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# Standing firm

Nearly 100 days into his first full term, Gov. Perry is sticking to his 'no new taxes' pledge.

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**A**USTIN — One breezy day last week, Gov. Rick Perry stood before the Governor's Mansion with leaders of conservative and business groups, driving home his commitment to stand firm against new taxes.

Only days before — on Good Friday with Perry already gone for Easter — people with disabilities lined up their wheelchairs at the Mansion's closed back gate. They were protesting proposed service cuts moving steadily through the Legislature in the wake of the no-new-taxes stand by Perry and other leaders.

The scenes could be from the gubernatorial equivalent of an action movie. He's a man with a mandate, and he's not afraid to use it.

"Does it mean making some hard decisions? Yes. Does it mean making some reductions in programs ... that are worthwhile? Yes. Does it mean making some reductions in programs that I care about? Yes," Perry said.

"But do the people of the state of Texas expect us to make those types of decisions? Yes."

As Perry approaches the 100-day mark of his first full term, reviews of his performance hinge on opinions of the GOP governor's leadership style and exactly how much of a mandate he earned in his runaway November victory.

Those giving a thumbs-up say Perry is carrying out his campaign pledges, crediting him with an important part in House passage of a "no-new-taxes budget" and civil lawsuit reform.

They laud his commitment to economic development, with several San Antonio lawmakers saying he helped Bexar County lure a Toyota plant.

Critics say Perry hasn't looked out for the state's vulnerable citizens in adjusting to an ever-worsening budget shortfall, and that he's focused on some promises while neglecting others. And some of the same lawmakers backing him on job creation are concerned over budget cuts.

Besides health services, the House budget would reduce spending in areas including education, which Perry emphasized as a campaign priority. At the same time, the House backed Perry's proposal to transfer millions from the state's emergency contin-

gency Rainy Day Fund to attract job-creating businesses.

"If the ADAPT folks (advocates for people with disabilities) or the supporters of the University of Texas or whatever user of resources in this state want to come here and say, 'Governor, pick amongst these two, which is more important for you?', I'm going to pick the ability for us to create more wealth in this state so that we have the resources to fund the programs that these legislators choose as important," Perry said.

"If we were zeroing out these programs, then we could have the debate of, 'You chose economic development over this.' We didn't zero the program out."

Asked if someone could make the case for new taxes, Perry said, "I can always draw you a hypothetical where someone might say you know, 'We're going to have to close down all the highways in the state of Texas and the kids are going to have to go to school in Oklahoma.' I don't play that game."

Bill Hammond of the Texas Association of Business said Perry "is doing what he promised to do during the campaign: no major tort reform and no new taxes." He said Perry's leadership is evident in House passage of a "no-new-taxes budget" because lawmakers "knew from the beginning that the governor would not allow a bill to pass that was going to bust the budget or cause a new tax to be created."

Perry does back a franchise-tax change that the business group opposes.

F. Scott McCown of the Center for Public Policy Priorities, which advocates for programs serving low-income Texans, sees trouble in the state budget-balancing process. He said local governments will be confronted with raising their own taxes to cover costs or see their citizens suffer.

Brooke Leslie Rollins of the Texas Public Policy Foundation, which supports limited government, said taxpayers are being protected: "Finally, the taxpayer, instead of the status quo, is being represented in state government."

Reggie James of Consumers Union said insurance reform was a top campaign issue, with candidates promising to tackle high homeowners' rates. Perry designated the issue an emergency, but consumer advocates are unhappy with the bill that emerged from the Senate. The House has yet to vote on the matter.

"You would have thought he would have rode herd on the Legislature to make sure real reform came out of it," James said. "What we have is just what the lobby wants and not what I think the people need. I guess the mandate's whatever he says it was."

Insurance interests also criticized the bill. Senate leaders said they did what's right

for Texans, predicting the bill would reduce rates.

Some caution that Perry's big hand is yet to come, remembering how he played it in his first session as governor by vetoing a record 82 bills.

Then, Perry was criticized by lawmakers who said he didn't send clear signals about his priorities. Perry disagreed. But this time, lawmakers say Perry has been more involved.

So far, the House and Speaker Tom Craddick, R-Midland, have been more in line with Perry than the Senate and its presiding officer, Lt. Gov. David Dewhurst.

Dewhurst spoke out for nontax revenue options decried by Perry as unwise fiscal sleights of hand, fueling talk — dismissed by both — of tension between them.

"I do believe we're a good team," Dewhurst said.

"The Senate Finance Committee had either considered and adopted or considered and rejected previously all but \$150 million of those items" on Perry's list, Dewhurst said. "But the \$150 million of items which we haven't considered, we found to be helpful."

Senate Finance Committee Chairman Teel Bivins, R-Amarillo, called Perry "a very effective leader."

"We going to pass a budget that spends less money than we are spending in the current biennium. He deserves a heck of a lot of credit for that," Bivins said.

But Republican Sens. Bill Ratliff, R-Mount Pleasant, and Jeff Wentworth, R-San Antonio, have broken with the no-new-taxes line by saying they'd consider some increases rather than vote for the House budget cuts.

The Senate also snubbed Perry's Trans Texas Corridor Plan when it approved road-bond legislation. Sen. Steve Ogden, R-College Station, easily passed his measures only after amending them to ensure proceeds couldn't be used for Perry's project.

The House is perceived as less independent, said Sen. Leticia Van de Putte, D-San Antonio.

"The perception, whether real or not, is that there is undue influence of the governor's office in the House chamber," she said.

House Appropriations Committee Chairman Talmadge Heflin, R-Houston, said Perry isn't heavy-handed but set broad budget parameters and had his staff available for discussion on details.

House Human Services Committee Chairman Carlos Uresti, D-San Antonio, said, "I just thought we'd get more information from the governor's office with regard to his priorities on health-care issues."