MINUTES OF MEETING

STATE BOARD OF FINANCE

June 22, 2021

A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, June 22, 2021 at 9:30 am, pursuant to notice duly given to each member of the Board by the Chairman. The meeting was held in the Timberlands Conference Room, in the Winthrop Rockefeller Building. A Zoom recording of the meeting is available through the Treasurer of State’s office.

 The following members were present:

 Dennis Milligan, Treasurer of State

Andrea Lea, Auditor of State

 Susannah Marshall, Arkansas Bank Commissioner

Eric Munson, Commissioner, Arkansas Securities Department (Zoom)

 Cale Turner, Appointed Member

 Keith Konecny, Appointed Member

 Amy Fecher, Governor’s designee, and Secretary of TSS

 Clay Conly, Appointed Member (Zoom)

 Others present were Grant Wallace, Stacy Peterson, and Autumn Sanson, of the Treasurer’s staff, and Alan McVey and Debbie Rogers of the Department of Finance and Administration. Jake Bleed, Director of EBD, and several employees of the Employment Benefit Division were also in attendance. Arkansas State Representative Jim Wooten was also present. Secretary Fecher was acting as chairperson in Secretary Walther’s absence. Mrs. Fecher seeing a quorum, called the meeting to order.

 Minutes of the meeting held on Tuesday, June 8, 2021 were approved as presented.

Secretary Fecher started the meeting by updating the board on the Arkansas Legislative Council meeting from the previous week. She stated that ALC approved the $35M transfer for Department of Education. She noted however, that the transfer would take place in FY22 rather than FY21, which was the board’s recommendation to ALC. Secretary Fecher also noted that a few members of Legislative Council recommended that the State Board of Finance take public comment at the meeting and that later in the meeting the board could decide on whether to make a motion regarding that. [00:23:00-00:25:00, Zoom Recording]

Secretary Fecher then recognized Mr. Paul Sakhrani, Milliman Consulting, to present to the board the different scenarios requested previously for the Public School Employee Health Plan. Scenario #1 included a 5% increase for Active Members, Pre-65 Retirees, and Post 65 Retirees, reduction in the wellness credit for Active Members from $50 to $25 per month, addition of a non-wellness contribution for Active Members of $25 per month, wellness visit required through a physician for the wellness credit and the $35M transfer. This initiative resulted in a $10.5M deficit, and 14.1% or 52 day reserve for FY22. Scenario #2 changed the percentages to a 10% increase for Active Members, Pre-65 Retirees, and Post-65 Retirees. This initiative resulted in a deficit of $3.0M, and 15.8% or 58 days of reserve. Scenario #3 changed the percentages to a 5% Active Member increase, a 10% Pre-65 Retiree increase, and a 15% Post-65 Retiree increase. This initiative resulted in a deficit of $7.6M, and a 14.8% or 54 day reserve. Additional scenarios were addressed using the interactive spreadsheet and there was some conversation among the board on consideration of these scenarios. [00:23:30-01:03:30, Zoom Recording]

Secretary Fecher next asked the board about the consideration of public comment. Auditor Lea made a motion to hear public comment and Treasurer Milligan seconded. All members were in favor. [01:04:00-01:04:47 Zoom Recording]

Secretary Fecher recognized State Representative Jim Wooten, Jeff Altemus, and Tracey Ann Nelson, Arkansas Education Association for public comment. [01:04:47-01:28:10 Zoom Recording]

Secretary Fecher then recognized Mr. Sakhrani to answer additional questions brought by the board and there was further discussion among the board about potential recommendations to ALC. [01:28:10-01:36:00 Zoom Recording]

Secretary Fecher, seeing no motions with regard to the Public School Employee Health Insurance plan, and no additional business, asked for a motion to adjourn and meet again on Tuesday, June 29, 2021. A motion was made by Treasurer Milligan and was seconded by Mr. Konecny. All members were in favor.