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**MOORE VOTES FOR OVERHAUL OF STATE ECONOMIC DEVELOPMENT AGENCIES,
STATE HIRING FREEZE**

BOSTON – Senator Michael O. Moore (D-Millbury) announced the Senate passed a major overhaul of the state’s network of agencies charged with developing business interests and economic activity in Massachusetts. The 37-0 vote took place yesterday afternoon. The legislation creates a streamlined, cohesive model with built-in oversight and transparency measures to reduce redundancy and waste, and promote a more business-friendly environment that will ultimately help stimulate job growth in the Commonwealth.

“This bill represents a great step forward for economic growth in Massachusetts, and streamlines government operations at the same time,” said Sen. Moore. “The legislation will enhance our ability to aggressively compete for companies to come to the Commonwealth, and also make important strides towards creating jobs through small business growth. It will also eliminate duplicative government agencies, ensuring better use of taxpayer dollars and more efficient and effective performance.”

Sen. Moore also voted for an amendment to the legislation that would have mandated a statewide hiring freeze for all departments and agencies, except in cases where the department could justify the hire as an emergency need. The amendment failed on an 14-23 vote.

Sen. Moore also successfully amended the bill to include agricultural operations in the definition of a small business, for the purposes of this legislation. The purpose of this amendment is to prevent overregulation of local farming and agricultural operations.

The legislation creates a ‘one-stop shop’ for businesses seeking to expand or locate in Massachusetts by requiring the existing Massachusetts Office of Business Development (MOBD) to contract with regionally-based economic development organizations.

These private organizations would act as the primary contact for businesses seeking assistance from the state and perform business prospect management services on behalf of the Commonwealth. MOBD would oversee the efforts of these organizations, provide leads, and share information about state programs and services.

The goal is to increase competition among regions for new business to ensure businesses find the best fit in Massachusetts. With MOBD and the regional organizations providing clear direction for accessing economic development services, there will be less confusion about how to access technical assistance, grant and loan programs, and expansion support.

The legislation also increases accountability, communication and oversight of state agencies, quasi-publics and state contracts with private organizations engaged in economic development activities. It requires every governor to publish a written economic development policy by December 31 of the year he or she is elected to help the Commonwealth strategically assess economic development goals over the long-term.

All organizations involved in economic development activities, including quasi-public authorities, will be required to submit annual reports to the Secretary of Housing and Economic Development and publish audited financial statements.

The legislation merges organizations tasked with marketing the state nationally and internationally, including the Massachusetts Office of Travel & Tourism, into the newly-created Massachusetts Marketing Partnership.

The Partnership will serve as a central marketing organization for the entire state and will be charged with increasing the Commonwealth's efforts in the areas of tourism and international trade. The Massachusetts Film Office and the Massachusetts Sports Partnership will also be included in the Partnership.

Through the creation of the Massachusetts Growth Capital Corporation, a larger number of small businesses will gain access to working capital so that they can continue to grow even in times of tight credit. For those small companies that receive financial assistance from the state, finance and management consulting will be mandatory to help keep companies afloat and prevent job losses.

The legislation also consolidates the Economic Stabilization Trust, which provides financial assistance and consulting to struggling businesses, with the existing Community Development Finance Corporation, further streamlining state assistance to small businesses.

Further streamlining the state's approach to economic development, the Department of Business Development is eliminated within the Executive Office of Housing and Economic Development, allowing MOBD a direct reporting line to the Secretary.

Several other agencies, including the independent Massachusetts Sports and Entertainment Commission and the Massachusetts Industrial Development Authority, are eliminated, with an estimated savings to taxpayers of \$1 million a year.

Finally, to ensure that all state agencies and authorities in the Commonwealth stay true to their stated mission and goals, and to avoid waste and ineffectiveness in the future, the bill establishes a Sunset Commission to conduct regular reviews and analysis – a measure supported by the Associated Industries of Massachusetts.

The commission would consider the continuing need for agencies and authorities in state government, based on their performance, and assign "sunset" dates, or elimination, for any that are found to be unnecessary.

Other provisions of the bill include:

- Prohibiting the use of state funds to pay for registered lobbyists;
- Stopping agency executive salaries from exceeding the amount of the Governor's salary;
- Improving low-cost access to small claims courts by raising the limit on filings from \$2,000, where it has been for many years, to \$7,000;

- Providing a three-year permit extension for development projects struggling with tight credit conditions; and,
- Calling for a study of business energy costs, as well as a study to determine the feasibility of a state-owned bank.

The bill now goes to the House of Representatives for further action.

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