



## STATE OF TEXAS

February 28, 2008

The Honorable Hope Andrade  
Chairwoman  
Texas Department of Transportation  
125 East 11th Street  
Austin, Texas 78701

Dear Chairwoman Andrade:

Thank you for your participation in the joint hearing of the Texas Senate Finance and Senate Transportation and Homeland Security Committees and for your willingness to work with the Legislature with respect to the immediate and long-term transportation funding issues.

The hearing made it clear that you have the ability to address the short-term problem by issuing additional Proposition 14 bonds in order to reinstate the delayed projects. It is our understanding that you have been hesitant to issue these bonds because it would obligate additional Fund 6 revenues for debt service at the expense of other Fund 6 responsibilities. We took the first step to address this concern by appropriating \$300 million of General Revenue in the current General Appropriations Act to offset the cost of debt service, and Comptroller Susan Combs certified that this revenue is available to you. We suggest using the additional appropriation to repay short-term borrowing or to pay outstanding Proposition 14 bonds.


We are committed to work with you to redirect Fund 6 revenues currently being spent by other state agencies in an amount at least sufficient to cover the cost of debt service on an additional \$1.5 billion of Proposition 14 bonds in next biennium's base budget bill to be introduced in January 2009. Prior to issuing these additional bonds, we ask that you visit with us and detail how these funds will be used to move ahead on previously delayed contracts.

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This action will allow transportation construction to return to reasonable levels in the short-term, but this is just the beginning of the conversation. We are also eager to see what helpful information the State Auditor is able to discover and then to work with you to develop a long-term strategy to address the transportation needs of this great State.

Sincerely,

  
Lieutenant Governor David Dewhurst

  
Speaker Tom Craddick

  
Chairman Steve Ogden

  
Chairman Warren Chisum

cc: Governor Rick Perry  
Members of the Texas Legislature  
Members of the Texas Transportation Commission