Thank you, Vidal Martinez (chairman). It is an honor to be here with so many men and women who helped spark the education reform revolution in Texas, and who continue to lead it so that our children can experience opportunity.

The fact that more children are excelling, more students are graduating and going to college, and more money is being invested, and invested wisely, in education is a testament to your faithful efforts over the past decade.

Our record in improving education tells a remarkable story that no other state in America can match.

Scores on national assessments have gone up in every age group, ethnicity and subject area, and the achievement gap has steadily gone down.

We are the first state in America to make a college prep curriculum the standard coursework in high school, the first to provide individualized study guides for struggling students, and the first to tailor individualized graduation plans for students at risk of dropping out.

We lead the nation in the number of students taking advanced math courses, and total enrollment in pre-K education.

We have invested nearly $10 billion new dollars in education over the last seven years, and today a teacher that has remained in the classroom since 1999 is making an average of $11,700 more a year.

More high schools than ever before are offering college credit courses, more students are taking the SAT, and a record number of children are attending an institution of higher learning because we are challenging them to achieve.

We have made these tremendous gains despite unique obstacles that few other states face.

A majority of our students, nearly 55 percent, come from economically disadvantaged backgrounds.

We have more than 630,000 students who speak English as a second language, some who enter our schools performing below their grade level.

While some might expect these challenges to diminish the Texas story, they have, in fact, made it all the more
remarkable.

And one of the reasons any of this remarkable progress has occurred is because of the leadership of Representative Kent Grusendorf. Thank you, Kent.

Success in education can be measured in other ways too.

One way to judge whether schools are succeeding is to look at the job climate, because one of the top factors employers consider in choosing where to expand is the presence of an educated workforce.

To me, the fact that so many businesses are expanding in Texas is a ringing endorsement of the progress we are making in education.

Since 2003, Texas has gained 530,000 new jobs, employment has soared to an all-time high, our business climate has been ranked one of the best in the nation, and the Federal Reserve recently said our economy is running the strongest it has since 1998.

Those accomplishments are only possible because good jobs and great schools go hand in hand.

The conclusion is clear: Jobs provide the government revenue to pay for education, and education provides the workers needed to attract good jobs.

That is a point we cannot afford to gloss over as we address the challenge of reforming school finance.

I view the upcoming special session as an opportunity to make lasting improvements to our tax structure so that it is broader, fairer and provides a more reliable source of revenue for our schools.

And it is a chance to give Texans a significant property tax cut that stands the test of time.

If Texas is to continue to be a national leader in job creation, any new tax system we adopt must reward jobs and investments, not penalize them.

And just as importantly, our tax structure needs to treat businesses in different industries with an even hand.

Today only one in 16 businesses pays the franchise tax.

It has become a voluntary tax that is an unstable source of revenue for our schools.

I think it makes more sense to have a broader tax that captures more of the economy at a lower rate, and that provides incentives for job creation, and investments in employee healthcare and pensions.

A tax system can be both a carrot and a stick.

Just as we want to encourage job growth and wage-earning, it makes sense to discourage a harmful addiction like smoking that adds billions to the cost of taxpayer subsidized healthcare.

And it makes sense to deliver lasting property tax relief because it will make the dream of homeownership more affordable for millions of Texas families.
Just this week, a report by the National Housing Conference showed that the rate of homeownership for working families with children is lower than it was in 1978.

That should be alarming for a number of reasons.

Owning a home is not only an important part of the American dreams, research studies show that children of homeowners are more likely to do well in school and less likely to develop behavior problems.

The fact is, a lasting property tax cut will not only give more Texas families the opportunity to own their own home, it will give their children a better opportunity to succeed in the classroom and a better opportunity to succeed in life.

Now, I recognize that there are some folks who view our $4 billion budget surplus as money that can be used to buy a ticket on the fast train out of town.

But passing comprehensive tax reform is a better approach for a number of reasons.

First and foremost, simply using surplus revenue to fulfill the bare bone requirements of the Supreme Court’s ruling doesn't provide any long-term solution.

In 1997, we tried the exact same strategy with a $1 billion tax cut.

Eight years later the property tax cuts have evaporated, school finance has been litigated, and taxpayers are now exasperated.

Second, it doesn't make sense to pass a tax cut today that will likely lead to a tax hike in the future.

Using some of the budget surplus to pay for property tax relief is wise and responsible.

In fact, nearly $2 billion of the existing surplus has already been set aside for education or property tax relief.

But using all of the surplus for property tax relief will leave a huge budgetary hole for future legislatures to fill.

And then they will have to pass a tax plan that is larger in scope and that generates more revenue from the private sector.

Third, why cut property taxes by 20 percent for one year when you can do it by 33 percent AND, because of tax reform, pay for that property tax cut in the years to come.

Fourth, the current franchise tax is nothing more than a voluntary offering.

A business that pays it today is either generous, or employs a bad CPA.

If we fail to reform the franchise tax, it will continue to become a dwindling source of revenue for our schools at the expense of the few who pay it.

I say let’s not substitute speed for substance.
And let’s not confuse doing the easy thing with doing the right thing.

It may be more of a challenge to reach an agreement on comprehensive tax changes, but it is a challenge we should take head on because it is the right thing to do.

And I am confident that lawmakers will be able to overcome past disputes and get the job done before June 1.

To those who think it would take a miracle for that to happen, I ask, what do you call the fact that John Sharp and I are working together on this very issue?

After taking input from all across the state, the commission John is leading is close to releasing a plan that is fair, that protects jobs, and that provides a long-term source of revenue for our schools.

And I believe it will be a plan that can win bipartisan support in both chambers of the legislature.

The analogy for Texas education is a simple one: we have climbed further up the mountain than most states have, and further than most expected.

But by no means are we near the summit. And the hardest climbing is always at the highest altitudes.

What worked below will only get you so far. To get to the top takes additional innovation and discipline.

That’s why we must never retreat on accountability, or send a message to our children that we expect less than the very best they are capable of.

At the same time, in the upcoming special session it would be wise to start with the issue that the Supreme Court has ruled unconstitutional, and that is our property tax system.

But if the speaker and lieutenant governor can bring me a school reform bill that both chambers agree on, I will gladly add it to the call once the tax issue is resolved.

The education reform movement must continue to move forward in Texas for the foreseeable future because our children deserve nothing short of our best effort.

We must continue to push for reforms such as stronger accountability for taxpayers, higher standards that will ensure more children graduate prepared to succeed in college, and salaries that reward teachers for their hard work and provide incentives for them to do even better.

To all of you who join me in this great cause, you have my sincerest appreciation. Thank you, and may God bless you.