

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION CALLING FOR ADDITIONAL FEDERAL EDUCATION SUPPORT

Resolution Summary

The United States is struggling to fully recover from the worst recession since the Great Depression. The national unemployment rate is 9.7 percent and 16 states have rates greater than 10 percent.

The recession has had a devastating impact on almost every state government. In FY10 and FY11, state budget shortfalls totaled more than \$350 billion and for FY11, 27 states have budget gaps of 12 percent or more of their total state budgets and 14 states have gaps greater than 20 percent. Despite unprecedented cuts, states face an additional shortfall of \$120 billion in FY12.

The Rockefeller Institute of Government has reported that state tax collections have declined for four consecutive quarters beginning in the third quarter of 2009, with the last three consecutive quarters showing reductions of 10.9, 16.4 and 11.6 percent, the largest reductions on record. The situation is hampered by the fact that state revenues often lag the national economic recovery by one to two years.

One of the most significant and troubling results of this recession is the impact it will have on public education. Current estimates are that 100,000-300,000 public education employees will lose their jobs in 2010. These layoffs will further hamper the economic recovery and weaken the nation's economic competitiveness.

Layoffs of this magnitude along with severe cutbacks or outright elimination of programs such as sports, art, music and increases in class size will have a serious deleterious impact on the education of our nation's students. Significant higher education funding cuts in 39 states are already resulting in steep tuition increases. Cuts in need based financial aid will put a college education out of reach for many more students.

The extent of the fiscal crisis facing state governments and the long term implications of severe cutbacks in public education require federal government action. There are proposals in the United States Congress to create a \$23 billion "Education Jobs Fund." This fund would distribute aid to states through existing federal education program funding formulas, similar to the State Fiscal Stabilization Fund (SFSF) set up under the American Recovery and Reinvestment Act (ARRA).

The non-partisan Education Commission of the States estimates that a \$23 billion education jobs fund would create or save as many as 250,000 k-12 education jobs and 51,000 jobs in higher education.

Additional Resource Information

- Center on Budget and Policy Priorities, “Governors’ New Budgets Indicate Loss of Many Jobs if Federal Aid Expires: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3076>
- Education Commission of the States: <http://www.ecs.org/>
- S.3206 Keep our Educators Working Act, <http://thomas.loc.gov/cgi-bin/query/z?c111:S.3206>:

CSG Management Directives

- **Management Directive #1:** The Council of State Governments will send a copy of the approved resolution to the Speaker of the House of Representatives, the House Minority Leader, and the Majority Leader and Minority Leader of the Senate.
- **Management Directive #2:** The Council of State Governments staff will post the approved resolution on CSG’s website and make it available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

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WHEREAS, the nation is still struggling to recover from the worst recession since the Great Depression;

WHEREAS, the unemployment rate nationally is over nine percent and 16 states have rates greater than 10 percent;

WHEREAS, The Rockefeller Institute of Government has reported that state tax collections had declined for four consecutive quarters beginning in the third quarter of 2009;

WHEREAS, in FY10 and FY11, state budget shortfalls totaled more than \$350 billion and for FY11, 27 states have budget gaps of 12 percent or more their total state budgets and 14 states have gaps greater than 20 percent;

WHEREAS, despite unprecedented cuts, states face an additional shortfall of \$120 billion in FY 2012;

WHEREAS, one result of major state budget cuts is that 100,000-300,000 public education employees will be laid off in 2010;

WHEREAS, these layoffs will seriously hamper the fragile economic recovery, damage the nation's economic competitiveness and will have serious consequences for the education of our nation's students;

WHEREAS, major higher education funding cuts in 39 states will result in steep tuition increases and cuts in need based financial aid that will put a college education out of reach for many more students;

WHEREAS, the United States Senate is considering S. 3206, the "Keep Our Educators Working Act," that includes a \$23 billion education jobs fund; and

WHEREAS, the Education Commission of the States estimates that a \$23 billion education jobs fund would create or save 250,000 K-12 education jobs and 51,000 jobs in higher education.

NOW, THEREFORE BE IT RESOLVED, that The Council of State Governments calls on the House and Senate leaders of the United States Congress to take immediate action and enact an education jobs fund.

Adopted this _____ Day of May, 2010 at CSG's 2010 Economic Summit of the States in New York City, NY.

Governor M. Michael Rounds, SD
CSG President

Senate President David L. Williams, KY
CSG Chairman