

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM**  
**MEETING OF THE BOARD OF DIRECTORS**  
**MINUTES**  
**February 16, 2021**

**Present:**

Treasurer John McMillan, Chair  
Mr. Robert Bradley  
Ms. Patti Lambert  
Dr. Ken Tucker  
Mr. Tommy Dismukes  
Gen. Paul Hankins  
Mr. Jason Alderman  
Mr. Sara Calhoun for Mr. Jimmy Baker  
Mr. Marc Green for Dr. David Bronner  
Dr. James Purcell  
Ms. Michelle Granberry  
Mr. Kelly Butler

**Absent:**

Rep. Bill Poole  
Sen. Donnie Chesteen  
Sen. Garlan Gudger

**Others present include:**

Ms. Daria Story, Assistant Treasurer  
Ms. Anita Kelley, Program Director  
Ms. Brittany Carter, External Affairs  
Mr. Dan Sherman, Sherman Actuarial Services  
Mr. George McCurdy, Regions Bank  
Mr. Robert Richardson, Regions Bank  
Ms. Diane Steinhilber, Jackson Thornton  
Ms. Tuan Blank, Jackson Thornton

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held on February 16, 2021. In accordance and compliance with Governor Ivey's Statement of Emergency dated March 18, 2020, and as amended, the meeting was held by video conference with access posted on the Secretary of State's meeting notice in order to allow the public to listen to, observe or participate in the meeting.

The meeting was called to order by Chair John McMillan at 11:00 a.m.

Roll was taken with a quorum present.

Chair McMillan appointed Gen. Paul Hankins as Vice Chair and Anita Kelley as Secretary.

Chair McMillan presented the minutes of the November 17, 2020 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Mr. Bradley, with unanimous approval.

Chair McMillan asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, plan assets, revenues and disbursements, and the budget for the past quarter. She discussed tuition payments and stated the program paid out benefits in the amount of \$8.54 million to 2,446 students from 10/01/20 through 12/31/2020 and noted that the number of active accounts was 11,134. A transfer from the Education Trust Fund in the amount of \$7.97 million was received on 1/08/21. The report was received as informational.

Chair McMillan called on George McCurdy with Regions Bank to present the quarterly investment report. Mr. McCurdy gave an economic and financial market update. He discussed the asset value of the portfolio. He discussed the performance of the portfolio including the money market fund and fixed income. He stated total returns for the portfolio were .01% for the quarter with a year to date rate of return of 2.70%. The report was received as informational.

Chair McMillan called on Dan Sherman with Sherman Actuarial Services to present the quarterly actuarial report. He stated the asset value as of 12/3/20 was \$99,142,733 and noted the funded ratio was 123.7% compared to the 09/30/20 ratio of 119.3%. He also reviewed a spreadsheet of the projected cash flows, assets, and liabilities through year 2032. The report was received as informational.

Chair McMillan called on Diane Steinhilber and Tuan Blank with Jackson Thornton to present the annual audit report for the 2020 fiscal year. Ms. Steinhilber provided a summary of the Independent Auditor's Report that included the management's responsibility for the financial statements and the auditor's responsibilities as well as their unqualified opinion. She discussed the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Ms. Steinhilber stated that there were no noted deficiencies in internal controls. No instances of non-compliance or other matters that are required to be reported were found. The report was received as informational.

Treasurer McMillan stated the Annual PACT Report was transmitted to the Governor's office, Lt. Gov's office and to the office of Speaker of the House.

Ms. Story presented information on SB201 that was filed by Sen. Butler. This bill would increase the time from 10 years to 12 years the PACT office would hold expired accounts with remaining balances before transferring to Unclaimed Property.

Chair McMillan called on Ms. Kelley to present information regarding a petition from a beneficiary requesting an extension be allowed on the account that expired in August 2020. A summary was provided of the petition. Discussion ensued noting that this request was not extraordinary in nature. A motion to deny the request was made by Gen. Hankins, seconded by Dr. Tucker with unanimous approval.

Chair McMillan noted the deadline to complete the Statement of Economic Interest Forms.

There being no further business to be discussed, a motion to adjourn was made by Mr. Bradley, seconded by Ms. Lambert with unanimous approval. The meeting adjourned at 11:40 a.m.

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Anita Kelley, Director

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John McMillan, Chair