

Why Business Needs Strong Affordable Higher Education

Governor Bobby Jindal has announced plans to dramatically overhaul the state tax code; his chief objective is the elimination of state personal and corporate income taxes. To offset this substantial reduction in revenue, Jindal plans to raise the state sales tax and remove some tax exemptions. Short on details but likely large on impact, this proposal naturally has created a mixture of both angst and excitement around the state, including among those in the business community.

We can naturally expect business owners to weigh in on the tax proposal during the upcoming Louisiana legislative session that begins in April. But our hope, at the Shreveport-Bossier Business Alliance for Higher Education (SBBA), is that businesses will also voice their support for increased funding for higher education.

Since 2008, state funding for higher education in Louisiana has been cut by \$650 million, the third deepest state cut in the nation, and while most states are turning the corner this year and either increasing funding or leaving it at the same level, Governor's Jindal's budget has cut funding for higher education an additional 10 percent.

The Governor is quick to explain that many colleges will be able to offset much of this loss with a 10 percent tuition increase. But those schools where students are highly price sensitive, such as the technical colleges, could also see fewer students enroll this fall as a result of such a price hike. We all know that higher prices often lead to fewer buyers. The biggest concern, however, is for those schools at risk of not meeting Grad Act goals; schools that fail to meet them are penalized with frozen tuition and an additional cut in state funding. We are told by the Board of Regents there are four to five schools around the state currently on their Grad Act "watch" list.

So why should Louisiana businesses care if their local colleges are strong and affordable? Because their workforce pipeline for the next

decade is at risk of not having the skill set needed to make their business run.

According to a 2010 Georgetown University report, 51 percent of the

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jobs in Louisiana in 2018 will require a post-secondary degree. Currently, only 28 percent of Louisiana's workforce have such a degree, placing Louisiana's workforce at 49th in the nation in terms of educational attainment. Nationwide we already have 600,000 unfilled jobs, primarily in the manufacturing sector, because employers can't find the right skills they need among the 8 percent of unemployed Americans.

Recently, Higher Education Commissioner Jim Purcell visited Shreveport-Bossier and presented his regional analysis of our higher education needs. He emphasized that for local businesses to have the workforce pipeline they need, we must do a better job of educating our children, right here in Northwest Louisiana. Eighty-one percent of the people living in Louisiana were born here, and 87 percent of our children in Northwest Louisiana who go to college will go to a school in our region.

Our future workforce is here, and it behooves all of us in the business community to act now to make sure we have a robust and affordable higher education system that will prepare them for the jobs of tomorrow. Call your legislator and let them know you support higher education in your region; our region and your business depend on it.

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