

Perry on the budget

By: William McKenzie

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Gov. Rick Perry held a press conference in Dallas this afternoon after his speech to the **National Center for Policy Analysis**, where he largely laid out his case why states trump Washington.

During the press conference, I asked the governor whether he's open to going beyond the Texas House's budget of \$77 billion in state revenues for the next two years. I noted that the Senate is likely to go several billion dollars higher, perhaps to \$85 billion in state funds.

As most governors do, Perry didn't latch onto a single figure. He basically said that he was open to the process moving forward and eventually getting into a conference committee. Then, he added that what he, the lieutenant governor and speaker of the House are committed to is a balanced budget that does not raise taxes.

There's some important wiggle room in those comments. The governor didn't draw a line in the sand and say not a dollar more than the House is spending in state general revenues over the next two years. He instead is open to a budget that is balanced and that does not raise taxes.

There are different ways you can meet that last aim. The Senate could come in with a budget that is balanced at \$85 billion and does not raise taxes. So, it's conceivable that the governor would live with a budget along those lines.

In truth, the Legislature needs to get the budget up to about \$90 billion to keep level with current state spending while also meeting the costs of more people needing schools and other services and medical inflation driving up health care costs.

Getting to that figure will require using more of the rainy day fund, which the governor doesn't want to do. But, hey, if Austin can get to a balanced budget at \$90 billion and doesn't raise taxes, wouldn't that meet the commitment the governor has made?