



SENATOR JANE NELSON

May 8, 2020

Senator Hall,

Thank you for your letter and for your confidence in my leadership in writing our upcoming budget.

You are correct that we will be facing significant budget shortfalls. While I am getting daily updates from LBB, the Comptroller's office, TDEM, TWC, DSHS, HHSC, TEA, and other state agencies, we will have a much clearer picture when the Comptroller updates his Certification Revenue Estimate in July.

In the meantime, both state and local governments should assume that we need to be "tightening our belts." It is both reasonable and necessary for agencies to reduce their FY 20-21 spending - and to start immediately.

The across-the-board reductions you suggest are not a call that can be made by the finance chair. In the past, we have not only had those, but also hiring freezes and other actions to curb agency costs.

I absolutely remember the 2003 Governor's budget with all zeros. And I remember the approach the House and Senate budget writers took in both 2003 and 2011 when we had to make serious reductions in state spending.

When I was appointed chair of the Senate Finance Committee, I immediately put all agencies on notice that - when coming before our committee - they should not expect their budgets to start with current spending levels. The upcoming session will be the fourth consecutive time our agencies, on a rotating basis, will undergo a strategic fiscal review, Texas' form of zero-based-budgeting.

Because of the challenges we will be facing in the upcoming budget cycle, I plan to take that a step further. As I meet with each agency to review their appropriation requests, I will begin at ZERO. We will add restricted appropriations to that amount, and then examine each and every request before adding it to our base bill that I will file during session. The bill I file will adhere to both constitutional spending limits, as well as my depression-era parents' philosophy of "If you don't have it, you shouldn't spend it."

Fortunately, Texas is in a much stronger position than other states to meet the challenges ahead. I appreciate your prayers for strength and wisdom. I pray for the same. Thank you for all you do for your constituents and for Texas.

Very truly yours,

A handwritten signature in black ink that reads "Jane Nelson".

Senator Jane Nelson

CC: Governor Greg Abbott
Lieutenant Governor Dan Patrick
Speaker of the House Dennis Bonnen
Senator Paul Bettencourt