



**OFFICE OF THE GOVERNOR**  
**Rick Perry**

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News Release

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**Text of Gov. Rick Perry's Remarks**  
**State of the State Address**  
January 27, 2009

*(NOTE: Gov. Perry frequently deviates from prepared text.)*

It is truly an honor for me to be here with you today.

Lt. Governor Dewhurst, it is a pleasure to share this stage with you as we begin another session together.

Speaker Straus, congratulations on your new role and the affirmation of your peers it implies. Like we have in the past, I look forward to working with you in the months to come.

Julie, you may have thought your life was busy before, but it's about to go to a whole new level...just ask Nadine.

Speaking of which, I want to take a minute to recognize my good friend, Tom Craddick. He and Nadine are stuck at home in an ice storm, but they deserve our heartfelt thanks for their faithful service to the state.

I also want to thank my parents for joining us today. Thank you for giving me life and for teaching me the value of hard work, public service and compassion for others.

Finally, I want to acknowledge my inspiration, my counsel, my best friend, and the love of my life. She's also your First Lady, Anita Perry.

Anita, I wouldn't be where I am today without you. Thank you for your support and love.

As I look out across this historic chamber, I see the faces and recall the memories of so many leaders, past and present, who devoted their lives to serving our beloved state.

Together, we have made Texas a better place.

Here in this room, we sit side by side, Democrat with Republican, from urban districts and rural, different in so many ways, but united by a common goal: doing good for Texas.

We are blessed that the state of our state is strong. However, during this session, we can do the most good by working to minimize the impact of the global economic crisis on the people of Texas.

Over the course of this session's remaining 126 days, we might define the word "good" a little differently or diverge on how to get it done, but I have no doubt that each of us is committed to doing what's best for a state we love.

We must never forget that we were put **INSIDE** this building to serve those **OUTSIDE** this building.

May we never lose touch with these flesh and blood Texans, people who are focused on working hard, stretching a paycheck, and raising their children.

As we work on their behalf, we may disagree, and sometimes disagree vigorously, but when the day is done, we'll hammer out the details and we'll make things happen, Texas-style, by putting the people first.

We saw that mindset portrayed in our state's remarkable response to three hurricanes this past year.

Those catastrophic storms affected millions of Texans, including people sitting here today, like Senator Mike Jackson and Representative Craig Eiland, whose homes were damaged by Ike, and their peers from the Valley who have worked so hard to help their districts recover.

Once the storms passed, we saw neighbors helping neighbors, volunteers with chainsaws clearing debris, and charitable organizations working 'round the clock to help their fellow Texans.

One of those groups was Somebody Cares America, a Houston-based group whose volunteers worked tirelessly to bring thousands of meals and even hot showers to Texans whose lives were turned upside down by Hurricane Ike.

Joining us today is the leader of this organization, Dr. Doug Stringer. Please join me in recognizing his leadership. Doug's group and countless others like them showed the world how Texans respond to a crisis: we roll up our sleeves; we make tough choices, and put people first.

As leaders and Texans, it's our turn to demonstrate those same qualities as we confront the greatest challenge facing our state, the national economic crisis, a situation unlike anything most of us have ever seen in our lifetimes.

Every day, we hear more stories from across the country of jobs lost, plants closed, and homes on the auction block. As shockwaves of this crisis begin to resonate in Texas, we're reminded that we're not immune to these forces, yet we're still in better shape than most other states.

I credit our relatively strong economic condition to tough, principled, decisions made in this building over the past three legislative sessions.

It was only six years ago when the 78th Legislature kicked off with a \$10 billion budget shortfall.

To our shared credit, we didn't raise taxes like so many other states did then...and are again contemplating today.

Instead, we tightened our belt, made spending cuts where we could and focused on key priorities, never forgetting that it's not OUR money we spend here; it's the taxpayers'.

Many of you remember those fiery spending debates of years past, so you'll be ready for some equally challenging conversations in the days to come.

All across the country, states are hiking sales taxes, they're slashing education spending, preparing to pay state employees with IOUs, and begging Washington DC for a bailout.

Because we took a different approach back then, we know it's better to control spending to make government less burdensome, as a way to free up the economic power of our citizens.

We know the benefit of legal reforms that stem the tide of frivolous lawsuits, while attracting an army of skilled doctors to Texas, and improving access to healthcare across our state.

We continually fine-tune our regulatory climate, increasing predictability and fairness for employers, while protecting our citizens and our natural resources.

We also invest in proven economic development efforts like our Enterprise Fund, our Emerging Technology Fund, and Film Incentives which target an industry that has brought more than \$1.2 billion to our economy over the past ten years.

In short, our refusal to continue business-as-usual has made life better for Texans, like those working in the 1.2 million net new jobs created since 2003, the vast majority of them in the private sector.

Considering the fact that Texas had only added about 300,000 jobs in the five years prior to 2003, our efforts clearly strengthened our economy.

As it stands, our state now leads the nation in exports, Fortune 500 companies, and job creation.

From November 2007 to November 2008, roughly 70% of the jobs created in the U.S. were in Texas.

Think about that for a moment. Our state is home to one out of ten Americans, but seven out of ten new American jobs were created here in the Lone Star State.

Even in these tough times, more jobs are heading our way.

Cooper Tire is bringing 250 new positions to Texarkana, into Senator Eltife and Representative Frost's district.

Martifer Energy has pledged 225 jobs in San Angelo, which will help things in Senator Duncan and Representative Darby's neck of the woods.

Caterpillar is moving 1,400 new jobs to Seguin, to energize the economy represented by Senator Wentworth and Representative Kuempel.

I would like to recognize Mike Coolidge, a generator technician for Caterpillar here in Texas, who is up here with me today. Mike, would you stand and be recognized?

Mike represents the 1,400 other Texans who will have the chance to work hard and feed their families in the coming months as a result of our state's economic development success.

I'm confident CAT won't be the last employer to identify Texas as the best place to grow a business, invest capital and create new jobs.

As we celebrate our relative strength and welcome these new jobs to Texas, we cannot lose sight of the global financial situation and what it may mean for us in the months to come.

As we wrestle with lowered revenue estimates, we must stay committed to the proven policies that have brought us so far, and resist any calls to panic.

There are those who say we should crack open the Rainy Day Fund and pour it out on every need that presents itself.

Others say we should just hunker down, save every penny we have, and stay curled up in the fetal position 'til this one blows over.

Now, I'm a big believer in conservative fiscal approaches... but that doesn't mean it's time to play defense.

Texas is strong because we aggressively play offense.

In tough times, others see threats; Texans see opportunity.

For example, the nationwide struggles are creating a buyer's market for economic development, so let's be bold and win even more jobs for Texans.

When other states are raising taxes, their businesses will be looking elsewhere for tax relief. Let's make sure they find it in Texas.

When other states are driving companies away with suffocating layers of regulation, let's welcome them with fewer obstacles.

When other states are bonding additional debt for daily operations, let's invest wisely to create even more jobs and opportunity.

We should start by replenishing the Emerging Technology Fund, our Film Incentives and the Enterprise Fund, to keep drawing ideas, investment and jobs to Texas.

Together, we've invested \$377 million with the Enterprise Fund since 2003, creating nearly 54,000 jobs for Texans while drawing \$14 billion in direct capital investment to our state.

These jobs have gone to both urban and rural areas, from the Metroplex to the border, from the Piney Woods of East Texas to El Paso, providing for families and strengthening communities.

As we work to enhance our economy, we also need to take a close look at the reformed business tax we implemented a few years ago.

With one collection cycle under our belts and plenty of feedback from both the Comptroller and business owners, we know enough now to improve it. The question is how.

I would support raising the small business exemption to \$1 million, and I'm looking forward to hearing from folks like the House's Jim Keffer and John Otto as well as Chairman Ogden about the best way to protect small businesses.

Our guiding priority must be shrinking, not expanding, the burden on the small businesses that are the backbone of our economy.

Let's free up our entrepreneurs to keep doing what they do best, creating wealth, drawing investment and generating the jobs needed by our growing population, one the Census Bureau tells us is averaging 1,000 new Texans per day.

As more people move here, will our economy continue to grow? Or will we let taxes and regulatory encroachments creep upward to choke off innovation? I say we hold the line.

Will they find their property taxes spiraling continually upwards because of a broken appraisal system? I say we give that system a dose of accountability, transparency and restraint.

Will they find themselves stuck in traffic and paying too much for dwindling supplies of power and water? Not if we act to upgrade our state's overburdened infrastructure.

Will they be left behind by the demands of an increasingly high-tech economy? Let's improve education in our state at every level to help them compete in any arena.

To reach our goal of ensuring every student graduates from Texas high schools with a strong foundation in math, science and English, we owe them three things.

First, they deserve the best teachers. Nothing matters more to student success than having an excellent teacher in every classroom.

That is why we worked so hard to create the largest teacher incentive pay program in the country, one that will pay out more than \$147 million to teachers and staff by the end of this school year.

This is a program we must continue.

Second, we must hold our schools accountable for student performance.

As you consider changes to the accountability system, make sure it keeps moving students along the path to graduating "college and career ready" while keeping parents and taxpayers informed on their district's performance.

Third, let's keep improving our math and science education, and continue preparing our young people, especially low-income and minority students, for a productive life after high school

Since we first created the Texas High School Project to improve graduation rates of disadvantaged students, this program has created 32 academies that focus on science, math and technology, along with several early college high schools on community college campuses, whose best practices are being shared across the state.

Our ongoing commitment to supporting teachers, holding schools accountable and improving outcomes for minority and underprivileged students has made a huge difference.

Let's continue that momentum and give our children the gift of even stronger educational outcomes.

One approach is to update our laws and regulations to help schools benefit from evolving educational technologies. For example, we should allow school districts to purchase electronic versions of the text books that have been approved by the State Board of Education.

This will allow flexibility as educators move our children along the path to graduation and the next step in their lives.

For many young Texans, that next step is college. Let's work together to make college accessible and affordable for more qualified, motivated students than ever before.

I propose increased funding for the Texas Grant Program, an initiative I pressed for as Lt. Governor, that has opened the door for traditionally underserved Texans.

I like this approach because it not only knocks down a barrier between hard working students and the success they desire, it also keeps our college classrooms supplied with students who are motivated and prepared to succeed.

I also propose freezing a student's college tuition rates for four years at the level they pay as an entering freshman. This will help Texas families plan while giving students another incentive to finish on time.

We must continue removing roadblocks for young Texans wanting to pursue higher education, whether they enroll straight out of high school, or choose to serve their country in the military first.

I'm talking about service members like the ones joining us here today in the front of the chamber, visiting from Brooke Army Medical Center. Please help me recognize our wounded warriors here today.

They represent the countless young Americans who have gone in harm's way in defense of freedom throughout our nation's history.

These veterans, who now spend their days recovering from injuries sustained while serving our country, deserve the best our state has to offer, as do all veterans who have served our country.

In appreciation for their service, I share Senator Van de Putte's belief that we should extend in-state tuition rates to all veterans, regardless of their home of record.

This approach would not only express our heartfelt gratitude for their selfless service, it would also enrich our colleges and our workforce with the leadership, motivation and experience gained during military service.

Any discussion of higher education must include our community colleges and proprietary schools.

Every year, these institutions turn out students who are prepared to succeed in the completion of their four-year college degree, as well as folks ready to work in the trades that contribute so much to our quality of life.

I agree with Comptroller Combs that we should significantly increase our investment in community colleges.

Besides being anchors to their local communities, these schools are ideally positioned to educate a growing population of workers that have either been displaced by the current economic turmoil, or have job skills that have been outpaced by rapidly-evolving technology.

I suggest we tackle this challenge with an expansion of the Workforce Commission's Skills Development Fund and its training partnerships.

Since its creation in 1996, the Skills Development Fund has helped 3,000-plus employers train more than 200,000 workers in essential workplace skills.

Given the rapidly growing need for this type of retraining, I strongly urge you to increase the Skills Development Fund, and invest in the Texas worker of tomorrow.

At the same time we strengthen our community colleges, we can also champion changes that will improve our four-year universities.

Let's apply the power of incentives by rewarding universities that increase the number of students they graduate.

This is just one way to continue improving higher education in Texas as we work to achieve and maintain a competitive edge in the global marketplace well into the future.

As we turn our eyes toward that shared future, we must continue focusing on the things that government is supposed to do, provide for the additional transportation, electricity and water infrastructure and resources our state needs to grow and prosper.

Ask yourself, will the decisions we make in this session ensure your children and grandchildren have the resources they need to thrive in Texas?

When they turn on the faucet, will clean, affordable water flow? Let's answer that question before this session ends and make it a resounding yes.

Make this 81st Session memorable as the moment when Texas finally invested in your water plan that is well-researched and locally-developed...but not-yet-funded.

Let's ensure that our citizens, our children and grandchildren, have access to this most vital of resources for the next fifty years.

Let's also make sure that, when they flip a light switch, the lights will come on and stay on. Let's not leave a legacy of rolling blackouts because we didn't keep pace with our power infrastructure.

The best long-term method for controlling utility costs is not to centralize control of rates, but to diversify the supply of energy...and keep taxes lower.

Fortunately, we've been successful in lowering the taxes our citizens pay on some utilities.

By modifying the universal service fund in '05, we are saving telephone ratepayers millions, and Texans have saved \$600 million on telephone charges because we listened to Speaker Straus and eliminated the TIF tax.

When we combine lower utility taxes with increased, diversified production, we will preserve our role as the nation's energy leader.

Unfortunately, our strength in petrochemical production and refining makes us a big target on the radar of an increasingly activist EPA, whose one-size-fits-all approaches could severely harm our energy sector; an agency whose potential to harm our state with punitive actions will only increase in the months and years to come.

Rather than wait for more mandates and punishments for environmental non-attainment, let's continue encouraging innovation.

I support giving Texans in the non-attainment areas of our state a \$5,000 incentive towards a purchase of Plug-In Hybrid Electric Vehicles, using the funds Texans have already paid to reduce emissions, while providing a unique way to store wind energy.

This will keep Texas competitive in an emerging technology and take advantage of an energy portfolio that grows deeper and more diverse every day.

Texas has been taking an all-of-the-above approach to energy, increasing our affordable supplies of traditional energy sources, as well as wind, solar, bio-fuels, and nuclear, as a way to bolster our economy and move us closer to energy independence.

Texas is leading a national renaissance in nuclear power. With six potential new reactors on the drawing board, we need to encourage the production of this clean and reliable form of energy.

Texas has a huge opportunity in bio-fuels if we'll continue leveraging our state's energy expertise while avoiding use of food crops for energy, a practice that harms our farmers and ranchers, and drives up the family grocery bill.

Of all the renewable energy sectors, our biggest success story is in wind. Texas not only leads the nation in installed capacity, we have more wind-generated megawatts than all but three countries.

As with all electricity, however, one of our biggest challenges is getting the power from the source to homes and businesses where it is needed.

So whether it's West Texas wind or nuclear power from South Texas, we need to build out the transmission and distribution lines, streamline the regulations, and cut the red tape, so we can move this power to where it's needed.

As is the case with most infrastructure needs, eminent domain will play a role in this effort.

Let's resolve the eminent domain issue once and for all in this session, so that Texans will not only have clarity, but also a strong defense of the private property rights we all hold so dear.

While we're at it, let's provide an added measure of security for our landowners by putting it into the Constitution.

Senator Duncan and Representative Orr, I appreciate your willingness to run point on this important issue.

In these times of global unrest and porous borders, security remains a top priority, especially in light of Washington's ongoing failure to provide the resources necessary to secure our border, or implement a sensible immigration policy.

I'm hopeful that my fellow border governor from Arizona will bring a better approach in her new role as Secretary of Homeland Security.

However, until we see results, Texas will continue filling the leadership void created by Washington DC and investing in the safety of our citizens with our own border security effort.

From 2005 until September 2007, my office cobbled together roughly \$38 million which we used to ramp up security along our border.

Based on the success of these efforts, you invested \$110 million in Operation Border Star in 2007.

In doing so, you not only funded more personnel, but also provided assets like aircraft and patrol boats, as well as better technology for communications, data management and coordinated efforts.

Joining us today are representatives of the team protecting our border. Will you please stand and be recognized?

They represent the hardworking men and women who work together to fight crime, including the Texas Border Sheriff's Coalition, the Brownsville Police Department, the Department of Public Safety, Texas Parks and Wildlife, Texas Military Forces, and the U.S. Border Patrol

Thank you for working so hard to keep Texas safer.

As a result of your efforts and their deterrent effect, illegal alien apprehensions in Texas have dropped 47% since 2005.

Crime has also fallen as much as 65% in areas that smuggling cartels previously treated as their personal playground.

Those are signs of great improvement, but we need to keep the heat on by renewing funds for our border efforts, especially in light of the growing drug and gang-related violence in Mexico.

It is already spilling into communities across the state in the form of increasingly brazen transnational gangs.

Because we have seriously hindered the Mexican drug cartels' ability to move contraband across the border, they are relying with increasing frequency on these unprincipled gangs to do their dirty work.

Originating in foreign countries and taking shape in our prisons, these gangs have been radiating outward into our towns, schools and neighborhoods, applying terror tactics to build their influence.

Joining us here today are State Troopers John Cox and Chad Foster, who were recently on the receiving end of gunfire while protecting our state from those threats, including gang members. Would you please stand and be recognized?

Gentlemen, thank you for standing between the law-abiding citizens of our state and those who would do them harm.

I also want to thank Senator Carona for his efforts to bring attention to the serious threat these gangs pose to our state.

I agree it is time to act and believe we should devote the necessary resources, just under \$32 million, to properly address this gang threat head-on, in communities across the state.

These funds would be used to pay more officers, provide better coordination of multi-force efforts and fund prosecutions for gang-related offenses.

As we continue to strengthen our border, we must also consider the essential role that federal immigration policy, or the lack thereof, plays in the safety of our citizens and integrity of our state.

After revelations that a Dallas man had set up a cottage industry procuring Texas driver licenses for illegal aliens hailing from countries around the world, I am an even stronger supporter of the DPS initiative to issue specialized, vertical driver licenses, to identify those who have overstayed their visa.

I also support an end to the notion of sanctuary cities. Local government sends the wrong message when they pick and choose what laws they want their peace officers to enforce.

I believe we should also require the same identification procedure for voting that we require for voter registration. I commend Lt. Governor Dewhurst for his longstanding leadership on this issue.

A democracy without proper protections against voter fraud cannot preserve the public trust.

We should also track the citizenship status of those receiving state-funded services so we can get our hands around the financial impact of Washington's failure to handle the immigration challenge.

Some may oppose these efforts, but they are commonsense approaches to protecting our citizens' lives and resources, as well as our state's integrity.

Although we are maintaining a more secure border and preparing to combat the growing gang threat in our cities, there is nothing we can do to divert the storms that hammer our coast.

The financial impact of the 2008 storm season was unprecedented in Texas history.

Our experience in the aftermath is a reminder that we cannot rely solely on the federal government and the good intentions of FEMA, but we know we can move a whole lot faster than they can.

We simply cannot, in good conscience, allow our citizens to shiver in a tent or sweat in the sun as Washington drags its heels on housing and reimbursements.

To that end, let's create and fund a disaster contingency and relief account, that gets locals the resources they need when they need them, so they can respond immediately to storms, wildfires and other disasters.

This fund could also pay for other approaches we have pioneered, like the buses we hire to move thousands of Texans out of the path of approaching storms.

As we consider ways to protect our citizens, I would ask you to consider if we're doing enough to improve their lives.

For example, Texas obesity rates are well above the national average and the negative effects are spreading.

Comptroller Combs and Commissioner Staples are right. If we don't tackle this problem, not only will this generation of children be the first to have a shorter average lifespan than their parents, we will never get a handle on the costs of preventable diseases like diabetes, heart disease and even some forms of cancer.

Let's address obesity where it will make the most difference, most quickly: with our schoolchildren. Texas should take the lead on testing an incentive-based fitness program like those gaining popularity in the workplace.

As we consider detriments to our quality of life, let's not forget the looming specter of cancer, a disease that still takes the lives of more than 34,000 Texans every year.

We did a good thing in the last session when we authorized the referendum championed by Representative Rose and Senator Nelson. Texans agreed with you when they approved the Cancer Prevention and Research Institute of Texas in a statewide vote.

Now it's time to take the next step by covering the Institute's startup costs so researchers can get to work, move us closer to a cure, and accelerate our state's ascendance as a leader in biotechnology.

This rapidly-growing field is of particular interest to Texans, both economically and in terms of discoveries that improve and save lives.

Biotech innovations in our state include discoveries in the area of adult stem cell research that are showing great promise.

For example, the folks at the Texas A&M Health Science Center will begin trials on diabetes treatments later this year in Waco.

Let's get Texas in on the ground floor and invest in adult stem cell research, the one area of that field that is actually proven to expedite cures.

Expertise in this emerging and increasingly promising field will not only bring healing to the suffering and create jobs for Texans, it will also establish an appropriate firewall protecting the unborn from exploitation.

I am grateful to Senator Nelson for stepping to the front on this issue.

As we consider the growing threats to our nation's unborn, I believe it's time to add another layer of protection for the most vulnerable Texans.

I hope you will join me in supporting Senator Patrick and Representative Corte's effort to require those wanting to terminate a pregnancy to review their ultrasound before proceeding.

Issues of this complexity and moral weight are the sort of thing that we are sent here to address.

As we wrestle with such issues in the 126 days left 'til Sine Die, I know that our values, patience and resolve will be tested, but I'm confident in our prospects for success, because I am confident in the people who elected us.

As we serve them, let's not forget the principles that have brought our state this far.

I am convinced that the fiscal discipline we exercised together over the past few sessions has left us in much better shape than other states.

Let's build on our shared record of success and press on to do even more to protect our citizens' families, jobs and rights.

For example, the time has come for a frank conversation about spending limits that should culminate in a constitutional amendment.

I'm a firm believer that limiting the growth of our budget to the combined growth of inflation and our population is appropriate.

I also hope we can build on the success of our transparency efforts by calling for more of it, including from our institutions of higher education and municipalities all across the state.

Judge Self and the folks in Collin County showed it's possible when they took it upon themselves to put their books online.

The companion to transparency is truth-in-budgeting, so let's work together to further reduce the number of diversions in our budget.

We should only spend tax dollars on the express purpose for which they were collected. That's what Texans expect and that's what they should get.

Let's show it can be done in this session by shifting funding for the Department of Public Safety back into general revenue.

This will free up existing gasoline tax dollars to fulfill their original purpose: the construction and maintenance of our state's roads.

As you go about your business in the next few months, you may be tempted to dip into our rainy day fund.

If you do, let's limit our use of those funds to significant one-time expenditures, not recurring items.

That approach will preserve the gains that underlie our economic health, and enable us to keep doing the good I discussed as I began my time with you today.

To me, good is giving Texans access to a quality education, good-paying jobs and the chance to keep more of what they've earned for their own families.

Good is a community safe from crime, blessed with clean air and water, where families spend time together at the dinner table or the sports field, not stuck in bumper-to-bumper traffic.

Good is a state where people are free to worship their god in the manner of their choosing, passing to their children an inheritance of sound values and living out their life in peace.

As we work in this historic place and serve the people who sent us here, I hope we will continually strive for the good, take part in passionate yet civilized debate, and never let the flame of our passion dwindle.

For we still live in what I consider the greatest state, a land settled by visionary risk-takers, replenished in every generation by individuals who carry our state's heritage of selfless service as their charge.

I speak of individuals like Regan Hunt, an Eagle Scout from Austin who risked his own life to save five others from drowning in an Idaho canal.

Regan, please stand for a moment and let these folks join me in thanking you for being with us here today. You are a shining example of the courageous, selfless spirit that makes Texas great.

As we are told in Scripture, "Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up."

And reap that harvest we shall...and we shall reap it together.

Because, ladies and gentlemen, the State of our State is good. Her character is strong and her people are great, and I believe now, more than ever before, that our best days are yet to come.

May God bless you and, through you, may He continue to bless the great state of Texas.

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