

May 20, 2024

Senator Karen Spilka, President
Massachusetts Senate
State House, Room 332
Boston, MA 02133
617-722-2380

Senator Michael Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133
617-722-2990

Dear Senate President Spilka and Chair Rodrigues,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I would like to thank you and your staff for your diligent and thoughtful efforts in developing the state's FY25 budget (S.4). As you proceed to debate, I write to highlight the priorities of the Chamber.

Transportation

SUPPORT: Historic Investment in the MBTA (Item 1595-6369 - \$314 million)

The Chamber is grateful for the historic investments into the MBTA included in the Senate's FY25 budget. This includes a vital infusion of operating funds to the MBTA to ensure it maintains current service levels while confronting a budget deficit due in part to a slow rebound in ridership. Under the leadership of General Manager Phillip Eng, the MBTA is making progress on implementing safety and reliability improvements along with necessary track and signal work to eliminate slow zones and improve the rider experience. While the progress of deploying capital investment and service improvements is slow, the Chamber believes the MBTA is heading in the right direction and the additional financial support from the Senate will provide meaningful support to the ongoing turnaround necessary at the agency.

SUPPORT: Commuter Rail Infrastructure Investments (1596-2504 - \$24.5 million)

The Senate budget includes additional investments into the MBTA system by dedicating \$24.5M to capital improvements through 2026. This appropriate use of income surtax funds will help the MBTA to continue to address critical infrastructure issues and encourage increased ridership.

SUPPORT: Dedicated Funding to Expand Transportation Borrowing Capacity (Section 27)

The Chamber supports section 27 and related sections that dedicate income surtax revenue to the Commonwealth Transportation Fund, unlocking substantial new capital funding capacity for Massachusetts. These resources can make a significant difference in improving our transportation networks across the state to improve access, safety, and reliability.

SUPPORT: Historic Funding for Regional Transit Authorities (\$214 million)

The Chamber supports the Senate's historic funding levels for Regional Transit Authorities. The Chamber supports the addition of \$120 million in additional funding beyond general fund spending to finance direct operating support, fare-free transit services, inter-transit connections, and expanded mobility options for elderly and disabled passengers. These targeted investments are critical to expand transportation access in a geographically equitable manner.

Business Climate

SUPPORT: Early Education and Care Grants (Item 3000-1045 - \$325 million, Item 3000-1049 - \$2.5 million)

Access to affordable, high quality early education and care programs is a vital component to attracting and retaining talent in Massachusetts. Stabilization grants are essential to these programs as they face continuing challenges resulting from the pandemic and a tight labor market in 2024. These resources will not only support this workforce, but also the workforce of all employers with continued access to childcare options.

SUPPORT: Early College – Dual Enrollment (Item 7066-0019 - \$13.1 million) and Early Colleges Programs (Item 7009-6600 - \$15 million)

The Senate’s proposed funding will expand access for thousands of students to early college programming in high school. Early college is a strategy that increases overall college attainment and may help close equity gaps in college outcomes. This increased funding will meet the growing demand for high-quality early college programs. The Chamber will continue to analyze the student outcomes related to early college programs and encourages policymakers to develop strong metrics to ensure high quality education that equips students with the skills needed to thrive in college.

OPPOSE: Amendment #133 (Eldridge) Worker’s Compensation Program

Current law, under section 75B and chapter 152 of the General Laws, prohibits employer retaliation against employees that exercise rights under the Commonwealth’s worker’s compensation statute. The statute provides an injured worker benefits and mitigates the litigation risk for employers in the Commonwealth.

Amendment #133 inserts into section 75B ambiguous retaliation language into the law, significant new penalties above and beyond existing penalties for alleged violations, and creates a rebuttable presumption of a violation of the section for any alleged adverse action within 90 days of exercising a right under chapter 152, with a high evidentiary standard of clear and convincing evidence to rebut such presumption. The amendment will make it more difficult to comply with the statute, more expensive to resolve claims, and potentially lead to costly litigation even when employers did not violate the statute – undermining a key component of the current program. Under review as an individual bill, the Chamber opposes the amendment and encourages the Senate not to adopt such a drastic change in policy through the budget process.

OPPOSE: Amendment #132 and Amendment #135 (Eldridge) Local Excise Tax Increase

The Chamber opposes Amendment #132, which would raise the deed transfer tax for land transfers in the Commonwealth and add numerous new fees that will significantly raise the cost to purchase properties for both individuals and businesses. Deeds excise taxes and other transfer fees dampen the state’s business climate and make it more difficult for businesses to operate. The Chamber strongly opposes this Amendment.

Amendment #135 would double the meals excise tax in Massachusetts, which would raise the cost to operate a restaurant in the state and have a devastating impact on the state’s hospitality industry. The industry operates under razor-thin profit margins to begin with and is already dealing with the high costs of inflation, not to mention labor shortages that make day-to-day operations difficult. Doubling excise taxes is the opposite of what the state needs to be doing for the restaurant industry.

SUPPORT: Amendment #201 (Mark) Tourism Job Creation (7008-0900 - \$1 million)

The Chamber supports the adoption of Amendment #201, which would increase Funding for the Massachusetts Tourism Trust Fund by \$1 million. The tourism industry is a critical industry in Massachusetts, bringing visitors from across the globe to our state and celebrating our rich history and cultural institutions.

SUPPORT: Amendment #245 (Payano) Small Business Technical Assistance (7002-0040 - \$5 million)

The Chamber supports the adoption of Amendment #245 (Payano) which would increase funding for Small Business Technical Assistance by \$5 million. This increased funding will support our small businesses as they operate and grow, providing access to capital in addition to educational and technical services. Many small businesses operate with a small headcount and minimal resources, and this funding can go a long way in giving small businesses the extra hand they need to grow their business.

OPPOSE: Amendments #829 and #858 (Barrett) Airline Industry

The Chamber opposes the adoption of Amendments #829 and #858, which would repeal the sales tax exemption for aircraft and increase the excise tax rate for jet fuel, respectively. Singling out a specific industry to arbitrarily raise the cost to operate is not sound public policy. The Commonwealth made excellent strides in moving the state into a more competitive position with the adoption of tax reform in 2023, and the state must maintain this momentum by avoiding policies that raise taxes arbitrarily and signal to businesses of a hostile public policy environment.

Housing

OPPOSE: Amendments 176, and 181 (Tarr) The MBTA Communities Act

The Chamber supported the Legislature's passage of the MBTA Communities Act that encourages new housing production around public transit nodes along the MBTA's rapid transit and commuter rail systems. Amendments 176 and 181 aim to slow important progress on municipal compliance with section 3A of chapter 40A by delaying deadlines for compliance, allowing past construction to qualify, or imposing an unnecessary appeals process outside normal local permitting functions. These efforts undermine the modest requirements of the current law to develop greatly needed housing units throughout the state.

It is important to note the law does not actually require the construction of any new housing, but only to ease the zoning requirements in a small area of each municipality located near transit options. The MBTA's Communities Act was supported by wide margins in the Legislature and Governor Baker in 2020, and we encourage the Senate to reject these amendments.

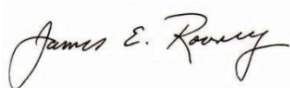
Climate & Energy

SUPPORT: Amendment #43 (Barrett) Level Funding for Clean Energy Investment Center (Item 1595-6232 - \$30 million)

The Chamber supports the adoption of Amendment #43 (Barrett) to provide additional investments in the clean energy workforce as the Commonwealth adopts new sources of renewable energy and strives to reduce its greenhouse gas emissions. Massachusetts is at the forefront of clean energy policy and the development of offshore wind, solar, and other clean energy technologies will create new jobs. These new industries will need access to a talented and trained workforce as the state moves from planning to implementing clean energy projects and necessary infrastructure improvements ahead of 2025 and 2030 emissions reductions requirements.

Please reach out with any questions or concerns.

Sincerely,



James E. Rooney
President & CEO