THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
May 19, 2026

Present:
Treasurer Young Boozer, Chair – in person
Mr. Marc Green for Dr. David Bronner – in person
Mr. Taylor Nichols for Mr. Bill Poole – in person
Ms. Sara Calhoun for Jimmy Baker – virtual
Mr. Jay Hare – virtual
Ms. Annie Furrer – virtual
Mr. Tommy Dismukes – in person
Mr. Will Martin – in person

Absent:
Rep. Danny Garrett
Sen. Donnie Chesteen
Mr. Wes Lambert
Gen. Paul Hankins
Dr. James Purcell
Judge JC Love
Dr. Charles Karr

Others present include:
Ms. Anita Kelley, Program Director - in person
Mr. Chad Wright, Assistant Treasurer - in person
Ms. Kayla Bankston, Treasury - in person
Mr. Dan Sherman, Sherman Actuarial Services - virtual
Mr. Willard McCall, Regions Bank - in person
Mr. Robert Richardson, Regions Bank - in person
Mr. Tyler Chapman, 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 May 19, 2026, 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 February 17, 2026 board meeting. A motion for approval of the minutes as presented was made by Mr. Dismukes, seconded by Mr. Green, 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 benefits in the amount of $6.2 million to 1,071 students from 01/01/26 through 03/31/26. She also stated the dollar amount of cumulative benefits paid since inception is $1.36 billion in tuition and $41.6 thousand in qualified fees. She noted that the number of active accounts is 3,360. The report was received as informational.

   B. Regions Investment Report – Chair Boozer called on Willard McCall to present the quarterly investment report. Mr. McCall 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 and performance of the portfolio including the money market fund and fixed income. He stated returns for the quarter for the money market fund were 0.89% and 0.75% for the fixed income portfolio with a 0.83% 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 03/31/26 was $180,320,055. He noted the funded ratio was 418.3% compared to the 09/30/25 funded ratio of 338.5%. He reviewed a spreadsheet of the projected cash flows, assets, and liabilities through year 2032. The report was received as informational.

3. Decision Item – Consideration of Tuition and Fee Adjustment Rate

   A. Tuition Payments Increase Discussion - Chair Boozer called on Mr. Sherman to present and discuss three actuarial projections for increasing PACT benefit payments that would be effective beginning with the 2026 Fall Term. The scenarios presented would increase benefit payments by 2%, 4%, and 6%. Mr. Sherman reviewed how the proposed increases would affect the funded ratio and the cash flow in future years. With an increase of 2%, the funded ratio would be 410.9%, an increase of 4% would be 403.8%, and an increase of 6% increase would be 396.9%. He compared the ratios to the 03/31/26 funded ratio of 418.3%. He stated the program would be actuarially sound if any of the proposed increases were approved by the Board.

   B. Consideration of Proposed Resolution – After a thorough discussion of the three proposed increases, Chair Boozer presented a resolution for consideration. A motion to approve the resolution with a 6% increase was made by Mr. Green, seconded by Mr. Dismukes, with unanimous approval.

The 6% increase will be effective beginning with the 2026 Fall Term.

4. Other Business - There being no further business, a motion to adjourn was made by Mr. Nichols, seconded by Mr. Dismukes, with unanimous approval. The meeting adjourned at 11:28 a.m.

Anita Kelley, Director

Young Boozer, Chair