

## *Chairman's Letter to MBR Members Review of 2003*

### **James S. DiStasio, MBR Chairman**

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2003 has been another year of challenge and change in Massachusetts. With a new governor, a new senate president, and the tightest state budget in more than a decade, this has been a year of increased attention on critical issues affecting the future of Massachusetts. The Massachusetts Business Roundtable has been working with the state's leaders on such issues, and this letter is a year-end update on the Roundtable's activities. Thank you for your support during the year for MBR's agenda.

During 2003, the Massachusetts Business Roundtable hosted meetings with Governor Romney and several of his cabinet members, and also with many sub-cabinet commissioners and policy aides, to focus on the state's fiscal strength, transportation planning, health care financing, education reform and workforce training programs. All of these policy areas have a direct effect on the budding economic recovery and the state's ability to weather future economic downturns.

We also worked during the year to deepen our relationships with the state legislature, meeting on several occasions with newly appointed committee chairs, as well as the Senate President and Speaker of the House. Most of these meetings were on state budget issues, which we will be revisiting in 2004.

### **FISCAL POLICY**

Concerning fiscal policy, the Roundtable helped early in the year to turn back several proposals against the "single sales factor" legislation of the 1990's. At three legislative hearings in the spring and summer, the Roundtable provided leading testimony as to the success of the corporate income tax changes in the 1990's, and argued against proposals that would bring back "non-income factors" in Massachusetts as part of a formula for state corporate income taxes. In addition, MBR continued this year to be the leading business group for maintaining the current level of the state's bond cap, helping to defeat a series of proposals aimed at lowering the state's investment in critical infrastructure. Looking ahead to 2004, MBR's Fiscal Policy Task Force, under the leadership of NSTAR Chairman and CEO Tom May, will advocate for the use of multi-year planning in the state budget process, to avoid the wide swings in budget surpluses and deficits we have been experiencing in recent years.

### **INFRASTRUCTURE**

The state's infrastructure is our nerve system for economic development. In 2003, MBR's Infrastructure Task Force released a first-of-its-kind report recommending vital changes in the state's transportation planning process. The report, done in conjunction with researchers from the University of Massachusetts Boston, was hailed by Governor Romney's administration and the chairs of the House and Senate Joint Committee on Transportation as "the blueprint" for transportation reform in Massachusetts. The MBR task force used the report to brief the legislature's Joint Committee on Transportation and several regional transportation and business organizations. In recognition of the work done on the report, Governor Romney appointed MBR's task force chairman, Harold Hestnes, to the Massachusetts Transportation Reform Commission this fall.

### **HEALTH CARE**

MBR's Health Care Task Force, under the chairmanship of Northmark Bank President Jane Walsh, continues to be a strong voice for increased consumer participation in health care finances.

Pursuant to MBR's 2002 health care report, several pieces of legislation were filed this year calling for more consumer responsibility and financial participation in health care services. Also, the MBR report was used during the year as a leading agenda item at two dozen forums for business and health care organizations. In addition, Jane and the MBR staff met throughout the year with state officials to argue for improved oversight and accountability in the Medicaid and Free Care programs. Some of the fruits of those meetings are evident in the recently proposed state programs for low-interest technology loans for health care providers to improve quality and oversight in the state's health care system.

## **EDUCATION**

Continuing our two decades of Roundtable leadership on education issues in Massachusetts, MBR was as active as ever this year in the fight for high standards in all aspects of education, skills development and worker training. Gary DiCamillo, President and CEO of TAC Worldwide Companies, is Chairman of the MBR Education and Workforce Development Task Force. Gary has been working this fall to update MBR's agenda to focus on technical education preparation, particularly science and math training in K-12. He and the MBR staff are working with a coalition of education and business people on major legislation to improve teacher and administrator expertise through greater training and accountability. Also, MBR is working with the Commonwealth Corporation, the state's workforce training agency, and with the state Department of Commerce and Labor to integrate and align the state's economic development goals with its workforce training efforts. The Commonwealth Corporation program is part of a two-year grant from the National Governors Association, which specifically calls for MBR's involvement with the Commonwealth of Massachusetts in the program.

## **DAY-TO-DAY**

In all of these activities, perhaps the most important work of the Roundtable is done as a day-to-day sounding board for state administrators and legislators on a variety of issues. The frequent informal sessions of MBR members and staff with state officials every year helps to build an informed level of public debate on regulatory and legislative matters, working towards a positive outcome in those debates.

Of course, in all this work, your support and involvement as a member of the Roundtable are critical to MBR's voice being effective on Beacon Hill. Thank you for your membership in the Roundtable. The quality of MBR's membership is what brings value to MBR's role in the state's political process. For this reason, I would ask that you please continue to be a member in the Roundtable in the year ahead. Your continued support for our association is critical to the success we will have in helping to shape state policy. Next year will be just as great a challenge in working for fiscal stability and political harmony in Massachusetts, and we truly need your help in going forward.

It is a privilege to serve as MBR's chairman. I am grateful to you and to all the members of the Roundtable for allowing me such a rewarding opportunity. With full appreciation for your help and your friendship, I wish you and your family all the very best for a wonderful holiday season.

December 8, 2003