

Don't risk Florida's future with cuts

By T.K. Wetherell and Robert Bradley, Special to the Times

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Florida's legislators are wrestling with an unprecedented decline in general revenues. While some talk about embracing Indian gaming as part of a solution, there's a much higher-stakes game in play — a game that risks the future of Florida by dismantling badly needed state programs, including public higher education.

Make no mistake about it: Reductions under consideration for higher education and other government programs will severely damage our state's efforts to become a home for talent and innovation. They will not only set back universities but also thwart the state's efforts to build a critical mass of innovation for at least a generation to come.

Enterprise Florida, our state's primary organization devoted to statewide economic development, says, "Education is the new bedrock for economic development. Skilled, educated talent at all levels . . . is key to Florida's economic success for high-wage jobs and innovation." That's why "Build World-Class Talent" is Enterprise Florida's top priority in its strategic "Roadmap to Florida's Future."

Consider the words of University of Chicago economist and Nobel laureate Robert Lucas, who maintains that "spillovers in knowledge that result from talent-clustering are the main cause of economic growth" (the *Atlantic*, March 2009). Where does talent cluster? Around universities with the resources to support undergraduate, graduate and postdoctoral research and creativity.

The future of our state mapped out by Enterprise Florida and others lies in the generation of ideas. The last decade has seen a shift and surge in our state as Gov. Jeb Bush and key legislators worked to attract Scripps and other named research centers. At the same time, all universities have dramatically increased their research activities.

The choices our legislators are facing can be summarized in one overriding and important question: Would the impact of dismantling state programs be worse for the future of the state than the impact of increasing taxes on Floridians during a recession?

The answer is not simple, because not all expenditures made by the Legislature have the same impact, and not all taxes affect economic prosperity the same way.

However, there are options that can go a long way toward closing the state budget gap and retaining necessary services for Florida's residents, including public higher education.

Consider the idea of a measured and temporary change that raises the state sales tax one cent for the next three years. A one-cent sales tax increase would reduce the budget cuts by \$3 billion.

Such an increase would barely affect individuals making more than \$100,000 a year. For those earning less than \$25,000, the impact would be about \$150 per year. However, the forthcoming federal tax cuts combined with the expenditures that are part of the federal stimulus package would offset that negative impact.

To grasp the nature of this impact, our legislators should compare it with the alternative: deep cuts in government services and state programs, such as public higher education. These are priorities that the Legislature has debated and repeatedly supported over the past decade.

Our efforts to build our state's economy through nurturing education, talent, innovation and creativity now hang in the balance — perhaps to be undone in the current budget. And, if lost, that momentum is not easily regained. Failing decisive action, Enterprise Florida's recommended route could become the road not taken.

In the coming weeks, the Legislature will place its bet on Florida's future. We encourage our elected representatives to play the odds-on favorite by following Enterprise Florida's economic development strategy and supporting our public universities.

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