Thank you for joining me today. With the conclusion of the 80th regular session, I wanted to take time to offer my thoughts to the people of Texas about what has transpired these past 140 days. This session was like watching an old Clint Eastwood movie—it was a session of the good, the bad, and the ugly. The good that was done includes the financing of the record school property tax cut of 2006, the creation of a cancer research fund, funding for a health opportunity pool that will help more Texans buy private health insurance, a large increase in college financial aid, a new incentive program to meet higher education goals, and $100 million dedicated to border security. We can say as a result of this session that the border will be more secure, healthcare will be better funded, college will be more accessible, and school property tax rates will continue to drop.

But if Texans have a bad taste in their mouth from this session, I can’t say that I blame them, not because progress wasn’t made, but in large part because there was way too much acrimony. I had hoped that with a strong economy and a record budget surplus that we would see greater unity this session. Instead we saw continued discord. I am glad legislators are leaving town so there is time to heal wounds. And I hope when they return, they will view each other not as rivals but as colleagues. Unless that happens, good ideas will continue to go ignored because personalities take precedence over good policy.

I am also disappointed that not one cent of more than $7 billion unspent this session was dedicated to additional tax relief beyond the property tax relief of 2006 funded in this budget. And if refusing to grant greater tax relief in the face of a record surplus can be called bad, then the budgetary shell games and the lack of taxpayer protections passed this session can only be called ugly. Let me make a clear distinction: many of the investments made in this budget were outstanding. Legislators did a very good job of funding our diverse health care needs, our schools and an assortment of priorities important to the people of Texas. Generally speaking, it’s not the investments made in the budget that concern me, it is the charades, accounting sleights of hand and budgetary wizardry that gives me pause, especially with the state awash in revenue.

This budget mislabels more than $2 billion in education spending as property tax relief, continues to erode a governor’s constitutional line-item veto authority, and relies on flawed fiscal notes that hide real costs that will be realized down the road but that are not admitted up front. Higher education incentive proposals that had been publicly debated for months received less funding than special-item earmarks: the higher education pork proposals that were never debated and added to the budget in many cases in the final week of the session. I am also disappointed that
neither house ever voted on a tax revenue limit that can help ensure property tax rate relief is not swallowed up by skyrocketing appraisals. And neither house ever voted on a tougher spending cap than the current limit, which is not a limit at all.

I want to reiterate: I think legislators made a number of investments that will improve healthcare, education and border security. My quarrel is not with where the dollars flow, but the lack of transparency, accountability and budgetary honesty involved in how they are allocated. That being said, important investments have been made that legislators can proudly proclaim. More money will go to local law enforcement agencies that are on the front lines of the fight against drug cartels, smuggling groups and other criminal enterprises. There is renewed hope that not only will more Texans get health insurance, but a good many will do so because of a more vibrant private insurance market. And we may well look back at this session as the lynchpin in the fight against cancer, with investments that could one day lead to a cure and new hope for the victims of this terrible disease. Furthermore, we have begun to reform higher education funding so that our schools have new incentives to achieve excellence while continuing to invest in high standards in our public school classrooms.

So today I am both disappointed about unfinished business and optimistic about the future, especially if political differences are set aside the next time we assemble in Austin. The unfinished business is additional tax relief, true budget and spending reform, and appraisal relief. In other words, reforms that are important to the taxpayers that fund government. Legislators of both parties have worked hard. They came here with high hopes and made some important investments in Texas. Now I hope they will fix their eyes on the unfinished business of the people as we move forward. Thank you. I would be happy to take questions from members of the media.