Gov. Rick Perry Speaks with the Texas Economic Development Council

Wednesday, February 16, 2005

Thank you, Tom (Mullins, CEO of Tyler Chamber). It is an honor to be here with so many men and women who are building the foundation for a prosperous future by working to create jobs for the people of Texas.

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. Some said we had to raise taxes. I said we had to cut spending. And that’s what we did, reducing general revenue spending by $2.6 billion.

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 over 24,000 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 many 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. And when Site Selection Magazine named Texas the best state in America to do business last year, they specifically pointed to the Enterprise Fund, calling it our “not-so-secret weapon” in the battle to create jobs. 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. The Enterprise Fund is not only benefiting our major metropolitan areas, but smaller cities like Ennis, Brownwood, Corpus Christi and New Braunfels, too. And if you hook a prospective employer on the line for your community, give my office a call and we’ll see what we can do to help reel them in.

We must not only invest in specific job creation projects through the Enterprise Fund, we must also invest in emerging...
sectors of the economy that will form the foundation of a prosperous future. That’s why I have also asked the legislature to dedicate an additional $300 million to an Emerging Technology Fund that will foster innovation in emerging high-tech industries and help companies get their inventions to the marketplace faster. An Emerging Technology Fund will help ensure that Texas scientists lead the next wave in the technology revolution, that our institutions of higher learning have the best researchers in the nation, and that the financial benefits from marketing technology innovations accrue to Texas colleges, Texas workers and the Texas economy.

Two years ago we did something else that was essential to promoting job growth: we addressed one of the top job killers in America, frivolous lawsuits. In Texas, we have the opportunity this session to build on our reforms by putting a stop to frivolous asbestos lawsuits. I say now is the time to get it done. We can care for those who are truly sick and protect honest employers who are wrongly targeted by trial lawyers playing the lawsuit lottery. And while we’re at it, I am confident we can relieve Texas employers of some of the highest workers compensation costs in the nation. Those who think workers compensation is a minor issue should consider the price paid by O’Reilly Auto Parts. Texas is home to one-third of their workforce, and nearly two-thirds of their workers compensation costs. Stories like this are all too common. The fact of the matter is, the workers comp system in Texas is broken, so broken, in fact, that it might actually qualify for workers comp. And in this session, we are going to prescribe the changes needed to get it back on its feet for employers and injured workers.

Over the next several months you will hear a lot about school finance reform. To me, school finance reform is a once-in-a-generation opportunity to improve our schools and ensure greater opportunity for all of our children, regardless of where they come from, the sound of their last name, or the heritage of their family. How we pay for education reform will be a subject of intense debate, and I welcome that debate. I believe we can find revenue options that support our schools while protecting the engine of growth in Texas: job creation. And not only should we protect jobs, we must pass a significant property tax cut that Texans can feel, take to the bank, and count on in the future, and not for just one year. What some call monumental challenges, I consider to be great possibilities. 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 the jobs you help provide for our families, 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.