

OUR TOP PRIORITY: EDUCATION

Four business leaders say public schools, colleges and universities are key to the region's 'Next Economy'

Three of the capital region's top education leaders — chancellor Linda Katehi of University of California Davis, president Alexander Gonzalez of California State University Sacramento and chancellor Brice Harris of the Los Rios Community College District — made a rare joint appearance at a breakfast event last month. Their message: For our region and our state to compete and win in the economy of tomorrow, we must make education our top public policy priority today.

ANOTHER VOICE
JOHN FRISCH, DAVID PARKES, DAVE SANDERS, LEROY TRIPETTE

One would expect public education leaders to advocate for public education. But we — four private-sector executives leading nonprofit organizations committed to regional prosperity — agree wholeheartedly. Investing appropriately in our public education institutions must be at the top of the priority list for business leaders in the capital region and in California.

In the knowledge-based global economy of the 21st century, the natural resource that drives prosperity no longer comes out of the ground, as it did in the 1800s, or from the toil of laborers in huge factories as it did in the last century. The fuel that powers the next economy is the innovation and entrepreneurial thinking of our people.

In his book "The Coming Jobs War," Jim Clifton, chairman and chief executive officer of the Gallup organization, writes that the struggle to win the future will not be waged by nations on the battlefield, but by cities and regions using the innovation emerging from our universities to serve global markets. The result: more of the one thing that all human beings want, according to Gallup research — quality jobs.

Clifton argues that the most important ingredient to a community's success will not come from Washington, D.C., or from the state capitals, but from local and regional civic leaders who care more for the success of their communities than anything else.

Here in the capital region, we have a critical mass of effective, influential, engaged leaders who are committed to the prosperity of our community. The leaders of the Sacramento Metro Chamber, the Sacramento Area Commerce & Trade Organization, the Sacramento Area Regional Technology Alliance and Valley Vision have joined forces to develop and implement an initiative called Next Economy, an economic development



Linda
Katehi



Alexander
Gonzalez



Brice
Harris

strategy for the six-county Sacramento region. Education leaders throughout our region have embraced the objectives of Next Economy, committing to its success and to our shared future.

Next Economy seeks to lead the region out of the downturn and into a prosperous future by diversifying its economy and leveraging its inherent strengths. For too long our economy has depended on two sectors that have suffered in the recession — government and construction. By using our assets and aligning leadership and resources, we can create quality jobs in areas where we have a distinct competitive edge, including agribusiness, health care and biosciences, information technology and professional services.

The key to success of this strategy will be our ability and our willingness to invest in our education infrastructure. The Sacramento region boasts what many others covet: a full spectrum of higher education institutions that lead their peers in scientific research, business and professional degrees, workforce development and business support.

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Our colleges and universities are valuable partners in regional economic development. Over the years, for example, UC Davis leaders have established critical partnerships to combine research with entrepreneurial resources to create new business enterprises and bring products to market.

At a Dec. 9 "Convergence" event hosted by LEED — Linking Education and Economic Development — chancellor Katehi noted that the university's new Institute for Innovation and Entrepreneurship will be available to students throughout the university, regardless of major.

President Gonzalez of Sacramento State reviewed the university's success in science, technology, engineering and math fields — including the Smart Grid Center, a partnership with the Sacramento Municipal Utility District and others that integrates information technology with energy production and delivery.

Chancellor Harris of Los Rios noted the success his colleges have had in developing innovative programs to support regional economic objectives

— including GreenForce, which prepares students for jobs in clean energy technology, and HealthForce, which prepares them for critical occupations in health care.

While the capital region boasts many valuable private colleges and universities, unlike many communities across the U.S., more than 90 percent of our region's higher education assets are in the public system and are especially subject to the ebbs and flows of the state budget.

Since 2006-07, the UC and CSU systems have received a 20 percent cut in state funding and the California Community College system a 10 percent cut, according to the Legislative Analyst's Office. Just this year, state support for UC and CSU was reduced by \$750 million each and reflects a year-to-year decrease of approximately 25 percent. Prognosticators project additional budget cuts for public education within the governor's 2012-13 budget. The state's funding per college student in 2011 is half what it was in 1990.

To date, our local higher education leaders have responded by cutting internal costs, increasing outside revenue sources, raising student fees and, most recently, eliminating courses. Further cuts will continue to erode programs, limiting access and fostering continued brain drain as our young people pursue higher education outside of California.

Clearly, this is not a sustainable strategy if our state and our region are to succeed in the global economy.

Given the critical role education plays in our prosperity, public spending on education is not simply an expense but an investment that provides a significant return.

Too many of our policy makers make the mistake of thinking they only have two levers to pull when attempting to balance their budgets — cutting expenses and raising taxes. They forget they also have a very valuable accelerator at their disposal to grow our collective economic pie.

By investing more in education and creating a regulatory and tax climate that promotes and encourages entrepreneurial activity and business formation, California can once again lead the nation in the competition for good jobs.

As private-sector leaders, we must partner with our public education leaders, position innovation and education as our region's top priority and lead the capital region into the Next Economy.

JOHN FRISCH, senior vice president and regional manager of Cornish & Carey Commercial Newmark Knight Frank, serves as chairman of the Sacramento Metro Chamber board of directors. **DAVID PARKES**, president of Flintco Pacific Inc., is chairman-elect of the SACTO board of directors. **DAVE SANDERS**, a founding member and managing partner of WorldBridge Partners, is chairman of the SARTA board of directors. **LEROY TRIPETTE**, external affairs manager at Intel Corp., is chairman of the LEED board of directors.