Thank you Joe (Lopez, Chairman). It is an honor to be here with so many men and women who are building the foundation for a prosperous future by providing jobs for the people of Texas, as well as my many friends in the legislature who are partners in building a better Texas, one job at a time, and one educated Texan at a time. As many of you know, earlier this afternoon I gave my state of the state address, so most of you may already be tired of hearing me talk. I give you all my word that I will do my best to keep my remarks shorter here tonight.

It’s hard to be brief when we’ve got such a promising future full of limitless possibility, a future that we can realize if we make needed reforms to education, and increase our investments in job creation. The turbines of progress are churning in Texas, and people and employers are coming to Texas in waves in search of a better tomorrow. Since September of 2003, Texas employers have added 162,000 new jobs. In 2003, we landed 9 of the 24 largest capital investments in the nation. Sales tax collections are up and most economic indicators point to sustained growth in the future. One big reason for our strong economic growth is the decision Texas made in 2003 to keep taxes low, invest in job creation and put a stop to lawsuit abuse. Two years ago, the state of Texas faced a record $10 billion budget shortfall. While some said we had to raise taxes, in Texas we know that the best way for government to meet the needs of the people is to work to grow the economy, not Texans’ tax burden. Not only did we hold the line on taxes, we increased education funding by $1 billion, added a billion more for healthcare, and established new tools to attract and create jobs. Because of our fiscal discipline, and our wise investments and the growth in the private sector, we have transformed a record shortfall into a revenue surplus, an amazing turnaround that few states can boast of in just two short years.

We made an unprecedented commitment to bring jobs and opportunity to our state by establishing the $295 million Texas Enterprise Fund. Since the legislature last met we have allocated $200 million of those funds to bring more than 22,000 new jobs to Texas and pump more than $6 billion into our economy. The Enterprise Fund helped us land the largest job creation project nationwide for the last four years, an expansion by Countrywide Financial that will bring 7,500 jobs to Texas. Vought Aircraft, Citgo, Texas Instruments and others are investing billions in the state economy because the Enterprise Fund gave us the leverage we needed to close the deal with each of them. 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 for 2004. That is why I have asked the legislature to authorize $300 million to replenish the
Texas Enterprise Fund so we can continue to let the world know that Texas is wide open for opportunity.

I have also asked the legislature to dedicate an additional $300 million to an Emerging Technology Fund that will focus on fostering innovation in emerging high-tech industries and accelerating the commercialization of new products from the lab to the marketplace. These funds will be used to encourage research collaboration between higher education and the private sector, to match research grants awarded by other sponsors, and to help make Texas public universities world leaders in technology research and development by attracting more top-notch research teams from other universities. With the Enterprise Fund we can invest in specific job creation projects. With an Emerging Technology Fund, we can invest in the foundation industries of the 21st Century economy.

Two years ago Texas chose the right path by limiting the size of government and making wise investments. Now is not the time to wander from that path when it is a proven recipe for prosperity. We can make wise investments that stand the test of time, as we have done for a decade in education. In the debate about school finance, it’s important that we not lose sight of the big picture. This session is first and foremost about making sure that every child has the opportunity to succeed in life, regardless of their income, the neighborhood they come from, or the sound of their last name. Our challenge in education is to go from good to great by empowering children of modest means to live unlimited dreams. I believe we must focus reform where it is needed most, in schools where we have large numbers of economically disadvantaged students, where graduation rates are low, and where too few children graduate prepared for college and success in life. I want our best and brightest teachers to be paid salary incentives as high as $7,500 a year when they rekindle the love of learning among children too often left in the shadows of success. Merit pay works in your businesses every day when you reward top performers. It can work in our public schools too.

If we protect the job climate, improve education, and lower property taxes, the possibilities for our future will be limitless. Thank you for what you do for Texas, for our families that depend on you to make a living, and for our communities that depend on you for growth. As we roll up our sleeves, I want you to know that my door is open to the leaders here today and all who come in good faith to build a better Texas. Thank you.