

## We Did What We Set Out to Do

By The Honorable Rick Perry

Texas legislators headed to the Capitol in January faced with a \$9.9 billion revenue shortfall, the highest homeowners insurance rates in the nation and skyrocketing medical malpractice insurance rates driving doctors out of business.

They endured the 140-day legislative session through repeated demands from special interest groups for an income tax, higher cigarette taxes, higher and expanded sales taxes, higher gasoline taxes, casino gambling, video lottery games, Keno parlors and more – all to fuel further expansion of government programs.

By the time the Legislature adjourned June 2, Texas lawmakers had passed a \$117.4 billion budget that represents \$2.2 billion more in federal funds and \$2.6 billion less in state general revenue tax dollars. We examined every line item of spending in state government, reordered our priorities to meet the needs of our most vulnerable populations and balanced the budget without raising taxes.

Despite the tough budgetary times, we increased spending on vital health care programs by \$1.1 billion and on public education by \$1.2 billion. An additional \$800 million in state aid will be paid to school districts in September 2005 for their 2004-05 school year expenditures. We passed a new science initiative patterned after the state's successful reading and math initiatives, and we increased funding for the TEXAS Grant Program to \$324 million so Texans of modest means can pursue their college dreams.

We also created a \$295 million Texas Enterprise Fund to bring new jobs to Texas – a move that already is paying off. In June, the state committed \$50 million from the new fund to enhance engineering and computer science programs at the University of Texas at Dallas. The investment played a key role in Texas Instruments' decision to build a new \$3 billion research and manufacturing plant in Richardson that will employ 1,000 Texans and create thousands of spin-off jobs.

We passed historic lawsuit reform legislation that will help ensure doctors can continue to practice medicine and that Texans all across the state have access to medical care. And it will also curb abusive and frivolous lawsuits.

In addressing our health care needs, Texas increased accountability while maintaining the Children's Health Insurance Program for families whose income is 200 percent of poverty, or roughly \$3,000 per month for a family of four. That is the same income eligibility the Legislature set when the program was instituted in 1999 and the same as most every other state. We also increased funding for Medicaid acute care coverage, HIV medications and children with special health care needs – once again focusing on our most vulnerable populations.

We also provided \$10 million in funding to increase the number of federally qualified health centers in Texas. These centers will provide routine and preventive care to an estimated 250,000 additional Texans, many of whom are uninsured. Many of the 181 federally qualified health centers that already exist in Texas also offer on-site dental, pharmacy, mental health and substance abuse services. The centers will attract additional federal dollars and are yet another approach to addressing health care needs of the uninsured.

We committed \$172 million for trauma centers across the state so our emergency rooms can expand and hire more doctors. We funded this initiative with tougher fines on habitually bad drivers – those individuals responsible for many of the patients who end up in emergency rooms.

We reduced the size of government by consolidating the state's 12 health and human services agencies into five agencies, a move projected to save Texas \$1 billion. With this consolidation, plus fraud prevention efforts and redesign of programs, we have ensured that Texas' resources are focused on services and not bureaucracy.

The landmark transportation bill that passed uses innovative financing tools to maximize our ability to build the highways, rail and other infrastructure needed to move people and products safely and to encourage businesses to locate in Texas. The seed money provided in the budget will produce billions of dollars in bonds for the Texas Mobility Fund.

We also funded the Texas Emissions Reduction Program, protecting the public health while proving that economic growth and clean air can go hand-in-hand. And we laid the groundwork to begin desalinating ocean water to ensure Texas has the safe, abundant water supply it needs.

Given the budget we faced, our accomplishments are nothing short of epic.

We approached the tough budget decisions not as a crisis, but as an opportunity to reform the way government operates. We addressed state spending the way families and businesses all across the state must do in lean economic times – by tightening the belt and focusing on our priorities. In so doing, Texas – perhaps the first time since World War II – reversed the ever-expanding growth of government bureaucracies and programs. We did what we set out to do, and Texas is better for the promises we kept.

*Rick Perry is Governor of Texas.*