Thank you. I am honored to be with you all. I want to thank my old colleague Bill Hammond for the great work he continues to do for this association and the State of Texas. And I want to congratulate each of you for helping Texas reach a historic milestone last fall when the number of working Texans topped the 10 million mark for the first time in history.

In less than four years, Texas employers have done something incredible: you have created 730,000 new jobs. From a national perspective, that’s more than 10 percent of all the new jobs gained nationwide since the economic low-point following 9-11. I’m not confused about who deserves the credit. When other governors ask me what Texas government did to create all that growth, I tell them the most important thing we did was get out of the way. But the national spotlight that continues to shine on the Texas economy helps illuminate the true significance of the awards that are being presented today. If you’re one the best employers in Texas, you’re one of the best in America. So to the 60 employers who have earned recognition as one of the top places to work, I say congratulations, and thank you.

I can’t think of a better time to be governor of Texas. We have a record budget surplus, school finance is out of the courts, and school property taxes are on their way down. But that is not to say this legislative session is without its challenges. We have too many Texans who can’t afford health insurance, and too many employers who can’t afford to provide it. We have a property appraisal system that threatens future tax relief, and the dream of homeownership for millions of Texas families. We have a border that must be closed to those who would do America harm, and open to those who would seek a better life through an orderly and legal immigration process. I will be speaking more about each of those issues in the weeks to come, and I believe we can address them in this legislative session if we are willing to put our differences aside for the sake of the state we love.

But there is one issue I want to discuss in greater detail with you today, one that affects every program offered by state government, and every taxpayer who pays the bill, and that is budget reform. Some may question why I would want to raise the issue of budget reform when we have a record surplus. The way I see it, the more of...
your money government has, the greater the need for fiscal responsibility. That's why I'm asking the legislature to implement important budgetary changes that will restrain spending and make government more transparent and more accountable to the people.

It all starts with transparency. I have a simple philosophy about government spending: if the taxpayers are picking up the bill, they ought to be able to look at the receipt. Today billions of dollars get spent on government programs and there is no clear way for average citizens to determine where the money is spent and how it is spent. So here is my thought: why don't we require state agencies to publish their spending on-line so citizens can know how much is spent on travel and office supplies and how much is spent on services? And I'm not talking about publishing bureaucratic codes that require an accountant to translate; I'm talking about plain, everyday English. If you can justify your expenditures, you can confidently shine the light of day upon them. I intend to lead by example on this front. As of today, expenditures made by my office will be available for public review on the Internet. It's Texans' money, and they deserve to know how it's being spent.

Second, the state's record surplus offers us a unique opportunity to reconcile the books. During tough economic times, certain accounting measures were taken to avoid making deeper cuts in services or raising taxes. I will be the first to admit I have signed three budgets that contain these kinds of accounting maneuvers. This session I am proposing a truth-in-spending measure that ends the accounting gimmicks, stops the funding diversions and let's state government get right with the people. Let me give you some examples of what I mean. If you are charged a fee for low-income energy subsidies, or for clean air initiatives, or for improving our trauma centers, the money ought to go to that express purpose, or be returned to the Texans charged the fees. Today that is not happening, and it's not happening to the tune of billions of dollars. Another example is that the state essentially provides a monthly payment to the Texas Education Agency. In recent budgets, the final payment of the fiscal biennium has been delayed one day and pushed into the next budget cycle. My budget includes a 25th payment to end this tactic, at a cost of more than a billion dollars. I'm not trying to cast blame for past practices; I'm trying to wipe the slate clean going forward. And if we don't end these budget gimmicks now while we have a record surplus, it will never happen.

The spending cap I will propose allows a one-time exclusion for the cost of truth-in-budgeting so that we can fix past budget practices and straighten out the state's books. My proposal will also exclude the cost of property tax relief because only in Austin would they count billions of dollars in property tax relief as spending. The spending limit we have today is not really a limit. What I will propose will be more closely aligned to population growth and inflation, allowing room for key investments with a strong check against excess spending. Texans deserve a budget that makes sense, that's accessible to average person, that is straightforward in its priorities, and responsible in its size. These are the principles that will guide my efforts to reform the Texas budget, and I hope you will join me in this cause.

Regardless of the issue, Texas is better off when Republicans and Democrats work together. Our potential is too vast to be spoiled by a politics leavened with partisanship. And even when we disagree, we must engage in a debate and a dialogue characterized by civility and consensus. I appreciate your willingness to advance this vision. Thank you for all you give to Texas. May God bless you.