November 12, 2008

The Honorable Deval L. Patrick
Governor
Commonwealth of Massachusetts
State House, Room 360
Boston, MA 02133

Dear Governor Patrick:

We are writing to ask you to rescind the $9 million cut in the state's Workforce Training Fund (WTF) program which was announced as part of your fiscal action plan on Oct. 15th. This represents a 43% reduction in the $21 million appropriation for FY'09 and virtually decimates the program for the remainder of this fiscal year since the state has already awarded grants of approximately $9.6 million since July 1st.

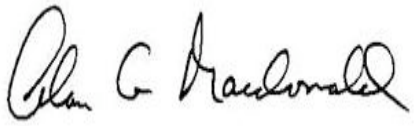
We appreciate the difficult challenge you face in coping with the recent economic turndown and the need to implement budget cuts and other spending controls across state government. In fact, many of us applauded your decisive action last month to deal with the estimated $1.4 billion shortfall. However, the massive cut in the WTF seems very shortsighted. As you know, the WTF is funded totally by employers through a surcharge on their annual unemployment insurance contribution – there is no general fund support for this program. In FY 09 the surcharge will bring in the $21 million needed to fund the program so there will not be a drain on any other revenue sources. Furthermore the WTF was disproportionately cut when compared to the spending recommendations made in many other state programs. We strongly believe that this decision needs to be reconsidered.

Since its inception in 1999, the Workforce Training Fund has helped thousands of Massachusetts employers gain a competitive advantage by investing in the education and training of hundreds of thousands of their employees. It has been an invaluable resource for companies to compete in this rapidly changing economy by ensuring that their workers have the skills necessary to be productive and innovative. We couldn't agree with you more when you stated in the most recent WTF annual report that the fund "is an example of government at its best – working

with workers and businesses at the speed of business, adding value to the bottom line."

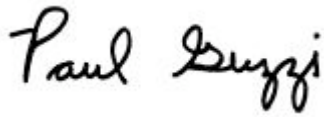
The WTF is the only state program that enables employers to address their individual training needs and for their workers to enhance their skills. In this uncertain economy, it is even more imperative for Massachusetts companies to be as productive and cost effective as possible and the WTF is a relatively modest investment towards this goal.

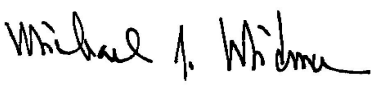
Sincerely,



Alan Macdonald
Executive Director
Massachusetts Business Roundtable

Richard C. Lord
President and CEO
Associated Industries of Massachusetts





Paul Guzzi
President and CEO
Greater Boston Chamber of Commerce

Michael J. Widmer
President
Massachusetts Taxpayers Foundation

cc: Suzanne Bump, Secretary, Labor and Workforce Development
Leslie Kirwan, Secretary, Administration and Finance
Daniel O'Connell, Secretary, Housing and Economic Development
Doug Rubin, Chief of Staff, Governor Patrick