



THE HIGH TECH AGENDA

MASSACHUSETTS HIGHTECHNOLOGYCOUNCIL

Dedicated to Growth... Committed to Action

October 4, 2018

September Primary Elections Put Focus on Commonwealth's Tax and Spending Priorities, Fiscal Condition

In the wake of September's state primary election, attention is focused on the November general election where the Governorship and all 200 seats in the state legislature are up for grabs. Not surprisingly, the Commonwealth's taxation and budgeting policies and its underlying fiscal condition are areas of increasing focus for incumbents and challengers alike. The coming weeks and the 2019-20 legislative session will feature critically important debates and decisions that will likely impact Massachusetts' fiscal stability and economic competitiveness for years to come.

Pre-election [analysis](#) showed that 78% percent of the 200 candidates running for the Massachusetts House and Senate faced no opposition in the primary. Most of that group (55%) will face no opposition in the general election. But primary challengers were able to defeat 3 longtime Democratic incumbents, including the House Assistant Majority Leader and the House Ways & Means Committee Chairman.

According to Tax Policy Center data in [MATTERS](#), Massachusetts has the 6th highest *per capita* state and local spending in the nation. Massachusetts' thriving private sector economy empowers the Commonwealth to make extraordinary investments in our shared priorities, provided we make sound fiscal decisions and steward our resources well. Contact [Chris Anderson](#) or [Mark Gallagher](#) to learn more about the Council's emerging state fiscal stability initiative and how you can get involved.

National Spotlight on State Fiscal Policies: Arizona

The enactment of federal tax reform and its caps on the deductibility of state and local taxes paid have elevated the effects state tax policies have on economic competitiveness and heightened the awareness of such policies among economic decision makers. Articles and editorials assessing and analyzing state fiscal policies are appearing in national financial publications with increasing regularity. From time to time, the Council will share particularly interesting items and viewpoints from around the country that inform our ongoing efforts to shape the Commonwealth's fiscal policies and improve our competitiveness.

On August 24, 2018, a [Wall Street Journal op-ed](#) detailed the emerging threats employers in states like Arizona are facing as a result of special interests' use of ballot questions to appropriate public funds and the push for constitutionally-embedded minimum spending levels.

Indeed, Massachusetts tax revenue pressures will continue to increase over the next 4 years. The proponents of the Millionaire's Tax--and plenty of policymakers and candidates for elected office--have advanced an array of new tax and spending proposals that will likely threaten the climate for investment and job growth--exacerbating damage to the state's long-term fiscal condition.

On September, 2018, the [Boston Globe](#) reported that Massachusetts Democratic candidate for Governor Jay Gonzales, has proposed a \$1B tax on the endowments of non-profit higher education institutions in Massachusetts. The story references our recent SJC victory:

“Their (new spending) proposals relied on a big new stream of revenue for the state: a ballot question that, if passed, would have raised the state income tax on Massachusetts’ highest earners and put that money into transportation and education. But in June, the state’s highest court deemed the measure unconstitutional. It would have brought in an estimated \$2 billion in new revenue next year.”

The Arizona article shares a number of close parallels to events and efforts in Massachusetts. The Council’s state fiscal stability initiative will help to ensure that the reported “nonchalance” of the Arizona business community is one dynamic that does not materialize here.

New Statute Governing Employee Non-competition Agreements Effective October 1

Changes to Massachusetts laws governing the use of employee non-competition agreements took effect on October 1. These changes mark the culmination of several years of Council leadership to develop and advance a compromise solution to a contentious issue impacting technology employers’ access to talent. Agreements entered into before October 1, 2018 will be governed under pre-existing common law jurisprudence. After October 1, the [new state statute](#) will determine the enforceability of any new agreement. A thorough [guide to the new law](#) and its effects, is available courtesy of Council member ML Strategies and Mintz Levin.

Council 2019-20 Policy Agenda

The 2019-20 legislative session is just months away and the Council is working with its leadership team and members to develop and refine our 2019-20 Public Policy Agenda. Council members are invited to attend one of two scheduled conference calls to provide input on the Council’s policy agenda. Please contact [Mark Gallagher](#) for additional information about the sessions which will take place on October 15 from 9:00 to 10:00 AM and October 18 from 10:00 to 11:00 AM. Council members are also encouraged to reach to Mark directly to discuss policy proposals of particular interest to them.

Council and AllWays Health Partners to Host Forum: “The Evolving Healthcare Landscape: Innovative Solutions for Employers”

On October 25 the Council and member AllWays Health Partners will host an invitation-only forum on innovative healthcare solutions for Massachusetts employers, featuring industry thought-leaders, including:

- **Moderator:** Vin Capozzi, *AllWays Health Partners*
- Sue Moss, SVP, Strategy, *Partners HealthCare*
- Peter Mongeau, SVP & Local Practice Leader, *Aon/Hewitt*
- Rob Harkins, Group Marketplace Leader, Brokerage and Advisory, *Willis Group*
- Jeff Hogan, Northeast Regional Manager, *Rogers Group*

Registration begins at 11:30 AM, followed by lunch and an interactive panel discussion from Noon to 1:00 PM. Contact [Mark Gallagher](#) if you are interested in attending.

Third Annual MHTC “Closing the Gender Gap” Event Scheduled for November 5

On November 5, the Council and members McKinsey & Company and reachHIRE are hosting our third annual Closing the Corporate Gender Gap event focused on developing women leaders in technology. This year’s event, Changing the Trajectory: How Companies Can Lean In Too, will be held at the Boston offices of McKinsey & Co., and will feature a presentation on McKinsey’s upcoming 2018 Women in the Workforce report.

Following the presentation, an interactive panel will discuss creative solutions and best practices to help companies engage women at all stages of the talent pipeline and advance more women from middle management to senior leadership roles. Panelists include:

- **Laurie Leshin**, President of Worcester Polytechnic Institute
- **Paul Lesser**, Head of Talent Acquisition at Fidelity Investments
- **Payal Agrawal Divakaran**, Principal from .406 Ventures
- **Kate Gulliver**, VP & Global Head of Talent at Wayfair
- **Addie Swartz**, CEO of reachHIRE

Last year, more than 100 senior leaders attended the event and we are looking forward to another successful event this year. You may view highlights of the 2016 event [here](#) and 2017 event [here](#). Click [here](#) for additional event details and to register.

Our 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.

Achieving this goal will:

- expand and improve job opportunities for Massachusetts citizens throughout all sectors;
- increase the productivity and well-being of all Massachusetts businesses and citizens and will expand tax revenues to aid the disadvantaged, protect the environment, rebuild the state's infrastructure, and provide support for educational, medical, and cultural institutions.

For more information on our mission, beliefs and activities, [visit our website](#).

