

August 5, 2009

## PACT funds show slight increase

Members of the Montgomery/Central Alabama Area Save Alabama PACT group got some good news about the state's ailing prepaid affordable college tuition program, but it wasn't the news they hoped for.

State Rep. Jay Love, R-Montgomery, told members at a meeting Tuesday that the program is showing some signs of recovery. The value of the fund's assets have gone from a low of about \$420 million earlier this year to about \$500 million now.

Love said how the fund continues to fare will play an important role in how much the state Legislature might have to kick in to honor the 48,000 outstanding contracts.

Several parents at the meeting said what they really want is a commitment from legislators that they will make sure that the contracts are whole.

Love said that he's committed to honoring all of the contracts, but it's the other 104 members of the House of Representatives and the 35 members of the Senate that also have to be on board. Because of the upcoming elections, he urged parents and grandparents to put pressure on legislators and gubernatorial candidates to address PACT issues.

Parents and state officials learned earlier this year that the PACT program was in trouble when its \$800 million in assets dropped by nearly 50 percent.

During the 2009 legislative session, the state Legislature requested that the Retirement Systems of Alabama have an actuarial study performed to determine what can be done to save the program. Gov. Bob Riley is expected to receive the study in the next week or two.

The Alabama PACT board will meet Aug. 19.

-- *Markeshia Ricks*

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