



April 1, 2024

Representative Aaron Michlewitz, Chair
Joint Committee on Ways and Means
Massachusetts State House, Room 243
Boston, MA, 02133

Dear Chair Michlewitz,

Thank you for the opportunity to provide comments on H.2 - *An Act making appropriations for the Fiscal Year 2025*.

The Massachusetts Business Roundtable is a statewide public policy organization comprised of Chief Executive Officers and Senior Executives from some of the state's largest employers representing over 300,000 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 Roundtable's member-driven policy agenda centers on the state's competitiveness, with a particular focus on talent...our chief competitive advantage. Yet, this competitive advantage is being threatened by the state's high cost of living and doing business, both of which are contributing to a troubling outmigration of talent and making it increasingly difficult for employers to find the diverse talent they need to grow and thrive.

In 2023, Massachusetts employers continued to struggle to find talent, with nearly two-and-a-half job openings for every unemployed person. There are many reasons for this, with demographic trends explaining part of the story. Between April 2020 and July 2023, Massachusetts lost 150,000 residents to other states. And while international migration has rebounded, a recent Mass Taxpayers Foundation report outlined several population and labor force trends threatening our state's economic growth. First, the state's working-age population (15 - 54-year-olds) has declined by 55,000 since 2007. Second, this has happened at the same time older workers are leaving the workforce at a faster rate - with retirements up 19% over pre-pandemic levels. Third, natural population growth is not keeping pace, with the number of births each year down more than 20% since 1990.



What does this mean for the Commonwealth? At the Roundtable, we know that as world-class talent leaves the state, it is a direct threat to our long-term competitiveness. As such, we are focused on solutions, specifically solutions as outlined in our [Talent Agenda](#), framed around how to attract, retain, develop, and diversify our state's talent pool, including the diverse "untapped talent" that is here in the Commonwealth but disconnected from employers for a variety of reasons.

As the House and Senate draft their respective FY25 budgets, we urge each chamber to prioritize the types of policies and investments aimed to strengthen the Commonwealth and address key issues that threaten our competitiveness. Specifically, the Roundtable supports the following line items that best position the Commonwealth to stay competitive and keep our competitive advantage, our people, here.

I. Attracting and Retaining Talent

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.

We support full funding of the C3 grant program (3000-1045 and 1596-2410) as well as additional investments consistent with the findings of the Special Legislative Early Education and Care Economic Review Commission, on which the Roundtable served. More detail of our early childhood priorities can be found in the attached letter we submitted in collaboration with the Massachusetts Business Coalition for Early Childhood Education.

Housing

The Roundtable is supportive of line items in the budget aimed to address our state's housing crisis. As the Committee considers how to invest in housing in the FY25 budget, priority should be given to those line items that:

- Increase production;
- Target housing supports across the income spectrum and across the state with a focus on mixed use/workforce housing; and
- Funding and supporting the Executive Office of Housing and Livable Communities as it works to enforce programs and initiatives that are working, such as the MBTA Communities Act.



In addition to the FY25 budget, it is imperative that significant housing legislation be passed this session, specifically various proposals included in H.4138, *The Affordable Homes Act*.

II. Developing Untapped Talent

Through the Executive Office of Labor and Workforce Development and the Workforce Skills Cabinet, which brings together the Secretaries of Education, Economic Development, Health and Human Services, and Labor and Workforce Development, we have an opportunity to prioritize investments that center on developing and diversifying our talent pool and pipeline to meet the needs of employers.

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, nonprofits 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.” We are also members of other key coalitions including the Massachusetts Alliance for Early College, the Student Pathways Coalition, and the MA Apprenticeship Network.

In the FY25 budget, we support targeted investments in programs that connect jobseekers to meaningful career paths and programs that create stronger connections between the K-12 education system and the careers that await students after high school and/or college. It is these types of programs that create 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 the following programs as key investments to continue to develop diverse untapped talent:

Education

- **Increasing Access to Career & Technical Education (7035-0001): \$2.5M** for planning and implementation grants for regional and local partnerships to expand and develop new Career and Technical Education programs.
- **School-to-Career Connecting Activities (7027-0019): \$9M** for public-private partnerships to link high school students with economic and work-based learning opportunities.
- **Early College and Innovation Pathways:**
 - **Dual Enrollment Grant and Subsidies (7066-0019): \$12.6M** to fund designated Early College course costs and college support costs.



- **Early College Programs (7009-6600): \$15M** to fund planning, implementation, growth grants, and supports for designated Early College programs.
- **Early College and Innovation Pathways (1596-2413): \$5M** from available surtax revenue eligible for use for Early College and other college and career activities.
- **MassReconnect (1596-2418): \$24M** to continue the implementation of free community college for students who are 25 and older and have not previously earned a college degree.
- **STEM Pipeline Fund (1595-7066): \$1M** for the STEM Pipeline Fund aimed to increase the number of students who participate in programs that support careers in fields related to science, technology, engineering, and mathematics.
- **STEM Starter Academies (7066-0036): \$3.6M** for programs at Massachusetts community colleges aimed to benefit student populations identified by the department as having expressed a high level of interest in STEM majors and STEM careers.

Workforce Development

- **Adult Basic Education (7035-0002): \$60M** to provide and strengthen basic educational attainment and work-related programs for adult learners, including ESOL education.
- **Advanced Manufacturing Program (7002-0020) \$2.5M** to support an advanced manufacturing program that provides a fully coordinated training system for unemployed and underemployed individuals.
- **Career Technical Initiative (7002-1091): \$10M** for 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.
- **MassCEC Clean Energy Investment Fund (1595-6232): \$30M** to support workforce training programs in the clean energy industry, clean transportation adoption, and an energy retrofit pilot program.
- **Registered Apprenticeship Expansion (7003-0151): \$3.8M** to expand and diversify registered apprenticeships including prioritizing the manufacturing, healthcare, and information technology industries.
- **Workforce Competitiveness Trust Fund (WCTF) (1595-1075): \$10M** to fund training pipelines aimed to meet the needs of businesses in high demand occupations, increase the competitiveness of the Commonwealth, and enhance worker skills, incomes, productivity, and retention.

Economic Development:



- **Massachusetts Life Science Center (7002-0024): \$10M** for the Mass Life Sciences Center to support the workforce and industry needs within the life sciences sector in the state to keep Massachusetts competitive globally as a life sciences leader.
- **Mass Tech Collaborative (7002-0032) \$2.5M** to support the Massachusetts Technology Collaborative, including their Innovation Institute and the Massachusetts Broadband Institute.
- **Entrepreneur in Residence Pilot Program (7002-1509): \$220K** to launch a pilot program aimed to help keep international graduates of Massachusetts colleges and universities in the state upon graduation.

Additionally, the Roundtable looks forward to working with the House and Senate to pass a comprehensive economic development bill this session.

III. Creating Diverse Talent Pipelines

Last year, the Roundtable released two reports focused on “untapped talent,” highlighting the diverse talent pools in the Commonwealth that could be better connected to employers to help address the state’s talent challenges.

The first report, released with support from the Center for State Policy Analysis at Tufts University, [Tapping Untapped Talent: How Foreign-Educated Immigrants Can Strengthen the Massachusetts Economy](#). The report found that there are 106,000 foreign-educated college graduates currently in the Commonwealth who have not gone on to pursue graduate work. This population has a harder time finding jobs that match their degrees and tend to earn less than their U.S.- educated peers, costing the state’s economy approximately \$2.3 billion per year in lost earnings and productivity. The report outlines important policy changes and solutions for employers, immigrant-serving organizations, and state government. From flexibility in hiring and increased talent recruitment efforts, to dedicated funding, tax incentives, and rethinking licensing and credentialing requirements, we can ensure that access to diverse talent continues to be a competitive advantage for employers and the Commonwealth.

The second report, released in collaboration with the Massachusetts Taxpayers Foundation, [Equitably Addressing the Workforce Crisis in MA: How to Capitalize on Minority Serving Institutions](#). The report provides an overview of what MSIs are and offers recommendations for how Massachusetts can better use these critical institutions to strengthen workforce diversity as well as meet its current and future labor force needs. These recommendations include: (1) establishing a clear definition of MSIs; (2) rethinking the funding model for higher education; (3) adjusting existing higher education and workforce programs to prioritize MSIs; and (4) coordinating connections between employers, association, and MSIs.



As the Committee drafts its FY25 budget and continues to find ways to ensure our state's economy remains strong, these reports can provide strategies and solutions around "untapped talent" sources. We welcome the opportunity to work with you on any of the recommendations included in both reports.

We collectively must continue our commitment to creating diverse talent pipelines across the Commonwealth. This effort must go hand in hand with the investments included above focused on attracting, retaining, and developing diverse talent. By focusing on the strategies, programs, and investments that will drive more opportunity and equity in our education and workforce systems, we can better prepare diverse talent to pursue meaningful careers.

Thank you for this opportunity to submit testimony and for the efforts of you and your staff in developing the FY25 budget recommendations. We are grateful for your leadership and look forward to partnering with you in this important work.

Sincerely,

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

JD Cheslott
President & CEO
Massachusetts Business Roundtable