Governor's Competitiveness Council Remarks
*Note - Gov. Perry frequently departs from prepared remarks.

**Wednesday, January 30, 2008**

Thank you, Susan (Combs). I appreciate your being part of the effort to make Texas more competitive. That way you won't be surprised when this group’s efforts rapidly accelerate our state’s economy.

Thanks to all of you for being here today: your presence speaks volumes about your commitment to our state and your grasp of the importance of a competitive Texas. And I want you to know that, whether you are a member of the council or a guest, you’re not just here because we like your taste in clothes. This is a working group with a clearly-defined mission. You are here because of your expertise and experience. So we want you to speak up. If you’ve seen as many movies as I have, you’re probably familiar with the classic scene where the sergeant takes the troublemaker in the back room, pulls off his own insignia, and utters the classic phrase: “Okay, tough guy, now’s your chance. Give me your best shot.” Well, that’s the approach we want to take today. Except for the part where the sergeant ducks a punch then pummels the troublemaker into a heap. Instead, we’re going to listen to each other’s input and come up with solutions.

This council represents your chance to be heard, a moment for your profession to be understood, your opportunity to make a difference in our state’s future. And we need to swing for the fences. We need to do more than just think about how to make energy cheaper or roads wider. We need to keep our eyes trained on making our state a better place to live. Because a better quality of life is our aim.

Think of all the hours that people waste sitting in traffic when they could be home with their families. Consider the extra hours people work to afford swollen healthcare premiums or the mortgage on an inaccurately appraised house. These are the things that matter to people at the end of the day. If we can make our state more competitive, if we can run it more sensibly, and put our resources where they'll make the most difference, we will continue to draw investment and catch the eye of the best people.

In their recently published report, Arthur Laffer and Stephen Moore, revealed that more than 8 million people moved from one state to another in 2006, and a whole lot of them came to Texas. According to their conclusions, they were not necessarily drawn here by our warm sunshine. Instead, they chose Texas because our state gives them a great chance to pursue their dreams of success. They were drawn by business opportunities and a favorable tax structure that simply creates more jobs. The numbers back it up. Last month's labor reports show that Texas employers added 204, 400 jobs over the past 12 months. That represents an annual growth rate of 2.0 percent compared with a national growth rate of 1.1 percent. To continue that growth rate, Texas must become even more competitive.
So, things are a lot better in our state than they are across the country. But “good enough” has never been the standard in the Texas I know. If we are going to build a better Texas in the years to come, we need to make sure every one of our children is properly educated, prepared for a fulfilling, profitable career. But our current approach to education will not get us there. Late last year, the Commission for a College Ready Texas shared some insights that should give us all pause. They discovered that Texas is not hitting the mark on preparing high school students for college, even though a college degree is a leading indicator of future professional success. In fact, 90% of future jobs will need some form of education beyond high school. Of those, about 60% will only need a certificate or two year degree. I know some English majors and they'll tell you that, day one, they don't make what a good technician makes. So a strong education is essential.

But we aren't baking with the right recipe. Instead, our students are wading through a culture of complacency, with grade-segmented schools following widely diverse objectives, often maintaining lax standards of achievement. An environment in which a school can have 55% of its students failing science and still be acceptable, is entirely unacceptable. I believe that our education system is due for a culture change. The noble calling of teaching is not diminished by the goal of preparing children for future economic success. Education that merely expands a child’s mind is great in the movies, but our kids need to be equipped for genuine success in the workplace. I am confident that this group before me today, drawing upon the best minds in business and education, will devise a better alignment between curricula and workplace demands. And we must continue cultivating a fertile business climate so that there are good jobs available when these waves of highly-qualified students hit the streets with their diplomas each year.

What does that climate need? Well, last time you gathered, the theme of affordable, reliable energy emerged. Our state is currently a little handcuffed by our mix of power generation capabilities. The majority of our electricity still comes from natural gas-burning plants. It would probably be cheaper to retrofit those plants to burn dollar bills than that increasingly costly fuel.

Fortunately, Texas has surged to the front of the pack in terms of wind generation capacity and West Texas is drawing increased attention of the solar power crowd. Having grown up out there, I can assure you there is an abundance of sunshine to be had. I am encouraged by the news of new nuclear power plants on our horizon and increases in biofuels produced from non-feed or foodstock plants. The Electric Reliability Council of Texas recently announced that our electric reserve margins increased for 2009 and 2010 which means that our power generation capacity is increasing. I credit our attractive competitive wholesale generation market for that. So we are headed in a good direction, but I want to go faster.

We need to keep growing our reserves, continue diversifying our state’s energy portfolio, and improve our distribution of power to the homes and businesses that need it. Education and energy are two essential parts of the challenges that lay before us. But they can be transformed by applying best practices from business, breaking out of traditional approaches and simply asking “what if.” That approach is what set apart a good friend of mine who was with us last time we met.

Ric Williamson was a man who, more than anyone I’ve ever known, understood the notion of competitiveness. It was the fire that fueled his life. As we work together on the noble goal of transforming our state, I would ask each of you to remember Ric, remember his willingness to take an unpopular stand if it meant getting to the best answer for our state. It was his legacy and I pray it will be ours as well. Let’s roll up our sleeves, get to work, and build a more competitive Texas.