

THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
February 20, 2024

Present:

Treasurer Young Boozer, Chair – 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. Tommy Dismukes – virtual
Mr. Will Martin – in person
Gen. Paul Hankins – in person
Judge JC Love - virtual
Mr. Jay Hare - virtual

Absent:

Rep. Danny Garrett
Sen. Donnie Chesteen
Dr. James Purcell
Ms. Annie Furrer
Mr. Wes Lambert

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. 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
Mr. R.J. Williams, Regions Bank – in person
Mr. Joel Jones, Kassouf
Ms. Katie Krack, Kassouf

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 February 20, 2024, 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 November 16, 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 \$10.4 million to 2,030 students from 10/01/23 through 12/31/23 and noted that the number of active accounts is 5,968. She also stated the dollar amount of cumulative benefits paid since inception was \$1,310,921,905 in tuition and \$39,977,008 in qualified fees. 1099s were mailed on 1/25/24 to all accounts that had a disbursement in 2023. 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 1.41% and 1.75% for the fixed income portfolio with a 1.56% 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 12/31/23 is \$218,349,188. He noted the funded ratio was 276.9% compared to the 09/30/23 funded ratio of 250.2%. He reviewed a spreadsheet of the projected cash flows, assets, and liabilities through year 2032. The report was received as informational.

3. Informational Items

- A. Kassouf Annual Audit – Chair Boozer called on Joel Jones with Kassouf & Co. to present the annual audit report for the 2023 fiscal year. Mr. Jones 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 the Statement of Fiduciary Net Position. Mr. Jones stated there were no noted deficiencies in internal control. No instances of non-compliance or other matters that are required to be reported were found and the fiduciary net position of the PACT Program, as of 9/30/23, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States. The report was received as informational.
- B. Statement of Economic Interest Forms – Ms. Kelley stated the forms were due by 4/30/24.

4. There being no further business, a motion to adjourn was made by Dr. Tucker, seconded by Gen. Hankins, with unanimous approval. The meeting adjourned at 11:24 a.m.

Anita Kelley, Director

Young Boozer, Chair