Gov. Rick Perry: Fresh Ideas are the Key to Competitiveness
*Note - Gov. Perry frequently departs from prepared remarks.

Tuesday, April 29, 2008

Thank you, Bartell [Zachry, Chairman, Governor’s Business Council] and thanks to all of you for being here today. You have certainly picked a beautiful day to be in Austin, a Chamber of Commerce day, if you ask me. It is a reminder that we live in a remarkable state. I read in the paper on Sunday that the ice on the ponds in Vermont only just melted last week. I much prefer to live in a state where the sun shines brilliantly nearly every day and the economic forecast is just as bright.

As the members of the Business Council, each and every one of you could give an economic report for your particular sector. Whether you’re in manufacturing, high tech, personal services or real estate, you know EXACTLY how your company is doing because, well, that’s your job. My perception of the overall Texas economy is based on my study of a few key pieces of information. Key indicators tell us that Texas is doing better than average in a national economy that seems to be hitting a rough patch on the road.

On the government side, you can look at Labor Department statistics that indicate we’re creating jobs at three times the national average. Or you can look at what independent voices have said about Texas since we last met in December in Dallas. For example, Texas was named the 2007 State of the Year by Business Facilities magazine. We got this award for having the most economically significant relocation and expansion projects of the year. Forbes Magazine has been lovin’ on Texas for a while and kept it up by including five of our cities in their list of “Best Cities for Jobs in 2008.” They expect McAllen to lead the whole country in job growth this year. And Texas now leads the nation in hosting headquarters for Fortune 500 companies. And, for you folks whose employees wear the white lab coats, Texas was named one of the top-five regions in the world for biotechnology economic development by FierceBiotech.

Those are just few examples of national recognition for our strong economy, examples that I hope we can add to in the months to come. But this group looks to the long-term, keeping your eyes trained on the state of our economy in the years to come. As such, our attention is drawn to the challenge of educating tomorrow’s workforce. And our state is fortunate to have a group of your caliber focusing on this essential issue.

I am still impressed with the quality of the report you commissioned for 80th Legislature’s consideration and am confident that your innovative proposals will move forward as time progresses. For example, I still believe we should disperse more control to the local level by providing funds that local contributors can match and use to establish Tier 1 universities. I also believe we should continue efforts to purge the politics out of education, specifically in the areas of funding and making policy. And I’m still a partner in the effort to establish a formalized, long-term plan for higher
education reform in Texas.

I am encouraged that the appointments process for the Commission on Higher Education and Global Economic Competitiveness is on the verge of wrapping up, allowing that team to get rolling on their charge. And when they do, I am optimistic that they will stay focused on those areas that will actually make a difference. As you know, I'm a results guy who would just as soon not meddle in process. So, I'd rather set the bar high, talk about guiding principles and let the subject matter experts battle it out. That said, I believe that the Commission should leverage incentive funding as a way to bring out the best in educators. I am convinced that more transparency is always better than less. If taxpayers can see exactly where their dollars are going, the phone in the chancellor's office will start to ring and changes will happen. When the accountability factor goes up, the results follow.

And, on the notion of accountability, I would like to see a little more of it in the area of financial aid. This might sound a little old-fashioned, but people who receive public money for education should do things like go to class, make measurable progress in their studies, and earn grades that reflect proficiency in their field. Now, there are certainly situations where people cannot meet those standards due to extenuating circumstances, but that's where the notion of local control comes into play. But, in general, I expect you'd hold students to the same standards when they join your workforce.

It may ruffle a few feathers when I say this, but I believe that the educational establishment should be held to similar standards. For example, current funding formulas aren't based on how many students complete a class, but how many stick around until the twelfth day of a semester. Don't get me wrong—I'm a runner and I know just how important that first step is for any fitness program. But is it really a bona fide race if you get a trophy just for showing up? Well, that would apply to youth soccer, too, but I digress. I would ask this: how many of your firms get paid in full at the start of a project? Good on you if you can, but I suspect not too many. The fact is, we need to encourage outcomes that are most beneficial to the student, their future employers, and society as a whole.

Our responsibility is to inspire people to understand they can achieve high standards by casting a big vision, setting appropriate standards, and using the tools at our disposal, the strongest of which are the financial incentives. On July 15th, I look forward to hearing from the Task Force on Higher Education Incentives to find out just how they recommend our state proceed in this area. I'm convinced they're the right approach and confident the results will bear that out.

All things considered, we still have work to do in the area of higher education, but there are many, many bright spots. Our universities are still turning out sharp students that are in demand across the country. Our professors are starting to dial into the notion of technology transfer, dusting off some of their research discoveries, and assessing their potential for commercialization. I had the pleasure of going to Lubbock just a few short weeks ago to announce an investment by our Emerging Technology Fund that not only recruited world-class researchers to our state, but also added resources to a program that is creating cutting-edge advances in nano-photonics. Just before that, I was in College Station to witness a groundbreaking for the Texas Institute for Preclinical Studies, a facility that will provide testing for innovative ideas and incubation for research on its way to becoming commercially viable. That, too, was funded in part with ETF dollars. And we aren't just investing in the researchers and technology; we have also resourced the university's commercialization office. After all – what good is the technology if the university doesn't have the means to move it to the marketplace?

Investments like these are yet more examples of the pressure we're putting on the gas pedal of our state's economy. I appreciate your role in that process and celebrate in advance the outcome of your efforts. I encourage you to remain committed to our goal of a more prosperous Texas and keep not only the ideas coming, but also keep up the personal efforts to move our state forward, making us more competitive in the global marketplace.

Thank you for all you do for our state and keep fighting the good fight.
God bless and thank you.