

April 3, 2006

Message From the Chair Emeritus—Dick Johanson

We are indebted to Dr. Varouj Alterbarmakian for presenting the Kaiser Hospital story to an inspired audience at our membership meeting last week. His dynamic address, as did Dave McDonald's at Pelco a few months ago, underscored the numerous parallels between a community-conscious single enterprise and the original Mission Statement of the Fresno Business Council. We are "committed to utilize and direct business resources and expertise to provide a significant contribution to the vitality of this region". Increasing civic sector involvement by private sector leaders to bring about educational, cultural and economic transformation was the motivating factor behind our creation. To put this in perspective after thirteen years, I offer that (1) our recipe remains as important as its ingredients, (2) that our processes are resulting in measurable outcomes, (3) that our collaborative successes are being built on both horizontal and vertical trust--- and (4) that we are just hitting our stride as we continue forward behind the current mission statement "to transform our community from good to great."

California Budget Choices—Some Information from Next Ten (www.next-ten.org)

As the infrastructure discussions continue, fitting them into the larger question of the state budget is important. Next Ten is an independent nonpartisan organization that "educates and engages Californians so that, together, we can improve our future economy and quality of life." Next Ten information:

Who we are & what we do:

California has almost 37 million people & has added 5 million in the past 10 years.
1 in 4 was born in another state. 1 in 4 was born in another country.
We have the 6th largest economy in the world. We create 20,000 new inventions per year.
We have 350 different crops. 1 out of 5 glasses of milk comes from California.
1/5 of all U.S. trade comes through a California port.

Sources of funds for the State Budget:

48% personal income tax. 30% sales tax
11% business income tax. 11% borrowing & miscellaneous.

How we spend it:

37% K-12 education. 11 % Higher education.
14% Medical. 16% Other Health & Social Services.
11% Criminal Justice. 5 % debt service, 7% other

What Happened—How did the budget get out of balance in 2001:

When the state's income tax income rose quickly from 1998 through 2000, lawmakers increased spending for education and health care and made tax cuts. In 2001, the stock market dropped and there was an economic recession. This created a gap as large as \$15 billion a year. Steps have been taken to close it, but it remains at \$6 billion.

Unlike most states, California requires two-thirds of the Legislature to agree on a budget. Our region, uniting behind a common agenda, can have an impact on priorities and funding. In order to invest wisely, it will require engagement and education. As noted by former Congressman Leon Panetta at a recent meeting, " we have two choices--leadership or crisis." Hopefully, we will take the actions necessary to ward off the reactive decisions necessitated by a crisis.

CA2025—It's Your Choice—www.ca2025.org

The Public Policy Institute of California provides a wealth of information across many subject matters. A recent publication, *CA2025 It's Your Choice*, lays out the trends, offers up choices and makes some recommendations. As a region experiencing rapid growth and change, we have many choices to make both in terms of policy and budget priorities. Taking the time to be informed is the first step.