Gov. Rick Perry's Remarks to the National Federation of Independent Business

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

Tuesday, March 06, 2007

Thank you. It is an honor to speak to the men and women who make this state what it is, a place of limitless possibilities and opportunities. Someone once asked me if it takes courage to be governor. I said to them, “Don’t misunderstand me, because it is a difficult job, but what takes courage is starting your own business and not knowing if a paycheck will be waiting at the end of the month. It takes courage to not just dream about an idea, but to run with it and risk capital for it. It takes courage to step out there and not only know that your own paycheck is dependent on the success of your own efforts, but so are the paychecks of the people you hire.”

Speaking of courage, President Andrew Jackson once remarked, “One man with courage makes a majority.” So in that sense, it is good to be here today with men and women who are the silent majority. You work hard, pay taxes, invest in your communities, create jobs, build the economy, and in your spare time, find five hours a night to sleep. I appreciate your labor, in part because I know what it is like to sign not just the back side of a paycheck but the front side too. And I think Austin can find no better example of how to run government than to look to small business. First, you never create a bunch of spending obligations that future revenues will never meet. Second, in years of great prosperity and surplus revenues, you make investments you can afford in the future and that will pay dividends down the road. In other words, your growth is sustainable. And third, you always put the customers first.

The debates we have in Austin are not about the necessary existence of government, but the necessary existence of every government program. Ronald Reagan once said, “There is nothing so permanent as a temporary government program.” I took a stand earlier this year and said we need to put a stop to over a half billion dollars in higher education spending earmarks. Based on the reaction in the crowd you would have thought I had said that every man must marry his mother-in-law. That’s not to say that every dollar earmarked was a waste. The McDonald Observatory in the University Texas System is a great scientific investment and should be funded. My point is that if a project is worthwhile, it ought to be funded through the normal funding formulas and not through some special fund that has no standards of accountability and mysteriously grows $60 million every biennium. And here is my point about higher education: It’s fine to fund buildings and programs, but ultimately, this is not about what buildings we create – it’s about the students we educate.
And I had proposed using hundreds of millions of dollars once dedicated to earmarks to be used instead for financial aid. I want children of every background to be able to get the best education possible, even if it isn’t from Texas A&M. We live in an interdependent world, and our children wake up every day facing a global competition. If that’s not enough stress, they have to worry about what clothes to wear, what music to play and who to vote for each week on American Idol. A college degree is their ticket to opportunity, their gateway to a world of limitless possibilities. We must make the right investments in the classroom; tie new funding to institutional performance; and increase financial aid by 60 percent if we are to produce the workforce of the future.

And not only should we spend wisely in higher education, we must spend wisely in every aspect of government. And sometimes the best way to ensure government spends wisely is to give you the money back in the form of tax cuts before they ever spend it at all. Last year we passed a record school property tax cut and your tax bill last year only reflected a portion of what is to come. Starting this fall, school taxes will be close to 33 percent less than they were two years ago. But for tax relief to be real, Texans not only deserve rate relief, they deserve appraisal relief too. The centerpiece of my appraisal reform plan allows local government to spend all the money they want, just as long as voters approve first. If they propose a spending increase of more than five percent, the people get to decide. Some have said this violates the philosophy of local control. Let me say two things about that kind of pabulum. First, letting the people vote on an issue is the ultimate form of local control. Second, while conservatives espouse the value of local control, they espouse an even greater value – it’s called tax control. And we’re not just talking the talk.

I have proposed a spending limit for state government that doesn’t exceed the population growth and inflation of the six previous years. This year that amounts to less than five percent a year. And there is only one exception to that limit, one item excluded from that calculation, and that is $14 billion in school property tax relief. And here is why: Cutting taxes isn’t additional form of spending; it’s what protects you against additional spending. On top of that, I have proposed that this legislature give you another $2.5 billion in tax relief as part of my budget, while leaving money set aside in the state rainy day fund recognizing that today’s rate of revenue growth cannot be sustained forever.

As I mentioned before, we must fund sustainable growth. That means investing in things that will yield long-term dividends like education and health insurance without spending so much that future legislatures must pass a tax increase. And when government does spend your money, it must do so with transparency and honesty. When times were tight and our budget was in deficit, we passed budgets that contained accounting sleights of hand, such as payment delays, where the final month’s payment to the Texas Education Agency was pushed back a day into the next budget cycle. But with a record surplus, I believe it is time to get right with the people, end the payment delays and most importantly, stop the practice where a fee is collected for one purpose and spent for something else. This practice has damaged a vibrant parks system and robbed our level one trauma centers of vital funds. From now on, I say spend fee revenue for the purpose it was raised or give the money back.

Some are saying we can’t pay for property tax cuts, fund investments in higher education and healthcare, end the accounting gimmicks and leave enough money for future sessions. To that I say simply this: “Sure you can, I have already submitted a budget that does it.” But I learned a long time ago that a governor cannot stand alone in the fight for responsible spending, it takes the people standing by his side. So let me leave you with a little analogy so you can explain things to your friends back home, and they can join you in talking to the folks...
spending the money in Austin. Robbing tomorrow in order to spend more today is a lot like that character Wimpy from the TV show Popeye. Wimpy loved to say, "I'll gladly pay you Tuesday for a hamburger today." My friends, it is time to end the era of Wimpy budgeting. Let's invest in priorities, let's cut taxes, and let's control spending. Thank you, and God bless Texas.