



Vitally Important Policies

In an article written in December of 2011 in the *Birmingham News*, Representative Jay Love, Chair of the Ways and Means Education Committee of the Alabama House of Representatives, was quoted as saying "If we keep with this (revenue) growth, we shouldn't have any problem meeting the (education) budget forecast for 2012." Love was referring to the tax collections that were received in October and November. In addition, the December 2011 shopping season appears to have been better than last year for many retailers.

Since the State of Alabama relies on consumer taxes to support education, this is good news. Even so, the Higher Education Partnership realizes that Alabama's legislative leaders must remain vigilant about improving the long-term picture for the economy. Alabama's policy-makers cannot be lulled into believing that the state has moved beyond economic volatility. Due to the heavy dependence on sales and income tax, the Education Trust Fund (ETF) will continue to experience growth and decline simply based on consumer optimism.

Governor Robert Bentley continues to promote the growth of "jobs" as the best long-term solution to Alabama's funding challenges. The Partnership encourages the governor to be aggressive because as unemployment drops, consumer confidence will grow and the ETF will benefit.

Each year, the Higher Education Partnership selects a theme to describe the message that is to be taken to the legislature on behalf of the university community. The 2012 message is that universities are "Not Just Valuable but Vital." Given the job growth message of the governor, the 2012 theme is absolutely on target. The state must recognize that the qualifications of the workforce will determine the effectiveness of Alabama to win the best new jobs. To achieve the best recruitment packages, the state must continue to invest in programs that improve its educational output. Public education from Pre-K through PhD is an absolute necessity for success.

There will be innovative ideas on how to improve education that will surface in the upcoming legislative session. From charter schools to electronic tablets for the classroom, the proposals are already beginning to be introduced. As these are debated, the Partnership will work with the 150,000 voters on the university campuses to make sure that the state's leaders understand the impact that each proposal has on all three phases of public education: secondary schools, two-year colleges and universities. Alabama cannot prosper in job recruitment if the state fails to recognize the valuable role of all three phases of public education.

Statistics show that per capita income is directly related to educational achievement. According to the United States Census Bureau in 2009, the average earnings of a person with a bachelor's degree was \$58,762 while the average earnings of a person with no-college degree was \$32,812. Obviously, higher education plays a vital role in Alabama's future. Consumer confidence will expand as individuals realize that they can afford to invest. As the average person increases their participation in the economy, the Education Trust Fund will grow and public education will benefit.

Three points should be understood. First, educational achievement, through at least a bachelor's degree, must be encouraged if the state is going to recruit the best possible jobs. Second, growth in consumer confidence depends on employment and income which are directly related to educational level. Finally, as consumer confidence grows, public education will have more resources available to assist with student achievement.

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