

November 12, 2015

Geoffrey L. Baum  
President, Board of Governors  
California Community Colleges

Dear President Baum,

California's workforce is one of the fundamental underpinnings of the state economy, and is often undervalued in discussions of our business climate. To enhance the state's human capital, California needs to take action now to modernize and invest in its career and technical education (CTE) programs at its community colleges.

If perception were reality, then California's long-term economic viability would be in peril. The world's seventh largest economy again finds itself atop the list of places CEOs find the least friendly to operate. California ranks 48<sup>th</sup> on the Tax Foundation's State Business Tax Climate Index. From high taxes and the increasing costs of doing business, to the challenges of operating in an uncertain and evolving regulatory environment, California is often seen as less welcoming to business than other states. Yet California also had four representatives in the top 25 of the Milken Institute's Best-Performing Cities index in 2014, including the top spot, San Francisco. Companies in some parts of the state are finding it difficult to hire enough qualified workers to sustain their growth. How can state leaders address both of these challenges to foster future economic growth? By investing in people, and helping them cultivate the skills necessary for a vibrant 21<sup>st</sup> century economy, leaders can pave the path toward growth and prosperity.

Providing a framework that really focuses on providing Californians with the skills they need, and clear career pathways to better jobs and better wages would benefit the people of California. They want better lives for themselves and their families. Businesses in California need a qualified workforce to compete in a global market. The strategic plan recently released by the California Community College Chancellor's Office is a step in the right direction, though it will need funding and follow-through to make the impact our economy needs.

The 25 recommendations of the "Task Force on Workforce, Job Creation and a Strong Economy," currently before the California Community Colleges Board of Governors, proposes to go much farther than closing the state's evident skills gap. If funded and implemented, the plan will support job sectors and regional economies by establishing a pipeline of adaptable, highly skilled and technically trained workers who are prepared for the 21<sup>st</sup> century workplace. The state's economic health tomorrow depends on business and policy leaders acting today to invest in the appropriate social infrastructure. By supporting the Taskforce recommendation to provide sustained funding and curriculum support that allows broader access to career and technical education courses, state leaders can act now to support CTE courses that match growing demand for middle-skilled jobs. Moreover, by partnering with



businesses, state leaders can satisfy regional demand with an appropriately trained local workforce—while integrating CTE delivery with the mission of broader higher education and regional job growth goals.

Investing in our workforce is something that benefits all—and is an achievable goal. Where much of the debate around building a more favorable business climate is dominated by concerns about a lack of tax incentives and the desire to ease the process of complying with government regulations (and while there are specific tax or regulatory changes that particular businesses and sectors might prefer, or grants that would rival those offered by other states), these are unlikely to find a state-wide consensus or will fail to meet the actual regulatory needs and evolving environmental challenges faced by a growing state of nearly forty million people.

Instead, let's aim to make California globally competitive based on the power of its human capital. In addition to supporting this strategic plan, we have encouraged policy and business leaders from around the state to identify sustainable workforce development funding streams so that CTE curriculum provisions become a more permanent fixture of the higher education conversation.

This investment in career and technical education moves the state in the right direction and reaffirms the historical pathway to prosperity that led many of us to the Golden State in pursuit of the California dream. If California aspires to remain a global economic leader, we must begin to think about economic competition in larger global terms, rather than as a struggle with other states, such as Texas, for low-wage and low-skill job growth. Collectively, we must focus on, invest in and market the strength of California's human capital.

We believe the 25 recommendations of the "Task Force on Workforce, Job Creation and a Strong Economy" set the state on a course of cultivating the necessary political and business climate that prioritizes attracting, growing and retaining high skilled workforce talent from around the globe.

Sincerely,

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