

OFFICE OF THE GOVERNOR  
**COMMONWEALTH OF MASSACHUSETTS**  
STATE HOUSE • BOSTON, MA 02133  
(617) 725-4000

**DEVAL L. PATRICK**  
GOVERNOR

December 9, 2014

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, D.C. 20515

Dear Speaker Boehner and Leaders Reid, McConnell and Pelosi:

As this session of Congress comes to a close, I urge you to enact a comprehensive federal funding bill that restores fiscal stability, protects and prioritizes investments in education, innovation, and infrastructure for economic growth, and avoids another costly government shutdown. As you work with your members to craft a funding bill, I respectfully request you take into account the following budget priorities.

First, uncertainty in Congress when it comes to funding our fiscal obligations translates into uncertainty in states and in the private sector over how to respond, innovate, and grow. Congress' highest priority should be enacting a comprehensive appropriations bill for the remainder of FY15. An ongoing cycle of continuing resolutions only stifles the financial confidence of state governments, businesses, and families, and their ability to responsibly plan for the future.

Second, investments in education to prepare our children and workers for a 21<sup>st</sup> century economy must be a priority throughout budget considerations. Thanks to a continued commitment to high standards,

accountability, and adequate funding, Massachusetts children rank highest in the nation in student achievement. Congress can and must support the efforts of the Commonwealth and other states to encourage collaboration and innovation to improve elementary and secondary education, as well as help states provide increased access to quality early childhood education. Additionally, through increased funding to community colleges and targeted job training in sectors like healthcare, information technology, and advanced manufacturing, we can continue to prepare a workforce well-equipped to power our national economic growth.

Third, we need increased spending in basic and applied research through the National Institutes of Health (NIH), the National Science Foundation (NSF), and other similar initiatives to foster growth in the innovation economy. Investments in research are proven sources of long term job growth and economic development. In FY14, one hundred and seventy five Massachusetts businesses and universities received approximately \$2.3 billion in NIH research funding, which has generated innovative development, and a substantial growth in start-ups and new companies. This funding has sustained and created thousands of jobs and hundreds of biotech and biopharmaceutical companies that are driving the Massachusetts innovation economy, creating life-saving products, and attracting billions of dollars in private venture capital funds.

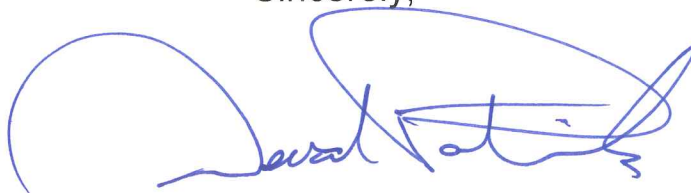
Fourth, we must address the looming shortfall in federal transportation funding with a comprehensive, long-term strategy to continue vital investments in public infrastructure. Congress cannot continue to use temporary measures to paper over the recurring issue of shortfalls in Highway Trust Fund revenue, as they did this past summer. States like Massachusetts depend on federal funding to maintain and further develop our roads, bridges, and public transportation. A lapse of funding would jeopardize current and future projects, along with thousands of jobs. Massachusetts has realized the benefit of infrastructure investments in stimulating growth, creating jobs, and expanding opportunity, and this is a priority that should be reflected nationally.

Finally, our nation's tax code requires simplification to reduce rates, eliminate most tax loopholes, prevent corporate inversions, and raise new revenue. Business tax rates should be more competitive with other

developed nations, while the tax code should ensure that American businesses pay what they actually owe. I also encourage Congress to give states the authority to collect sales tax from Internet-based retailers, just as they do from brick and mortar businesses. Additionally, we need continued investment and tax incentives for high-growth innovation sectors like biotech and clean energy, including the Production Tax Credit and Investment Tax Credit for the wind industry. Without such credits, Massachusetts and the nation will lose ground in an emerging energy sector that offers energy security and potential for American manufacturing jobs. A comprehensive tax package should also include the Research and Development Tax Credit, which encourages individuals and companies to explore and research new technologies.

During my time as Governor, I have made it a priority to govern and budget for the long-term. Increasingly, we have seen the federal budget process play out in an uncertain and temporary fashion, lurching from one budget battle to the next. You have the opportunity to pass an omnibus spending bill and return to a more regular path of governing, budgeting, and legislating for the next generation. Through renewed investments in education, innovation, and infrastructure, by tackling long-overdue tax reform, and by setting our budgetary path on a more certain course, our state economies, our families, our businesses and our nation will prosper. I respectfully request that you keep these important priorities in mind as you pursue a responsible budget solution. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "David L. ...". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.