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July 24, 2017

Senate Committee on Ways & Means
The Honorable Karen E. Spilka, Chair
State House, Room 212
Boston, MA 02133

Re: AIM support for Senate bill 2109, *An Act to diversify the use of the Workforce Training Fund to support the Workforce Competitiveness Trust Fund*

Dear Chairwoman Spilka and Members of the Committee:

Associated Industries of Massachusetts (AIM) and its thousands of employer members recognize that the creation of a job and a person's ability to do that job weave together every important aspect of social and economic stability: the desire for a better life; the ability to support a family; the confidence to start a business; and the need to support efficient government management of services like education, health care, and public safety. Today, I would like to express our support for Senate bill 2109, *An Act to diversify the use of the Workforce Training Fund to support the Workforce Competitiveness Trust Fund*.

In 2015, we celebrated our 100th anniversary, and crafted a plan or [Blueprint for the Next Century](#). We would urge legislative members to review our Blueprint, which highlights many of the issues before the Committee. To create this Blueprint, AIM spoke with hundreds of business owners and managers with the goal of collecting ideas for ensuring that the Bay State remains a global economic powerhouse. We also spoke with people outside the business community – elected officials; economists; academics; journalists; high school teachers; students; and labor unions. Two years later, we continue to update and hone the goals and objectives included in our plan.

But even two years later, certain priorities have not changed. Our respondents almost unanimously name the shortage of qualified workers as the central impediment to the future of our economy. The worker shortage crosses almost every industry, from manufacturers in the Pioneer Valley to software companies in Boston's Innovation District to research and engineering firms on the North Shore.

Massachusetts employers acknowledge the need for effective and well-managed regulation that ensures the health and welfare of society without weakening the financial underpinnings of the job market. We believe that government and business must develop the best system in the world for educating and training workers with the skills needed to allow Massachusetts companies to succeed in a rapidly-changing global economy.

For Massachusetts to accomplish this goal, our focus should be threefold: identify the areas of opportunity where we can restructure our workforce training programs to anticipate both near and

long-term workforce growth; refocus our education and training system to diversify the types of relevant training and education available to students statewide; and allow our public education system the flexibility and adaptability to respond to the needs of the local and regional workforce, so our graduates enjoy greater economic opportunity.

The particular bill I would like to highlight today is Senate bill 2109, a redraft of Senate bill 1006 filed by the late Senator Ken Donnelly. This bill would require a transfer of up to \$1.1M, up to 5%, of funds from the Workforce Training Fund to the Workforce Competitiveness Trust Fund to be used for sector-based job training for non-incumbent workers. The Workforce Training Fund generates revenues via employer assessments, and is to be used for incumbent worker training.

AIM supports the redrafted version of the bill, which includes an amendment we drafted in concert with the Massachusetts Business Roundtable and the Workforce Solutions Group. The new language maximizes the opportunity not just to train workers but also to place them in new jobs by tying half the grant funds under this program to job placement and retention outcomes.

We would urge the Committee to consider such language to be included any similar pieces of legislation before you. While training is vital to preparing underemployed and unemployed workers to re-enter the workforce, we must maintain focus on the ultimate goal: job placement and retention. This goal allows us to connect the available workforce with our Commonwealth's employers so that all regions and industries have a similar opportunities for success.

Thank you for taking AIM's position into consideration. We look forward to working with you to develop a solution and bring positive change to our Commonwealth. Should you have any questions please feel free to contact me directly at 617-262-1180.

Sincerely,



Katherine E. Holahan
Vice-President, Government Affairs
Associated Industries of Massachusetts