



Joint Committee on Ways and Means  
Public Hearing on Economic Development, Housing, and  
Labor and Workforce Development - March 31, 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 Edwards, Representative Ferrante and members of the Committee, I am writing to provide comments on selected workforce and economic development provisions included in the Healey-Driscoll Administration's FY24 budget.

The Massachusetts Business Roundtable is a public policy organization comprised of Chief Executive Officers and Senior Executives from some of the state's largest employers representing over 250,000 Massachusetts employees. The mission of the Roundtable is to make Massachusetts the most desirable place to live, work and do business by engaging private sector executives and public leaders to ensure access to a robust, diverse, and talented workforce that enhances the Commonwealth's competitiveness in a global economy.

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 we are facing headwinds that cannot be ignored. Our state's competitiveness is being threatened by a 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 outmigration trends. In 2022, Massachusetts ranked 24<sup>th</sup>

overall in CNBC's state rankings but was ranked 49<sup>th</sup> in terms of cost of doing business and 47<sup>th</sup> in cost of living. 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. For an economy built on access to talent, these factors and trends are a direct threat to Massachusetts' competitiveness.

To address these challenges, the Roundtable developed a policy framework "[A Talent Agenda to Drive Massachusetts' Competitiveness](#)" focused on talent in three pillars: (1) talent recruitment and retention; (2) talent development; and (3) talent diversity. Within the Talent Development pillar, finding diverse talent continues to be a top need among employers. This need existed before the pandemic but has been exacerbated over the past three years, with many industries such as health care facing a crisis due to workforce challenges. In addition to employers needing to fill jobs today, it is predicted that by 2030 the Commonwealth will need to reskill or upskill 30,000 to 40,00 workers per year - a dramatic increase for the state's workforce training system.

As the committee considers the recommendations included in H.1 around workforce and economic development, we believe the Roundtable's Talent Agenda can provide a roadmap for the types of investments and policies that together allow both people and employers to thrive.

### **Workforce Development**

Through the Executive Office of Labor and Workforce Development and the Workforce Skills Cabinet, which brings together the Secretaries of Education, Economic Development, and Labor and Workforce Development, we have an opportunity to think creatively and comprehensively about the types of policy priorities and investments that center on attracting, retaining, developing, and diversifying our talent pool and pipeline to meet the needs of the current and future economy.

As part of our workforce development efforts, 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 investing in programs to connect jobseekers to meaningful career paths that will yield greater economic mobility among the unemployed and underemployed and strengthen the state's pipeline of future workers employers require to successfully do business.

As such, we support WSG's FY24 budget recommendations (attached to this testimony), as important investments in competitiveness and addressing the state's workforce needs. In addition, we want to highlight the following programs as key investments to continue to develop diverse untapped talent:

- **Registered Apprenticeship Expansion** (7003-0151): Aimed at expanding and diversifying registered apprenticeships including priority industries such as manufacturing, health care, and information technology industries.
- **Career Technical Initiative** (CTI) (7002-1091): CTI is an initiative of the Workforce Skills Cabinet that aims to address the persistent skills gap that employers face in construction/trades and manufacturing by transforming vocational high schools into Career Technical Institutes, running three shifts per day to expand opportunities for adults and youth.
- **Workforce Competitiveness Trust Fund** (WCTF) (1595-1075): WCTF invests in demand-driven programs designed by industry sector partnerships that train and place unemployed and underemployed workers to fill vacancies at Massachusetts' businesses.

The Roundtable is committed to working with the Healey-Driscoll Administration and the legislature to support effective and scalable programs that train unemployed, underemployed, and disconnected workers. In doing so, Massachusetts can accelerate its bench of untapped talent that can become skilled or reskilled to fill in-demand, middle skilled roles especially in tech, health care, advanced manufacturing, financial services, and other emerging and high growth industries such as clean energy.

Meeting the workforce challenges of today and tomorrow will take creative solutions, state investments, private/public partnerships, and a collective will to ensure that Massachusetts continues to have the diverse talent pipeline that employers throughout the Commonwealth need to grow and thrive.

### **Economic Development**

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. In Massachusetts, our competitiveness is fundamentally about people. The investments and strategies proposed for the Executive Office of Economic Development, in concert with the Workforce Skills Cabinet, are important in continuing to make Massachusetts the best place to live, work, and thrive.

The investments highlighted below are important and necessary strategies as we think about building the workforce pipeline necessary to support economic growth.

- **Massachusetts Life Science Center (MLSC)** (7002-0024): This funding supports the Mass Life Sciences Center, which supports the workforce and industry needs within the life sciences sector in the state to keep Massachusetts competitive globally as a life sciences leader.
- **Innovation Economy** (7002-0032): This program supports Massachusetts Technology Collaborative, including their Innovation Institute and the Massachusetts Broadband Institute.
- **Advanced Manufacturing Program** (7002-0020): This funding supports an advanced manufacturing program that provides a fully coordinated training system for unemployed and underemployed individuals.
- **Cybersecurity** (7002-1503): The Cybersecurity Innovation Fund was created to grow the cybersecurity industry cluster and protect against cybersecurity threats.

A continued focus on talent attraction, retention, development, and diversity will further position Massachusetts to build on its economic advantages and expand opportunities for those too often left behind. As the future of work and the state's business climate continue to evolve, the need to invest in the Commonwealth's talent and future talent will only expand.

Thank you for this opportunity to submit testimony and for the tireless efforts of you and your staff in developing the FY24 budget recommendations. We are grateful for your leadership and look forward to partnering with you in this important work.