

## *Chairman's Letter to MBR Members: Review of 2002*

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Chairman, President & Chief Executive Officer  
NSTAR

This January is a welcomed reminder of Shelley's famous line, "If winter comes, can spring be far behind?" Turning the page on 2002's difficult year of financial challenges brings hope in the New Year for a brighter outlook through the eyes of a new state Administration. In particular, there are several areas where the Massachusetts Business Roundtable has been working, and will continue to work, to help make such a brighter outlook a reality in Massachusetts:

### **State Finances**

- MBR lobbied the legislature aggressively in Fiscal '02 and '03 to balance the state budget through a combination of budget cuts and moderate use of the state's reserve funds. Avoiding budget deficits without reversing the positive tax changes from the 1990's has been a Number One priority for the Roundtable during this period of tight state finances.
- Making the best use of state funds becomes more critical as state revenues become more scarce. MBR worked aggressively this past year to defeat two ballot questions in November that would have greatly reduced the state's ability to manage budget shortfalls.

### **Health Care**

- MBR's White Paper in 2002 on consumer responsibility in health care was presented to a dozen employer forums this fall and winter, with a combined attendance of more than 1,000 participants. The proposals for cost management in MBR's White Paper have elicited an invitation from the Massachusetts Division of Health Care Finance and Policy for MBR to partner with the state in 2003 to demonstrate methods of managing health care costs through greater employee awareness in health care purchases.
- MBR's service this fall on the state's Free Care Pool Commission and on the Advisory Commission on Universal Health Care added MBR's research on health care financing to the year-end reports from both commissions for legislative action in 2003.

### **Infrastructure**

- Through MBR's appointment last year to the Governor's Task Force on the Transportation Equity Act, the Roundtable has become a leader in the work of the task force for advising the Massachusetts congressional delegation on transportation funding for the states in the upcoming Congressional session.
- A first-of-its-kind study of the state's planning process for transportation funding was coordinated this fall by MBR with UMass Boston. The findings of this study will be published later this month, in time for MBR's annual meeting on January 29. In the

meantime, the results of the study are being shared with the Romney Administration for immediate use.

- The Massachusetts Office of Administration and Finance recently gave public credit to the Roundtable's report on state capital funding as the catalyst for the 20% increase in capital funding for the last two Massachusetts state budgets. The majority of the increased capital funding has been used for critical transportation projects.

## **Education**

- MBR was appointed this fall to a task force for high-end skills training to assist The Commonwealth Corporation, a state agency concerned with training workers to fill job vacancies in Massachusetts. MBR's attention in this area of adult education will complement our on-going work on k-12 and pre-school curriculum.
- MBR has served throughout the year as the business representative on the Commissioner of Education's advisory task force for the appeals process for students who fail the MCAS tests and deserve consideration for high school graduation.
- Also, at the request of the Massachusetts Department of Education, MBR's staff has consulted this fall with Attorney General Tom Reilly's staff on appropriate defenses to the legal challenges to the MCAS system that could impact the graduation requirements for the Class of 2003.

The Roundtable's business plan in 2003 will be to maintain its visible role in these areas of concern and to address emerging issues that could seriously affect the state's economy. Massachusetts still faces a significant deficit, and the Roundtable will be at the negotiating table to ensure that anti-competitive tax proposals are defeated. The state's tight finances are testing the state's health care and transportation policies, and the Roundtable will be there to support the needs of businesses. The MCAS system is facing legal challenges, and the Roundtable will be there to defend high education standards.

We join the state's elected leaders in thanking the members of the Roundtable for your thoughtful advice on these matters, and in asking for your renewed support in meeting similar challenges in the year ahead. It is a privilege to be working with you and on your behalf in promoting a stronger economy for the future of our Commonwealth.

January 8, 2003