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## The Birmingham News

### Alabama Gov. Bob Riley open to special legislative session to rescue PACT tuition fund

But only if rescue has support to pass

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MONTGOMERY - Gov. Bob Riley said Thursday he would call a special legislative session on the state's Prepaid Affordable College Tuition Program, but only if he was "reasonably certain" a bill to financially support PACT could quickly pass.

"You have to know what you're going to do. We have to be reasonably certain that we're going to get it passed. And I want to be able to do it in five days," Riley said in an interview.

"I think a lot of people in the state of Alabama want some reassurance on PACT. If we could come up with a plan and we had agreement to it, I'd be more than happy to call a special session," Riley said.

A special session in which lawmakers passed a bill could last from a minimum of five straight meeting days to a maximum of 12 meeting days over a 30-day period. The cost would range from \$110,000 for five days to \$430,000 for 30 days, estimated the Legislative Fiscal Office.

A financial fix will be difficult, Riley said, noting that lawmakers in the 15-week regular legislative session that ended last week killed all of the bills aimed at helping PACT financially. "If it had been easy, we would have passed it this time," Riley said.

PACT has about 48,000 outstanding contracts.

For almost 20 years, parents and others have bought contracts in expectation that PACT in future years would pay the college tuition and fees of covered children. But the bear market has slashed the value of the PACT trust fund, which is hundreds of millions of dollars short of having enough money to pay the estimated future tuition costs of all participants.

Wednesday, the PACT board agreed to pay enrolled students' tuition at least through spring 2010 while legislators try for a bailout bill that can pass.

Lawmakers last week passed a resolution calling on David Bronner, chief executive of the Retirement Systems of Alabama, to direct a study by RSA of PACT finances. The resolution calls on RSA to "report its findings, conclusions and recommendations" to Riley and legislators as soon as possible.

The resolution's sponsor, Sen. Roger Bedford, D-Russellville, said he would like to see Bronner outline a bill for lawmakers to pass.

If Riley does call a special session, Bedford said he hoped the PACT bill would be the only topic. "We ought to focus on what David Bronner's solution is, what he gives us, and not let other issues get in the way," Bedford said.

One of the bills lawmakers rejected this spring would have made the Alabama Trust Fund lend \$150 million over five years to PACT, if voters agreed in a referendum. Much of the interest from the trust fund, which is a giant state investment account, goes to the state General Fund for Medicaid, prisons and other non-education services.

Another bill that died, which Bedford sponsored, would have required lawmakers each year to appropriate enough money from the Education Trust Fund or any other source to ensure the financial health of the PACT program.

It also would have frozen tuition at current levels at public two-year colleges and universities through fall 2012 for PACT participants, and transferred control of PACT from a 10-member board chaired by state Treasurer Kay Ivey to the 14-member board that oversees the Teachers' Retirement System, which is part of RSA.

Bedford said Paul Hubbert, executive secretary of the Alabama Education Association teachers' lobby, and university officials opposed the bill because they didn't want money for PACT taken off the top of the Education Trust Fund, which finances public schools. Bedford also said university officials didn't want tuition frozen for several years.

Riley predicted a bill proposed after the release of RSA's study would have opposition.

"But I think this is something where everybody is going to have to participate if we're going to come up with some kind of common solution," Riley said. "No one wants to take money out of their budget, but without doing that, you'll never solve the problem."

If Riley doesn't call a special session this year, lawmakers could debate a PACT bill in next year's regular legislative session, which starts Jan. 12 and could last until April 26.

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