



MASS WORKFORCE ASSOCIATION
ONE SYSTEM – ONE VOICE

August 12, 2020

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

Senator Michael J. Rodrigues
Chair, Senate Committee on Ways and Means
State House Room 212
Boston, MA 02133

Representative Ann-Margaret Ferrante
Chair, Joint Committee on Economic
Development and Emerging Technologies
State House Room 42
Boston, MA 02133

Senator Eric P. Lesser
Chair, Joint Committee on Economic
Development and Emerging Technologies
State House Room 410
Boston, MA 02133

Representative Donald H. Wong
Massachusetts House of Representatives
State House Room 541
Boston, MA 02133

Senator Patrick M. O'Connor
Minority Whip
State House Room 419
Boston, MA 02133

Dear Members of the Economic Development Conference Committee:

On behalf of our members, we write today with recommendations as the Committee begins to reconcile the differences between the two economic development bills recently passed by the House and Senate (H.4887 and S.2874). Both bills include important investments and policy proposals which will help support the Commonwealth's economic recovery and workforce training needs.

The Massachusetts Workforce Association (MWA) is a statewide membership association that leads, advocates, and convenes on behalf of the Massachusetts workforce development system. Our members include an array of partners and stakeholders, including the MassHire Career Centers and Workforce Boards. Regionally, our members work to respond to the dynamic demands of businesses, job seekers, incumbent workers, and youth throughout the Commonwealth.

As the Committee is aware, COVID-19 has had a profound and unprecedented impact on our state. As such, Massachusetts faces a lengthy and painful economic recovery. While our state has slowly started to reopen, we are seeing historic levels of unemployment, business closures and uncertainty, with many industries and communities being impacted worse than others. In the span of four months, we went from one of the lowest unemployment rates in the country at 2.8% to the highest unemployment rate in the country at 17.4%. Many regions of our Commonwealth are facing even higher unemployment rates with Lawrence at 32.6%, Springfield at 25.3%, and Barnstable at 19.4%.



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While some individuals might be temporarily unemployed and return to the job they held pre-COVID, a vast number will have to find new careers in new industries. Many of these folks will have reskilling and upskilling needs to effectively transition into these jobs. According to a recent poll by Strada Education, nationwide 2 in 3 low-income workers say they do not currently have access to the education and training they want. Ensuring everyone has an opportunity to access training and education opportunities statewide will be critical in the months and years to come.

Going forward, all sectors will need to work together to protect the public's health and rebuild a working economy for all. While the needs of businesses and residents in our Commonwealth are vast, once passed, the 2020 Economic Development bill will be an important first step in providing support to employers and residents, especially those disproportionately impacted by this pandemic.

As the Committee begins to craft the final negotiated bill, we respectfully request the inclusion of the following line items and sections:

Line Items:

- **House and Senate Bills (7002-8003):** This line item will provide matching grants, which are aligned to the goals and priorities of the Commonwealth's advanced manufacturing collaborative, to support collaboration among manufacturers and institutions of higher education, nonprofits, and other public entities. Manufacturing is a priority industry for our state and we must ensure this industry remains strong as our economy recovers.
- **House and Senate Bills (7002-8032):** This new line item will provide grants at the local level to support community development, housing, workforce training and economic opportunity, among other initiatives. These locally tailored investments will provide cities and towns with the necessary funds to respond to the varying needs of their residents and businesses.
- **House and Senate Bills (7002-8001/7002-8028):** These two line items include funds for the Massachusetts Growth Capital Corporation to help support Massachusetts businesses through loans, grants, and investment in capital needs, with prioritization given to small businesses and those owned by women, veterans, minorities, and immigrants. Providing ongoing assistance to small businesses, which are the backbones of local economies, will be necessary to help them weather the pandemic and adapt to the new normal.
- **Senate Bill (7035-2020):** This line item will provide capital grants to vocational schools to expand operating capacities. Even before the COVID-19 crisis, vocational schools in our state were in demand, with too many students on waiting lists and unable to access the quality education and training offered at these schools. Through this line item, we can increase access to career and technical education and ensure youth and adults can acquire the skills needed to get jobs in our state's in demand industries.



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Policy Sections:

- **House Bill – Workforce Investment Trust Fund:** This new fund earmarks revenue from sports betting to help thousands of vulnerable youth, young adults, and those who are underemployed/unemployed access education and training opportunities. With over 1 million in Massachusetts having filed for UI since March, the Commonwealth’s workforce training system does not currently have enough resources to meet the reskilling and upskilling needs we are seeing statewide. Creating a new and dedicated revenue stream for workforce training, with a focus on populations who have been disproportionately impacted by COVID-19, will be critical. While we support the concept of the Fund, we would recommend that it be better aligned with the existing workforce training infrastructure of the Commonwealth and involve the Executive Office of Labor and Workforce Development/Commonwealth Corporation.
- **House Bill – Sections 52/53:** Passed in last session’s economic development bill, the registered apprenticeship tax credit has been an important tool in expanding apprenticeship throughout the state. The changes proposed in the House bill will allow additional flexibility to ensure that this small incentive is able to respond to any changing workforce needs and market demands.

We are greatly appreciative of the efforts undertaken by the Legislature this session in response to COVID-19. The proposals contained in both the House and Senate economic development bills can further these efforts and make needed investments in our greatest resource: our people. Thank you for allowing us to share these recommendations and we would be happy to discuss them further as needed. If you have any questions or if we can provide any additional information please don’t hesitate to reach out to Tonja Mettlach at tmettlach@massworkforce.com or 781-249-6032.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tonja Mettlach'.

Tonja Mettlach
Executive Director
Massachusetts Workforce Association