



## **Public Policy Agenda**

FY2022

Advancing North Central Massachusetts

Approved by the Government Affairs Committee

September 13, 2021

Approved by the Board of Directors

September 16, 2021

As an organization, we are committed to advancing North Central Massachusetts by promoting and leveraging **economic competitiveness** with our state, region, and nation; advocating on behalf of **small business**; asserting our role as the Commonwealth's hub of **manufacturing**; and appreciating that we cannot do any of this without innovative and leading **education** strategies and a strong **transportation** infrastructure.

This document is intended to serve as the guideline for the Chamber's government affairs efforts, and has been reviewed and approved by the Government Affairs Committee and the Board of Directors. Adjustments and additions to these policies will be made as necessary.

Please contact the Public Affairs Manager at 978.353.7600 ext. 224 with any questions you may have regarding this Public Policy Agenda.

## **COVID-19 and Economic Recovery**

More than a year later, the nation continues to grapple with ongoing and shifting challenges surrounding COVID-19. In addition to the public health crisis, lengthy closures and restrictions caused a great deal of economic damage to a vast array of businesses in the region.

Both Beacon Hill and Capitol Hill continue to work on multipronged approaches to navigate ongoing surges and recovery, and the Chamber will work actively to ensure that the needs of North Central Massachusetts and our employers are addressed by these efforts.

### **A Balanced Approach**

Policy makers at the state, regional, and local levels must ensure their approach to economic recovery balances the need for safety with the needs of those who have borne the brunt of the pandemic's economic impact. As the Commonwealth continues to navigate possible surges, we advocate for a clear and uniform approach with any future guidelines. At the height of the pandemic, small business owners and their employees suffered significantly in the face of extended closures, reduced capacities and other restrictions. Even those that retained full staff throughout the pandemic saw increases to their unemployment insurance contributions increase at higher than anticipated levels. The hospitality and tourism related businesses were the last to reopen and were among the hardest hit industries in the Commonwealth. Research also showed that underserved business communities were disproportionately affected by the pandemic, often missing out on early rounds of PPP and other relief. We will therefore act to ensure these businesses and others receive the assistance and support they need to navigate recovery.

### **Interstate Coordination**

Given their proximity to the state's northern border, North Central Massachusetts' businesses are particularly sensitive to competition from New Hampshire and Massachusetts must remain reticent of steps being taken to reengage the economy outside of the Commonwealth. Ensuring that state and local policies account for decisions made in Concord is a priority for the Chamber as the state navigates economic recovery. Doing so represents a sensible approach that benefits a range of stakeholders- including commuters, shipping and logistics companies, and interstate employers to name a few. It also ensures that businesses to the state's north will be unable to gain a competitive advantage in comparison to their Massachusetts counterparts.

### **Testing, Vaccines and Resource Equity**

The potential for a resurgence in this virus' spread is real and cannot be ignored. Making a concerted, visible effort to guard against it is essential to restoring a public sense of health and safety. To that end, we will continue to support vaccination efforts as well as statewide testing and contact tracing while working to ensure these efforts are carried out in an equitable manner that protects rural and urban communities alike. Further, when outbreaks are identified, we will support efforts to address them swiftly, quickly checking their spread.

### **Childcare**

Amongst the most difficult and impactful issues to address in the midst of the pandemic had been that of childcare. With parents returning to the workplace, it is imperative that the State allow day care facilities and home-based businesses to remain open in the same way schools

have reopened to students. Any future guidance should include solutions that balance the need to protect children and caregivers while allowing parents to remain at work. These could include prioritizing enrollment for essential workers or those who cannot work remotely should a resurgence occur, incentivizing businesses to provide on-sight childcare, and subsidizing at-home solutions for those who can afford them.

### **Health Care Institutions**

The state's hospitals and healthcare facilities, and those who staff them, performed admirably throughout this crisis dealing with surges of patients and expanding operations to multiple field hospitals across the Commonwealth. This was not achieved without expense. Many patients saw previously scheduled procedures delayed indefinitely as hospitals shifted resources to confront the pandemic. We are concerned about the tremendous impact this has had on patients and the institutions which serve them. These facilities are integral to the wellbeing of our communities and represent the second largest employer by sector in North Central Massachusetts. We will therefore encourage the Commonwealth to assist these institutions as they recover and provide the support they need to prepare for a possible resurgence in the future.

### **Liability**

Many businesses have expressed concerns over the potential legal risks associated with COVID-19. These include the risk of being found liable should a customer or employee come into contact with the virus, and the privacy issues which could arise as employers work to monitor exposure amongst their workforce. We encourage the state to assist small businesses by providing solutions to these legal complexities, including additional guidance and legal protections.

## **Economic Competitiveness**

At the heart of the Massachusetts economy is innovation. To remain competitive, this region must aggressively advocate for the tools and resources necessary to lead locally, regionally, nationally, and globally. As we work to strengthen our emerging sectors and clusters, we must recognize our strengths while addressing our weaknesses.

### **Enacting the Recommendations from *One North Central***

In 2020, the Chamber led an effort to develop a new multi-faceted and actionable blueprint to guide the region's economic development efforts over the next 10 to 15 years, providing for sustainable growth. The scope of the project also includes a deep dive into the regional economy, including analysis of the real estate market and workforce, a SWOT analysis, benchmarking and numerous focus groups, interviews and surveys with various stakeholders to gather input for the plan. The resulting One North Central Regional Economic Development Plan contains ideas for the Chamber and the region to pursue in an effort to advance the economy of North Central Massachusetts. The Chamber will pursue these recommendations, advocating in favor of policy changes at the Statehouse while supporting the development of career readiness programming in the region's schools as we work to address the workforce shortage and skills gap. The Chamber will continue to garner support for One North Central

with the region's stakeholders in hopes that it can be used as a unified voice for future advocacy efforts for the more robust ideas in the plan that will require the use of State funds. The Chamber will continue to promote One North Central to communities across the region in the hope that it will also be implemented on a municipal level.

### **Regional Equity**

Our position relative to Interstate 495 should not decide how we are viewed by state government. We will call on Beacon Hill to increase investments outside of Greater Boston in general and towards North Central Massachusetts in particular. As we position ourselves to be the next growth region, we will compel partners throughout the Commonwealth to change the way they view our communities.

### **Public Infrastructure**

Essential to any regional economy are the public resources which all businesses rely upon. As one of the Commonwealth's oldest manufacturing hubs, many of North Central Massachusetts' roads, utility mains, drainage systems, and electrical lines are in need of repair or improvement. To this end, the Chamber will support efforts at both the municipal and state levels to address these needs in a timely fashion.

### **Broadband and High Speed Internet**

Businesses rely on technology now more than ever. Ensuring that all areas of North Central Massachusetts have access to high speed internet is a priority. We will continue to aggressively advocate for increased access for underserved areas in the region, and call for parity with the rest of Massachusetts.

### **Property Tax Rates**

Since the inception of Proposition 2 ½, local governments have struggled to balance municipal budgets. Growing the commercial tax base should be a priority of every local government. Presenting business friendly environments through single property tax rates will continue to be a priority. Neither residents nor businesses should be overburdened by taxes. A single rate creates a fair and balanced environment for local receipts.

### **Investments in the Public Promotion of Tourism**

Prior to the coronavirus pandemic, North Central Massachusetts was home to a burgeoning tourism and travel sector. An evolving market ushered in hundreds of millions of dollars in private investments in recent years, before business closures and travel restrictions brought much of this activity to a halt. As this industry navigates recovery, we will work to attract new public investments and visitors to North Central Massachusetts. We will also advocate for federal and state funding to support additional marketing efforts designed to bring commerce in these impacted industries back to pre-pandemic levels.

### **Regulatory Reform and Streamlined Permitting**

The Chamber is committed to encouraging new ventures, attracting outside businesses to the region, and helping those presently here grow and expand. To that end, we must encourage our state and local governments to reduce regulatory burdens and ensure that officials tasked with

enforcing public codes operate in a coordinated and transparent manner. Permitting and red tape should be eliminated where possible and standardized “speed-to-market” strategies should be embraced by all local governments across the region.

### **Small Business**

Affordable properties and an upwardly mobile middle class have coalesced to preserve North Central Massachusetts’ small business community. We must continue to embrace these entrepreneurs and recognize them as the heartbeat of our economy, removing any roadblocks that impede their success.

### **Grand Bargain**

Two Thousand Eighteen’s legislative compromise between labor and business advocates has already had a considerable impact upon the Commonwealth’s business community. This is especially true of sole proprietors and local employers who are most susceptible to external pressures and changes. The Chamber recognizes the Grand Bargain as a hard but acceptable compromise, and will therefore act to defend what was won while mitigating the affect its concessions will have on Main Street.

### **Minimum Wage**

Significant increases in the minimum wage place business in Massachusetts at a severe competitive disadvantage. Ultimately, higher payroll costs will drive shoppers to e-commerce outlets, eliminating jobs and compelling small retailers to shutter. While the Grand Bargain will increase the minimum wage to \$15.00 an hour- or \$6.75 an hour for tipped workers- by 2023, we will act to guard against further increases or efforts to index it to inflation. Moreover, we will move aggressively to ensure the phased elimination of Sunday and holiday premium pay continues as dictated in the compromise.

### **Unemployment Insurance Taxes**

Massachusetts provides laid-off workers with the most generous benefits in the United States, alongside some of the weakest earnings and time worked tests in the nation, significantly increasing costs for small businesses. Issues with how these increases are doled out to our small businesses became even more apparent during the pandemic when businesses that kept full staff still found themselves burdened with increases. In response to the pandemic increases, the Chamber will continue to advocate that ARPA funds be used to help pay down the Unemployment Insurance liability instead of pushing the cost onto employers for years to come. The Chamber will continue to oppose further increases to these benefits and efforts to lower the already inadequate qualifications for accessing them, while also pushing for a reevaluation of the State’s formula.

### **Paid Family and Medical Leave**

Among the Grand Bargain’s most onerous and complex provision was the imposition of a new paid family and medical leave payroll tax. Like the state’s unemployment insurance program, these new benefits represent some of the most generous in the United States. What has proven particularly frustrating however has been the confusion associated with the law’s

enactment. Many employers remain uncertain as to whether or not these new regulations apply to them, and many employees are likely unaware of the fact that they shoulder a significant portion of this tax. Every effort will therefore be made to halt expansion of these benefits and ensure both employers and employees are aware of the law's provisions- and their obligations under it.

### **Micro-lending and technical assistance investments**

The economic interruptions and stagnation induced by the pandemic have proven particularly devastating to the region's small business community. Multiple surveys conducted by the Chamber throughout the pandemic revealed the principal need amongst the region's employers has been access to liquidity, a finding that has been reflected in rapidly increasing demand for the North Central Massachusetts Development Corporation's services. Supporting that organization's efforts and the entrepreneurs to whom they provide technical assistance and financing is therefore a priority for our region. The Chamber will therefore build partnerships with state and federal agencies to ensure credit and business counseling are available to those who need it. These activities are particularly essential at this moment, as these resources help open and maintain businesses that would be unable to do so otherwise.

### **Health insurance & health care costs**

The cost of health care is a major detriment to economic growth in Massachusetts. Small businesses already struggle to afford coverage for their employees, and this expense continues to climb. We will fight hard for small businesses against increased rates, newly imposed benefits, and other costly mandates that make it difficult for an employer to best address the needs of its employees.

### **Energy costs**

Massachusetts has the second highest energy costs in the contiguous United States. This continues to encourage businesses to re-locate to other states and demands an aggressive response. While the Chamber understands the Administration's goal to approach net-zero emissions by 2050 is significant, it is important that we move forward in a way that will not prohibit further development and prove costly to smaller businesses and consumers. Therefore, we will advocate for a measured approach that includes diverse portfolio of power sources which includes wind, solar, and natural gas (including RNG- Renewable Natural Gas). We support efforts of energy producers to keep exploring alternative options and ways to reduce carbon emissions. We also believe the best approach is to avoid outright bans of energy sources like natural gas and RNG which could unfairly hinder development and further drive up costs.

## **Manufacturing**

North Central Massachusetts is home to the highest concentration of manufacturers in Massachusetts. With over 440 manufacturing firms across the region, the field's share of regional employment is nearly twice the corresponding national share. Supporting careers in advanced manufacturing and fiercely advocating for our large employers will therefore remain a major priority for the Chamber.

### **Removing the Stigma Associated with Manufacturing**

As both students and parents consider what will follow graduation, manufacturing is often associated with dirty, unrewarding labor. Positioning ourselves at the intersection of manufacturing employers, K-12 school systems, and institutions of higher education is essential to addressing this outdated stigma. To that end, the Chamber will coordinate with these stakeholders and make every effort to raise awareness of the opportunities a career in manufacturing entails.

### **Removal of the Inventory Tax**

Reducing burdens that manufacturers face is what will keep these companies from off-shoring or moving out of Massachusetts. We will aggressively support the removal of the Inventory Tax, a tax that is prohibitive to growth and competition for our region's manufacturers.

### **International Trade and Tariffs**

North Central Massachusetts' manufacturers produce goods and components that are shipped the world over. At the same time, import of raw materials from foreign markets is essential to the work these employers do. Maintaining reasonable trade agreements which protect American interests without erecting unnecessary barriers to commerce is therefore critical to our regional economy. To that end, this Chamber will support efforts to update current trade agreements, implementing gradual changes which bring them more in line with the realities of a 21<sup>st</sup> Century market, and strengthen their consistent enforcement.

## **Education**

At the backbone of any successful economy is a state of the art educational framework. As we seek to remain competitive as a region, we will support high quality education systems that align the strengths of North Central Massachusetts with workforce needs.

### **Support High Quality Education**

With a commitment to our students' futures, we will support increased investments in education and extra-curricular activities that provide high-quality training and resources, ensuring they are prepared to thrive after graduation and take advantage of any opportunity afforded them.

### **Aligning K-12 Curriculum with Workforce Development Initiatives**

Ensuring our students are equipped with the tools and knowledge necessary to compete in an adaptable workforce will be a priority. Our education system will be the fabric of our efforts as we look to support the economic recovery of North Central Massachusetts.

### **Ensuring College Degree and Certificate Attainment**

Given that it is estimated that 70 percent of all jobs will require some education beyond high school by 2027<sup>1</sup>, it is in our best interest to create more high school to college to career pathways. Massachusetts Early College programs, allow students to earn college credit while still in high school and focus on college/career pathways important to the school's region. According to Mass Inc., data from the first two cohorts of Massachusetts Early College students shows that Early College students are 38 percent more likely than their peers to enroll in college immediately after high school and 53 percent more likely to remain enrolled one year later. We support continued support for Early College funding.

In the past, vocational schools and programs were viewed as limiting a student's career opportunities to their specialty following graduation. In promoting career readiness programs or credentialing courses, the Chamber will oppose any efforts which narrow the options available to the region's students upon graduation. Likewise, the Chamber will work with regional education institutions to ensure that those who do enter the workforce upon graduation are aware of opportunities to further their careers through the pursuit of college courses, credentials, and degrees.

## **Transportation**

The Route 2 corridor is poised to be the next area of growth in Massachusetts. Without transportation infrastructure improvements, we will be unable to expand our residential, commercial, or industrial tax bases. Advocating for transportation improvements, extended commuter rail access, and increased reverse commute options will be essential to ensuring growth.

### **Raising Revenues**

Cost estimates for modernizing the state's transportation system run well into the billions of dollars. As such, it is almost certain that new revenues will be necessary to propel these projects through to completion. The Chamber and its partners will work to ensure that efforts to raise and distribute resources are undertaken in a regionally equitable manner. From a revenue perspective, this includes supporting measures which tax the Commonwealth's residents and businesses fairly while opposing measures which penalize those without access to public transit. The Chamber will therefore support efforts to implement congestion pricing and increase ride sharing fees, while offering tentative support to Governor Baker's Transportation Climate Initiative. At the same time, we are adamantly opposed to increasing the gas tax, implementing mileage fees, or constructing toll cameras along Route 2.

### **Establish a Permanent Board Dedicated to the MBTA's Oversight**

While steps are now being taken to address the Commonwealth's longstanding transit issues, many have arisen from years of mismanagement and neglect. Since any effort to reduce congestion will rely in part on the Commonwealth's rail system, reforms will need to be instituted within the authority which oversees it- the Massachusetts Bay Transit Authority (MBTA). The T and commuter rail represent particularly complex networks with unique needs,

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<sup>1</sup> This is according to the Georgetown University Center on Education and the Workforce as quoted in the Chronicle of Higher Education, Jan. 22, 2020.



requiring continuous, focused oversight. This is to say nothing of the numerous bus routes and ferries the MBTA oversees. To that end, we support the institution of a dedicated body similar to the former Fiscal and Management Control Board tasked with governing the MTBA's activity. Establishing such a body will help ensure that improvements to the systems under its purview are made in a responsible and transparent manner.

### **Modernize Route 2**

With sections that were designed as far back as the 1920s, it is unsurprising that the western half of Route 2 is completely inadequate to modern traffic demands. A two lane highway will not support the travel and capacity needed for economic expansion. Working with our transportation partners, state officials, and the federal government, we will explore options for modernizing Route 2. These will include widening the route, improving on and off ramps, better aligning the road's traffic signals, and ultimately removing any stops or rotaries.

### **Commuter Rail Improvements**

As noted above, any efforts to modernize the Commonwealth's transit system will necessarily include improvements to the commuter rail. Not only would increased ridership alleviate traffic along Route 2, it would also improve this critical asset's financial sustainability by expanding its customer base. Improved regularity of trips, with an explicit focus on express trains to Boston and the reverse commute to Fitchburg, represent a critical first step. Another barrier for many is the commuter rail's fare structure. At \$388, the cost of a monthly pass represents a significant barrier for many who might consider commuting to or from Boston. Temporary subsidies would expand access to this resource and eventually render themselves unnecessary. As more individuals took advantage of low fares, trains would be able to operate at a higher capacity, spreading the cost of between a greater number of users and rendering subsidies unnecessary.

### **Increased Transportation Options for Employees**

In North Central Massachusetts, a job surplus is usually related to transportation access. We will advocate for expanded transportation routes and schedules that are conducive to shift changes and employee needs. Ensuring that employees are connected to public and alternative transportation will therefore be among our transportation improvement goals. Development of multiuse paths, such as the Twin Cities Rail Trail, provides another transit option many young professionals find highly desirable.

### **Airport Improvements**

The Fitchburg Regional Airport is a vital component of the local economy, employing hundreds, attracting clients throughout Massachusetts and Southern New Hampshire, and supporting dozens of businesses that service it. The Chamber will support any efforts made to improve its services or increase its capacity. This includes updating its technology, expanding its runways, and decreasing barriers to business attraction.

*While these statements are policy as of the effective date of this document, the Chamber reserves the right to adopt changes and make modifications and additions to its Public Policy Agenda, and will continue to monitor legislation and issues as they develop.*