Good morning. It is great to be with you and great to have the campaign behind us. There is something invigorating about traveling this state and visiting with Texans about their hopes, dreams and concerns about the future. We met some interesting people, but none more than a couple of my opponents. (It's one thing to run against multiple candidates- it's another thing to run against multiple personalities.) As hard as U.T. has been on my Aggie Football team over the years, it was nice to beat three Longhorns at once.

I am grateful for the opportunity to lead this state four more years, and to do so with strong partners by my side like the members of the Governor's Business Council. I have not run for this office two times for the sake of getting elected, but for the sake of getting things done. In an election year mired in negativity about the war, Washington scandals and congressional earmark spending going out the wazzoo, it can be easy to lose sight of how far we have come. But I haven't lost sight of the record- and it's one we can build on.

We have transformed a record deficit into a record surplus. We have passed a record property tax cut and resolved school finance. We have put more money into the classroom, improved teacher pay, strengthened the curriculum, and put into place a new system of financial accountability. Enrollment is at an all-time high in our colleges and universities. We have created 675,000 jobs in the last three years and three months. We are the number one exporting state in the nation, and the number one producer of wind energy. We are pouring more concrete and building more roads than any state in the nation, and homeowners insurance rates are down for customers of nine of the ten largest policy-writers, and that tenth hasn't dropped rates because they are suing us in court. I was happy to stand on this record in the last election, and I look forward to building on it over the next four years.

Let me say a few words about the issues in front of us. I will ask the Legislature to increase funding for border security operations, fully recognizing it is not the state's role to enforce our international border. But something has to be done, and we have a proven strategy that works which involves funding local law enforcement, putting more boots on the ground and increasing our presence at known points of entry.
I also want to turn the tide on the problem of the uninsured. This is a challenge that is much greater in scope than how many children we have on the public health rolls. If we added enough children tomorrow to match our highest enrollment in CHIP it would be a mere fraction of the number of uninsured in this state. We have a number of working Texans who simply choose to be uninsured as a risk they are willing to take, and of course our biggest challenge is helping employers afford to offer insurance as an investment in their workers. I welcome your input on this issue because it is one of the biggest challenges Texas faces.

I also believe we have to address the other side of the equation when it comes to property tax relief, which is rising appraisals. Texans haven’t really felt the full effect of a one-third rate cut yet, not because of appraisals, but because it doesn’t take full effect until next year. And any way you slice it, they will be paying one-third less next year than they would have paid had we not changed the system. But nonetheless, it is important that we keep the American Dream of homeownership affordable and predictable. That means Texans should know what kind of tax burden they can expect ten years down the road. To do that, we must bring sanity to appraisals. I look forward to hearing the recommendations from the Texas Task Force on Appraisal Reform so we can do what’s best for homeowners and local governments.

Those are three issue that will be very important in the next session, and of course there are the critical issues that you have been studying and I look forward to hearing your thoughts on those issues. Higher education is an issue of critical importance to me. I want to look back years from now and know that we did everything possible to make our colleges and universities centers of excellence that are accessible and affordable, and just as importantly, accountable. Higher education is a critical lynchpin in our effort to generate wealth for the state of Texas. One of my main priorities, reflected in the creation of the Emerging Technology Fund, is to make innovations in university labs commercially viable as quickly as possible and as widely as possible. We must attract the very best faculty in the nation. We must recognize that it is important to not only make discoveries at our universities, but to ensure the commercial application for those discoveries improves our economic well-being. I’m tired of products developed in our labs making profits for companies based in New Jersey or California.

I am also very excited we have turned an important corner in public education. Instead of funding the status quo, we have begun to reward teaching excellence. Soon we will have the largest performance pay program in the nation for teachers, with bonuses up to $10,000 per recipient. This has the potential to revolutionize the classroom. We have also taken strong steps to improve the curriculum and better measure the performance of our schools. We are working to ensure more education dollars flow to the classroom. And we have funded a high school completion initiative that can help turn the tide on the dropout challenge and ensure more students are ready for college. In addition, our partnership with the Gates Foundation, the Dell Foundation, and other philanthropic entities is helping to reform the classroom for at risk students. We are reducing class sizes and school sizes, creating “schools within schools,” and giving these students the very best education possible in the technical sciences that will drive the 21st Century economy.

Lastly, let me talk about transportation. Many tried to make political hay out of the Trans Texas Corridor and the concept of toll roads. But it really never connected with the people of this state because it was always about making a buck for a few consultants and creating a political coalition for a particular candidate. But I did as well in counties most directly impacted by the corridor as the rest of the state. People know that the alternatives, a buck increase in the gas tax, waiting on Washington for more funding, or simply not building roads won’t cut it. Something has to be done, and it will be done because we are moving forward. When Dolph Briscoe proposed
the farm-to-market roads as a legislator, it was rural interests that fought it hardest. When Dwight Eisenhower proposed the interstate highway system, it was rural interests that fought that the hardest too. But today they are pretty happy to have both, and I suggest one day they will be glad we built the corridor, in part because over time it will take less land as several public uses can be installed in the same right-of-way purchased all at once.

You can’t have economic progress when trucks wait hours to cross into our country, when shipments are made late because of endless gridlock in our urban centers, and when companies like Dell expand in another state because their employees can’t get to work safely or in a timely manner. And the Field of Dreams strategy of “if we don’t build it, they won’t come” has proven to be a total disaster in certain cities across Texas. They are coming in record numbers because taxes are low, our quality of life is high, our workforce is capable, and our regulatory system is reasonable. We have to plan for the future, or we will regret the past. Thank you, God bless you, and God bless Texas.