

SIXTH DAY

WEDNESDAY, JANUARY 26, 2005

PROCEEDINGS

The Senate met at 11:00 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Brimer, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Harris, Hinojosa, Jackson, Janek, Lindsay, Lucio, Madla, Ogden, Seliger, Shapiro, Shapleigh, Staples, Van de Putte, Wentworth, West, Whitmire, Williams, Zaffirini.

Absent-excused: Averitt, Carona, Nelson.

The President announced that a quorum of the Senate was present.

The Reverend Ron Smith, Saint David's Episcopal Church, Austin, offered the invocation as follows:

O God, the fountain of wisdom whose will is good and gracious and whose law is truth, we beseech You so to guide and bless all of the leaders of the State of Texas but particularly our Senators here assembled that they may enact such laws as shall please You, to the glory of Your name and the welfare of the citizens of our state. We ask this prayer in confidence of God's mercy, goodness, and justice. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of yesterday be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

LEAVES OF ABSENCE

On motion of Senator Whitmire, Senator Averitt was granted leave of absence for today on account of important business.

On motion of Senator Whitmire, Senator Carona was granted leave of absence for today on account of important business.

On motion of Senator Whitmire, Senator Nelson was granted leave of absence for today on account of important business.

SENATE RESOLUTION 21

Senator Harris offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to pay tribute to the City of Arlington and recognize January 25 and 26, 2005, as Arlington Days at the State Capitol; and

WHEREAS, Located halfway between Dallas and Fort Worth in east Tarrant County, Arlington provides many opportunities for good, clean, safe, and affordable family entertainment; it has fine educational, medical, and financial institutions, a strong and vibrant business community, and a proactive city administration; and

WHEREAS, More than six million visitors each year take advantage of Arlington's shopping, golfing, fine dining, and entertainment amenities; the Ameritrust Field ballpark is home to the Texas Rangers, and Six Flags Over Texas in Arlington is the biggest theme park in the central states; and

WHEREAS, Many technical and manufacturing companies have found Arlington to be an excellent place for their businesses, and The University of Texas at Arlington is a superior and comprehensive research, teaching, and public service institution with a diverse student body; and

WHEREAS, Arlington has a varied and colorful history; in colonial times, the primary residents were the Caddo Indians, who hunted and farmed the land and had a vigorous trading business with French, Spanish, and Mexican traders; and

WHEREAS, When the Texas and Pacific Railroad arrived in 1875, the local stop served the surrounding farms between Dallas and Fort Worth, helping to spur growth in the area; Arlington was incorporated in 1884; in the 1950s, the city began experiencing dramatic growth when the population rose from 8,000 to 45,000 under the leadership of Mayor Tom Vandergriff; and

WHEREAS, Arlington Days at the State Capitol is an excellent opportunity for the legislature to recognize one of our state's finest cities, whose residents can be justifiably proud of their community's unique history and the enormous economic, educational, and cultural contributions they have made to the development of Texas; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 79th Legislature, hereby extend a warm welcome to the citizens of Arlington who have come to the Capitol this day and recognize with great pleasure the days of January 25 and 26, 2005, as Arlington Days at the State Capitol; and, be it further

RESOLVED, That a copy of this Resolution be prepared as an expression of high regard and admiration from the Texas Senate.

BRIMER
HARRIS

SR 21 was read and was adopted without objection.

GUESTS PRESENTED

Senator Harris, joined by Senator Brimer, was recognized and introduced to the Senate a delegation of citizens from the City of Arlington.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Fraser was recognized and introduced to the Senate a delegation from Leadership Fredericksburg.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Barrientos was recognized and introduced to the Senate a delegation of Communities In Schools program directors.

The Senate welcomed its guests.

SENATE RESOLUTION 32

Senator Wentworth offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize certified registered nurse anesthetists for their outstanding work in providing anesthesia services and to proclaim January 23 through 29, 2005, as Nurse Anesthetist Week; and

WHEREAS, Certified registered nurse anesthetists have enjoyed a distinguished record of service since the 1880s, when they became the first health care professionals to specialize in this critically important medical field; and

WHEREAS, During the 2005 Nurse Anesthetist Week, we honor these highly skilled individuals, who have practiced their profession in our state for over 110 years; the approximately 1,400 nurse anesthetists currently working in Texas are the sole providers of anesthesia services to over three million rural patients; and

WHEREAS, Committed to educating more nurse anesthetists, our state is proud to be the home to graduate training programs at five different institutions; and

WHEREAS, An outstanding representative of this field, Lieutenant Colonel Joseph Helminiak, is the chief nurse anesthetist at Brooke Army Medical Center; Lieutenant Colonel Helminiak served ably in Operation Iraqi Freedom as a member of a neurosurgical Fast Team, providing anesthesia for more than 140 trauma craniotomies as well as for other trauma surgeries; and

WHEREAS, Nurse Anesthetists perform critically important work as members of surgical teams every day, and their contributions to the health care field are indeed laudable and deserving of legislative recognition; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 79th Legislature, hereby commend certified registered nurse anesthetists for their exemplary achievements and their contributions to medicine and extend to them best wishes for a memorable 2005 Nurse Anesthetist Week; and, be it further

RESOLVED, That a copy of this Resolution be prepared for them as an expression of esteem from the Texas Senate.

SR 32 was read and was adopted without objection.

GUESTS PRESENTED

Senator Wentworth was recognized and introduced to the Senate a group of nurse anesthetists.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Deuell was recognized and introduced to the Senate Victor Morales and his high school students from Kaufman.

The Senate welcomed its guests.

SENATE RESOLUTION 17

Senator Ogden offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize the members of Class IX of the Texas Agricultural Lifetime Leadership "TALL" program; and

WHEREAS, The Texas Agricultural Lifetime Leadership program is one of the Texas Cooperative Extension's premier educational programs; now in its 18th year of operation, the TALL program identifies men and women in the early stages of their careers and prepares them to be future leaders in the agricultural industry; applicants must be residents of Texas and actively involved in farming, ranching, or a business closely relating to agriculture; and

WHEREAS, The TALL IX class consists of 25 persons ranging in age from 25 to 50 who were chosen for their leadership ability, analytical and communication skills, vocational commitment, and growth potential; over a two-year period, they will study agricultural issues and become more involved with activities contributing to the growth of Texas agriculture; and

WHEREAS, The class will tour the state and visit Mexico, Washington, D.C., New York, and Brazil; in Austin, the class will gain firsthand knowledge of state government and its significance in agriculture; and

WHEREAS, An exemplary educational program, TALL ensures that a new generation of leaders will have the knowledge and expertise to solve the complex issues facing the agricultural industry today and in the future; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 79th Legislature, hereby congratulate participants in the Texas Agricultural Lifetime Leadership program and extend to them best wishes for success in the TALL IX class and in the future; and, be it further

RESOLVED, That a copy of this Resolution be prepared for them as an expression of esteem from the Texas Senate.

SR 17 was read and was adopted without objection.

GUESTS PRESENTED

Senator Ogden was recognized and introduced to the Senate Dr. Jim Mazurkiewicz, Extension Specialist, Leadership Programs, and TALL Director, Texas Cooperative Extension, The Texas A&M University System; and Dr. Elsa Murano, Vice Chancellor and Dean of Agriculture and Life Sciences at Texas A&M University and Director of the Texas Agricultural Experiment Station.

The Senate welcomed its guests.

PHYSICIAN OF THE DAY

Senator Barrientos was recognized and presented Dr. Elliot J. Trester of Austin as the Physician of the Day.

The Senate welcomed Dr. Trester and thanked him for his participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

SENATE RESOLUTION 34

Senator Wentworth offered the following resolution:

WHEREAS, For each of the past 58 years, the YMCAs of Texas have sponsored a youth and government program for the purpose of training the state's youth in the process of representative government and democracy; and

WHEREAS, Participants are elected by their local YMCA youth clubs or high schools, and preparatory district conferences set agendas for the annual program and acquaint the youth with governmental processes; and

WHEREAS, Plans are currently under way for the 58th and 59th annual Texas YMCA Model Legislatures and Judicial Sessions to be held in Austin; contemplated dates for those sessions are Thursday through Sunday, February 3-6, 2005, and Thursday through Sunday, February 2-5, 2006, with opening sessions each year planned for the first evening and mock legislative sessions and mock court hearings planned for the following days; and

WHEREAS, The YMCA Youth and Government Program provides a valuable and comprehensive educational experience, and the legislature supports the ideals of this worthy program as a means of developing an informed citizenry and as a training ground for future state officials; now, therefore, be it

RESOLVED, That the Senate of the 79th Texas Legislature, in accordance with the senate rules of procedure and policies of the Senate Administration Committee, hereby grant permission to the YMCA Youth and Government Program to use the chamber of the Texas Senate, auditorium, and committee rooms in the State Capitol, John H. Reagan Building, and other Capitol Complex facilities on February 3-6, 2005, and February 2-5, 2006, unless the Texas Senate is in session on those dates.

WENTWORTH
STAPLES

SR 34 was read and was adopted without objection.

ESCORT COMMITTEE APPOINTED

In accordance with the provisions of **HCR 26**, the President announced the appointment of the following as a Committee to Escort Governor Rick Perry to the Joint Session: Senators Shapiro, Chair; Fraser, Whitmire, Zaffirini, and Staples.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 11:40 a.m. agreed to adjourn, upon conclusion of the Joint Session, until 10:00 a.m. tomorrow.

JOINT SESSION

(To hear the State of the State Address by the Honorable Rick Perry, Governor of the State of Texas)

The President announced the time had arrived for the Joint Session pursuant to the provisions of **HCR 26**.

The President of the Senate and the Senators present, escorted by the Secretary of the Senate and the Sergeant-at-Arms, proceeded to the Hall of the House of Representatives at 12:00 noon.

The President was announced and, on invitation of the Speaker, occupied a seat on the Speaker's Rostrum.

The Senators were announced and were admitted and escorted to seats prepared for them along the aisle.

The Honorable Rick Perry, Governor of the State of Texas, and First Lady of Texas Anita Perry were announced by the Doorkeeper of the House of Representatives.

The Governor and his party were escorted to the Speaker's Rostrum by Senators Shapiro, Chair; Fraser, Whitmire, Zaffirini, and Staples on the part of the Senate, and Representatives Fred Brown, Chair; Turner, Pena, Laubenberg, and Orr on the part of the House.

The Honorable David Dewhurst, President of the Senate, called the Senate to order and announced a quorum of the Senate present.

The Honorable Tom Craddick, Speaker of the House of Representatives, called the House to order, announced a quorum of the House present, and stated the purpose of the Joint Session.

The President introduced His Excellency Rick Perry, Governor of the State of Texas, who addressed the Joint Session as follows:

Thank you. Statewide officials and members of the judiciary, Members of the Legislature and distinguished guests, friends and fellow Texans: I am honored to uphold our constitutional tradition and speak to you today on the state of our state.

As always, we are joined on this occasion by distinguished friends and neighbors. Please join me in welcoming Governor Eugenio Hernandez Flores of Tamaulipas. And please join me in recognizing two distinguished guests from Canada, Premier Gary Doer of Manitoba and Premier Bernard Lord of New Brunswick.

In this people's house we have many outstanding officials, two of whom join me today on this dais. Please help me recognize a great Lieutenant Governor, David Dewhurst. And please join me in recognizing an equally extraordinary leader and a fellow West Texan, Speaker Tom Craddick.

West Texas not only raised me, it gave me the love of my life. I'm proud to have by my side today and every day a wonderful woman who makes every day a radiant one, your First Lady, Anita Perry.

It was 20 years ago that I first took the Oath of Office in this House. And while much has changed, it's good to know some things have stayed the same. It's good to see in this House so many veteran lawmakers, including two old classmates, Harold Dutton and John Smithee. And it is good to see long-serving leaders in the Senate, such as the Dean, John Whitmire, and Ken Armbrister.

Anita and I want to issue a special welcome to our newest Members. You are the invigorating lifeblood every democratic body needs. Thank you for your willingness to serve.

Democracy functions best when we have an active citizenry. It is great to see the balconies filled by folks our forefathers called, "we the people." I want to issue a special welcome to a group of Texans who have a vision for extending educational opportunity to every corner of this great state, the members of HOPE, Hispanics for Opportunity and Progress in Education.

As we gather today, I am more optimistic than ever about our future.

Dark economic clouds are dissipating into an emerging blue sky of opportunity. In the last 15 months, we have added 162,000 jobs. In 2003, we attracted nine of the 24 largest capital investments in the nation, including the single largest investment, a \$3 billion Texas Instruments semiconductor plant.

Last year we convinced Vought Aircraft to add 3,000 jobs in Texas, and then we persuaded Countrywide Mortgage to bring 7,500 jobs to our state, the largest job expansion nationwide in four years.

These major investments and many more were made possible by the Texas Enterprise Fund, a fund that is not only bringing jobs to the big cities, but to towns like Brownwood, New Braunfels, Buda, Nacogdoches, Port Neches, League City, and Ennis, too, Chairman Pitts.

It's no wonder *Site Selection* magazine called Texas the best business climate in the nation in 2004.

We can feel good about our economic progress because more families are making a good living. Jobs are not just economic statistics, they are an investment in our people and a generator of revenue.

Job growth has led to tremendous revenue growth. In two years, we have gone from \$10 billion in the red to \$6 billion above what we last budgeted. That didn't happen by accident. It happened because we made the hard decisions and you cast the tough votes. And today, you deserve much of the credit.

Among the 10 largest states, six still faced revenue shortfalls heading into this year. All six recently raised a patchwork of taxes, and one borrowed up to \$15 billion to address their budget gap.

We took a different path. We asked every agency to justify their budgets. For the first time since World War II, we lowered general revenue spending. And we addressed the priorities of our people without raising their taxes.

Going forward, we must not retreat on the principle behind our prosperity, fiscal responsibility.

We did not tax and spend our way to a revenue surplus, and we need not tax and spend our way to future shortfalls. Our challenge is to make sound, strategic investments that stand the test of time.

That is what we have done for many years in education. Standards are higher and test scores are rising again. According to a study by Achieve, Incorporated, Texas is the first state to make a college-prep curriculum the standard coursework in high school, starting with this year's ninth-grade class.

We were the first state to require individual graduation plans for at-risk students and provide a personalized study guide for eleventh-grade students that fail state assessments. And we have joined the Gates Foundation in investing \$130 million in the Texas High School Initiative to reorganize and reconstitute failing schools.

The foundation for future prosperity is built on the bedrock of good jobs and great schools. We are building a strong foundation one job at a time and one educated Texan at a time.

Progress can be measured on other fronts, too. Because of leadership on both sides of the aisle, doctors are returning to areas once deemed high-risk, hospitals are seeing double-digit declines in their insurance costs, and patient access is improving because the personal injury trial lawyers are no longer calling the shots when it comes to Texans' health care.

We also passed sweeping reforms to address one of the top job-killers in Texas, frivolous lawsuits.

Texans stuck in traffic now know that help is on the way. The Trans Texas Corridor is quickly becoming a reality with the private sector willing to expend \$7.2 billion up front without asking for one dime in state money for construction. This toll project will allow us to build needed corridors sooner and cheaper. And for those who like driving on free lanes today, let me be clear, I do not support tolling existing lanes.

The reforms of the last two years have protected Texans' pocketbooks, preserved their health care, and improved the job climate. With our recent economic growth, continuing gains in education, and a better budgetary picture, the Lone Star of Texas is once again on the rise.

So today, I am proud to declare the state of our state is vibrant and our future is limitless.

Because of the right choices you have made, we find ourselves at the brink of a new era of possibility. And today, I ask you to consider what is possible if we make wise investments in good jobs, great schools, and stronger families.

Nothing impacts our future like the education of our children. It is the one issue foremost on the minds of every leader in this room. And today, it is the focus of my remarks.

Education often gets reduced to a numbers game inside the walls of this Capitol. But inside the walls of our schools, the greatest concern is whether our children grow and learn. Let us keep the most important issue the most important issue, and that is the quality of education in our schools.

This is not merely an exercise in accounting or a chance to change our complex funding formulas. It is a once-in-a-generation opportunity to make sure children of every background are given a chance in life.

The financing component is critical, but it is only the means to an end destination. And we will not arrive at that destination until every child in every corner of this state can walk through the schoolhouse doors and have waiting for them the best teachers, the best curriculum, and the best opportunity to succeed.

Our challenge in education is to go from good to great by empowering children of modest means to live unlimited dreams.

I ask you to think about what is possible, not what is standard practice, when it comes to education. We've climbed a long way up the mountain, but many of our schools still have no view of the top.

We must have two goals: Ensuring more students graduate and ensuring more students graduate prepared for college. It's that simple and it is the greatest challenge we face.

Despite a decade of progress and gains by students of every background, we still have an achievement gap in Texas schools that will be an opportunity gap when today's students become tomorrow's workers.

Today we have 36,399 students trapped in failing schools. Last year 889,468 students failed at least one section of the TAKS. And two years ago, 15,665 students dropped out.

The answer to these great challenges is not simply more money poured into the same system. If it were, then the \$7 billion in new money appropriated in the last six years would have solved these challenges.

How much money we spend on education is important but not nearly as important as how the money is spent. Washington, D.C., has some of the best-funded public schools in America and yet they consistently rank near the bottom.

When our work is done, parents won't measure our success by how much money we spend, but whether more children learn. I support additional dollars for our schools, but even more importantly, I support dedicating new money to rewarding and supporting our best teachers and providing incentives for progress at schools with large numbers of economically disadvantaged students.

Let's attract our best and brightest teachers to our toughest learning environments. Too often our struggling schools attract our most inexperienced teachers. We need to recruit proven teachers to under-performing schools, teachers who can turn around a campus one child and one classroom at a time.

We have many excellent teachers in Texas. I want our best and brightest teachers to be paid salary incentives as high as \$7,500 a year when they rekindle the love of learning among children too often left in the shadows of success.

Excellence should not be rewarded the same as mediocrity; otherwise, mediocrity becomes its own incentive. When money follows results, we will get more results for our money.

That's exactly what is happening with the Advanced Placement Incentive Program that rewards schools with up to \$100 for each student that registers a high score. In its first five years, the A.P. incentive helped double student participation and helped us nearly triple participation among African American and Hispanic students.

Achievement incentives work. With the right incentives, we can encourage more students to take our hardest course of study, the Distinguished Achievement Program, and improve student performance on the TAKS test. We should also reinstate end-of-course exams in subjects like algebra, biology, English, and history and allow schools to offer these exams on an optional basis with incentives tied to student results.

The achievement gap will begin to narrow when we reward student performance and teaching excellence. But for any incentive plan to succeed in closing the achievement gap, it must be focused on schools with the greatest challenges.

We have more than 660,000 students who have limited proficiency in English. Many show up for class several grades behind. We must provide meaningful progress incentives for schools that serve mostly disadvantaged student populations. The challenges these schools face are difficult but not impossible. Let's meet this challenge with new resources, proven teachers, and higher expectations.

At the same time, bad schools that refuse to change and chronically fail our children must not be allowed to do so without consequences. And we must have zero tolerance for those that tamper with test results.

It is wrong to blame our testing system for test tampering. Cheaters are not victims, they are perpetrators of a crime and a terrible example to our children.

While test tampering is likely an isolated problem, schools that fail our children remain too prevalent.

Our first response to failing schools should be to send extra help. We must establish school turn-around teams at the Texas Education Agency that specialize in improving management practices and provide additional mentoring to teachers who lack the support they need.

But if schools refuse to change, they must be shut down and begin again with new leadership. Here is why: We simply cannot sentence our children to a lifetime of mediocrity because of a state-sponsored policy of passive indifference.

Instead, we must be passionate about making a difference, especially in pockets of failure where parents lack the opportunity to say "no" to failing schools.

That is why, as we look to end the era of Robin Hood, we cannot turn our back on the era of equity.

Equity should be about more than fair funding. The fact is, a poorly run school will produce poor results regardless of funding. We won't have equity in education until we have equity in educational opportunities.

Parents that can't afford private tuition and can't afford to quit their jobs to homeschool their children have fewer choices and their children have fewer opportunities. They deserve better than to leave their fate in the hands of a local monopoly that is slow to change without the benefit of competition.

Every child is entitled to a public education, but public education is not entitled to every child. Let's give children who need a second chance new choices that can forever change their future. Let's give them school choice.

Choice has worked for many at-risk charter school children. Because of innovative charter schools, once-struggling students are now succeeding.

Successful charter schools should be emulated across Texas. But those that fail our children, and worse yet, those that exist to enrich fly-by-night operators, should be shut down without delay. I'm tired of bad charter schools obscuring the work done by the good ones.

Reforming education must begin long before our five-year-olds enter the kindergarten classroom. Two years ago, I worked with Senator Zaffirini and Chairman Grusendorf to initiate a pilot Pre-K program that takes a scientific approach to early childhood learning. The Early Start Initiative focuses on the building blocks of reading and language development and it is working for our youngest children. It is time to take the next step and increase funding for the Early Start program to give more children a true head start.

I also support the expansion of teacher mentoring. A good mentor can be as valuable to a young teacher as any course offered by a college of education. And a good mentor can make a tremendous difference for children who come from broken homes.

That is certainly true for Jamar Gipson, whose father has been in prison since he was three months old. A sixth-grader at Fitzgerald Elementary in Arlington, Jamar has had a Big Brother looking out for him for the past two years. Jamar's performance in school has improved, and he has his sights set on one day becoming either a police officer, a business owner, or a professional basketball player. We are honored to be joined today by Jamar and his Big Brother, Charles Pierson, shining examples of the difference mentoring can make in young lives.

Charles Pierson left a successful career in international business to work full-time at Big Brothers Big Sisters as the North Texas Chapter's CEO. He is one of many Texans who make a difference by mentoring.

Let's do more to help children in broken families, including children of prisoners, make right choices and break the cycle of incarceration. Let's do more to promote responsible fatherhood for dads that have lost their way. Let's invest \$25 million more in mentoring programs that can build stronger communities, one changed life at a time.

The two essential ingredients to our children's success are strong families and great schools. I have talked a lot today about education because we have no greater priority. In order to get better results in our schools, we need more transparency in school budgeting. That's why we need a "Truth in Spending" initiative that gives every taxpayer detailed information on how local school dollars are spent.

Taxpayers should know what percentage of their money makes it to the classroom and what is considered a classroom expenditure. They deserve to know how much is spent on administration and how much they are paying for lobbyists and lawyers who seek to extract even more tax dollars from their pockets.

The taxpayers writing the check ought to be able to look at every debit on the account. It's a matter of trust. If schools are going to demand more money for education, then Texans should be able to demand more education for their money.

Reforming education is a tremendous challenge with great possibilities. And I can't think of two better Texans to help lead this effort than Senator Florence Shapiro and Representative Kent Grusendorf.

Like both of them, I believe the work of the Legislature should not be left to the courts.

Each day that passes without a school finance bill represents another day of uncertainty for our schools and another day Texans must live under a property tax system gone awry.

It is time to cut property taxes for the hardworking people of Texas. In fact, let's not only give Texans property tax relief, let's give them appraisal relief, too.

Texans don't like taxation without representation, and they are sick and tired of taxation by valuation.

The time has come to draw a line in the sand for the taxpayer: Let's cap appraisals at three percent.

If you oppose a three percent cap on the philosophical grounds of local control, I can respect your position. But then I would hope you would be consistent and advocate for the repeal of the 10 percent cap on the same basis. There is no point in being lukewarm on this issue. Either be hot or cold; either provide real appraisal relief or none at all. But let's stop this false pretense of taxpayer protection at 10 percent.

Last year I also proposed a property tax revenue cap. Since then, I have listened to other ideas, and I think we can learn a lesson from some wise West Texans. In Lubbock, the City Council refuses to accept the proceeds of an appraisal windfall because, as Councilman Gary Boren points out, re-evaluations often amount to a hidden tax.

Excluding new construction, Lubbock leaders automatically lower their rate to adjust for appraisal growth so they generate the same amount of revenue as the year before. Then they have a vote on whether they need to raise or lower that rate.

Two years ago, this saved Lubbock taxpayers from having to pay \$2 million more in taxes. I think it is such a good idea that I asked Lubbock's Mayor, Marc McDougal, and Councilman Boren to join us today in honor of their fiscal restraint on the local level. Thank you for your leadership. I look forward to working with you and Representative Isett to champion this issue.

The fact is it's not a tax cut when your rate goes down if your total tax bill goes up. Let's bring Lubbock's "Truth in Taxation" plan to every local jurisdiction in Texas.

As we lower property taxes, we must all work together to find the right mixture of new revenues without harming Texans' jobs. I join the leadership of both houses in support of the concept of a broad-based business tax that is fairly distributed, assessed at a low rate, and reflects our modern economy.

When it comes to a business tax, most employers want you to keep it simple, treat everybody fairly, and create protections so the rate is not easily raised. This is vital to continuing our prosperity.

We should view this as a rare opportunity to modernize our tax system and eliminate inequities. But just to be clear: The goal is to create greater tax fairness, not a greater tax burden for the people of Texas.

With our vastly improved budgetary picture, we can provide new money for education and real reductions in property taxes without increasing the net tax burden on Texans.

Some say it can't be done. But if we can avoid a tax hike in the face of a \$10 billion shortfall, we can do it again in times of surplus. And I pledge to work with you over these 140 days to get it done.

Today, I am submitting a budget that substantially increases investments in jobs, public education, higher education, health care, and protective services and that reduces spending at 60 percent of our state agencies. And it provides a \$2.3 billion cushion to close out the books on this biennium and invest even more money in key priorities.

Some will argue we can't invest in jobs when we have so many human needs. Those critics argue against themselves. To make long-term investments in health care, education, and the social welfare, we need the revenue generated by economic growth.

To date we have attracted more than 22,000 new jobs and \$6 billion in capital investment because of the visionary job creation tool you created last session, the Texas Enterprise Fund.

We are in stiff competition for these jobs. Sometimes we lose, such as when we made a \$45 million offer to bring jobs to the Rio Grande Valley. But we've had more than our fair share of victories because I have two strong negotiating partners in Governor Dewhurst and Speaker Craddick.

Because of our good economic climate, we're spending a lot less than other states to attract a lot more jobs. One state offered \$240 million and another state offered a \$3.2 billion package to land a single project. Both amounts are more than we have allocated to bring more than a dozen projects to Texas.

But consider the possibilities if we not only invest in specific job creation projects but in the innovations and new technologies that will be the foundation of the future economy. I ask you to not only replenish the Enterprise Fund, I ask you to make investments to grow our world-class research institutions, develop cutting edge technologies, and harvest the miracle of modern science with a new \$300 million Emerging Technology Fund.

Over the next 10 years, California is investing \$3 billion in one area of biotechnology, Ohio is putting up \$1.1 billion for technology commercialization, and Kansas is investing half a billion dollars in biotechnology. We can't afford to be left behind.

In the next 10 years, emerging technologies will generate \$3 trillion in revenue worldwide. The question is, where will those investments be made, and who will reap the benefits? Where will the better, faster computer architecture be designed, the gene therapies and treatments that will rescue people from terminal and chronic diseases, the cleaner technologies that will clean the air our children breathe? I want them developed in Texas labs by Texas minds to the benefit of the Texas economy.

This is a test of our vision. Will we succumb to short-term thinking or invest in limitless possibilities?

Preserving jobs requires action on three other fronts.

First, I ask you to relieve Texas employers of some of the highest workers' compensation costs in the nation. With the leadership of Senator Staples and Representatives Giddings and Solomons, I know we can get this done.

Second, as the Public Utility Commission goes under Sunset review, I ask you to modernize telecommunications laws so we have a regulatory framework that keeps up with technology advances and allows for greater economic opportunity.

And third, it is time to end Texas' status as the home of frivolous asbestos lawsuits. Let's care for those who are truly sick, while preserving legal rights for those who are not.

Our choice this session is not between jobs and human services, as some suggest. We can make sound, strategic investments in both.

Medicaid and CHIP meet a great need. Today more than two million children are insured by these two programs, compared to one million children just six years ago.

When it comes to CHIP, better economic times will allow this Legislature to re-examine the program's benefits, and provide dental, vision, and mental health care. I support such an investment. Our goal should be to provide benefits we can afford while preserving CHIP for families that need it the most.

The most startling fact regarding the uninsured in Texas is not that we rank 18th in the nation in the percentage of children covered by Medicaid but that we rank 46th in the percentage of children receiving employer-sponsored insurance.

We must not lose sight of the long-term goal to move more Texans from subsidized insurance to private insurance. Last session we provided small employers lower cost options and today there are health insurance options available that cost up to 30 percent less.

We need to continue these successes by promoting innovative options like health savings accounts so Texans have viable health care alternatives that put them back in charge of health care decisions.

And when it comes to a healthier border region, I ask you to make two critical investments. Let's fully fund the Irma Rangel Pharmacy School in Kingsville, and let's fully fund the Texas Tech Medical School in El Paso.

Our greatest concern in health and human services must be to invest in the most fundamental components of our safety net so we can protect those who can't help themselves, those in the dawn of their lives or the twilight of their years who are at risk of neglect and abuse.

The investigations I ordered last year revealed a safety net that fails many vulnerable Texans. But the results of these investigations can lead to lasting improvements that will change Texas for the better.

Working with Senator Nelson and Representatives Hupp and Uresti, I am confident we can greatly reduce investigator caseloads at Child Protective Services, improve salaries, improve case management with better technology, and refocus this important agency on its core mission, protecting our most precious resource, Texas children.

We must take the same passion to reforming Adult Protective Services, with expanded training, additional caseworkers, and the transfer of guardianship services to the Department of Aging and Disability Services.

We must not only reform protective services, we must improve programs that can prevent the need for protective services for many Texans. With greater local control, decreased administration, and a better integration of services, we can improve behavioral health for persons with mental illness and chemical dependency while also improving aging services and care for Texans with disabilities.

This is the unfinished work of our health services reorganization. Improvements made on the state level must now occur on the local level so that when Texans need help, they will always have somewhere to turn.

Our vow as a society to protect those who cannot help themselves must never exclude some of our most vulnerable Texans, unborn children.

Within a matter of weeks, a beating heart can be detected in the womb, and early sonograms show human life in its most precious and fast-developing state. This great human journey, from the moment of conception until our last moments on Earth, is sacred.

The right to life is a fundamental right declared by our forefathers. If you send me a bill requiring parental consent for a minor to have an abortion, I will sign it without delay because it will protect innocent life.

And in order to preserve the sanctity of human life, I ask you to send me a bill to ban human cloning in Texas.

Texans agree there is a legitimate role for government but there must also be a limited role for government. While government must meet a great many social needs, it should never loom larger in our lives than our freedoms.

What makes this state great is not the size of our government or how much we spend. The greatness of this state is measured by the vision, the values, and the virtue of our people.

Texans have never shied away from the tough tasks and have never viewed sacrifice as the calling of another. A great many Texans have made sacrifices for freedom in recent years in the American spirit of service to causes greater than self. Today, we have once again been reminded that freedom is protected at a great price with the news that 31 Marines were killed in a helicopter crash early this morning in Iraq.

These brave Americans gave up their dreams so our children can realize theirs. Every member of the Armed Forces makes a great sacrifice, as is the case with two Texans here with us today who served a tour of duty on the front lines of the war on terror.

Technical Sergeant Cindy Matzen with the 204th Weather Flight of the Texas Air National Guard was deployed north of Kabul, Afghanistan, for seven months in 2003, leaving five children behind, and five precious grandchildren.

And Lieutenant Colonel Foy Watson, the son of one of our Senate Doorkeepers, and a deputy commander with the 71st Information Operation Group of the Texas Army National Guard, served in Baghdad as the Chief of Information Operation Plans for Lieutenant General Ricardo Sanchez. He left behind four children and six grandchildren who missed him dearly those six months he was gone in 2003 and 2004.

These two Texans and a great many more honor us with their heroic service. And the least we can do is honor them with a hero's welcome for their courage on the front lines of freedom.

The state they have returned to is a state that honors service. Each of you has answered the noble calling of public service as elected representatives of the people. And though we come from different places and different points of view, we all gather to do what is best for Texas.

A new era of possibility awaits us, one full of promise and prosperity if we invest in our children and the opportunities worthy of their future.

It can only happen if we stand together reconciled in causes that serve a greater interest than party or personal ambition. We must strive to be, as Dr. Martin Luther King, Jr., envisioned, a "beautiful symphony of brotherhood," a people in pursuit of the common good, united by the common bonds of our humanity.

Our work is before us. It cannot be passed to future Legislatures and must not be passed to future generations. May we boldly seize the moment with singular unity. And may we build a Texas of unlimited possibility. Thank you, God bless you, and God bless Texas.

INTERPRETER FOR THE DEAF

The interpretation for the Joint Session was provided by Sandra Rouse.

CONCLUSION OF JOINT SESSION

The President stated the purpose for which the Joint Session was called had been completed.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Congratulatory Resolutions

SR 33 by Nelson, Recognizing A. Dwain Mayfield on the occasion of his retirement.

SR 47 by West, Recognizing Eula Mae Jones Terrell of Dallas County on the occasion of her 90th birthday.

SR 48 by West, Recognizing Curtistene Smith McCowan on the occasion of her retirement.

SR 50 by Barrientos, Recognizing the Top 10 African American seniors of William B. Travis High School in Austin.

SR 51 by Barrientos, Recognizing Patricia Layne on the occasion of her retirement.

SR 53 by Lucio, Recognizing Sister Anita de Luna of the Missionary Catechists of Divine Providence.

SR 54 by Lucio, Congratulating Alter Holand, honoree of the Rio Grande Valley Chapter of the Muscular Dystrophy Association.

SR 55 by Lucio, Recognizing the City of Palms Football Clinic in McAllen on the occasion of its 20th anniversary.

SR 56 by Lucio, Recognizing Joseph Richard Millsap for his service to his country.

HCR 23 (Seliger), Honoring Thomas Clark Brown of Midland on his receipt of the 2004 Permian Basin Petroleum Association Top Hand Award.

HCR 32 (Armbrister), Honoring the Huff Diary and Wagon Train Project in January 2005.

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 1:05 p.m. adjourned until 10:00 a.m. tomorrow.

