

Higher education funding: Vital to California's economic recovery

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California's budget difficulties over the past two decades have led to an unprecedented decline in state funding for our public universities. In the midst of another challenging year, Governor Arnold Schwarzenegger should be commended for his proposal to restore funding cuts to the state's universities. The governor's revised budget plan for next year, which includes one-time restorations of \$356.3 million to the University of California and \$365.6 million to the California State University, is in part recognition of the essential role higher education institutions have in contributing to California's economic health.

If funded adequately, our public colleges and universities will continue to help California recover from the current economic downturn. Much of the state's prosperity has been created as a direct result of higher education institutions through state college and university expenditures, research and other capital-generating activities. In addition, higher education plays a major role in the growth of the state by supporting the expansion of the skilled local workforce. Graduates help fuel the economy, enrich the talent pool, and pay taxes.

The proposed one-time restorations will help to reinstate vital academic programs and services, support students, and retain faculty and staff needed to meet each institutions needs. Should the legislature approve the governor's proposed allocations for higher education, the return on investment would be significant: for every dollar the state spends on higher education, the state will receive \$3 in tax revenue. Accordingly, the governor's funding plan for the University of California and California State University systems would result in earning the state more than \$2.16 billion in taxes.

It is hard to ignore the incredible magnitude of the UC and CSU communities. Jointly, they include 867,000 in combined number of current students, faculty and staff, and 3.9 million in total living alumni.

Our higher education system educates thousands of productive Californians each year; they are leaders and professionals in every imaginable field. The intellectual, innovative and community contributions provided by our state's public universities and colleges are invaluable. Last year, the ten UC campuses originated 1,482 patents—an impressive average of four per day, while the CSUs produced 13,000 teachers—half of the state's new teachers. And companies started by faculty and alumni create a powerful impact; the statewide economic contribution from UC San Diego start-ups alone is \$37 billion annually and nearly 130,000 jobs.

Our public universities are also influential economic forces in their own right as major regional employers. As the third largest employer in the county, UC San Diego's generates 39,000 jobs and pumps \$7.2 billion into the economy. Likewise, San Diego State University supports 11,400 jobs statewide and has an economic impact that is \$6.5 billion. All of this directly benefits the state's general fund and advances our commercial interests throughout the region.

In addition, the presence of world-class universities in California is essential to maintaining our growth as a global economic and cultural mecca. Home to the headquarters of over a hundred Fortune 500 corporations, California is a hub for the highest-levels of intellectual discourse, any and all advanced innovation and groundbreaking discoveries, creative enterprising, research and development.

But as countries around the world race to invest and build world-class higher education systems, we must once again make funding higher education a priority. Reinvesting in our state's public colleges and universities will enhance California's competitive viability. Funding robust universities that continue to produce a highly skilled and knowledge-based workforce will be crucial in our efforts to regenerate, grow and sustain an economy of the future.

As we debate the state of California's budget, we need to recognize that any further fiscal squeeze on our public higher education systems will cause irreparable damage to our economic engine. California's future is bright—our competitive advantage will always be our universities, with the economic impact and exceptional workforce talent they produce.