



June 20, 2023

The Honorable Aaron Michlewitz, Chair, House Ways and Means
The Honorable Michael J. Rodrigues, Chair, Senate Ways and Means
The Honorable Ann-Margaret Ferrante, Vice Chair, House Ways and Means
The Honorable Cindy F. Friedman, Vice Chair, Senate Ways and Means
The Honorable Todd M. Smola, Ranking Member, House Ways and Means
The Honorable Patrick O'Connor, Ranking Member, Senate Ways and Means

Dear Chair Michlewitz, Chair Rodrigues, Vice Chair Ferrante, Vice Chair Friedman, Ranking Member Smola, and Ranking Member O'Connor:

I am writing to provide comments and recommendations on selected line items and policy sections in the House and Senate FY24 Budget Bills (H.3901 and S.2400). We are grateful for the investments proposed by both branches and thank you for your continued focus on early education, workforce development, housing, transportation, in addition to other targeted investments aimed to move the Commonwealth forward.

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, even with this solid foundation, there are warning signs we must heed. 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.

To address these challenges, the Roundtable developed a policy framework "[A Talent Agenda to Drive Massachusetts' Competitiveness](#)" focused on talent in three pillars: (1) attracting and retaining talent; (2) developing untapped talent; and (3) creating diverse talent pipelines. As the Conference Committee considers the recommendations included in the House and Senate final budget bills, the Talent Agenda can provide a roadmap for the types of investments and policies that together allow both people and employers to thrive.

Access to talent is a top reason why employers choose to stay, relocate, or expand within Massachusetts. Earlier this spring, the Roundtable conducted its third annual Talent and Competitiveness Survey of its member CEOs and Senior Leaders from some of the largest employers across the Commonwealth. And similar to prior surveys, almost 70% of employers cited their ability to attract and retain diverse and world-class talent in Massachusetts as the key factor influencing their decision to stay in the state over the next 1 to 2 years. As such, it is vital the state budget prioritizes infrastructure investments in areas such as housing, transportation, and early childhood education that encourage talent to live, work, play, and innovate in Massachusetts. We appreciate your collective prioritization and focus on these areas.

In addition to keeping talent in the state, shifting demographics in the labor market and persistent outmigration trends in the Commonwealth have made the need to tap untapped talent, particularly diverse talent, even more important. We urge the Committee to support policies and investments that connect jobseekers and those disconnected from the labor market to meaningful career paths that will yield greater economic mobility and strengthen the state's pipeline of future workers employers require to successfully do business. We thank the House and Senate for their strong investments in workforce development.

Together with attracting and retaining talent, and tapping untapped talent, Massachusetts employers, government, workforce training providers, and more must commit to creating diverse talent pipelines in regions across the Commonwealth. In a recent survey of Roundtable members, 85% of employers surveyed expected to increase their DEI efforts for hiring diverse talent and 81% had plans to internally advance diverse talent. To support employers in meeting these goals, we must be intentional in the types of policies, investments, and strategies utilized to drive greater opportunity and equity in our education and workforce system, and in turn, better prepare diverse talent to pursue meaningful careers in Massachusetts.

The Roundtable therefore recommends supporting the line items and policy proposals included in the House and Senate bills that will best position the Commonwealth to attract and retain diverse talent statewide. Specifically, we respectfully request that you include:

- **Commonwealth Cares for Children (C3) Stabilization Grants (3000-1045):** Both the House and Senate continue to make transformational investments in the sustainability and growth of the early education and care field, positively impacting children and families, our communities, and our economy. The Roundtable is grateful for the now multi-year commitment to child care and respectfully urges that the C3 grant program be funded at a level sufficient for the entire fiscal year.
- **Advanced Manufacturing Program (7002-0020):** \$3M allocated in the Senate FY24 budget.
- **Career Technical Institutes (7002-1091):** \$20.4M allocated in the House FY24 budget.
- **Cybersecurity (7002-1503):** \$2.45M allocated in the Senate FY24 budget.
- **Innovation Economy (7002-0032):** \$2.5M allocated in the Senate FY24 budget.
- **Massachusetts Life Science Center (MLSC) (7002-0024):** \$10M allocated in the House FY24 budget.
- **MassHire Career Centers (7003-0803):** \$15M allocated in the House FY24 budget.
- **Registered Apprenticeships (7003-0151):** \$4.97M allocated in the House FY24 budget.
- **School-to-Career Connecting Activities (7027-0019):** \$9M allocated in the House FY24 budget.
- **Workforce Competitiveness Trust Fund (1595-1075):** \$20M allocated in the Senate FY24 budget.
- **YouthWorks (7002-0012):** \$33M allocated in the House FY24 budget.
- **Expanding access to community colleges:** Both the House and Senate FY24 budgets recognize the key role community colleges play in the Commonwealth's strategy to meet the workforce needs of employers. The Roundtable supports all efforts to expand opportunities for more individuals in the Commonwealth to access community college and stand as a willing partner as the House and Senate think about the best way to move this policy forward.
- **Instate Tuition for Immigrants:** The Roundtable supports the Senate's FY24 budget proposal to provide in-state tuition to immigrants without legal status who have attended a Massachusetts high school for at least three years and graduated or obtained their GED here. According to data compiled by the UMass Donahue Institute, the Massachusetts population in 2021 was comprised of 17.6% foreign born residents, the 7th highest in the nation. From real estate and accounting to tech and the life sciences, Massachusetts-based employers are challenged by the desire to hire diverse talent yet limited by the pool of applicants. At the same time, too many immigrants are blocked from full participation in the workforce

with challenges including English as a second language, the lack of US-based work experience, regulatory hurdles, and additional barriers such as access to educational opportunities. As talent is increasingly less available or living elsewhere, developing a pipeline of immigrant workers here, including reducing barriers to education and entering our workforce, will play a critical role in maintaining the state's competitive advantage.

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.

There is enormous potential for Massachusetts to build on its greatest strength—a talented workforce and labor market. The investments this Committee includes in the final FY24 budget will be critical to achieving that goal. Employers and the state must work together on policies that make the Commonwealth an inclusive, affordable, and competitive place for workers, residents, and businesses to call home. Thank you for your consideration, and for your efforts to produce a fair, sound, and responsible state budget. We are grateful for your work and commitment to the Commonwealth.

Sincerely,

A handwritten signature in black ink, appearing to read "JD Chesloff". The signature is written in a cursive, flowing style.

JD Chesloff
President & CEO
Massachusetts Business Roundtable