

Strayhorn newsletters raise eyebrows

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By LEE MCGUIRE / KVUE News

There were new questions Tuesday in the race for governor. Is Comptroller Carole Keeton Strayhorn using taxpayer dollars in her run against incumbent Governor Rick Perry?

Campaign watchdog groups are concerned about a series of newsletters, mailed from the comptroller's state office, at taxpayer expense, that include letters from Strayhorn that are critical of Governor Perry.

Strayhorn launched her gubernatorial campaign in June. Since then, the outspoken critic of Governor Perry has gone virtually silent.

But now some newsletters sent by her state office are raising some eyebrows: the "Texas Innovator" and "Fiscal Notes" are mailed free to subscribers every two months. Since September, each has contained a commentary from Strayhorn that's critical of Governor Perry.

In one, she urges him to use a special session to send \$200 million from the Texas Enterprise Fund to help victims of Hurricane Katrina. In another, she criticizes Perry for not calling a special session, then proposes sending a billion dollars in tax relief to property owners.

Tom Smith runs "Public Citizen," a political watchdog group.

"I think it strays over the line and into a campaign piece," he said. "If you're an elected official you have to be very careful not to use state funds and the state office to promote your candidacy, and that's what it looks like is going on here.

A Perry spokesman says the newsletters cross way over the line.

"Carole Strayhorn is running her political campaign out of her state office. That's unethical and it's illegal," said Robert Black, with Perry's campaign.

Strayhorn herself was not available for comment, but Deputy Comptroller Billy Hamilton says the comptroller's remarks were clearly labeled as commentary -- and dealt with financial issues -- exactly what the newsletters, and the comptroller's office, are for.

"When you have a significant surplus, which I think is one of the issues you're talking about, that that is a significant fiscal issue. It's not a political issue. It's something the state government should do," Hamilton said.

This year the comptroller's office spent \$279,668 printing and mailing those newsletters. All of that money came out of the state agency's budget.

<http://www.kvue.com/news/local/stories/121305kvueStrayhorn-cb.7bd6276.html>

From the Comptroller's Desk

Solutions, Not Smoke and Mirrors

Texans have got to have significant, long-term cuts in skyrocketing local property taxes, not a "smoke and mirrors patch."

Supervision and management of all the state's fiscal concerns is a primary duty of the Comptroller. As the state's chief fiscal officer, it is my responsibility to tell the people of Texas the truth. The tax increase plan proposed and imposed by our Governor is fiscally irresponsible. It includes an unconstitutional income tax on partnerships and unincorporated associations, it is the largest tax increase in Texas history at a time when we have the largest budget surplus in history and it leaves the largest hot check in Texas history.

The average Texas homeowner will see only a \$52 property tax cut this year under Gov. Perry's plan with most of our senior citizens and Texans with disabilities getting zero dollars in property tax cuts on their bill.

The Governor's plan is a staggering \$23 billion short of the funds needed to pay for the promised property tax cuts over the next five years. There is no economic miracle that will close the gap this plan creates. There are only two ways to close a chasm of that magnitude--future tax increases that are being hidden from Texans now or massive cuts in essential state services.

We need long-term solutions, not a temporary fix! We have the money to address our needs, but we must have the will to make the smart choices for the long term. We can really fix our school finance system, really cut property taxes, rein in government spending, crack down on criminals who abuse our children, and repeal the largest tax increase in Texas history.

In addition to the \$8.2 billion surplus, I have recommended long-term "Strayhorn Solutions" that include an additional \$8 billion in cost savings and new economic revenue generators that include eliminating the Governor's taxpayer-funded Texas Enterprise Fund and Emerging Technology Fund, and his Washington, D.C. lobbying contracts.

Texas taxpayers want common-sense fiscal responsibility, not a plan that bankrupts our children's education and their future. I believe that Texans will not accept a plan that contains massive tax increases and a \$23 billion hot check, while delivering only paltry teacher pay raises, a pittance of property tax relief that will evaporate almost immediately, punts our problems to tomorrow and postpones only temporarily additional court action.

Texas is great, but we can do better.

A handwritten signature in black ink that reads "Carole Keeton Strayhorn".

Carole Keeton Strayhorn
Texas Comptroller

From the Comptroller's Desk

Teachers Underpaid and Underappreciated

Nothing is more important than education. Our state's future tax base and fiscal well-being depend directly on a highly educated work force. When I was first sworn in as Comptroller in 1999, I set 10 principles for this century; the first three were all education-related.

My priorities have not changed. My goal is crystal clear--I want Texas to have the most educated work force in the nation.

Last month I updated my special report, [The Cost of Underpaying Texas Teachers](#), and urged Gov. Perry to add my recommendations for our underpaid and underappreciated Texas teachers to the call for the April 17th special session.

Texas ranks 33rd in these United States in teachers' salaries, down from 26th in 2001. Today, our Texas teachers are being paid 16.6 percent less than teachers nationally. More than 37,000 teachers leave the classroom each year taking their skills to better-paying jobs or simply quitting. Turnover is highest where teacher pay is lowest.

To ensure our state's economic prosperity we must recruit, reward and retain highly qualified and experienced teachers who are fully certified, well-paid and dedicated to a lifelong career with our most precious resource—our children.

To keep the best, most experienced teachers in the classroom, I recommended:

- giving all Texas teachers a \$4,000 across-the-board pay raise now, fully funded by the state, with a competitive automatic pay increase every two years to maintain Texas teachers' salaries at or near the mid-way point in these United States;
- fully restoring the \$1,000 health care supplements to all Texas educators;
- paying \$2,500 bonuses to all teachers at low-performing schools that raise their state accountability rankings from academically unacceptable to acceptable or better;
- providing state-funded stipends for quality teachers mentoring new teachers; and
- bringing educators, financial professionals and representatives from the Teacher Retirement System and Employee Retirement System to the table to examine the disparities between the retirement systems.

My goal is to drive more of every education dollar directly into the classroom with the teachers and the students, where it belongs. The return on our investment: keeping good teachers, fewer low-performing schools, fewer failing students, fewer dropouts and a stronger economy for the state of Texas.

Texas teachers are underpaid and underappreciated. We can and we must do better.



Carole Keeton Strayhorn
Texas Comptroller

From the Comptroller's Desk

Texas Needs to Rethink Its Student Testing

When I was sworn in as Comptroller in 1999, I set 10 principles for this century; the first three were all education related. My priorities have not changed. My goal is crystal clear--I want Texas to have the most educated work force in the nation.

Nothing is more important than education. Our state's future tax base and economic well-being depend directly on a highly educated work force.

I have been meeting with groups of teachers, principals, superintendents and educators from across the state for several years concerning testing. I believe we must fundamentally rethink the way we are using our tests to gauge the quality of education our children are receiving and are retaining.

Educators have shown me calendars where testing is eating away from 45 to as much as 80 days from the instructional calendar each year. According to Texas Education Agency officials, the student assessments contract for 2004-05 with Personal Educational Measurement, which included test processing and scoring for all of the statewide assessment programs, was \$57.5 million.


This does not include the time spent by teachers, administrators and test coordinators at the local level, nor does it include the expenses incurred by TEA for its role in the testing process. The real cost for testing and retesting is conservatively in the \$200 million range.

I believe in accountability, but I also believe we should carefully consider the purpose of the tests to begin with, and the results we are trying to achieve. I know from my own experience, and experts confirm, that you can pass a test by cramming for it the night before, but you probably won't retain much of that information in the long-term.

Today, Texas students cram for the Texas Assessment of Knowledge and Skills (TAKS) tests. Then we test and wonder why Texas students are not performing better on college admission tests nationally (Texas ranks 49th nationally in verbal SAT scores and 46th in average math SAT scores), which require students to draw on retained information.

Texas should flip the TAKS test from the spring to the fall to make it a truly diagnostic test. Teachers will know up front where each child stands academically, and then teachers can spend the rest of the year doing what they do best--teaching--really teaching--so students can really learn and really retain.

I believe that what is most important is not how well any given school district performs compared with another school district, or this school compared with that school, because every district and every school has different demographics, but rather *how each child progresses each year.*



Carole Keeton Strayhorn
Texas Comptroller

From the Comptroller's Desk

Return Surplus to Texas Taxpayers

On August 31, after closing the books on the 2004-05 biennium, I identified \$1.2 billion in unanticipated revenue that came into the state during the last three months of the year, primarily because of accelerated oil and gas severance taxes, increased automobile sales and an overall increase in sales.

Weeks and weeks ago, I urged the governor to call an emergency three-day special session so the Legislature could make an appropriation to the Legislative Budget Board or another appropriate agency so we could draw down money as needed for our storm-damaged communities in Southeast Texas and other communities across our state providing generous and gracious help.

If the federal government eventually reimburses us, great; if not, Texas should not wait, nor waiver in stepping up to the plate to take care of our own.

More than 412,000 evacuees came to Texas, and we opened more than 200 shelters in 42 counties. More than 46,000 evacuee children are enrolled in our already stretched Texas schools--and that will mean more than \$345 million in additional state funding to educate these children.

We should also prioritize already appropriated and available funds now. There is more than \$200 million remaining in the Texas Enterprise Fund that could be immediately used to rebuild our local economies.

A three-day special session would cost no more than \$168,000.

But the governor says the feds will take care of us.

Since the governor refuses to call a special session for our Texas providers, I believe this unanticipated surplus money needs to be returned to its rightful owner--Texas taxpayers.

Last month, homeowners began getting their property tax statements. These Texans are hardest hit by skyrocketing local property taxes that are picking up 62 percent of the cost of educating our children.

I have run the numbers. Every Texas homeowner could get back a \$260 check now, which is an 11.3 percent reduction for the average property tax payment for homeowners. The refund checks would jump to \$307 per homeowner, a 13.4 percent reduction, if the more than \$200 million currently in the Texas Enterprise Fund were added to the \$1.2 billion.

Return the favor--return the check.



Carole Keeton Strayhorn
Texas Comptroller

Fiscal Notes

[Fiscal Notes](#)
[September/October 2005](#)

From the Comptroller's Desk

We Need to Act

In the aftermath of Hurricane Rita, I was called by school superintendents, mayors, city managers, county judges and citizens pleading for help in the storm-stricken areas of southeast Texas.

At the end of fiscal year 2005 I identified \$1.2 billion in surplus revenue that we could draw down to help Texas in this emergency without raising taxes, but these dollars must be appropriated before a penny can be spent. I urged the governor to call an emergency three-day special session so the Legislature could make an appropriation to the Legislative Budget Board, or another appropriate agency so we could draw down money as needed for our storm-damaged communities in southeast Texas and other communities providing generous and gracious help to our citizens. If the federal government eventually fully reimburses us, great; if not, Texas should not wait, nor waiver, in stepping up to the plate to take care of our own.

Immediately after Hurricane Rita ravaged southeast Texas I traveled to Beaumont and witnessed firsthand the devastation in Jefferson County. I personally heard the pleas from city and county officials for generators needed to get area hospitals operating again and to help feed residents who were returning with nothing to homes that had been damaged. Those communities and their residents, like other communities across southeast Texas, needed more generators, fuel, food, water and ice. Many said they have had to wait too long for relief.

I received a call from a mayor who said he had no city hall from which to work, and he could not make his city's payroll for those who were working overtime. This is just one example of how the \$1.2 billion in available funds could be used to help our Texas communities now.

And we will continue to need to provide additional education, health and security in our communities that have welcomed Hurricane Katrina evacuees. More than 395,000 evacuees came to Texas, and we opened more than 200 shelters in 42 counties. More than 41,000 evacuee children are enrolled in our Texas schools--and that will climb to an estimated 60,000 school-age evacuees, which will mean \$450 million in additional state funding to educate these children.

While we can count on the federal government to do what it can in Texas, the feds are not going to hire more police and they are not going to hire more teachers to educate the thousands of new children enrolling in our already stretched local schools.

Furthermore, we must prioritize already appropriated and available funds now. There is more than \$200 million remaining in the Governor's Texas Enterprise Fund that could be used immediately to rebuild our local economies.

A three-day emergency special session would cost Texans no more than \$168,000. We have the need. We have the cash. We need to act now to provide relief to our Texas communities.

As the state's chief fiscal officer, I am committed to doing whatever it takes to provide relief for the many Texas communities that were affected by Hurricane Rita and the communities that opened up their hearts, their wallets, their shelters and their homes for the victims of Hurricanes Katrina and Rita. The outpouring of generosity and support from people all over our state make me proud to be a Texan.



Carole Keeton Strayhorn
Texas Comptroller