

MASSACHUSETTS  
**HIGHTECHNOLOGYCOUNCIL**

*Dedicated to Growth... Committed to Action*

# The High Tech Agenda

## Cost Competitiveness - Talent Development

December 3, 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](#)

### MHTC Competitiveness Agenda

#### *Beacon Hill Edges Toward Reform of Costly Unemployment Insurance System*

After years of inaction and temporary patches to the state's broken and very costly unemployment insurance system, House leadership has recently telegraphed an appetite for substantive and permanent changes. House Speaker Robert DeLeo told the State House News Service last week that he wants a bill that takes a "balanced approach" by linking "the minimum wage aspect along with the aspect of unemployment insurance."

The House approach is at odds with that of the Senate, which on November 19 voted 37-7 to raise the minimum wage to \$11.00 per hour by 2016, with future increases tied to the Consumer Price Index. The Senate bill was conspicuous by the absence of any proposed reforms to the unemployment system. **State Senators Eileen Donoghue, Robert Hedlund, Richard Moore, Kathleen O'Connor, Michael Rodrigues, Richard Ross, and**

[Boston Scientific Corporation](#)

[Canaccord Genuity](#)

[Carruth Capital LLC](#)

[Choate Hall & Stewart LLP](#)

[Courion Corporation](#)

[CSR](#)

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[DTI Website](#)

**Bruce Tarr** cast their votes against this plan.

Also devoid of reforms is a proposal by labor-aligned groups working to put a question on the 2014 ballot that would increase the wage level from \$8.00 per hour to \$10.50 per hour over two years.

Highlights of a High Tech Council member poll following the Senate vote revealed the following:

- **83 percent of respondents said Massachusetts is less cost competitive than other states.**
- **78 percent opposed the Senate's stand-alone minimum wage increase.**
- **67 percent indicated support for an increase in the minimum wage up to \$10.00 per hour if the automatic wage trigger were eliminated and if it were accompanied by two specific reforms to the Unemployment Insurance system that align with those of a majority of other states (i.e. benefit duration of 26 weeks and a workforce attachment requirement of 20 weeks).**

On November 25th we delivered these results to Speaker DeLeo and were encouraged by his openness to pursuing legislative reforms to our antiquated and anti-competitive unemployment insurance system in the New Year.

Attorney General Martha Coakley, a candidate for governor, endorsed the Senate's approach: "I applaud the Senate for their swift action last week and urge the Legislature to make raising the minimum wage its first action in the New Year. Working families can't wait any longer." State House News Service reported that the AG does not want to couple UI reform with a minimum wage increase but that she "is open to discussing the inclusion of unemployment system changes in a final minimum wage bill."

Our survey generated a number of stories in the news media that carried our message of reform to a broad audience. Below is a representative sample of the coverage:

[\*Boston Globe - Scot Lehigh -The wages of compromise on Beacon Hill\*](#)

[\*Boston Business Journal -Tech industry opposes minimum wage increase without unemployment insurance reforms\*](#)

In its coverage of the minimum wage/UI reform debate, the Associated Press noted that "**The council demonstrated its clout earlier this year as one of the business groups that successfully lobbied the Legislature to repeal the "tech tax," a short-lived sales tax on computer and software services.**" Click [here](#) to read the full story. tax on the innovation sector would create a new competitive disadvantage for Massachusetts employers where previously none had existed.

*Council launches two cost-saving member programs*

*Energy Procurement* - Over the summer a core group of Cost Competitiveness Team members have been working with one of our Council members, **World Energy Solutions, Inc.**, to evaluate the redesign and re-

launch of a successful program to reduce energy costs for members. A survey of members revealed strong interest for cost-saving activities as energy prices have climbed steadily, reversing the trend of the past 5 years. We believe the time is right to refocus on energy as a cost center and are targeting a Q1 launch for this MHTC-member-exclusive program to help lower and stabilize members' energy expenditures. As we prepare for the launch of this program, be on the lookout for a detailed communication on the program's benefits and how your company can participate.

*Health Insurance COOP* - The High Tech Council was recently approved by the Massachusetts Department of Insurance to enter into an agreement with health insurance cost reduction specialist **Spring Cooperative**. This partnership will allow Council members with fewer than 50 employees to coordinate their health insurance purchasing initiatives jointly and save up to six percent on premium costs. **Enrollment prior to January 1, 2014 will provide the lowest rates available**; to learn what your company can save, please visit Spring Cooperative's [website](#), call (800) 821-6033, or email them at [questions@springcooperative.com](mailto:questions@springcooperative.com). We will conduct an informational webinar on the cost-saving benefits of this program on **Wednesday, December 11 at 3:00 pm**. To sign up for this webinar please email [jane@mhtc.org](mailto:jane@mhtc.org).

There has been no shortage of alarming headlines on the subject of health care lately. From the rocky rollout of healthcare.gov to reports of lost coverage, this critical sector that affects every business in America is going through tremendous changes. Cancellation of newly non-compliant plans and the skyrocketing cost of new plans were the subject of a recent [report](#) by Jim Angle of Foxnews.com. A study by the American Enterprise Institute found that nearly "80 million people with employer health plans could find their coverage canceled because they are not compliant with" the new federal health care law. And the cost of the new plans is expected to rise, sometimes dramatically in certain cases. The study quoted Colorado business owner David Allen, who recently told a Congressional panel his plan was not compliant with the new law. "It does not meet the minimum standards as stipulated under the law. **Due to this one change our premiums are now scheduled to increase by 52.3 percent in January 2014.**"

*Massachusetts' health insurance costs among highest in the nation* - As part of our ongoing efforts to benchmark Massachusetts' cost competitiveness against that of other leading technology states we have partnered with global consulting leader Mercer to identify trends in health care costs across these states. A review of health care costs across our peer states shows, unsurprisingly, that we are on the high end in terms of cost. **At an average total health care cost (2012) per employee of \$12,115, only California and New Jersey ranked higher in this group and Massachusetts scored lower against both the overall national average and the average of high tech companies.**

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## MHTC Talent Development and Education Agenda

On Friday, December 6 at 9 AM, the Talent Development & Education Team will meet to review and assess its progress in advancing policy initiatives to enhance high tech companies' understanding of the Massachusetts talent landscape. Since the last general meeting of this team a working group has met regularly to design and produce a human capital supply and demand

dashboard to capture the key metrics and trends that will enable us to create an accurate picture of the current and projected high tech environment in Massachusetts and New England.

Talent Development and Education working group action steps to date include:

- Established a design team of higher education professionals and high tech HR directors to define the parameters of a sustainable survey to capture hiring demand and supply data across the tech economy and higher education communities across the region.
- On the demand data side, the working group has agreed to place a focus on three sectors of the state economy that are well represented by Council members: Software; BioPharma/Medical Devices; and Manufacturing.
- On the supply data side, the Council and its partner the New England Board of Higher Education are working to identify critical STEM data for inclusion in the study's STEM dashboard.

Please email [jane@mhtc.org](mailto:jane@mhtc.org) if you wish to attend this meeting.

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### **Council Chairman Pete Nicholas Kicks Off Council's New Small Technology Business Initiative**

In October, **MHTC Chairman Pete Nicholas** addressed 40 leaders of small technology firms who gathered at Bentley University for an event to kick off the Council's new Small Technology Business Initiative (STBI). Formed by the Council in the aftermath of its successful defeat of the Tech Tax earlier this fall, the STBI seeks to unite leaders of the Commonwealth's small and growing tech businesses with the goal of identifying the policy issues most relevant to them and channeling their energy into positive change on Beacon Hill.

A key element of the MHTC Small Technology Business Initiative's programming is the **Small Business CXO Speaker Series**. These events allow leaders of small tech businesses to interact with and hear lessons from entrepreneurs at larger, established Massachusetts-based technology businesses. On **January 16, 2014 at 6 pm**, STBI members will hear from **Alec Stern**, Vice President of Strategic Market Development for **Constant Contact** and a primary member of the group of three individuals who founded Constant Contact in 1998. To learn more about this event, please email [ron@mhtc.org](mailto:ron@mhtc.org).



MHTC Chairman Pete Nicholas urges leaders of small tech businesses to join the Council to have a voice in public policy matters that affect them.

## **DTI Co-Sponsors Hanscom Small Business Networking Event**

Over the past few months, DTI has hosted a series of well-attended roundtable discussions bringing together Massachusetts defense technology leaders with senior Hanscom decision-makers who have expressed great interest in engaging with small businesses outside the gate. To further these communications and strengthen ties between Hanscom Air Force Base and small businesses DTI is partnering with the Massachusetts Military Asset and Security Strategy Task Force and the Small Business Association of New England to host a small business presentation and networking event on **Wednesday, December 11th**. At this event, Program Executive Officer for Battle Management at Hanscom, Mr. Steven Wert, will present specific business opportunities and timeframes covering his large portfolio of programs. This event will take place from **7:30 am to 11:30 am** at the **Kostas Research Institute at Northeastern University's Burlington campus**. To reserve your spot, RSVP by December 6 to: [military.taskforce@massmail.state.ma.us](mailto:military.taskforce@massmail.state.ma.us).

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## **MHTC President Chris Anderson Joins Home Base Program's Leadership Council**

Council President Chris Anderson has been invited to join the leadership council of the [Home Base Program](#), a partnership between the Red Sox Foundation and Massachusetts General Hospital that works to improve the lives of Iraq and Afghanistan veterans living with deployment or combat-related stress and/or traumatic brain injury. The Home Base Leadership Council's 25 community leaders work to advance the mission of the Home Base Program - treating veterans and their families who are affected by the invisible wounds of war.

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## **Leading Gubernatorial Candidates Visit MHTC, Reps. Kennedy and Tsongas in Early 2014**

The High Tech Council continues to connect Council members with the leading candidates for governor through its series of roundtable discussions. In October, **Charlie Baker** joined us and spoke in detail about his three focus areas: promoting economic growth; providing high quality education for all Massachusetts students; and pursuing policies that foster safe and thriving communities. In November, State Treasurer and gubernatorial candidate **Steve Grossman** joined us and outlined his vision for the state, which included making it more attractive for young talent to remain here after graduation and working towards a more predictable environment for business. We are pleased that Attorney General **Martha Coakley** will join members for a roundtable discussion at the Council on December 12, 2013 at noon. To reserve your spot at the table, please email [jane@mhtc.org](mailto:jane@mhtc.org).

The 2014 MHTC CEO Roundtable discussion series will kick off on Tuesday, January 7 at 8 AM when we will welcome **Congressman Joe Kennedy** for his first meeting with our members. The Council met privately with Congressman Kennedy earlier this year and we were very impressed by his command of the issues, notably the importance of STEM education and growing DOD mission

in Massachusetts. On Friday, February 7 at noon the Council will welcome **Congresswoman Niki Tsongas**, the Massachusetts delegation's sole member of the House Armed Services Committee. Congresswoman Tsongas has been a strong supporter of growing DOD mission at Hanscom and Natick and we look forward to this opportunity to reconnect with her. Please email [jane@mhtc.org](mailto:jane@mhtc.org) if you are able to attend.

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### Data Points

The National Center for Education Statistics recently released [results](#) for the 2013 National Assessment of Educational Progress for 4th and 8th grade Reading and Math. While the national average jumped 5.4 points, **Massachusetts showed a net decline of 1.1 points.**

**7.2 percent** - the Massachusetts unemployment rate in October, an increase from 7.1 percent in September.

**47th place** - Massachusetts' rank for "cost of doing business" according to [CNBC's](#) annual "Top States for Business" rankings released on July 12, 2013. On the positive side of the ledger, CNBC did rank Massachusetts **number one** in terms of access to capital.

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### "They Said It..."

"The [Mass High Tech] Council demonstrated its clout earlier this year as one of the business groups that successfully lobbied the Legislature to repeal the "tech tax," a short-lived sales tax on computer and software services." - **The Associated Press**, in a November 25 [story](#) that described the Council's successful efforts to call attention to the need for unemployment insurance reform.

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### The High Tech Council Welcomes the Following Members who Joined the Team this Year:

Abacus Technology Corp.	Jason Haley Consulting LLC
Affinova	Joslin Diabetes Center
Alkermes, Inc.	Kaspersky Lab
Assembla, Inc.	LeClairRyan
Babson College	Middlesex Community College
Biscom, Inc.	Momenta Pharmaceuticals, Inc.
Constant Contact, Inc.	Monotype Imaging, Inc.

Continental Resources, Inc.	Newspeed, Inc.
Continuum Managed Services, LLC	Sandler Training
Crane & Co., Inc.	Sierra Vista Group LLC
David Turano Consulting	TASC, Inc.
Enginasion	Tecolote Research, Inc.
Ernst & Young LLP	The Parthenon Group
FLIR Systems, Inc.	The Vesume Group
Gemini Industries, Inc.	TripAdvisor LLC
Hewlett Packard Company	University of Massachusetts - Amherst
IMP Consulting	Vertex Pharmaceuticals, Inc.
Integrated Computer Solutions, Inc.	World Energy Solutions, Inc.
	Xlibrio

Do you seek to impact policies and support legislation that promotes business growth and jobs to make Massachusetts the best state in which to headquarter, locate, or expand a business? To join the Mass High Tech Council team, please contact Ron Trznadel, Director of Membership Development at [ron@mhtc.org](mailto:ron@mhtc.org) or 781.890.6482 x11.