Thank you President Pattillo for that warm welcome. It is great to be with Mayor Jack Gordon, County Judge Sue Kennedy and Representative Roy Blake. And as always it is good to be with some of my favorite people, East Texans.

I want to begin my comments today by talking about today’s alarming news. Once again we are reminded that the events of 9/11 must not fade in our collective memory because the threat posed to the safety and security of our people remains real. The good news is this plot has been foiled, and measures to increase security at airports are being taken. The U.S. Department of Homeland Security has raised the threat level for all commercial flights and large charter aircraft in the United States. My state office of homeland security conducted a conference call at 11 a.m. today with airport security officials at more than 30 airports in Texas to ensure they have all the assistance they need. I also talked to the heads of both American Airlines and Continental Airlines earlier today. We remain in close contact with the Department of Homeland Security and the FBI regarding this foiled plot and the security implications to the state. And while there is no known, specific threat to Texas we will continue to work closely with federal officials to keep our people and resources secure. We face a persistent enemy that will continue the effort to destroy our way of life. That means all Texans must be vigilant, and all Texans can know that the state government is taking these threats very seriously and taking numerous precautions, some seen, and others not, to keep them safe.

I am honored to have this opportunity to share a few thoughts with you today on the status of our great state, and the direction we are heading. I want to begin by pointing out that, in three short years, we have gone from a record state shortfall of $10 billion to an historic surplus of more than $8 billion. Now, I’m wise enough to know that is not all because of the decisions made by government, when in fact it represents the growing prosperity of the private sector. But I will say this, when we faced that shortfall, a lot of folks said we needed to raise taxes. I took a different view: I said we needed to cut spending. And that year was the first time since World War II a governor signed a budget that spent less general revenue than the previous one. My belief is the best way to raise revenue is to invest in jobs, not raise taxes. Since July of 2003, the employers of Texas have added more than 600,000 jobs. To put that in perspective, if you were to take a Saturday in the fall, and you were to fill up every seat at Kyle Field, Royal Memorial Stadium, Jones Stadium in Lubbock, the Astrodome, the Reliant Dome, the Alamo Dome, Texas Stadium, the American Airlines Center in Dallas and the AT&T Center in San Antoni...
Antonio, heck, even throw in Minute Maid Park in Houston, you would still not have enough seats for every new worker hired in Texas since July 2003- at least not until the Aggies expand Kyle Field again.

Every time someone from the East Coast or the Left Coast goes on some rant that Texas needs to be more like California and Massachusetts, I remind them that the moving trucks that carry assets and equipment, workers and families are full when they leave those states and empty when they leave Texas. We have been ranked the best job climate in America and for two straight years have landed more job expansions and corporate relocations than any state in the nation. On top of that, when I put my signature on the school finance reform package, the state of Texas committed itself to reducing school property taxes by more than $15 billion over the next three years. By lowering property taxes for homeowners and employers, we will make homeownership more affordable and job recruitment even more competitive.

I look at four key variables for creating jobs and prosperity: the tax burden, the regulatory climate, the litigation climate, and the quality of schools. Since 2003, we have reduced taxes by $7 billion, passed the most sweeping lawsuit reforms in the nation, and continued our efforts to reduce government red tape. And we have continued to invest in education. Since I became governor, we have increased public education funding by $9 billion. Standards, student achievement and funding are all on the rise. And we provided a $2,000 pay raise for every teacher in Texas. We also sent a message that we not only want more money for education, we want more education for our money. Those teachers that go out of their way to stretch the potential of their students, who mentor other teachers, who get additional expert certification, or who succeed in difficult learning environments will have the chance to make up to $10,000 more a year in performance incentives. I believe merit-pay for teachers will work. For more than 200 years we have been rewarding success and ingenuity on the job, it’s called the American Free Enterprise system. If it can work on Wall Street and Main Street, then free market compensation can work in the classroom too.

On the campus of one of the many outstanding institutions of higher learning in this state, we are all too aware that the best economic development tool we have is an educated Texan. A student that graduates with a college degree will make more than a million dollars more over their lifetime than their high school classmates who do not continue their education. In a global marketplace where free trade flourishes, America will not be able to produce goods at a lower cost than many developing nations. Our advantage has always been, and must continue to be, our capacity to create the next big idea that propels the future economy. Whether it’s the faster computer chip, the newest gene therapies, or the best infrastructure system in the world, if we stay on the leading edge, our people will prosper.

The only way to do that is to not only work to improve public education, but to invest in higher education. This is not just about funding the UT’s and Texas A&M’s, it is also about funding the San Houston States and SFA’s, the two-year colleges and the technical degree programs that can elevate dreams to the realm of reality. I am proud to have signed a tuition revenue bond bill that will help fund $1.9 billion in essential construction projects at 48 Texas colleges and universities. Part of that new money, $30 million to be approximate, will be used right here to boost the higher education opportunities of the students of Stephen F. Austin State University. It will fund a new nursing facility that is critical to expanding the nursing program, and a program that train physicians assistants, as well as occupational and physical therapists. In addition, close to $10 million is going to important campus renovation projects that will also enhance fire safety.

I have talked today about jobs and education. The two are intertwined, and critical to building a Texas of
unlimited opportunity. But nothing matters if we can't make our people secure in their homes and neighborhoods. And I am here today to say there is no such thing as homeland security without border security. Our 1,200 mile border with Mexico is viewed as a prime point of entry by terrorist organizations, criminal gangs and drug traffickers. We know this based on intelligence and based on apprehensions. Yet, our federal government continues to release individuals who enter this country who are not of Mexican descent, asking them to appear at a deportation hearing several weeks later. They might as well play the Southwest Airlines jingle when they are released, because, "ding" they are now free to move about the country. That is why Texas is not waiting on Washington to act.

Six months before the president announced National Guard soldiers would help secure the border, Texas had already made that decision. We are leveraging the National Guard’s unique command and control capabilities to support local law enforcement. With millions of dollars from my office, we have substantially increased investigators and patrols along the border. We have created a new Border Security Operations Center to coordinate intelligence and assets in an 80,000 square mile region. I authorized the use of state trooper strike teams, covert surveillance units, canine tracking teams, DPS helicopters, and the Texas Civil Air Patrol to stop illegal activity on the border. And I will ask the legislature to dedicate $100 million to fund these border security initiatives until the federal government starts enforcing our sovereign border with Mexico. In addition, with the voluntary participation of private landowners, we are posting surveillance cameras at criminal hotspots and along common routes used to illegally enter this country. This is so landowners can monitor and defend their property from those who might endanger their families, and so state, local and federal law enforcement agencies can respond swiftly and appropriately as needed. And we will post this video on the Internet, in real time, so that concerned Americans can help protect our nation through online neighborhood watch programs. Protecting our border is a federal responsibility. But we will not wait for Washington to act when our people are placed in danger.

No one knows the consequences of inaction better than our men and women who wear the badge. A few months ago in Tyler, a state trooper was shot multiple times by a violent criminal who was in this country illegally despite having been deported on two previous occasions after facing weapon and drug charges. Thankfully the officer survived. We cannot deal with murderers, terrorists and drug traffickers with the equivalent of U.N. resolutions. We have to do it with firm resolve, real resources, and weapons, ammunition and manpower that tells criminals they have picked the wrong border to illegally cross.

The future of our state is unlimited if we invest in our priorities: a secure border, new jobs and our children’s education. That is my focus, and that is my mission every day I have the privilege of serving as your governor. Thank you, and God bless Texas.