



December 1, 2020

Representative Aaron Michlewitz, Chair  
24 Beacon St, Room 243  
Boston, MA 02133

Senator Michael Rodrigues, Chair  
224 Beacon St, Room 212  
Boston, MA 02133

Representative Denise Garlick  
24 Beacon St, Room 238  
Boston, MA 02133

Senator Cindy Friedman  
24 Beacon St, Room 208  
Boston, MA 02133

Representative Todd Smola  
24 Beacon St, Room 124  
Boston, MA 02133

Senator Patrick O'Connor  
24 Beacon St, Room 419  
Boston, MA 02133

Dear Honorable Conferees,

The Chamber appreciates your continued fiscal stewardship and efforts to prepare a balanced FY2021 budget that makes strategic investments across the Commonwealth to encourage a strong economic recovery and help to make Massachusetts the best place for people to work and live. As you work to reconcile the differences between the House and Senate FY2021 spending plans, we respectfully request that you consider the following provisions that will directly impact our region's economy:

#### **Investments in Workforce Development and Regional Competitiveness**

- \$7 million transfer to fund **the Workforce Competitiveness Trust Fund**, line-item 1595-1075

The Chamber supports the House proposal to fund the Workforce Competitiveness Trust Fund at \$7 million. Investing in the Workforce Competitiveness Trust Fund will help close the skills gap by developing industry partnerships to train the unemployed and underemployed and fill vacancies in high-demand job markets across the Commonwealth. Getting residents back to work and into high-demand jobs is especially important now, given the state's 7.4% unemployment rate as of October 2020.

- \$4 million to the **Massachusetts Growth Capital Corporation (MGCC)**, line-item 7002-0040

The Chamber supports continued funding for the MGCC Small Business Technical Assistance Program provides funding and other resources to nonprofits that support small businesses across the Commonwealth through access to capital, business training, and other necessary resources. Among other positive results, MGCC reports that between FY2014 and FY2017 the program successfully generated more than 1,200 new businesses and more than 1,600 businesses grew because of the program. Successful programs like this contribute to the overall economic strength of Massachusetts.

- \$1.5 million for **Career and Technical Education Program**, line item 7035-0001

The Chamber supports allocating \$1.5 million for Career Vocational and Technical Education (CVTE) because this funding will allow more access to CVTE for all students by expanding existing programs and developing new ones. CVTE programs are an effective method for training our next generation of talent with the skills they need to be successful in the workforce and are so popular that thousands of students across the Commonwealth are on waitlists.

- \$500,000 for **Registered Apprenticeship Expansion**, line item 7003-0151

The Chamber supports the Senate proposal to continue funding the Registered Apprenticeship Expansion at \$500,000. This program promotes hiring and training new employees in the health care, manufacturing, and information technology industries. Apprenticeships benefit both employers and individuals: employers are able to develop their workforce pipelines, and individuals gain the skills and training to secure employment in the state's key industries.

### **Sales Tax Modernization**

The Chamber has consistently expressed its concern with proposals to implement pre-payment of sales tax.

By requiring early remittance, or pre-payment, the Commonwealth would see a one-time bump in FY21 revenues, but no lasting change to state revenues. This has the effect of essentially building in 13 months of sales tax revenues in a 12-month period. The Chamber opposes implementing early remittance without the flexibility that is provided through a safe harbor that allows businesses to estimate their tax liability based off of a previous filing.

Sincerely,

James E. Rooney  
President and CEO