

October 13, 2008

Dear State Agency Leader:

Given the current financial turmoil facing our country, I want to take this opportunity to let you know that the Texas economy continues to be one of the strongest in our nation. It was no accident that got us where we are today: a multi-billion dollar budget surplus, an unemployment rate more than a full percentage point lower than the national average, and an environment in which we are still creating jobs. It took a lot of hard work by the Texas Legislature and your agencies to develop fiscally responsible policies that have limited spending and growth of state government. Without those difficult decisions, we could well be facing the same kinds of deficits that have other states on the brink of bankruptcy.

The decisions we made starting back in 2003 were not easy, but now is not the time to rest on our laurels and grow lax in our spending policies. While we are in much better financial shape than other states, the economic turmoil that has gripped our nation will eventually have an effect on Texas. As stewards of public dollars, we must remain fiscally responsible and continue to put taxpayers first by finding ways to curtail state spending. That's why today, I am directing all executive branch state agencies to take immediate steps to prepare for a slowing economy by curtailing taxpayer-funded travel and looking for other opportunities to rein in expenditures within your agencies. Just as families across America and throughout Texas are tightening their belts, we in state government must do the same.

Within the next 10 days, please notify my office in writing of your plans to reduce travel in your agencies. Please send your letters to Mary Katherine Stout, director of Budget, Planning and Policy in my office. In the very near future, I also will be asking many of you to visit with me and my staff to discuss the specific steps you will take to curtail travel, re-examine spending and implement other cost-saving measures for the remainder of this fiscal year.

Given the uncertainties of our nation's financial difficulties, I also urge each of you to re-examine your Legislative Appropriations Requests for the 2010-11 biennium so that you are prepared to continue to put taxpayers first should economic circumstances worsen.

If you have any questions, please do not hesitate to contact my office and visit with the policy advisor assigned to your agency.

Again, I thank you for all you have done, and I look forward to working with you as we continue to make Texas the most vibrant state in the nation.

Sincerely,

Rick Perry