

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
August 22, 2023**

Present:

Treasurer Young Boozer, Chair – in person
Gen. Paul Hankins – in person
Mr. Marc Green for Dr. David Bronner – virtual
Mr. Taylor Nichols for Mr. Bill Poole – in person
Ms. Sara Calhoun for Jimmy Baker - virtual
Dr. Ken Tucker – in person
Mr. Wes Lambert - virtual
Mr. Tommy Dismukes – in person
Ms. Annie Furrer - virtual
Mr. Jay Hare - virtual
Mr. Will Martin – in person

Absent:

Rep. Danny Garrett
Sen. Donnie Chesteen
Judge JC Love
Dr. James Purcell

Others present include:

Mr. Chad Wright, Assistant Treasurer – in person
Ms. Anita Kelley, Program Director – in person
Ms. Glenda Allred, Deputy Treasurer – in person
Ms. Daria Story, Deputy Treasurer – in person
Ms. Kayla Bankston, PACT – in person
Mr. Dan Sherman, Sherman Actuarial Services - virtual
Mr. George McCurdy, Regions Bank - in person
Mr. Robert Richardson, Regions Bank – in person

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the RSA Union Conference Room in Montgomery, AL on August 22, 2023, with participation also allowed by electronic means in accordance with §36-25A.5.1, Code of Alabama, as amended.

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

Roll was taken with a quorum present.

1. Approval of Board Meeting Minutes – Chair Boozer presented the minutes of the May 23, 2023 board meeting. A motion for approval of the minutes as presented was made by Dr. Tucker, seconded by Gen. Hankins, with unanimous approval.

2. Quarterly Reports

- A. Program Report – Chair Boozer asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, plan assets, revenues and disbursements, and the budget for the current fiscal year. She discussed tuition payments and stated the program paid out benefits in the amount of \$2.2 million to 654 students from 04/01/23 through 06/30/23 and noted that the number of active accounts is 6,804. She also stated the dollar amount of cumulative benefits paid since inception was \$1,294,906,048 in tuition and \$39,467,792 in qualified fees. Soon to Expire Letters were mailed on May 11, and all schools were notified of the benefits increase the Board approved at the May Board meeting. The report was received as informational.
- B. Investment Report – Chair Boozer called on George McCurdy to present the quarterly investment report. Mr. McCurdy gave a thorough economic and financial market update and discussed an overview and outlook for fixed income and equities. He provided information on the asset value of the portfolio and discussed the performance of the portfolio including the money market fund and fixed income. He stated returns for the quarter for the money market fund were 1.211% and .31% for the fixed income portfolio with a .53% rate of return for the consolidated portfolio. The report was received as informational.
- C. Actuary Report – Chair Boozer called on Dan Sherman to present the quarterly actuary report. Mr. Sherman stated the asset value as of 06/30/23 is \$229,902,502. He noted the funded ratio was 207.2% compared to the 09/30/22 funded ratio of 179.8%. He reviewed a spreadsheet of the projected cash flows, assets, and liabilities through year 2032. The report was received as informational.

3. Decision Items

A. Actuarial Assumptions

1. Proposed Assumptions - Mr. Sherman presented the proposed actuarial assumptions for FY24. He discussed a proposed change to the current assumptions regarding the investment return rates. He recommended all other assumptions from the prior year to remain the same.

2. Consideration of Proposed Resolution – Following discussion, Treasurer Boozer presented a resolution to approve the proposed assumptions. A motion to approve the resolution was made by Mr. Dismukes, seconded by Dr. Tucker, with unanimous approval.

- B. Request for Exemption to PACT Rules – Chair Boozer called on Ms. Kelley to present information regarding a petition from an account owner requesting

an extension be allowed on an account that will expire in August of this year. A summary of the petition was provided. Discussion ensued regarding the request. Due to the extraordinary nature of the situation, a motion to extend the term of the contract through the spring term of 2024 was made by Gen. Hankins, seconded by Dr. Tucker, with unanimous approval.

4. Chair Boozer read an email he received from Sen. Gudger regarding PACT employee, Amanda Parrish. The email was from a PACT account owner and a constituent of Sen. Gudger, and it commended Ms. Parrish on her customer service. Chair Boozer praised Ms. Parrish and the entire PACT staff for the level of customer service the office exhibits on a daily basis. There being no further business, a motion to adjourn was made by Gen. Hankins, seconded by Mr. Martin, with unanimous approval. The meeting adjourned at 11:28 a.m.

Anita Kelley, Director

Young Boozer, Chair