

The Honorable Beverly Eaves Perdue
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

February 2, 2011

Dear Governor Perdue,

We know that North Carolina has always been a solid state for doing business. Others think so too--Site Selection magazine has named our state the #1 business climate in the nation for the last five out of six years and *Forbes* magazine ranks North Carolina in the top 3 states for our business climate.

Businesses from near and far have thrived in our state because of North Carolina's high quality of life, skilled labor, and our strong workforce development system. By and large business and the state's leadership have worked well together and had compatible goals.

But the prolonged economic downturn and the resulting budget shortfall have put tremendous pressures on the public investments and infrastructure that make North Carolina a desirable place to live, work, and do business.

The scale of the budget shortfall this coming year is overwhelming and we, as business leaders who depend on these public investments, are concerned about the impact that budget decisions could have on our state's economic prosperity now and into the future.

As you craft your budget and prepare to chart North Carolina's recovery, consider what we know works in North Carolina:

Very strong leadership for public education by the public sector and the private sector. We've pushed for, and gotten, smaller classes, more technology, higher standards, and better teachers. We're not finished, but we're headed in the right direction. This is not the time to lower standards, or make major cuts.

A system of early childhood education that is copied around the nation. We've begun to prepare children earlier and better to be good students. Our early childhood programs are a key job protector for families, and a job-generating investment in the short and long term.

Good community colleges that train and re-train workers for jobs in the evolving economy. The people of North Carolina have a deeply ingrained work ethic. But job training has to keep up with changes in the economy, and must be available to workers

both in terms of affordability and proximity. We can't afford to discard good workers just because they need a skills upgrade.

A great public university system that is an engine for innovation. In our traditional industries and emerging industries, the university system is a hub of aspiration and invention. Certainly it's possible to streamline and focus more sharply, but we should be wary of cuts that hurt our ability to generate creative, entrepreneurial, high-tech and high-value solutions to the challenges of our day.

Robust public infrastructure in roads, water and sewer, justice and public safety, parks, and culture that make it possible to do business efficiently and with a high quality of life.

None of these systems are accidental. We built them all as a state, because we wanted to be more, do more, earn and produce more in North Carolina.

Our state now stands at a crossroads and it's up to you and other state policymakers to decide whether North Carolina maintains its competitive edge against other states and countries, or slowly sinks into the ranks of the undistinguished and uncompetitive.

We believe that maintaining public systems such as our public education system and infrastructure is essential to keeping our state competitive.

As you put together your budget, we urge you to put all options on the table to deal with the budget shortfall, including revenue. Simply too much is at risk not to.

Over the next several months, all our leaders should ask: will this decision I am about to make result in a state that is smarter, stronger, healthier? Will it make our people better workers? Will it make our children better learners?

If the answer is no, we hope they will think again, hard. A combination of careful cuts and intelligent revenue choices can preserve the core systems that have made us a great state for business, and will keep us on that path.

Sincerely,

[see below for signatories]

Business Leader Signatories

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