

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
February 18, 2025**

Present:

Treasurer Young Boozer, Chair- in person
Mr. Marc Green for Dr. David Bronner- virtual
Mr. Taylor Nichols for Mr. Bill Poole- in person
Mr. Tommy Dismukes- in person
Dr. Charles Karr- in person
Mr. Will Martin- in person
Gen. Paul Hankins- in person
Ms. Annie Furrer- virtual
Mr. Jay Hare- virtual

Absent:

Rep. Danny Garrett
Sen. Donnie Chesteen
Dr. James Purcell
Mr. Wes Lambert
Judge JC Love
Ms. Sara Calhoun for Jimmy Baker

Others present include:

Ms. Anita Kelley, Program Director- in person
Mr. Chad Wright, Assistant 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. Dwayne Newsome, Kassouf- virtual
Ms. Katie Krack, Kassouf- virtual

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 18, 2025, 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.

Chair Boozer introduced new board member, Dr. Charles Karr.

Chair Boozer reappointed Gen. Hankins as Vice Chair.

Chair Boozer reappointed Ms. Kelley as Secretary.

Roll was taken with a quorum present.

1. Approval of Board Meeting Minutes – Chair Boozer presented the minutes of the November 19, 2024 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Mr. Dismukes, 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 \$7.4 million to 1,365 students from 10/01/24 through 12/31/24 and noted that the number of active accounts is 4,567. She also stated the dollar amount of cumulative benefits paid since inception was \$1,336,167,733 in tuition and \$40,823,287 in qualified fees. The report was received as informational.
 - B. Regions 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 1.17% and 0.47% for the fixed income portfolio with a 0.73% rate of return for the consolidated portfolio. The report was received as informational.
 - C. Sherman Actuarial Report – Chair Boozer called on Dan Sherman to present the quarterly actuary report. Mr. Sherman stated the asset value as of 12/31/24 was \$199,182,235. He noted the funded ratio was 403.2% compared to the 09/30/24 funded ratio of 380.6%. 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 Dwayne Newsome and Katie Krack with Kassouf & Co. to present the annual audit report for the 2024 fiscal year. Mr. Newsome 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. Newsome 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 9/30/24, 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. State Examiner's Report for Fiscal Years 2019-2023 – Ms. Kelley noted the final report from the State Examiner's examination was included in the board package. She stated there were no findings during the period examined. The report was received as informational.
 - C. Ms. Kelley noted the Annual Report for the Savings Division which includes PACT, CollegeCounts, and Alabama ABLE Savings Plan was included in the board package. This report is a summary of the FY of each Program and is provided to the Governor, Lt. Governor, and Speaker of the House. The report was received as informational.
 - D. Ms. Kelley said the Statement of Economic Interests forms are due by 04/30/25 and an email link to the form will be sent to all board members.
4. There being no further business, a motion to adjourn was made by Gen. Hankins, seconded by Mr. Dismukes, with unanimous approval. The meeting adjourned at 11:23 a.m.

Anita Kelley, Director

Young Boozer, Chair