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# **Gov. Perry Calls for Renewal of Successful Enterprise Fund, Creation of Emerging Technology Fund**

*New Fund Would Focus on Innovation, Research in New Technologies*

HOUSTON – Gov. Rick Perry announced today that he will ask the Texas Legislature to reauthorize the highly successful Texas Enterprise Fund for \$300 million, calling it a “wise investment for the future of Texas.”

He also said he will ask lawmakers to dedicate \$300 million for a new program focused on fostering innovation, research and job creation in emerging high-tech industries like semiconductor manufacturing, biotechnology, nanotechnology, environmental sciences and advanced energy. Most of these funds would benefit Texas colleges and universities.

“The Texas Enterprise Fund has been an unparalleled success,” Perry said. “In just 18 months, we have allocated more than \$180 million from the Fund to close deals with employers who are creating more than 15,000 new jobs and pumping nearly \$6 billion into our economy.”

The Enterprise Fund was a key factor in Texas landing one of the largest capital investments in the nation last year – the \$3 billion Texas Instruments expansion – and in securing the largest job expansion announcement in the first quarter of this year – Vought Aircraft and the 3,000 new jobs the company is bringing to the state.

“Those who doubt the effectiveness of the Enterprise Fund should consider this: While other states were losing jobs in 2003, Texas doubled its share of job creation announcements,” he said. He also said Texas would close 2004 with an upcoming major job expansion announcement.

“Continued investments in the Enterprise Fund will help us build a better Texas one job at a time,” Perry said, adding that best way to raise revenues for essential government programs is to create jobs that offer more Texans the opportunity to work.

Texas must now take the next step of investing more in emerging fields of technology in order to remain

competitive in the evolving world economy, Perry added.

Many states, including California, Ohio, Florida, Pennsylvania and North Carolina, are pumping billions of dollars into efforts to attract the world's best scientists and new companies that will market their innovations.

Under Perry's proposal, the Texas Emerging Technology Fund would have three components.

First, half of the funding, or \$150 million, would be dedicated to creating collaborative efforts between institutions of higher education and the private sector to create "Regional Centers of Innovation and Commercialization." Texas has already been successful in creating two such centers, with Sematech in Austin and the Center for Advanced Diagnostic Imaging in Houston.

"The new Regional Centers of Innovation and Commercialization I envision will become hotbeds of research and development activities, will be incubators for start-up firms, will lure existing companies that can commercialize their developments and will provide workforce training for employees in the area," Perry said.

Second, one-fourth, or \$75 million of the Emerging Technology Fund, would be used to match research grants awarded by federal or private sponsors.

"Today Texas gets shortchanged on federal research funding directed to higher education," Perry said. "These funds will help Texas researchers better compete for out-of-state dollars because sponsors know that their contributions will have double or more the impact."

Use of these funds would be focused on projects that are collaborative with Texas colleges and universities, have a likelihood of leading to scientific breakthroughs and have a clear economic development benefit to the state.

Third, Perry proposed using one-fourth of the funds, or \$75 million, to help make Texas public universities world leaders in technology research by attracting more renowned research teams from other universities.

Perry added that the initiative will help Texas students get the very best education in state, and it will encourage related employers to relocate or expand their operations in the state to be close to the best researchers.

"The Emerging Technology Fund will boost Texas' reputation as a global leader in the technology economy, usher in revolutionary developments in science and medicine, and bring the high-paying jobs of tomorrow to Texas," Perry said.

The proposed Texas Emerging Technology Fund (TETF) is an outgrowth of the Governor's Council on

Science and Biotechnology Development, which was appointed in 2002 and charged with recommending a course of action for the state in the emerging fields of technology and scientific research.

The TETF also dovetails with a long-term strategic job creation announcement Perry made in October. That effort focuses on six key industry clusters. The Texas Legislature called for the creation of a long-term economic expansion strategy in Senate Bill 275, which was passed in 2003.

The TETF also matches recommendations of the Texas Technology Initiative, which recognizes that over the next 10 years advanced technology industries will generate \$3 trillion in revenue.

Perry said his proposed reauthorization of the Texas Enterprise Fund and the creation of the Texas Emerging Technology fund are about more than creating jobs and increasing revenues to the state.

“While those are important goals, we must remember that they are means to an end, and that is giving more Texas families the hope of a better tomorrow and the chance to live the American dream,’ he said.

“Together, these strategic investments will give Texas the competitive edge we need to ensure greater opportunity, prosperity and a brighter future for all of our people.”