

September 16, 2009

Hon. Susan Combs  
Comptroller of Public Accounts  
P. O. Box 13528  
Austin, TX 78711-3528

Dear Comptroller Combs:

We strongly object to the action taken by the Texas Prepaid Higher Education Tuition Board, which you chair, to deny promised earnings to Texans who invested in their children's futures through the Texas Tomorrow Fund.

Texans who invested in the Fund were promised that the money they invested would be there when they needed it, either to pay tuition and fees for their children or as a cash payout with a promised rate of return. To change the terms at this late date is to break faith with parents who put their trust in our state.

The Board's action taken would deny earnings to those who no longer need their tuition paid because they have earned a scholarship, or because they graduated from college early. Why should high achievement earn a financial penalty for those who prudently planned for their college expenses?

The Board even voted to take away earnings from parents whose children die before reaching college age!

We are aware that Texas Tomorrow Fund contracts contain an "out" clause that allows the Board to take the action it did. But material promoting the fund contained no warning that the state might pull out of its end of the deal.

Quite to the contrary, even today, a website operated by your office, [TexasTomorrowFunds.org](http://TexasTomorrowFunds.org), still proclaims "Plan benefits are protected by a constitutional guarantee from the State of Texas." As you know, that guarantee was authorized by voters overwhelmingly in 1997. As recently as last March, a spokesman for your office told the Wichita Falls Times Record, "It's guaranteed by the state. Parents don't need to worry about it at all."

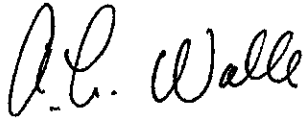
One problem faced by the Fund is the large increase in the cost of tuition since tuition was deregulated. The Texas Tomorrow Fund was specifically promoted as a way to let families protect themselves from rising tuition costs. If the Board feels it can simply decide not to honor its commitments, why should any parent believe that the Board will not also eliminate the guarantee that the Fund will cover tuition increases?

We urge the Board to immediately reconsider its action, and to assure Texans that they can have faith in the security of their investments in state funds.

Sincerely,



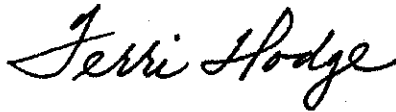
Representative Scott Hochberg



Representative Armando Walle




Representative Abel Herrero



Representative Terri Hodge



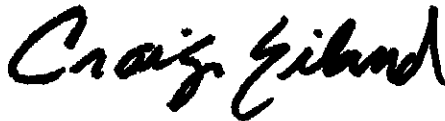
Representative Joe Farias



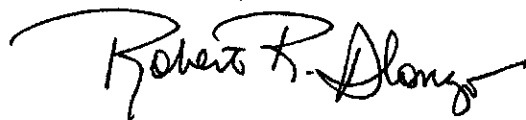
Representative Sylvester Turner



Representative Ellen Cohen



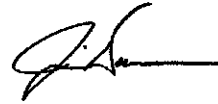
Representative Craig Eiland



Representative Roberto Alonzo




Representative Richard Peña Raymond



Representative Jim Dunnam



Representative Michael Villarreal



Representative Veronica Gonzales



Representative Elliott Naishtat



Representative Allen Vaught



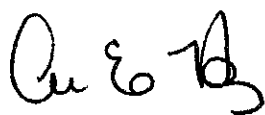
Representative Kristi Thibaut



Representative Tracy O. King



Representative Lon Burnam



Representative Ana E. Hernandez



Representative Ruth Jones McClendon



Representative Dawnna Dukes



Representative Mark Homer



Representative Donna Howard



Representative Solomon Ortiz, Jr



Representative Hubert Vo



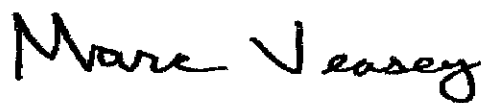
Representative Ryan Guillen



Representative Chris Turner



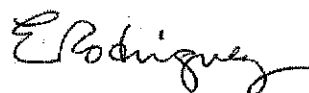
Representative Jessica Farrar



Representative Marc Veasey



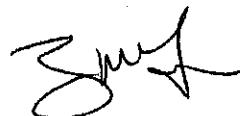
Representative Paula Pierson



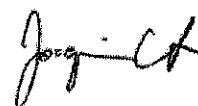
Representative Eddie Rodriguez



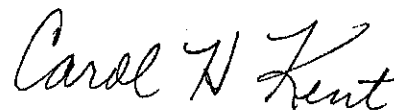
Representative Kino Flores



Representative Trey Martinez Fischer



Representative Joaquin Castro



Representative Carol Kent



Representative Dora Olivo



Representative Garnet Coleman



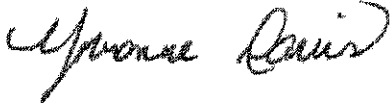
Representative Carol Alvarado



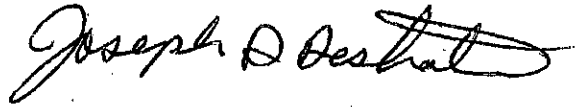
Representative Alma Allen



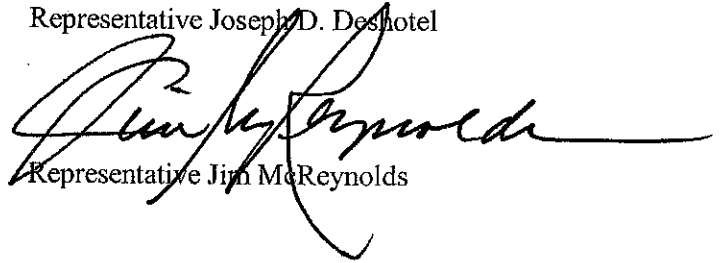
Representative Tara Rios Ybarra



Representative Yvonne Davis



Representative Joseph D. Deshotel



Representative Jim McReynolds