

MBR Convenes Summit on State Fiscal Policy

On February 7, MBR members gathered at the Henderson House to engage in a strategic planning session to develop MBR's 2008 public policy agenda, particularly in the fiscal policy areas of corporate taxation and long term transportation funding. Members received briefings and engaged in discussions with an impressive group of state and national experts, resulting in concrete themes that will drive MBR's 2008 fiscal policy agenda.

Members received a briefing from [Eric Rosengren](#), President and CEO of the Federal Reserve Bank of Boston, on the region's housing and financial market conditions. Mr. Rosengren's presentation set the context for a discussion on corporate tax policy, led by MBR member and Treasurer [Mike Costello](#), Office Managing Partner of PricewaterhouseCoopers, and long term transportation funding, led by MBR member and Secretary [Harold Hestnes](#).

From these discussions, two themes emerged. First, regarding corporate tax policy, MBR members identified priorities that include: 1) reducing the corporate tax rate and 2) ensuring that regulatory discretion is specifically defined in any "unitary" tax proposal debated by the legislature. Second, regarding long term transportation funding, MBR suggested that the short term agenda be focused around cost savings initiatives and building the case for reasonable user-fee revenues. Needed revenues should be sought in the short term by increasing the gasoline tax, and in the longer term through innovative ideas such

as user fees and open road tolling, and the use of technology as a way to reduce costs, while increasing services and productivity.

The Summit has informed MBR's advocacy and testimony on Beacon Hill, and both of these themes have shown recent progress in the state legislature. The House passed a tax package that, while adopting "combined reporting" and "check-the-box" changes to the corporate tax code, also included a reduction in the corporate tax rate and specific language on Department of Revenue oversight. In addition, both the House and Senate passed a transportation bond bill which included a series of Senate-initiated reforms that, in the words of Senate President [Therese Murray](#), begin to "...repair the public's trust in



[Eric S. Rosengren](#), President & CEO, Federal Reserve Bank of Boston at MBR's Summit on State Fiscal Policy

the state as efficient stewards of their money."

MBR will continue to be guided by the messages generated at the Summit as the public debate proceeds over corporate tax policy and long term transportation funding.

our mission statement

The Roundtable's mission is to inform the Commonwealth's elected and appointed leaders by applying the knowledge, experience, insight and unique managerial perspective of its membership toward the resolution of complex public policy issues. Through research, evaluation and communication, the Massachusetts Business Roundtable strives to influence the state's public policy agenda by developing and articulating long-term views, programs and policies that promote the economic and social vitality of Massachusetts.

letters & testimony

MBR Adds Urgency To Deliberations On Health Care Cost Control

MBR joined the Associated Industries of Massachusetts (AIM) and the National Federation of Independent Business (NFIB) in a letter to the Health Care Quality & Cost Council expressing urgency to the Council's goal of reducing health care costs. The letter refers to health care cost increases as an unsustainable crisis and warns that these "escalating costs place Massachusetts employers at a decided disadvantage relative to their national and global competitors, and impacts our ability to create jobs."

MBR Submits Testimony at FCC Hearing

MBR submitted testimony to the Federal Communications Commission to emphasize the importance of broadband and investments in the state's telecommunications infrastructure as an essential component of our state's long term physical infrastructure. MBR urged the FCC not to make changes that "would impose new and additional regulations that would jeopardize investment and discourage growth in industries critical to our future."

MBR Offers Letter of Support for Higher Education Bond Bill

MBR was joined by the Associated Industries of Massachusetts in sending a letter of support to legislative leaders for a bill to provide for public higher education capital improvement needs. The letter warned that "For Massachusetts to compete in an increasingly global economy, we need to have a higher percentage of well trained, well educated workers to fill those job vacancies that are critical to the Commonwealth's innovation economy in the future. Otherwise, we are concerned that those jobs will go elsewhere."

TASK FORCES

Infrastructure Task Force

CHAIR: Harold Hestnes, Of Counsel, Wilmer Hale

Transportation Reform Proposal Adopts Ideas Generated From MBR's Work

Senate President [Therese Murray](#) was joined by Governor [Deval Patrick](#) and House Speaker [Salvatore DiMasi](#) in proposing "comprehensive transportation reform measures to contain costs and improve management and construction processes that will help close the funding gap" identified by the Transportation Finance Commission (TFC). The TFC, created as a result of a 2003 MBR report on transportation capital funding, first identified a \$15B-\$19B funding gap over the next 20 years to maintain the state's current transportation infrastructure, then made a series of recommendations to address them. Many of these were in the Senate proposal, including revising the use of police details, requiring the Turnpike Authority to evaluate the adoption of electronic tolling systems, and the restructuring and reforming of MBTA and MTA health insurance and retirement options. Reform proposals were adopted unanimously by both the House and Senate. At MBR's recent Summit on State Fiscal Policy, members agreed that the best course of action was to focus in the short term on cost savings and reform initiatives, as well as exploring the use of technology as a way to reduce costs and increase productivity, as a way to help build the case for reasonable user fee revenues. MBR Secretary [Harold Hestnes](#) and MBR Executive Director [Alan Macdonald](#) both served on the TFC, and MBR is pleased that the legislature has embraced ideas generated from our work.

Corporate Social Responsibility Task Force

CHAIR: H. Peter Karoff, Chairman & Founder, The Philanthropic Initiative

MBR Sponsors UMass Emerging Leaders Program CSR Project MBR is continuing its relationship with the UMass Emerging Leaders program by sponsoring an Emerging Leaders Team in 2008. The team will survey businesses, corporate philanthropy leaders and trade associations about how they are using CSR and corporate philanthropy strategically to recruit and retain employees. These "best practices" will be compiled into a report to provide models and recommendations to corporations hoping to successfully use CSR as a recruitment and retention strategy.

MBR Co-Hosts Corporate Philanthropy Roundtable MBR joined Associated Grant Makers in hosting a breakfast roundtable discussion in recognition of Corporate Philanthropy Day. The discussion highlighted successful corporate/community partnerships and provided an opportunity for participants to share ideas and best practices. The conversation also focused on accountability and measuring the impact of corporate philanthropic efforts. This continues the Task Force's work of elevating awareness and broadening corporate community engagement.

MBR CSR Task Force Discusses CSR Impact on Employee Engagement MBR's CSR Task Force received a briefing on the Towers Perrin 2007-2008 Global Workforce Study, the largest conducted on the views of the global workforce, including more than 88,000 responses from 18 countries. The survey found that the top two drivers of employee engagement were: 1) senior management being interested in employee well-being; and 2) the organization's reputation in the community. How a company is perceived is increasingly important for employee retention and recruitment. The report found other components of CSR as drivers of employee attraction and



MBR Summit on State Fiscal Policy

retention, such as “reputation of the organization as a good employer,” the “organization’s reputation as a great place to work,” and the “organization’s reputation for social responsibility.”

Education Task Force

CHAIR: Gary DiCamillo, President & CEO, GW Premier America, Inc.

MBR Meets with Legislative Leaders on Teacher Quality Bill MBR joined members of Teachers 21 in a meeting with legislative leaders to advocate for passage of legislation to improve educator quality in the Commonwealth. MBR has helped develop and draft the bill to make educator excellence a top public policy priority in the state, reflecting the vital role of teachers in preparing our students for the challenges of the global economy.

Governor’s Readiness Project Issues Update In an interim report, the Readiness Project identified three priority areas: 1) early education and care; 2) expanded teaching and learning time; and 3) student progression from high school to higher education, work and society. MBR is pleased to be represented on the Project’s Leadership Council and on the subcommittee on early childhood education.

MBR Participates in Development of State STEM Education Plan MBR is helping to lead an effort of educational, business and professional leaders who are developing an outline for a state Science, Technology, Engineering and Mathematics (STEM) plan. MBR’s goal is to increase the number of students preparing for and entering STEM careers, consistent with the national Business Roundtable’s call in a report entitled “Tapping America’s Potential” to double the number of STEM graduates by 2015.

MBR Testimony at Corporate Tax Hearing Focuses on “Fairness” and “Certainty”

MBR Executive Director [Alan Macdonald](#) provided testimony regarding legislation to change corporate tax law based upon two themes that emerged from MBR’s Summit on State Fiscal Policy: “fairness;” and “certainty.” MBR’s testimony spoke in favor of reducing the corporate tax rate to make it more fair and competitive, and against granting broad discretion to the Department of Revenue that creates uncertainty in a company’s forecasting of its tax liability and “does not allow for the type of stability that encourages companies to plan and invest for long term growth.” The testimony added that “In a competitive national marketplace and global economy, real and perceived attitudes toward business and the business climate are becoming increasingly important and relevant to this discussion.”

MBR breakfast series

MBR provides periodic opportunities for members to meet in small groups for private, informal breakfast conversations with Beacon Hill’s leading policy makers. MBR has already hosted State Treasurer [Tim Cahill](#), Secretary of Housing and Economic Development [Dan O’Connell](#), Lieutenant Governor [Tim Murray](#), and Secretary of Energy and Environmental Affairs [Ian Bowles](#). Secretary of Labor and Workforce Development [Suzanne Bump](#) is scheduled for June.

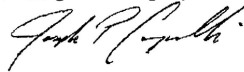
message from Joe Campanelli

Chair, Massachusetts Business Roundtable



The passage of a transportation bond bill which included significant reform measures is an important milestone both for the state and MBR. The state's Transportation Finance Commission (TFC), which included two MBR appointees, last year identified a \$15B-\$19B deficit in funding just for Massachusetts to maintain its current transportation infrastructure over the next 20 years. It also made a series of recommendations to close this gap, some of which were included in the Senate-initiated reforms. While this is good public policy for the state given the funding issues identified by the Transportation Finance Commission, it is also a validation of the work done in this area by MBR. An MBR report in 2001 recommending increases in the state bond cap, and an MBR report in 2003 recommending changes in how state transportation dollars are allocated, led to major transportation reform legislation and the creation of the TFC. The ideas generated from this process are now part of the public policy debate, and indicative of the MBR model that continues to generate quantifiable contributions to the state's public policy agenda.

On a sadder note, we deeply regret the recent passing of Corinne Johnson, the Area Executive for General Electric. Corinne was a longtime member of the Roundtable representing GE, one of the founding members of MBR. She will be fondly remembered and sorely missed. Our thoughts and prayers remain with her family and colleagues at General Electric.



contact us

MBR is a member driven organization. As such, our legislative and policy agenda is developed based upon the interests, ideas and passions of our members. Please contact MBR staff to suggest areas for us to pursue.

Alan G. Macdonald

Executive Director
amacdonald@maroundtable.com

JD Chesloff

Director of Public Policy
jdchesloff@maroundtable.com

Sheila Engdahl

Managing Director
sengdahl@maroundtable.com

617.728.0881 PHONE

617.728.4728 FAX

Visit our new website,
www.maroundtable.com



MASSACHUSETTS BUSINESS ROUNDTABLE

141 Tremont Street
Boston, Massachusetts 02111