



The Senate of The State of Texas

COMMITTEES
Education
International Relations & Trade
Transportation & Homeland Security
Veteran Affairs & Military Installations

SENATOR WENDY R DAVIS
District 10

CHANCELLOR/PRESIDENT'S
OFFICE
11 JAN 10 PM 2:57

December 13, 2010

Renu Khator Ph.D.
Chancellor/President, University of Houston System Administration
Cullen Bldg. Room 212 E
4800 Calhoun Road
Houston, TX 77204-2162

Dear Chancellor/President,

As you proceed in addressing your agency's response to the current funding shortfalls faced by the State of Texas, we write to ask that you approach that response from a particular policy perspective. We know that you do not engage in the decisions and recommendations that you are asked to make in a manner that is void of sensitivity. Cuts to current state funding will have catastrophic impacts on hard-working Texas families, including some of our state's most vulnerable.

In the past several months, you have been asked to meet a tremendous challenge. Our Governor, Lieutenant Governor, and Speaker have asked that you cut your fiscal year 2010-2011 budgets by 5 percent and that you propose cuts to the 2012-2013 funding cycle by another 10 percent. Most recently, you were asked to cut current and 2011 funding by 2.5 percent. The mandate, as it has been communicated thus far, is that you make across-the-board cuts in order to address the state's fiscal crisis.

The task you have been asked to complete is a monumental one. As you approach it, we would ask that you make your recommendations with the following considerations in mind:

- 1) Clearly, not every dollar is equal. Some state dollars leverage the draw-down of outside matching funds. It is important that you consider the impact of making cuts where those leveraging opportunities would be lost. To the extent that any of your recommendations do include an impact on the ability to draw down outside matching resources, we would ask that you make specific note of that.
- 2) Provide consideration to the notable phrase, "penny-wise and pound foolish." A dollar saved in one area of your existing budget may create a burden elsewhere, whether in your own agency, within another state agency or even within another area of government entirely, such as municipalities, counties and school districts. As you make recommendations regarding budget cuts, please provide information regarding the potential of increased costs that might be borne elsewhere as a consequence.
- 3) Consider impacts that your recommendations might have to the collective community of Texas. Be mindful of the legitimate purpose your agency currently serves and make recommendations that preserve that purpose to the extent possible. Recognize that the recommendations that you provide us will affect everyday citizens in this state, whether it is seniors living in long-term care facilities, families striving to afford college tuition for their

P.O. Box 12068
Austin, Texas 78711
(512) 463-0110
FAX: (512) 475-3745
Dial 711 For Relay Calls

2421 W. 7th, Suite 131, Building A
Fort Worth, Texas 76107
(817) 332-3338
FAX: (817) 332-1230

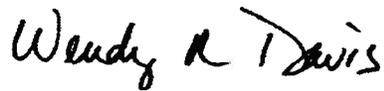
E-Mail: wendy.davis@senate.state.tx.us

children, teachers who rely upon us to give them the resources to do their job, or children relying on us to protect them from abuse.

Certainly no private business would propose budget cuts in a vacuum. Rather than across the board cuts, considerations would be given toward realizing the mission of that business. The State of Texas owes no less to its citizens.

We invite you to exercise your considered judgment and to make proposals that reflect your experienced perspective. Consider your part of a larger mission, your piece of a larger cog. Through benefit of your experience, it is our hope that any cost-cutting proposals that you advance will maximize our ability to keep Texas competitive in the global economy through a healthy educated workforce, will function to protect the pockets of hard-working Texas families, and will avoid catastrophic cuts to our state's most vulnerable.

Sincerely,



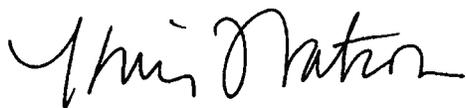
Senator Wendy Davis - District 10



Senator Rodney Ellis - District 13



Senator Carlos Uresti - District 19



Senator Kirk Watson - District 14

cc: All Texas agency department heads