

STATE BUDGET CRISIS:

EDUCATION, RESEARCH AND TRAINING ARE KEY TO ECONOMIC RECOVERY, PROSPERITY

LEED – Linking Education and Economic Development recognizes that a well educated, trained and qualified workforce is critical to the economic prosperity of the Sacramento region, our state and our people. LEED also recognizes that adequate investment in training, education and research is essential to prepare students and workers for success in the 21st Century and to develop the technologies, products and services necessary for the Sacramento region, our state and our nation to compete in an increasingly competitive global, innovation economy.

Yet just when California should be *increasing* investment in education and research to enhance California’s status as one of the globe’s leading economies, due to the current economic climate and continued fiscal uncertainty, state fiscal policy continues to threaten investments in K-12 education, community colleges, universities and training centers.

Adequately investing in California’s education system will not only lead our state into the 21st Century, investments in education and training will lead our state out of the current economic downturn. Students and currently employed people are seeking ways to enhance their skills and education to enhance their job and career prospects.

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For instance, enrollment in the Los Rios Community College District has increased 9% over the previous academic year – due, in large part, to students seeking affordable ways to obtain post-secondary training and adults seeking to upgrade their skills – while at the same time, education appropriations stagnate or decline. A fee increase will discourage many of these students from pursuing their education just when they need it the most and can afford it the least.

With a potential state budget deficit of \$41 billion by the end of FY 2009-10, LEED realizes that spending reductions must be shared. But as state leaders weigh competing priorities, LEED urges the Governor and the legislature to spare education and workforce development accounts to the greatest degree possible.

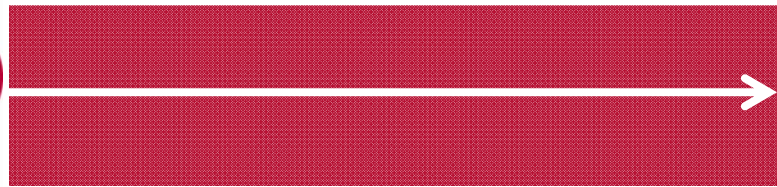
Today, companies that cut research and development in tight times lose their competitive edge, their capacity to innovate and their ability to succeed in a rapidly changing world. Centuries ago in agrarian times, the last thing that a society did during a famine was to eat its “seed corn,” dooming the next year’s harvest and perhaps the society itself. Given the state’s continued divestment in education, research and training, we fear that Californians are in danger of doing just that.

Governor’s Budget Proposal

LEED appreciates the Governor’s efforts to spare education and workforce training in his January budget outline, including maintaining the Prop 98 guarantee for K-12 education, resisting a fee increase for California Community Colleges, and protecting the California State University and University of California systems’ use of development bonds for capital outlay projects.

Adverse Impacts

Proposed employee furloughs to job training personnel and reductions to unemployment benefits will adversely impact job training for unemployed and underemployed people. The proposed reductions in the annual school year places the state at a competitive disadvantage to national and international competitors and may adversely impact less affluent school districts that do not have available resources to fund a full schedule.



Recommendations

- Provide greater flexibility to school districts, colleges and universities and training providers in the use of state funds.
- Protect unemployment funds and ensure workforce training centers are sufficiently staffed to serve unemployed and underemployed clients.
- Consider temporary revenue enhancements to assist in reducing the budget shortfall.
- Once a budget solution is agreed upon, immediately convene a “strategic planning session” among the Governor, legislative leaders, agency secretaries and other key stakeholders to develop a strategic plan that guides California’s actions and its budget.

Local K-12 School Districts

As local district leaders in the Sacramento region consider budget cuts of their own, it is imperative for local leaders to continue to invest in programs and curriculum that effectively enhance student learning and prepare students for success in critical careers, including science, technology, engineering and math education, project based and theme based learning, career technical education and career guidance. The decisions made at the state level will set the example for our local leaders to ensure that our short-term actions ensure long-term benefits to education, our economy and, most importantly, our students.

ABOUT LEED

LINKING EDUCATION AND ECONOMIC DEVELOPMENT

LEED—Linking Education and Economic Development is a 501(c)3 non-profit organization serving the six county Sacramento region (Yolo, Yuba, Sutter, Sacramento, El Dorado and Placer). For 16 years, LEED has been the Sacramento region’s key leader in aligning educational objectives to meet workforce needs. Through dynamic educational, business and economic development partnerships, LEED is guiding the Sacramento region to growing an innovative and well-educated and prepared workforce, developing a STEM (Science, Technology, Engineering and Mathematics) Pipeline, and ultimately, providing the Sacramento region a competitive advantage in a very competitive economic marketplace.

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