

MINUTES OF MEETING
STATE BOARD OF FINANCE
Wednesday, May 22, 2024

A meeting of the State Board of Finance of the State of Arkansas was held Wednesday, May 22, 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
Alex Johnston for Leslie Fiskens, 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, Andy Babbitt, 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, May 22, 2024. A motion to approve the minutes was made by Auditor Milligan and seconded by Commissioner Marshall. 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 of the third quarter of fiscal year 2024, Mr. Hudson entertained a motion to set the new target rate of book return for the 4th quarter, April 1, 2024 through June 30, 2024 from the previous range of 3.30%-3.40% to a range of 3.40%-3.50%. A motion was made Commissioner Marshall and seconded by Alex Johnston. All members were in favor. Next a motion was made by Treasurer Walther to approve the Treasury Report for the 3rd quarter, January 1, 2024 through March 31, 2024. The motion was seconded by Auditor Milligan and all members were in favor.

Secretary Hudson next recognized Robert Romanik to present new brokers to the board. A motion was made by Auditor Milligan to add the brokerage firms of BMO Capital Markets, Commerce Bank, Drexel Hamilton, and Siebert Williams Shank to the accepted broker/dealer list. The motion was seconded by Chad May. 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 1st quarter of fiscal year 2025, July 30, 2024, through September 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 1st quarter of fiscal year 2025, July 1, 2024, through September 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 Mr. Emrich and all members approved.

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 all formulary recommendations except for Toujeo Solostar Injections. The motion was seconded by Auditor Milligan. Secretary Hudson cited that he would not vote due to family members being affected by this change. The motion passed, 9 yes, 1 no, 1 no vote. A motion was then made by Commissioner Marshall to not vote on Toujeo Solostar and revisit it at the next meeting after Treasurer Walther and Mr. Wallace had a clarifying conversation. The Motion was seconded by Mr. May. Secretary Hudson did not vote, and Treasurer Walther voted against the motion. The motion passed, 9 yes, 1 no, 1 no vote.

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 Marc Emrich and seconded by Commissioner Marshall. All members were in favor. Mr. Wallace next reviewed contracts. The first contract was for Mainstreet Technologies, Inc. A motion to approve an extension of the contract through December 21, 2024 was made by Auditor Milligan and seconded by Mr. May. All members were in favor. The next motion was to accept approve a one-year renewal with EBRx through June 30, 2025. A motion to approve was made by Mr. Emrich and seconded by Auditor Milligan. All members were in favor. Mr. Wallace continued by briefing the board of a new pilot program for retired teachers and would assist them with Medicare eligibility. A motion to approve the program, Retiree First, was made by Mr. Emrich and seconded by Commissioner Marshall. All

members were in favor. The last contract discussed was for the Third-Party Administrator Consultant. EBD requested a contract for a consultant to assist in procurement of a new TPA contract. A motion to approve this contract was made by Commissioner Marshall and seconded by Mr. May. All members were in favor. Next, Mr. Wallace and members of Milliman Consulting group presented the upcoming rates for each plan. A motion to approve the rates as presented for the state employees was made by Auditor Milligan and seconded by Mr. Emrich. All members were in favor. Discussion continued about the Arkansas Public School Employee rates and a motion was made by Commissioner Marshall to approve the presented rates with the understanding that additional money would be required from the Department of Education. Alex Johnston seconded the motion, and all members were in favor.

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