable the flow of data between them.
- The ERP is an internal tool and will not be accessible to external stakeholders.
- Any differences in system-generated statements or reports seen by external stakeholders will be communicated in advance.

Design Overview



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

*PAM File to Treasury Parallel to SPS440

ERP Implementation Timeline and Status

- **First release:** The first release of ERP will include our USF financial management capabilities.
- **August 1, 2024:** We will launch the ERP while continuing to run our current systems in parallel.
- **October 1, 2024:** We will deploy the ERP as our official USF financial system.

Activity	Task	Status
System Readiness	Development complete (UNIFI, Schema, E-File)	Complete
System Readiness	System Integration Test (SIT) complete and closed out	Complete
UAT	User Acceptance Test (UAT) complete and closed out	Complete
IV&V	Independent Verification & Validation complete and closed out	Complete
System Readiness	Parallel environment in place	Complete
System Readiness	Parallel environment configuration and code migration complete	Complete
Organizational Readiness	O&M organization in place (+SLA, Level 1, 2, 3, Support)	Complete
Organizational Readiness	Procedures complete	Complete
Organizational Readiness	Training delivered to users	In Progress (7/31)
Data Conversion	Data Conversion for parallel complete and reconciled	In Progress (7/31)
System Readiness	Disaster recovery environment ready	In Progress (7/31)
Organizational Readiness	Production day one started in parallel	Not Started (8/1)

Next Steps

- Complete User Training and Data Conversion
- Run the ERP in parallel to current systems from August 1, 2024, through September 30, 2024
- Reconcile ERP results to Great Plains to ensure expected outcomes
 - Remediate any unexpected issues during the parallel phase
- Launch the ERP as the system of record on October 1, 2024
- Continue to monitor ERP results closely through calendar year end



**Universal Service
Administrative Co.**