Gov. Rick Perry's Remarks To The State Policy Network

*Note - Gov. Perry frequently departs from prepared remarks.

Thursday, October 21, 2004

Thank you Brooke. Brooke Rollins is doing a great job, as a new mother, and as president of the Texas Public Policy Foundation, a powerful advocate for conservative governance that is helping shape our public discourse and impacting state policy in a tremendous way. For two years, Brooke brought wisdom and insight to my administration as deputy general counsel and director of policy, and my loss was truly all of Texas’ gain.

It is an honor to be with so many men and women whose brainpower provides the fuel for the free market movement, and whose ideas are changing America for the better. To those of you who have traveled great distances to be here, I want to welcome you to Texas. And to those of you specifically from Massachusetts, I want you to know that we have doctors on hand today in case you collapse from culture shock.

I’m sure you’re used to hearing a great deal of talk about fiscally sound, pro-free market policies from your junior senator, John Forbes Kerry, the liberal senator from Massachusetts. Here in Texas we back up our words with action, and we don’t vote against things we say we are for. I grew up on a cotton farm and ranch in West Texas, and though I’ve been in public service for about 20 years, I’ve always looked at growing the economy the same way a farmer looks at growing crops. If you make sure the soil is rich for job creation and keep pests like high taxes and unreasonable regulations at bay, most of the time you’re going to get a pretty good yield. It’s the same simple and proven philosophy that President Bush has carried to the nation with three tax cuts and policies that have helped unleash the ingenuity of the private sector, helped create nearly 2 million jobs, and helped raise homeownership levels to an all time high.

Texas is the proving ground for conservative ideas and action, and we are proving that they work. Today I want to talk to you about some of the ways we are putting our ideas into action, with the hope that you will be able to share our record of accomplishment with lawmakers in your own state and replicate our success.

In the late 1990’s, most states were enjoying a time of plenty. Budget surpluses were common, and it was easy to make a lot of folks happy because government was awash in tax revenue. But the bubble burst. And America was attacked. And it became real hard to keep taxes low and still spend enough to please the liberal elites when the economy slowed down three years ago. And a lot of self-examination happened in state capitals across this nation, or as they say in the locker room before the big game: it was gut-check time. And we found out who really believed in fiscal discipline, who would keep their word to taxpayers in the face of the vitriol and venom of the left. Like other
states, Texas had to make some tough decisions. We could have asked families and employers to pay more so government didn't have to go with less. But we chose a different path, the path to fiscal responsibility.

In Texas, we kept our word, bridging a $10 billion budget gap without raising taxes. We spent less in general revenue for the first time since World War II. We built our budget from the ground up, starting from zero, and reexamining every tax dollar we spent. And we did all this while still funding priorities, including $1.2 billion more for education, and a billion dollars more for healthcare. Some of my friends in the other party and on editorial boards were clamoring for a personal income tax. I say passing a personal income tax is the smartest thing Texas has never done. Tax hikes that kill jobs also kill the tax revenue that fund schools and other priorities. It is simple economics 101 summed up by an old saying: “don't bite the hand that feeds you.” And it is families and homeowners and small business that feed opportunity and growth in Texas.

Our fiscal discipline is paying huge dividends for the people of this state. Texas is helping lead the national economic recovery in part because we resisted the knee-jerk reaction to raise taxes in tough budgetary times. Over the past 12 months, Texas has gained 123,700 net new jobs. Last year, we attracted nine of the 20 largest capital investments in the nation, including a new Toyota plant in San Antonio, and a $3 billion expansion by Texas Instruments. This year we welcomed the largest job expansion nationwide in the first quarter when Vought Aircraft announced it would consolidate operations and bring 3,000 additional jobs to North Texas.

We recently surpassed California to become the leading exporting state in the nation. We export $42 billion in goods and services to Mexico alone, with 12 separate industries in Texas exporting more than $1 billion in products and services to Mexico. In the first quarter of this year, exports were up 22 percent to Mexico, and even higher to nations in Asia and Europe.

We also established one of the most aggressive job creation funds in the nation, the $295 million Texas Enterprise Fund, which has helped us secure growth in fields like information technology and biotechnology. So far, the Enterprise Fund has helped us close deals that will create over 14,000 new jobs and pump almost $6 billion into our economy.

We did something else that was critical to creating jobs. We freed employers from much of the cost of defending against a frivolous lawsuit with the most sweeping legal reforms in the nation. We lowered the incentive for lawyers to play the medical lawsuit lottery by capping non-economic damages at $250,000. We passed class action reforms, including ending the scam where the lawyers receive a monetary payment while the clients receive payment in coupons. From now on in Texas, if the clients get paid in coupons, the lawyers do too! We passed a new offer-of-settlement law. If a party refuses a settlement offer, and receives significantly less from a jury than what was offered at settlement, they will pay the other side’s legal fees and costs from the date of their refusal. This reform will help unclog our court dockets, leaving valuable court time for cases with true merit. One respected economist estimated that our lawsuit reform measures will eventually lead to the creation of more than 240,000 permanent jobs and add $36 billion to the Texas economy.

In Texas, we are proving that the right combination of fiscal responsibility, incentives and lawsuit reforms is the best recipe for economic growth.

As a conservative, I believe there is not only a limited role for government, but also a legitimate role for government. And one of government’s chief priorities must be to ensure that every child has access to a quality education. Education is the key to a lifetime filled with opportunity and the long-term stability of our economy. That’s why Texas has increased funding for public education by more than $7 billion over the past five years, raised standards and improved accountability. And we have witnessed remarkable improvement on state assessment tests among children.
of all backgrounds. But regardless of how much a state spends on education, the call among the special interests is always “more money for education.”

As a conservative, I can support more money for education, as long as we get more education for our money. Funding failure or mediocrity the same as success provides an incentive for schools to fail, or be mediocre. That’s why we must refocus our sights in education, and reward schools, teachers and students that perform. For a long time success in education has been measured by the number of students that meet minimum standards. It is time to measure success based on the number of students that excel. Wise investments in public education will bear fruit for many decades.

At the same time, as conservatives we must demand on behalf of parents and students that money is tied to results. We need to fight for greater financial accountability in education on behalf of taxpayers. Taxpayers want clear data on how schools use their dollars, not something written in bureaucratic code. I believe if taxpayers are going to foot the bill, they ought to be able to look at every item on the receipt. Taxpayers also deserve to know if school districts are using tax dollars directly, or indirectly, to retain high-priced lobby and PR firms to extract higher taxes from them, the people picking up the tab.

There are a lot of schools doing a great job. Anita and I chose to send our two children to public schools, and I am a product of public education. I believe in public education, and as a conservative believe it is worthy of wise investments. Those in public education who say “trust us” with more of your money without requiring better results may have the best of intentions, but that doesn’t mean they have the best plan to get the job done. To quote Ronald Reagan, we should “trust, but verify.”

Accountability in education is the key to success in education. We must verify results, not merely trust the education establishment. We must verify whether dollars make it to the classroom, not just trust they won’t be used for increased administration. We must verify that children are learning by testing them, not simply trust they will be ready for college or ready for work.

As conservatives, we recognize the value of good public schools, public infrastructure that meets the demands of growth, and safe, healthy and clean communities. Where government has a role to play, our contribution must be in ensuring government does the best job possible, and does so responsibly.

After 20 years in Austin, I have learned that fiscal discipline is an ongoing battle in a war that never ends. And I am encouraged to know that so many of you are laboring alongside me. We gather here today, many of us, as heirs to the Reagan Revolution of limited government and unlimited opportunity. May our vow today be to continue the cause and not let its light dim on our watch, and may your work continue to make the American dream available to all who seek to live it.

Thank you, and God bless you.

I would be happy to field a few questions from members of the audience.