

MINUTES OF MEETING
STATE BOARD OF FINANCE
Tuesday, January 30, 2024

A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, January 30, 2024, at 10:00 am, pursuant to notice duly given to each member of the Board and the press by the Chairman. The meeting was held in the Delta Conference Room located in the Winthrop Rockefeller Building. The meeting was live streamed and recorded by ARCAN/AETN and is available upon request through the Arkansas State Treasury.

The following members were present:

Jim Hudson, Secretary, Department of Finance and Administration
Leslie Fisker, Secretary of Transformation and Shared Services
Larry Walther, Arkansas State Treasurer
Dennis Milligan, Arkansas Auditor of State
Susannah Marshall, Arkansas State Bank Department Commissioner
Chad May, Appointed Member
Brent Morgan, Appointed Member
Keith Konecny, Appointed Member
Alan McClain, Arkansas Insurance Commissioner
Campbell McLaurin, Arkansas Securities Commissioner
Marc Emrich, Appointed Member

Others present were staff from the Arkansas State Treasury and Auditor of State. Also, present were Debbie Rogers and Kevin Carr from the Department of Finance and Administration and Grant Wallace, Director of Employee Benefit Division.

Secretary Hudson, seeing a quorum, called the meeting to order. Mr. Hudson asked for a motion to accept the minutes of the previous meeting, October 23, 2023, and December 12, 2023. A motion to approve the minutes was made by Treasurer Walther and seconded by Keith Konecny. All members were in favor.

Mr. Hudson then recognized Treasurer Walther for the Treasury presentation. Treasurer Walther briefly commented on the continued strategy of the investment portfolio and then recognized Mr. Steven Kilgore, Mr. Steve Pulley, and Mr. Robert Romanik, all from the Arkansas State Treasurer's Office. After a brief presentation, Mr. Hudson entertained a motion to set the new target rate of book return for the 3rd quarter, January 1, 2024 through March 31, 2024 to a range of 3.30%-3.40%. A motion was made Auditor Milligan and seconded by Secretary Fiskens. All members were in favor. Next a motion was made by Auditor Milligan to approve the Treasury Report for the 2nd quarter, October 1, 2023 through December 31, 2023. The motion was seconded by Mr. Konecny and all members were in favor.

Secretary Hudson then addressed quarterly business by making a motion that no funds were available for deposit into the State Board of Finance certificate of deposit program for the 4th quarter of fiscal year 2024, April 1, 2024, through June 30, 2024. The motion was seconded by Treasurer Walther. All members were in favor.

Mr. Hudson next made a motion that the Board direct the Treasurer of State to purchase warrants for the 4th quarter of fiscal year 2024, April 1, 2024, through June 30, 2024, pursuant to Act 1088 of 2013, and to keep reasonable amounts in demand deposit accounts and money markets during the next quarter for the transactions of the day-to-day activities of the State. The motion was seconded by Treasurer Walther and all members approved.

Next, Mr. Hudson recognized David Scott, Treasury Legal Counsel, to present and seek approval of the Treasury Investment Policy. A motion was made by Auditor Milligan to approve the Investment Policy with no changes. The motion was seconded by Treasurer Walther. All members were in favor.

Secretary Hudson then shifted to the business of Employee Benefit Division by recognizing Mr. Grant Wallace, Director of EBD. Mr. Wallace reported on the updated formulary recommendations and requested an approval from the board. A motion was made by Treasurer Walther to approve the formulary recommendations. The motion was seconded by Secretary Fisken, and all members approved. Mr. Wallace continued by reviewing the Medical Drugs Formulary Recommendations and requested an approval from the board. A motion to approve the Medical Drugs Formulary Recommendations was made by Secretary Fisken and seconded by Treasurer Walther. All members were in favor. Mr. Wallace next reviews the new rule for oversight of Voluntary Products for Arkansas State Employees only. This was in response to Act 533 of 2023. A motion was made by Secretary Fisken to approve the new rule for oversight of Voluntary Products. Treasurer Walther seconded the motion, and all members were in favor.

Seeing no additional business before the board, Secretary Hudson declared the meeting adjourned.