

# The High Tech Agenda

## Cost Competitiveness - Talent Development

October 2, 2013

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The *High Tech Agenda* keeps the High Tech Council's members and partners up to date on its pro-growth advocacy concerning state and federal public policies and programs in support of its mission.

**The goal of the Massachusetts High Technology Council is to help make Massachusetts the world's most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.**

**We believe** the health and vitality of the Massachusetts economy is directly related to the state's commitment to meet the high quality of life it seeks to provide for its citizens. Competitive, stable and predictable tax rates, appropriate regulations and economic incentives, and other operating costs that are competitive with other states, will lead to greater capital formation and employment growth throughout the state's technology economy.

[Mission Statement](#)

### The "Tech Tax" Hits the End of the Road

*"It's time for it to go. I'm persuaded that the impact to our reputation is too problematic. We've worked really, really hard to establish ourselves as an innovation hub in the world, and we ought not do anything that compromises that."* - Governor Deval Patrick quoted in The Boston Globe on September 11, 2013.

**Governor Patrick's** statement above is remarkable not just because it constitutes a reversal of his (and the Legislature's) stance on this issue, but also for how closely it mirrors the core messages the High Tech Council worked hard to communicate during the entire Tech Tax controversy.

In public comments, official communications to members of the Legislature, and in private meetings with legislative leaders, the High Tech Council was consistent and clear in its message: enacting such a



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tax on the innovation sector would create a new competitive disadvantage for Massachusetts employers where previously none had existed.

Of interest to Boston-based tech companies: **State Representative Martin Walsh** - who came in first in the Tuesday, September 24 preliminary election for mayor of Boston - reversed his previous vote on the Tech Tax, offering the following rationale. "When the tech tax was originally voted on, the intent of the tax wasn't what it turned out to be. There was a flaw in the legislation in the way it was written."

**On September 25, the House voted 156-1 for repeal; the Senate followed suit the next day with a unanimous 38-0 vote and attached an emergency preamble requiring the repeal to become effective immediately upon approval. On September 27, Gov. Patrick signed the repeal legislation into law.**

*Moving beyond the Tech Tax: building a strong partnership between policymakers and job creators*

In view of their recent interaction with Beacon Hill, a new generation of tech companies has become aware of their vital role in our state's economic present and future. We are working with them to establish a renewed partnership with legislators to create jobs and fuel innovation by offering constructive ways to expand our state's competitive strengths and remedy competitive weaknesses.

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## Mass High Tech Council Establishes Small Business Technology Initiative

The Tech Tax has had a positive effect on the level of awareness and political involvement among scores of small tech companies that had been largely absent from discussion of public policy matters. To harness the tremendous energy unlocked by these smaller technology businesses--directly targeted by the Tech Tax--the High Tech Council has launched the Small Business Technology Initiative (SBTI). This effort will be co-chaired by two tech leaders in the repeal movement - **Andy Singleton of Assembla** and **David Reske of Newspeed**. To learn more about the High Tech Council's SBTI, please click [here](#).

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## MHTC and Defense Tech Initiative Host Hanscom AFB Leadership

The High Tech Council's Defense Technology Initiative recently hosted roundtable discussions that brought together DTI members with top Hanscom Air Force Base decision-makers: Air Force **Major General Craig Olson, Program Executive Officer for C3I and Networks;**

[Textron Systems](#)

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#### Related Links

[Council Website](#)

[DTI Website](#)

and Steven Wert, Program Executive Officer for Battle Management, Air Force Life Cycle Management Center. The discussions allowed DTI members to learn more about the Air Force's renewed interest in partnering with high tech companies outside the Hanscom gate.



*RADM Clarke Orzalli USN (Ret.), MAJ GEN Craig Olson,  
and High Tech Council President Chris Anderson*



*Battle Management PEO Steven Wert*

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### Upcoming CEO Roundtables - 2014 Gubernatorial Series

*October 25: Candidate for Governor Charlie Baker*

The High Tech Council has invited the major candidates in the upcoming 2014 gubernatorial election to take part in our CEO Roundtable discussion series. Our purpose is to brief candidates on the policy items we believe are most relevant to foster growth in Massachusetts and give them an opportunity to communicate their ideas to our members. We are pleased that 2010 Republican candidate **Charlie Baker** has accepted our invitation and we look forward to hosting him for such a discussion on **October 25, 2013 at 10 AM**. We are working to finalize future Roundtable discussions with **Attorney General Martha Coakley** and **Treasurer Steven Grossman**.

## Cost Competitiveness Team Fall Project Teams

While the Tech Tax consumed a majority of the focus of our efforts this summer, the Cost Competitiveness team is continuing to move forward with two specific objectives among other areas of focus:

### *Modernize the State R&D Tax Credit*

The High Tech Council led an effort in 1992 that gave Massachusetts the most competitive state R&D tax credit in the nation. 38 states have since enacted such credits and Massachusetts now finds itself in the bottom third of those states in terms of the competitiveness of its R&D tax credit. Our goal is to build a comprehensive and up-to-date picture of the ways in which the Massachusetts R&D tax credit should be modified by the Legislature to spur investment across the Commonwealth's diverse technology sectors. Under the leadership of **Jason Zorfias of Ernst & Young** we have established a design team of CFOs and tax directors who are working to provide strategic guidance and advice on this effort. The progress of this team will be discussed at our December 2 meeting.

### *Energy program for members*

Since June, we have been working with one of our Council members, **World Energy Solutions, Inc.**, to evaluate whether to redesign and re-launch an extremely successful program to reduce energy costs for our members. Over the summer, the Cost Competitiveness Team conducted an energy survey of Council members. Responses pointed to a desire for both member education and cost-saving activities. With energy prices heading higher - reversing a trend over the past five years - we believe the time is right to refocus on energy as a cost center and begin helping our members to implement effective cost-saving strategies.

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## Talent Development Update

### *STEM Summit 2013*

The Commonwealth's **10th annual STEM Summit** will take place at Gillette Stadium on Wednesday, November 13 from 7:30 AM to 4:30 PM. The summit aims to bring "leaders and practitioners from the state's education, business and government sectors together to share information and ideas" during a series of discussions on workforce and economic development. To sign up for the 2013 STEM Summit please visit this [link](#).

In September, the High Tech Council's Talent Development Team hosted an informative roundtable discussion with **Gary Beach, Publisher-emeritus of CIO Magazine and author of "The US Technology Skills Gap."**

In advance of our next team meeting in December, a working group of Talent Development Team members will begin to define the scope and implementation strategy necessary to launch a sustained annual "survey"

to capture hiring demand and supply data across the tech economy and higher education communities in the region. The **New England Board of Higher Education** is partnering with us to provide an overview of existing data resources that could be integrated into our survey. The goal of the project is to capture key metrics and trends required to paint an accurate picture of the current and projected employment environment and needs for high tech employers in Massachusetts.

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## Data Point

\$278 million: the amount invested in the New York State Comptroller's [In-State Private Equity Program](#), which invests in New York City start-ups and various early-stage companies. The [program](#) is an innovative example of how government can help to drive job growth in partnership with the private sector.

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## "They Said It..."

"Because jobs and economic growth are central to the House's agenda, I promised to listen to business leaders and House members on what the tax's impact would be when this measure was initially passed. After listening, we learned of the burden of this tax. Our strong commitment to business and the innovation economy led to its repeal." - **House Speaker Robert DeLeo**, following the House's repeal of the Tech Tax on September, 25, 2013.

"Your recent advocacy regarding the \$500 million Tech Tax legislation proves that the Massachusetts High Tech Council is still providing the leadership we need in Massachusetts. We support your efforts." - **Frank Carroll, Founder and Chairman of the Small Business Service Bureau, Inc.**

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## Upcoming Events

### Call for Participants: [2013 IEEE International Conference on Technologies for Homeland Security \(IEEE HST 13\)](#)

IEEE HST 2013, to be held 12-14 November 2013 in Greater Boston, MA, will bring together global science and technology thought leaders to foster homeland security technology innovation. The conference is produced by IEEE with technical support from IEEE Boston Section, DHS S&T, IEEE Biometrics Council, and IEEE USA, as well as with organizational support from MIT Lincoln Laboratory, Raytheon, Battelle and MITRE. The focus of the conference is on emerging technologies in the areas of: Cyber Security, Attack and Disaster Preparation, Recovery, and Response; Land and Maritime Border Security, and Biometrics and

Forensics. Massport is the silver sponsor. We are offering IEEE member rate to all Mass High Tech members, as well as 10% discount on exhibit space. To obtain your exclusive discount code, please contact [Valerie\\_Gordeski@raytheon](mailto:Valerie_Gordeski@raytheon). For general info about the conference, please visit [www.ieee-hst.org](http://www.ieee-hst.org) or contact Robert Alongi, IEEE at [information@ieee-hst.org](mailto:information@ieee-hst.org) at 781-245-5405.

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