



Joint Committee on Ways and Means  
Public Hearing on Budget Provisions Related to Education and Local Aid  
UMass Amherst Student Union Ballroom - March 13, 2023

H.1 - An Act making appropriations for the Fiscal Year 2024 for the maintenance of the departments, boards, commissions, institutions, and certain activities of the Commonwealth, for interest, sinking fund, and serial bond requirements, and for certain permanent improvements.

Submitted by: JD Chesloff, President & CEO, Massachusetts Business Roundtable

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Senator Comerford, Representative Vargas and members of the Committee, thank you for the invitation to participate in today's hearing and provide comments on selected education provisions included in the Healey-Driscoll Administration's FY24 budget recommendations. As a former Ways and Means staffer, I appreciate and am grateful for the time, effort and thoughtful analysis that you and your staff are dedicating to this process.

Let me begin by providing some context for why the investments I'll highlight today are so important to the state's competitiveness, both in the short and long term. The secret to Massachusetts' economic success has historically been its ever-growing population of well-trained and highly educated workers, our nation-leading public K-12 education system, and world-class colleges and universities. We enjoy a unique ecosystem of innovation, a highly educated and trained workforce, and anchor industries such as health care, biotech, education, financial services, and tech. This all results in a solid foundation to build upon.

Yet, even with this solid foundation, there are warning signs we must heed. National and global economies are undergoing seismic shifts as a result of the pandemic, macroeconomic headwinds, and global geopolitical trends. Competition among jurisdictions is fierce for both people and employers, and the future of work remains undefined. In Massachusetts, competitiveness is threatened by the combination of cost structure and mobility. It is a high-cost state, with a high-cost of living and a high-cost of doing business, that is also experiencing increased mobility and outmigration

trends. For an economy built on access to talent, these factors and trends are a direct threat to Massachusetts' competitiveness.

So, what should we do about it? At the Massachusetts Business Roundtable, an organization of more than 90 CEOs and senior executives from large employers across the Commonwealth, we believe the answers are fundamentally about people. Our latest report, "[A Talent Agenda to Drive Massachusetts' Competitiveness: Framing How to Attract, Retain, Develop, and Diversify Talent](#)," (attached to this testimony) provides a roadmap with strategies to do just that. Policy priorities and investments should center on attracting, retaining, developing, and diversifying our talent pool and pipeline to meet the needs of the current and future economy while creating a cost environment that allows for both people and employers to thrive.

In a recent Boston Globe article, Senator Comerford commented: "the budget is packed with good news for higher education." We agree. There are also additional investments in areas the Roundtable believes can directly impact the workforce pipeline and otherwise ease the path to employment for people across the state.

### **Early Childhood Education**

The Roundtable has been advocating for investments in early childhood education for decades, believing it to be a business development issue, a workforce development issue, and a necessary component of the current and future competitiveness of the Commonwealth. High-quality, affordable and accessible child care enables people, primarily women, to participate in the workforce, helping to address the dire hiring challenges facing employers. House 1's early childhood recommendations are very strong, anchored by the full funding of the C3 grant program at \$475M (3000-1045/1596-2410). As you know, without these grants, it is estimated that more than 750 programs would close, impacting more than 15,000 children. At a particularly fragile time for the industry, and as employers are struggling to find workers, the C3 grants are providing an essential support that we fully endorse. We support additional investments consistent with the findings of the Special Legislative Early Education and Care Economic Review Commission, on which the Roundtable served, including:

- EEC Strategic Planning and Investment (3000-1040)
- Early Education and Child Care Rate Increase (3000-1041)
- Access Management (3000-2000)
- Commonwealth Preschool Partnership Initiative (3000-6025)
- EEC Provider Higher Education Opportunities (3000-7066)

### **Early College**

The Roundtable's Talent Agenda, referenced above, has as one of its three pillars a focus on Developing Untapped Talent. Early College is one of the strategies highlighted in that section as "part of the recipe needed to position students today for success in the future." The Legislature and this Committee have been terrific

supporters of the program, which has resulted in Early College existing in 50 high schools and 24 colleges and serving roughly 6,000 students. Thank you for that support. The results are outstanding - rigorous state evaluation shows that Early College is more than doubling the odds of sustained college enrollment for participating students, and we know that means more degrees and greater rates of employment. Importantly, it's working for students who are historically underrepresented on college campuses and jobs requiring four-year degrees - 2/3 of Early College students are Black or Latino. The Roundtable is part of the MA Alliance for Early College and supports its request for \$27.6M in funding for Early College. House 1, while structured differently from the Alliance's request, is strongly aligned with it and would enable Early College to grow and allow participating institutions to build the kind of quality supports that lead to excellent student outcomes.

### **Workforce Solutions Group Priorities**

The Roundtable is a member of the Workforce Solutions Group (WSG), a statewide advocacy coalition comprised of business, labor, non-profits and workforce development organizations that advocates for "an effective training and education system that increases workers' skills, advances families to self-sufficiency and promotes job creation and economic growth." The Roundtable's Talent Agenda, referenced above, specifically calls for increased investment and access to K-12 school-to-career connecting activities and STEM education. As such, we support the following programs, in accordance with WSG's recommendations, as they are all important investments in competitiveness and addressing the state's workforce needs:

- Increasing Access to Career & Technical Education (7035-0001)
- STEM Pipeline Fund (1595-7066)
- STEM Starter Academies (7066-0036)
- School-to-Career Connecting Activities (7027-0019)

### **Pathways**

Tying this all together, the Roundtable supports the Governor's proposed increased investment of just over \$15 million across various line items to expand high school student access to college and career pathways programs. We are a member of the Student Pathways to Success Coalition, a cross-sector group of organizations that represent students, parents, educators, and employers, and believe the state must create stronger connections between what students are learning in high school and the career opportunities that await them when they graduate. Today, too many students, particularly from under-resourced and marginalized communities, do not have access to programs and experiences that prepare them for college and careers. For employers to thrive and grow here in Massachusetts, it is essential to have a strong and diverse talent pipeline as part of the state's economic competitiveness strategy. The Roundtable supports the combination of line items in House 1 that

create pathways to allow students to earn the credits, credentials and experience they need for success.

### **MassReconnect**

Community Colleges are an essential partner in the Commonwealth's strategy to meet the workforce needs of employers, and MassReconnect (1596-2418) is a model worth exploring. As you know, it is based on similar models in Michigan and Tennessee. One of the architects of the program in Michigan, Jeff Donofrio, is the current President & CEO of Business Leaders for Michigan, a sister organization based in Detroit. Jeff was formerly the Director of the Michigan Department of Labor and Economic Opportunity when the program began and could have helpful insights on standing up the program, accountability and eligibility measures, etc. If it's helpful to the Committee, I'd be happy to make the connection.

The Roundtable defines competitiveness as a set of conditions and strategies to attract and retain both people and employers that will determine the future economic viability of the state and region. The investments highlighted here are important and necessary strategies as we think about building the workforce pipeline necessary to support economic growth.

However, that set of conditions and strategies must also contemplate the state's high-cost of living and doing business, and troubling outmigration trends, that can be addressed in part through tax relief. A recent analysis published in The Hill found that Massachusetts residents pay the highest share of their income in taxes in the nation, at 24.07%. Additionally, the Boston Globe recently reported that "from July 2021 through July 2022, some 57,000 more people moved out of the state than into it, one of the highest rates of so-called domestic outmigration in the country. Go back to April 2020, and that number tops 110,000." Not surprisingly, residents are moving to lower cost states like New Hampshire and Florida. While taxes are not the only reason for this outmigration, it is a contributing factor that can be addressed through tax policy. The Roundtable respectfully urges the Committee to give every due consideration to the tax relief proposal filed by the Healey-Driscoll Administration, the legislature's proposals included in last session's economic development legislation, as well as additional ideas, as part of a robust conversation of the investments and policy changes necessary to ensure Massachusetts' economic competitiveness and viability in the future.

There is enormous potential for Massachusetts to build on its greatest strength—a talented workforce and labor market. The education related investments before you today are critical to achieving that goal. Employers and the state need to work together on policies that make the Commonwealth an inclusive, affordable, and competitive place for workers, residents, and businesses to call home. We are committed to that partnership with you.

Thank you for this opportunity to testify and for the tireless efforts of you and your staff in developing the FY24 budget recommendations. We are grateful for your leadership.