Good afternoon and thank you all for joining us today for this important announcement.

In the 2003 legislative session, Texas made an unprecedented commitment to bring jobs and opportunity to Texas by establishing the $295 million Texas Enterprise Fund. In just 18 months, we have allocated more than $180 million of those funds to bring more than 15,000 new jobs to Texas and pump nearly $6 billion into our economy. Today, we gather near the site of one Enterprise Fund project, the new Center for Advanced Diagnostic Imaging being established at the University of Texas Research Park, which will create more than 2,200 highly skilled jobs and accelerate the development of life-saving technologies thanks to a collaborative effort between the state, the UT Health Science Center, M. D. Anderson and GE Healthcare. Because of the Enterprise Fund we landed the largest capital investments in the nation last year, a $3 billion expansion by Texas Instruments with a $50 million grant to the University of Texas at Dallas. The Enterprise Fund helped us secure the largest job expansion in the nation in the first quarter of this year by persuading Vought Aircraft to consolidate operations and bring 3,000 additional jobs to North Texas. And here in Houston, Citgo Petroleum will create 700 new jobs and Huntsman will relocate 730 jobs to the Woodlands thanks in part to the Texas Enterprise Fund.

Those who doubt the effectiveness of the Enterprise Fund should consider this, while other states were losing jobs in 2003, Texas doubled its share of job creation announcements. 2004 is turning out to be another banner year and, I might add, we intend to close the year with a very loud bang. To my friends in the media, I say stayed tuned. By any measure, the Enterprise Fund has been an unparalleled success, so successful in fact that Site Selection Magazine called it the state’s “not-so-secret-weapon” in the battle to create jobs when the publication named Texas the number one state in America to do business last month. That is why today, I am announcing that I will ask the legislature to authorize $300 million to replenish the Enterprise Fund so we can continue to let the world know that Texas is wide open for opportunity.

Continued investments in the Enterprise Fund will help us build a better Texas, one job at a time. Those who argue that these funds could be better spent on other government programs must remember that job creation is an essential source of government funding. The fact is we can do both and must do both. Over the long-term, we can do a better job of funding health care needs and other priorities if we invest in jobs. The best way to raise revenue is to create jobs and put more Texans to work. When you consider that Texas will reap a return several times greater than the initial Enterprise Fund investments currently under contract, there is no doubt that this $300 million in continued funding will be a wise investment in the future of Texas.
As the world economy continues to evolve, our economic strategies must also evolve. One area we must focus greater attention on is the research, development and commercialization of emerging technologies. This year California set aside $3 billion for research and development in the field of biotechnology. Three years ago, Ohio allocated more than $1 billion for technology commercialization. Florida, Michigan, Pennsylvania, New Jersey and countless others are pumping billions more into research and development to attract the world’s best scientists and new companies that will market their inventions. Today, the world is on the brink of the next stage of the technology revolution and if Texas does not take aggressive steps to invest in emerging sectors of the economy, we will be left behind.

That is why today, I am also proposing creation of a new fund to focus specifically on fostering innovation in emerging high-tech industries like semiconductor manufacturing, biotechnology, nanotechnology, environmental sciences and advanced energy. I am recommending that the legislature dedicate an additional $300 million to an Emerging Technology Fund which will be used to expedite the development of new technologies and accelerate the commercialization of those products from the lab to the marketplace. I envision a three-fold mission for the new Emerging Technology Fund.

First, I propose that half of these new funds, $150 million, be used to encourage the private sector to collaborate with institutions of higher learning to develop “Regional Centers of Innovation and Commercialization.” We have done this on a limited basis with Sematech in Austin and the new Center for Advanced Diagnostic Imaging here in Houston. It is time to take research collaboration between higher education and the private sector to the next level. The new Regional Centers of Innovation and Commercialization I envision will become hotbeds of research and development activities, will be an incubator for start-up firms, will lure existing companies that can commercialize their developments and provide workforce training for employees in the area.

Second, we can use $75 million of the Emerging Technology Fund to match research grants awarded by federal or private sponsors. Today, Texas gets shortchanged on federal research funding directed to higher education. These funds will help Texas researchers better compete for out-of-state dollars because sponsors know that their contributions will have double or more the impact. We will focus on projects that are collaborative with institutions of higher education, have a likelihood of leading to scientific breakthroughs and have a clear economic development benefit to the state.

Finally, I believe we should set aside $75 million to help make Texas public universities world leaders in technology research and development by attracting more top-notch research teams from other universities and the world’s greatest scientific minds to put Texas on the cutting edge of the high-tech revolution. Not only will this initiative help Texas students get the very best education, it will encourage associated employers to relocate or expand their operations in the state. Just like auto parts manufacturers are moving to San Antonio to be close to the new Toyota plant, technology employers will follow the researchers upon whom their businesses are dependent.

The Emerging Technology Fund will boost Texas’ reputation as a global leader in the technology economy, usher in revolutionary developments in science and medicine, and bring the high-paying jobs of tomorrow to Texas. The $600 million investment in the Enterprise Fund and the Emerging Technology Fund I am calling for is about much more than creating jobs or increasing state revenue. While those are important goals, we must remember that they are means to an end and that is giving more Texas families the hope of a better tomorrow and the chance to live the American dream. Together, these strategic investments will give Texas the competitive edge we need to ensure greater opportunity, prosperity and a brighter future for all of our people.

Thank you. I would be happy to answer any of your questions.