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The Quest for the Silver Bullet—the Federal Bailout

We as Californians always seem to be searching for that next big strike that, like the proverbial "silver bullet," will solve all of our problems. Be it the '49ers of the Gold Rush or the dot-commers of the past decade, we seem to be looking for that next spectacular discovery that will solve all our problems.

So, is the proposed federal bailout the solution to all of our problems? In a word, "No." While we desperately need the cash infusion that the feds seem to be promising, it is unlikely that there will be enough money to solve all of our problems for the foreseeable future. As part of a total package of fiscal actions by both the state and the feds, we believe the proposed economic stimulus package can provide critically needed short-term support, but, in the end, the state must get its house in order—a task that has proved to be of herculean proportions.

The elements of the federal package include targeted money for education, health care, infrastructure projects, and general government. In the long term, we think that the state will benefit most from the infusion of capital for infrastructure. These projects create jobs immediately, and they also increase California's capacity for economic growth for decades to come. Just as we have consumed the infrastructure built through the 1950s, future generations need the renewal of those basic infrastructure resources and it needs to begin now.

The federal investment can create jobs. Those jobs create income and sales tax revenue for the state and those revenues fund schools and other services. But more importantly, those jobs put Californians back to work and lift the spirits of a state and nation when it is all too easy to succumb to the morass of bad news that surrounds us.

Even people who should know better are viewing the potential for a federal bailout as a reason to continue the paralysis that has stalled our legislative process. Remember that there are still timing issues for this cash infusion, and it is not ongoing. The "maybe the feds will do it for us" theme has slowed decision making at a time when we need swift, decisive resolution. Some school districts now wonder if cuts will be as deep and necessary as forecast. As we approach Second Interim reports and the March 15 layoff notices, there is the hope that none of it will have to be done. We have that hope, too, but hope is not a plan.

We urge both state government and school district leaders not to lose sight of the objective. In the long term, California must match its revenues, spending, and expectations. In the short term, it is the institutions we have in place that will protect our children and provide for their future. Californians will be the saviors of California—not the feds or anyone else.

Now is the time to make the decisions that balance the Budget, redefine expectations, and get California on the road to recovery. Let us welcome federal support during our time of crisis, but let's keep it in perspective: It is *in addition* to the hard decisions we must make, not *instead* of those decisions.

In the end, we believe there is a "silver bullet"; it is the work ethic of a well-educated population and an enduring commitment to America by that population that has ultimately proven to be our salvation. We don't

see that changing in this crisis.

-Ron Bennett, Robert Miyashiro, Sheila Vickers, and John Gray

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