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Bronner: Report on review of PACT finances likely in July

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Alabama's chief investment manager said the state may know more about the fate of the Prepaid Affordable College Tuition program sometime in July.

David Bronner, chief executive officer of the Retirement Systems of Alabama, said Buck Consultants is conducting an actuarial study of PACT.

The Legislature asked Bronner to determine the best direction for PACT after investment losses caused the program to lose half its value. Families participating in the program and Treasurer Kay Ivey, whose office administers PACT, asked the Legislature for help.

Bronner said Wednesday that he expects the consulting firm to come "with a big smorgasbord of information on what other states are doing" with their investment programs.

The Legislature asked Bronner and RSA to consider taking over administration of the program. Bronner said at the time he would consider taking over PACT only if a complete study of the program determines it is viable.

Bronner said the actuarial study was a little slower getting started than he originally hoped because RSA had to find the company with specific knowledge to conduct the study.

Once RSA has Buck's actuarial study, he said he will take the information to the PACT board, Gov. Bob Riley and the Legislature.

"They can make the decision on what to do next," Bronner said.

At the end of the 2009 legislative session in May, Gov. Bob Riley said he would call the Legislature into special session on PACT if the study indicated a need.

Todd Stacy, Riley's press secretary, said Wednesday that the governor would not do so unless the study results show the need.

"The governor said previously we should take first things first: see what the study says, see what the PACT board recommends and then he will decide. Obviously it is a very important issue," Stacy said.

Sen. Roger Bedford, D-Russellville, said he wants to see what Bronner recommends.

"If he says we need a special session, I'll support that," Bedford said.

Lt. Gov. Jim Folsom spokesman Chip Hill said there's been no talk of a special session this summer. Folsom also wants to see results of the Bronner study, he said.

Since the PACT board already heard that the program has enough money to funds the program through 2014 now, he said "there is time to figure out the best way to go forward."

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