



Dedicated to Growth... Committed to Action

October 20, 2005

The Honorable Mitt Romney  
Governor  
State House, Room 360  
Boston, MA 02133

The Honorable Robert E. Travaglini  
Senate President  
State House, Room 332  
Boston, MA 02133

The Honorable Salvatore F. DiMasi  
Speaker of the House  
State House, Room 356  
Boston, MA 02133

Dear Governor Romney, Senate President Travaglini and House Speaker DiMasi:

In 2002, a group of executives working with Mass Insight Corporation, the Massachusetts High Technology Council and Associated Industries of Massachusetts wrote to the major party candidates for governor about the importance of adopting a technology-based economic development strategy. The strategy would cement our national research and development leadership and create jobs by investing in the Commonwealth's talent — through higher education, teaching hospitals, science and technology, and world-class math and science in our public schools.

It is now clearer than ever that Massachusetts is engaged in an international competition for talent. It is equally clear that out-migration of 25-39 year olds is harmful to our talent strategy. But despite a series of reports from Mass Insight and other organizations — and some very positive state initiatives — there is still insufficient focus on the competitive agenda for continued national leadership in R&D and New Economy jobs.

Three years later, we write to the elected leadership of the Commonwealth to reiterate the state's competitive "talent" agenda and ask you to consider several important factors. As you and your colleagues consider how to invest surplus FY '05 funds and debate an economic stimulus package, we respectfully offer some suggestions on strategic education investments that would enhance the Commonwealth's ability to produce and attract talent.

***UMass and public higher education in general need strategic investment linked to reform.***

Ten years of research by Mass Insight and national work by Battelle among others reinforce the importance of public universities to economic competitiveness. Last year's Technology Road Map report made the case for accelerated development of the University of Massachusetts as a leading-edge research university and for support of our private universities and teaching hospitals. The report concluded that underinvestment in UMass has held back regional and statewide economic growth.

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We welcome the growing consensus about the important role of public higher education, as evidenced by the governor's \$400 million UMass proposal, the Senate report calling for ramped-up investment in public higher education and the interest shown by House members at a recent Higher Education Committee hearing.

Linked to these investments, we further recommend that you enact reforms recommended in a report about UMass published last year by the Massachusetts Taxpayers Foundation. The recommendations represent the same principles that have worked in K-12 education. They would not cost any money and would provide taxpayers with a better return on their investment in public higher education.

In addition to increasing investment in public higher education, we should promote the connecting activities that help us capture downstream economic benefits from research conducted in our world-class universities. The John Adams Innovation Institute's matching funds allow us to leverage federal and private dollars and encourage links between public and private higher education institutions and industry. But the current \$2 million cap on grants limits the Institute's impact. A \$25 million investment in recapitalizing the Institute, combined with a new category of \$2-\$5 million grants would maximize impact by supporting large-scale projects.

***Invest in K-12 math and science education linked to reform.***

High-quality public education is the cornerstone of any talent-based economic development strategy, and world-class math and science education is the key to success in a high tech global economy. The Great Schools Campaign, a coalition of more than 40 education, business and civic leaders, recently published the report of its Higher Education Task Force on Math and Science Education, chaired by Jack Wilson, president of UMass, and Blenda Wilson, president of the Nellie Mae Education Foundation. In order to be among the best in the world in math and science, the task force recommended that Massachusetts

- Strengthen math/science content requirements for new teachers.
- Improve the content knowledge and skill of current teachers.
- Create salary incentives for math and science teachers.
- Increase the number of students graduating with degrees in science, technology, engineering and math (STEM).

Research shows that teacher content knowledge and skill are the most important factors in improving student achievement. We are pleased that Governor Romney announced his support for \$20 million for math and science teacher training at a Great Schools meeting in June.

The House economic stimulus proposal includes \$20 million for the STEM Collaborative to promote student engagement in science, technology, engineering and math on a regional basis across the state. We believe this investment will cultivate more STEM graduates.

As helpful as these investments might be, one-time investments will not spur long-term growth in the state economy. As you begin to focus on the fiscal '07 budget, we hope you will continue these investments as part of an ongoing economic development strategy.

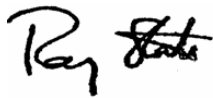
**Costs matter.**

No sound economic development strategy can ignore business costs. They are a key to any state strategy to attract and retain talent. Unfortunately, a recent Economy.com study found metropolitan Boston to be the most expensive area in the country in which to do business.

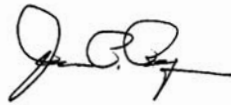
Factors like health care, unemployment insurance, permitting delays and cumbersome state regulation are all part of the calculation businesses and nonprofit institutions use as they decide whether to locate or expand here. We must keep business costs under control and send a message to companies and institutions looking to locate or expand in Massachusetts that the Commonwealth understands the importance of creating and maintaining a stable, predictable business climate.

In 2002, CEOs called for a technology-based economic development strategy focused on talent and education and offered their support to the next administration as a resource. We extend the same offer now and look forward to working with you to sustain the state's national technology leadership and support the creation of new jobs in every region of the Commonwealth.

Very truly yours,




Ray Stata  
Chairman of the Board  
Analog Devices, Inc.



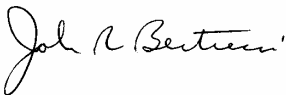
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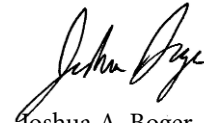
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cc: The Honorable Therese Murray  
The Honorable Robert DeLeo  
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