

## **California's economic crisis is also an educational crisis**

*By Hamid Shirvani*

We live in an increasingly complex and volatile world. Well-established companies are closing their doors, people are losing their homes, and unemployment has risen to levels not seen in decades.

California, once touted as the eighth-largest economy in the world, has amassed a \$15 billion budget deficit that grows with each passing day and is projected to reach \$41 billion in 2010. The question of how we reached this point is less important than how quickly we can recover and move forward. California's economic crisis is inextricably linked to its education crisis.

According to a recent study by The Center for the Future of Teaching and Learning, in 2008 only 43 percent of California students scored at the proficient level or above in mathematics and only 46 percent in English language arts. For underserved communities the numbers are even worse.

In addition, 6 out of 10 high school graduates who enter the California State University system require remediation in English, math, or both.

A thriving economy in California depends on the state's ability to produce a well-trained and well-educated work force, as well as highly qualified and competent leaders for our government and private sectors.

A report on California's future work force, released in December by the Public Policy Institute of California, points out that the state's growing need for college-educated workers is outpacing its ability to produce them.

This gap in education levels will severely limit the state's ability to recover and grow its economy. The report's author, Deborah Reed, stated that "By focusing on the quality of education at all levels, from preschool to the state's universities, policy makers can improve opportunities for Californians and create a work force to fuel future economic growth."

Unfortunately, as lawmakers continue to bicker over budget cuts and economic stimulus plans, decisions are being made in Sacramento that are counterproductive to recovery efforts and will force even greater numbers of workers onto the unemployment rolls.

For example, the order to stop construction on important capital facilities projects, including at public universities, will invariably lead to higher costs for those projects later on, as well as delays in meeting the needs for which those facilities were approved in the first place.

For the first time in its history, the CSU system has been forced to limit enrollment growth in order to preserve the integrity of its programs and services, and to again consider increasing fees. These actions, in combination with another recent decision in Sacramento to not only cut funding for crucial financial aid programs that help the neediest students, but also to withhold disbursement of all Cal Grant funds, place the CSU system, its campuses and its students in an untenable position.

For California State University, Stanislaus, the current and proposed budget cuts, combined with costly unfunded mandates and severe budget cuts that continue to plague us from earlier economic downturns, force us to look at options that are detrimental to the health of our great universities and, in turn, to the economic recovery of our state and nation.

In an effort to balance the budget, CSUS has taken steps that will wipe out one-time funding of \$2.4 million generated through our recent agreement with Clearwire, reduce all division budgets by \$1.9 million, and deplete the University-wide Trust Fund (\$960,000), for a total of \$5.36 million in identified cuts, plus an additional \$445,000 yet to be determined. This brings our total cut in the current fiscal year to about \$5.8 million.

Since the majority of cuts identified represent one-time dollars, not base, we will have to go back to the drawing board to identify base cuts for 2009-10, knowing that we have no more reserves or one-time dollars from which to draw.

The magnitude of the impact on our programs and services and on our students and work force -- and ultimately on communities -- will be more clearly defined in the coming months, but we know it won't be pretty.

Through it all, CSUS is committed to providing a top-quality higher education experience for our students. We remain true to our vision "to become a major center of learning, intellectual pursuit, artistic excellence and cultural engagement for California's greater Central Valley and beyond. We will serve our diverse student body, communities and state by creating programs, partnerships and leaders that respond effectively to an evolving and interconnected world."

The CSU system prepares the majority of California's work force, providing more than 90,000 graduates every year. For every dollar the state invests in the CSU, \$4.41 is returned to the economy. Restricting the number of graduates that our public colleges and universities are able to produce will only exacerbate the state's ability to meet both short- and long-term needs for a more educated work force.

Please join me in reminding our state leaders that severely cutting education budgets during difficult economic times is a counterintuitive measure with tremendous cost implications for the future. To truly restore California's position and influence in the world's economy, the governor and Legislature must prioritize and reinvest in the education of its residents.

**Shirvani is president of California State University, Stanislaus.**