

SEPTEMBER 13, 2011 12:00 A.M.

Perry: Small-Government Zealot or Spendthrift?

Rick Perry's spending record could be a liability

Opponents hope Rick Perry's spending record as governor may be his Achilles' heel.

During the debate at the Reagan Library last week, the Romney campaign blasted out an e-mail to reporters entitled, "Perry's Record on Spending," with an ominous warning that "under Perry's leadership, total state spending has increased by an average of nearly 17 percent each budget cycle." Keep Conservatives United, a PAC supporting Michele Bachmann's candidacy, released a TV ad earlier this month charging Perry with "doubl[ing] spending in a decade."

But factor in inflation and Texas' population boom, and the uptick in spending becomes significantly more reasonable. The same analysis by the Fort Worth *Star-Telegram* that the Romney campaign used as a source for the 17-percent spending growth each budget cycle reported that "once adjusted for population and inflation, that rate falls to 4.2 percent." But that rate includes federal dollars sent to Texas. Subtract that, and Perry has decreased spending — the first time any Texas governor has done so since World War II. "When you exclude federal dollars, state spending adjusted for population growth and inflation actually has gone *down* by 6 percent," FactCheck.org reported on Perry's record.

"I think the Texas record on spending on the whole has been pretty good," says Joshua Trevino, vice president of communications at the Texas Public Policy Foundation, a free-market think tank. (Full disclosure: TPPF receives the royalties earned by Perry's book, *Fed Up!*) Trevino cites a Kaiser Family Foundation study of the states' 2009 fiscal year spending per capita that ranked Texas 47th in the nation.

"From our perspective, we'd like to be 50th," Trevino admits, but goes on to note that "being near the bottom is not a bad place to be."

Perry also received praise from Club for Growth, which called Perry's spending record "excellent" in the group's presidential white-paper analysis of his overall record. The report credits Perry's frequent use of the veto for Texas's slow rate of spending growth: "During his tenure as Governor, Perry vetoed hundreds of millions of dollars worth of spending, perhaps even a lot more."

Chris Edwards, director of tax-policy studies at the Cato Institute, compared Perry's spending record with those of other governors and decided that Perry was "rather centrist" on spending overall. Crunching the data, Edwards found that under Perry, per capita spending in Texas had risen by 18 percent, the same amount that spending in other states increased, on average, in the years Perry was governor.

Perry has been willing to accept federal funds. He turned down stimulus funds targeted for assistance to the unemployed (\$555 million) — but accepted nearly \$17 billion in stimulus funds targeted at other efforts. An analysis by PolitiFact Texas found that Texas had shifted from a donor state (paying more in taxes than receiving in federal funds) to a recipient state under Perry’s tenure. “On an annual basis between 1981 and 2003, Texas almost always paid more in federal taxes than it got back from Uncle Sam. But since 2003 the reverse has been true, with Texas receiving more than it paid in five out of seven years, which is close to routine,” PolitiFact Texas reported in April.

But accepting federal funds isn’t the only chink in Perry’s small-spending armor: He also can’t point to the same experience with budget wars that a Scott Walker-type would have accumulated over the years. Having governed in Texas, Perry benefited from having a conservative legislature — which means he is “untested” on his ability to cut spending when confronted by a different kind of legislature and fiscal situation, observes Edwards.

“He would face a totally different set of spending problems at the federal level. I think it’s an open question,” Edwards says of what a President Perry would be like on spending. “I think it is fair when you’re comparing a Perry with a Romney, or formerly a Pawlenty — someone who had a left-leaning legislature — to maybe give them more [credit](#) if they did fight to keep spending down.”

— *Katrina Trinko is an NRO reporter.*