



February 12, 2010

The Honorable David Dewhurst
Lt. Governor's Office
P.O. Box 12068
Austin, Texas 78711

Dear Lt. Governor Dewhurst:

Your January 15, 2010, joint letter with the Governor and Speaker of the House, requested that all state agencies submit a plan to identify savings and expenditure reductions totaling five percent of the general revenue and general revenue-dedicated appropriations for the 2010 – 2011 biennium.

I would like to inform you that the Texas Department of Transportation (TxDOT) not only has met this goal but has exceeded reductions targeted to this agency. As such I would ask that you consider TxDOT's submission in response to your request to not only address the responsibilities you place on us on this matter but that the amounts reduced by TxDOT count toward the required reductions of our new sister agency—the Texas Department of Motor Vehicles (TxDMV).

In summary, TxDOT's plan recommends reducing our General Obligation Debt Service Strategy (F.1.1 General Obligation Bonds) by \$20,000,000. Please note the biennial general and general revenue-dedicated target amount for TxDOT as provided by the LBB was just under \$1,000,000. However, based on current projections we believe we can safely reduce this appropriation by \$20,000,000. The amount we are returning is over twenty times that which was asked of us. We have submitted our proposal per the instructions provided by Legislative Budget Board (LBB; see attached).

The targeted amount for TxDMV was approximately \$1,600,000. Even modest reductions in the amounts appropriated to TxDMV as a startup agency may have some affect on the delivery of services and raise safety concerns. Again, I would ask that, in this one instance, because TxDOT's reductions in general revenue far exceeded what was asked of us, that the requirements placed on TxDMV to reduce their general revenue expenditures be substituted with, and coupled with, our reductions at this time.

We appreciate and support the desire to curb costs and work towards a more balanced state budget sooner rather than later. If you have any questions or need additional information please contact our Chief Financial Officer, James M. Bass at (512) 305-9507.

Sincerely,

A handwritten signature in black ink that reads "Amadeo Saenz Jr." with a stylized flourish at the end.

Amadeo Saenz, Jr., P.E.
Executive Director

Attachment

cc: Governor Rick Perry
Speaker Joe Straus, Texas House of Representatives
Mary Katherine Stout, Director of Budget, Planning and Policy, Governor's Office
John O'Brien, Director, Legislative Budget Board
Texas Transportation Commission
James Bass, Chief Financial Officer, TxDOT
Victor Vandergriff, Chair, TxDMV Board
Ed Serna, Executive Director, TxDMV