



## **Public Policy Agenda**

FY2023

Advancing North Central Massachusetts

Approved by the Government Affairs Committee

September 1, 2022

Approved by the Board of Directors

September 15, 2022

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, a strong **transportation** infrastructure and greater **real estate** development.

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.

## **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***

The Chamber will continue to pursue initiatives contained in the *One North Central* regional economic development plan adopted in 2021 as we work to advance the economy of North Central Massachusetts over the next 10 to 15 years. These recommendations, advocate 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. We will continue to work with elected officials at all levels to secure ARPA funds to pursue larger regional initiatives contained in the plan, including the recently launched regional business investment fund, and proposed regional land bank.

### **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 investment dollars outside of Greater Boston in general and towards North Central Massachusetts in particular with a focus on infrastructure, education/workforce development and economic development initiatives. 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, working to increase our engagement with current officials as well as incoming officials and the new administration to ensure that our region is not forgotten

### **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. The Chamber will continue to support efforts to increase Chapter 90s funds to communities in North Central Massachusetts.

### **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 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**

As we navigate the post pandemic world, 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 to the region and better position North Central Massachusetts to compete with other travel destinations in the Commonwealth and neighboring states.

### **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.

### **Minimum Wage**

Over the past 4 years, the minimum wage and wages for tipped workers in the Commonwealth has seen a steady increase and are set to rise again in 2023. Significant increases in the minimum wage place small businesses 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. We will advocate against further increases or efforts to index it to inflation. Moreover, we will work to ensure the phased elimination of Sunday and holiday premium pay continues as dictated in the Grand Bargain legislation passed in 2018.

### **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**

In this post-pandemic economic climate, we continue to see an increase in 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. We will continue to appeal to our legislature for resources to grow these services within the State budget and any future ARPA discussions.

### **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.

### **Barriers to Employment**

North Central Massachusetts employers are facing an extremely tight labor market in this current economy. The Chamber will continue to advocate for innovative solutions to eliminate barriers to work that might exist in the region and state. These would include access to quality affordable childcare for working parents, improvements to public transportation, increased federal and state investments in employer led job training and education programs and other

public policies that will help alleviate the worker shortage and better position the region and state to compete.

### **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 State'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. The Chamber encourages the State to continue providing energy efficiency programs for businesses (and consumers) to aid in lowering overall energy usage and 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 are reviving our education compact so we can better 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**

As we look to better prepare students in North Central Massachusetts to for life beyond high school, the Chamber supports and will continue to advocate for funding of early college programs as well as career pathways. The Chamber will continue to 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.

### **Vocational Education**

In the past, vocational schools and programs were viewed as limiting a student's career opportunities to their specialty following graduation. The Chamber will continue to work with our educators and elected officials to change that perception. We will also advocate for more access to vocational education and support for expansion of vocational programming in the vocational school setting as well as incorporation of these programs into the traditional school setting.

## **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.

## **Transportation Investments**

The Commonwealth is in a unique position with new federal transportation and ARPA funds. We will advocate for regional equity to ensure our region receives its fair share of transportation funding and that projects in North Central Massachusetts are adequately funded. We will also oppose new funding mechanisms that will burden our employers and members without any benefit to the region.

## **MBTA Reforms**

The Commonwealth's transit system continues to experience longstanding issues, many have arisen from years of mismanagement and neglect. Since any effort to reduce congestion will rely on the Commonwealth's rail system, the Chamber will support reforms designed to improve the fiscal and operational management of the MBTA. The Chamber supports directives laid out by the Federal Transit Administration aimed at addressing personnel, deficiencies and inadequate operating conditions, policies, procedures and training and we support the implementation of the Quality, Compliance and Oversight Office to track progress of these directives.

## **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 the region, represent a critical first step. Another barrier for many is the commuter rail's fare structure. At \$416, 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.

The Chamber also supports exploration of an East West rail system connecting the western part of the State. Increased access to rail in both directions would create additional labor pools for our region's employers to tap into in this tight labor market.

## **Increased Transportation Options for Employees**

In an effort to continue reducing barriers to employment in North Central Massachusetts ensuring that employees are connected to public and alternative transportation is essential. We will advocate for resources and support that will allow the Montachusett Regional Transit Authority to expand transportation routes throughout the region and schedules that are conducive to shift changes and employee needs. Support 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.

## **Real Estate**

The Chamber believes that real estate development is important to the economic competitiveness and quality of life of the region.

### **Housing**

Massachusetts has among the highest costs for housing in the country. And while the region's relative affordability when compared to other parts of the state has been a major competitive strength, research from our One North Central Economic Development Plan shows that the region faces challenges related to housing and must work to keep pace or run the risk of becoming a collection of bedroom communities with long commutes to good jobs, an aging population, and a stagnating economy that is less attractive to businesses and not sustainable. Challenges in the region include the ages of the building stock, relative lack of housing choice diversity, and the distances between activity centers and use types. North Central Massachusetts needs a greater variety of housing types — multifamily (condominiums, townhomes, duplexes), single-family homes on compact lots, rental units and a greater variety of price points to appeal to a wide variety of budgets and family preferences. As a region with an aging population, attracting younger workers will be particularly critical to supporting and sustaining economic activity and housing that is affordable and available is a driving factor. The Chamber supports efforts to offer a diversity of housing types with a continued focus in town centers and downtowns to support employees and their families.

### **Commercial/Industrial Real Estate**

As highlighted in the One North Central Regional Economic Development Plan, investment in new, ground-up real estate development has been limited. The Chamber supports efforts to increase the amount of land in the region that is sited, zoned and serviced for business growth. The Chamber will advocate for the recommendations in the One North Central plan, including the development of a Regional Land Bank, a Regional Investment Fund, and will work with local officials and our communities to streamline regulations related to industrial development and redevelopment.



*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.*