

MASSACHUSETTS
HIGHTECHNOLOGYCOUNCIL

Dedicated to Growth... Committed to Action



President's Bulletin

August 11, 2016

Mixed Results as Legislature Ends Session—Storm Clouds on the Horizon

Mixed Results

The 2015-16 Massachusetts Legislative session ended at midnight on July 31 amid a bizarre battle of political and policy agendas marked by escalating acrimony between [House members](#) and [Senate members](#) and an unusual level of [public finger pointing among legislative leaders](#) in its immediate aftermath.

It was particularly disappointing to see outgoing [Senators Ben Downing and Dan Wolf criticize House leaders for being too focused on the concerns of job-creators](#). Conversely, House Speaker DeLeo and House leadership deserve credit for their dedication to ensuring that anti-growth policy proposals-many of which originated in the Senate-would not impose unnecessary costs and risks on businesses and damage the Commonwealth's competitive position.

As detailed in our [recent Public Policy Update](#), the session was marked by a flurry of activity and intensive Council advocacy on key policy issues. Yet the legislature struggled to deal with an array of long-simmering issues and, the legislative session produced mixed results on Council priorities. While Governor Baker's broad-ranging economic development bill that advanced several Council priorities became law, the legislature and Governor also enacted a pay equity bill that, while seemingly innocuous, creates significant new risks for employers with few new protections to aid employees.

The Council worked to help craft compromise legislation that would further restrict employee non-compete agreements while preserving the ability of employers to use them to protect legitimate interests. A compromise bill was passed by the House and received the support of a broad coalition of business groups and Governor Baker. The Senate enacted a more extreme and unworkable set of

restrictions, however, and legislative leaders were unable to reconcile differences between the competing versions of the bill in the final hours of the legislative session.

Earlier in the year, the opportunity to advance legislation that would expand public charter schools in Massachusetts was foreclosed when the State Senate enacted legislation that [would harm existing charter schools and erect insurmountable roadblocks to new charter schools](#). In a year when charter school expansion efforts enjoyed significant support from Governor Baker, Speaker DeLeo and a broad coalition of job-creators, education and community leaders, it was disheartening to see legislative solutions fail in the Senate once again. As I outlined in my [August 5 op-ed for the Boston Business Journal](#), expanding access to charter schools is not just a moral and social issue, but also one with critical economic ramifications for the Commonwealth and its citizens.

Storm Clouds Gathering

With the backdrop of a raucous 2016 presidential campaign and local press coverage focused on 4 ballot questions that will appear before voters this November, few were watching in May when legislators gave initial and overwhelming approval to a proposed state constitutional amendment that would impose a 4% income tax surcharge on incomes over \$1M. Revenues from the new tax would not be dedicated to public education and transportation infrastructure, as the proponents misleadingly assert, but would instead give legislators a “blank check” to use the funds for any purpose whatsoever. The proposed graduated income tax has enjoyed a wide margin of support in recent polls and, if approved again by legislators next year and by voters in 2018, will measurably and permanently damage Massachusetts’ competitive position as a potent and proven hub for innovation and investment, destabilize Massachusetts’ fiscal foundation, and severely limit the power of the people to set and amend tax policy.

Council Committed to Action

Recognizing these impacts, and recalling the success of our 2013 campaign to repeal the short-lived “tech tax”, the Council’s Board of Directors voted in December 2015 to oppose the pending ballot initiative. Developing data, building coalitions and formulating strategies to defeat it will be a focus of Council activity and efforts throughout the next two years.

As we prepare to lead winning strategies on this and other issues over the next few years, on August 10 we invited members to help inform our high tech-related advocacy in support of public policy that attracts and retains businesses to the Commonwealth by participating in a 14-question [MATTERS™](#) Executive Competitiveness Insight Survey. KPMG is conducting the [MATTERS™](#) Executive Competitiveness Insight Survey to gather and trend changes in your perspectives as CEOs and senior executives regarding the business climate in Massachusetts.

A signature initiative of the Council, [MATTERS™](#) version 2.0 is scheduled for launch in October and will feature redesigned state profiles centered around four new categories and individual metrics that align with site location decision priorities. [MATTERS™](#) 2.0 will also feature an exclusive [MATTERS](#) Index which

represents the relative competitiveness of a state for each category.

October Directors Reception

Finally, we look forward to seeing you at our Directors' Reception featuring Lieutenant Governor Karyn Polito and a performance by the Boston Symphony Orchestra to be held at Symphony Hall on October 13, 2016 from 6:00 PM to 10:30 PM. An Invitation has recently been sent to members. Last year's event featuring remarks by House Speaker Robert DeLeo was a big success.

As we look forward to 2017, the Council's 40th anniversary year, we remain committed to working with you and for you to create and sustain an economic environment that promotes long term growth.

Sincerely,

A handwritten signature in blue ink, appearing to be 'C. Anderson', with a light blue circular highlight around the main part of the signature.

Christopher R. Anderson | President



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