

# THE HIGH TECH AGENDA

## MASSACHUSETTS HIGHTECHNOLOGYCOUNCIL

*Dedicated to Growth... Committed to Action*

### As I See It – Chris Anderson



This week we recognize with collective prayers of gratitude, the outstanding U.S. military veterans who answer the call to help preserve our homeland from violence and terrorism around the globe. Among these heroes, we include and thank the many first responders and members of the National Guard who serve our local communities. These men and women step up to face the sad reality of mass casualty attacks in rural churches, urban bike paths, and in outdoor country concert venues, as well as provide critical aid in the immediate aftermath of disruptive and devastating national disasters.

Engaging these individuals in meaningful roles in our economy is a priority among many employers across the nation. But the number of successful veteran hires who remain employed is dented by the data, much of which shows nearly half of all veterans leave their first civilian job within a year of being hired. As many as 75% leave those jobs within 2 years. The bottom line: veteran retention in the workforce is lower than it is with their civilian counterparts.

So I am particularly pleased that the High Tech Council and a core of dedicated members and program partners have created what we believe is a national model for strengthening employment opportunities and career retention strategies for these men and women.

Last year, our New England Tech Vets fall forum identified enhanced hiring incentives *and* employer education as a key opportunity and objective. Today, thanks to a successful proposal by **Gov. Charlie Baker** to create a new incentive to small businesses for each veteran hired, and to the **Legislature's** adoption of our strategy to help retain that veteran in the workforce by creating an on-line employer education and "Veteran Ready" certification program, we are poised to help participating employers address several of the common problems cited by veterans as reasons for leaving jobs offered by well-meaning employers. Look for more information on how you can participate below and later this month.

May God bless all our U.S. military veterans, and those who continue to serve in the U.S. military, the National Guard, and as first responders.

### Council's Veteran Ready Employer Training Program Launched; Selected by Mass. Department of Veteran Services

For much of 2017, a team of Council members have been collaborating on the development of the New England Tech Vets Veteran Ready Employer Education and Certification Program, a "best-in-nation" resource to assist the successful hiring and retention of U.S. military veterans in the workforce. This new employer and veteran resource was developed with support and critical input from Council members **Monster, Home Base, and Military Talent Group** and from a team of talent recruiters and veteran education experts from **Dassault**

### MISSION STATEMENT

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. Read our Mission Statement at [mhtc.org](http://mhtc.org).

### UPCOMING EVENTS

#### Company Christmas at Pops

**December 6 –  
6:00 PM – 10:00 PM**

*Location: Symphony Hall – Boston, MA*

A Company Christmas at Pops is a unique holiday gala that celebrates the extraordinary partnership between the corporate community and the Boston Symphony Orchestra. Funding raised through this event helps support the BSO Education and Community Engagement programs throughout the year. Please contact [Mary Thompson](mailto:Mary.Thompson@bso.org), Director of Corporate Initiatives at Boston Symphony Orchestra for sponsorship details or call 617-638-9278.

#### MHTC Board of Directors Meeting

**December 7 –  
10:00 AM – 12:00 PM**

*By invitation*

Please RSVP via calendar invitation or email to Julie Champion ([julie@mhtc.org](mailto:julie@mhtc.org)).

**Systèmes, The Kraft Group, The MITRE Corporation, Oasis Systems, Raytheon, Northeastern University, University of Massachusetts Lowell, and Wayfair.** The program will provide employers with access to best-in-class online educational training and assessment content to help them better recruit, engage and retain veteran and military talent.

The education program, coupled with existing [New England Tech Vets](#) veteran recruiting tools, will empower Council members to ensure they are not just “veteran friendly” but also “veteran ready”. Council members that complete the education program and demonstrate additional organizational commitments to veteran employees are eligible to be certified as “veteran ready” by New England Tech Vets and publicly identify themselves as such.

Starting in 2017, companies with 100 or fewer employees are eligible for a state tax credit of up to \$4,000 for each veteran they hire and retain. On November 8, the Tech Vets Program became the first veteran employer education program approved by the Massachusetts Department of Veterans Services (DVS), pursuant to which DVS will certify as eligible for the tax credit any employer that completes the NETV program and meets other applicable DVS criteria.

Council members are encouraged to participate in the program which will be available to all Council members beginning December 1. To learn more contact [Mark Gallagher](#).

## **Council Partners with reachHIRE and McKinsey to Host 2<sup>nd</sup> Annual “Closing the Corporate Gender Gap” Forum**

On October 18, Council members **reachHIRE** and **McKinsey and Company**, joined the Council in hosting our second annual “Closing the Corporate Gender Gap” forum. This year’s event theme was “Turning a Marathon into a Sprint” and focused on data and effective employer efforts that result in greater gender equity in the workplace.

With more than 100 senior leaders in attendance, Marla Capozzi, Leader of the McKinsey Academy, presented the latest data and findings from [McKinsey’s Women in the Workplace 2017](#) study. Karen Marinella Hall of **Analog Devices** moderated an interactive discussion featuring panelists **Addie Swartz of reachHIRE; Dave Krupinski of Care.com; Melanie Foley of Liberty Mutual; Gary Beach, Wall Street Journal columnist; Chip Hazard of Flybridge Capital; and John Belzair of Next Stage.**

In 2018, the Council will build on the success of these forums by migrating toward additional actionable strategies, including a formal program partnership with reachHIRE that will engage select Council members with reachHIRE talent and training. Interested Council members should contact [Mark Gallagher](#) for additional details on how they can participate.

## **Council Leaders Featured at N.E. Board of Higher Education Employability Summit**

**Susan Fallon of Monster, Al Bunshaft of Dassault Systèmes, and Laurie Leshin of Worcester Polytechnic Institute** will be among the technology and business leaders featured at a December 4<sup>th</sup> New England of Board of Higher Education Leadership Summit entitled “Employability: A National Imperative.”

Council members are invited to join Susan, Al and Laurie and other senior leaders from industry and academia to learn more about the latest trends in automation, essential and digital skills, strategies to address the employability gap and what is needed to prepare a truly world-class workforce for today and tomorrow.

For more information and to register, click [here](#). Council members can use the discount code “EMPLOY”.

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## Council Challenge to Unconstitutional Tax Amendment Advancing; Litigation Schedule Set

On October 3, Council members received [an update from Chris Anderson](#) summarizing the Council's formal [complaint](#) filed with the Massachusetts Supreme Judicial Court (SJC) challenging the legality of the proposed ballot initiative that would permanently embed an 80 percent increase to the tax rate on any earned income over \$1 million into the Massachusetts Constitution. The Council was joined by 4 other prestigious business and taxpayer organizations as plaintiffs in the suit.

On October 30, the SJC issued [a formal notice](#) specifying the timetable for written and oral arguments in the case. Legal briefs supporting our arguments as a plaintiff will be filed on December 11, while the Attorney General and intervening defendant Raise Up Massachusetts will file their briefs on January 12. Our counsel will file a reply brief on January 26 and the case will be argued before the SJC on Monday, February 5, 2018.

As a legal matter, the Constitution would obligate the legislature to dedicate the \$2B in anticipated new revenue only for educational and transportation uses. But at least one candidate for statewide office is already calling for a diversion of what could be a sizable portion of the new revenue to cover increasing costs associated with the state health care budget.

Setti Warren, one of several Democratic candidates for Governor in 2018, was quoted in a recent interview saying he has two proposals to make life better statewide: pushing forward single payer health care and lifelong free public college. "When asked how he would fund his initiatives, Warren didn't hesitate. It's why I support the Fair Share Amendment," he said. Read more about the candidate's comments, [here](#).

We anticipate that the SJC will render its decision on our challenge sometime between April and June and will find that the tax proposal is an unconstitutional attempt by the proponents to make an "end run" around the normal legislative process in ways that the authors of our state constitution foresaw 100 years ago and explicitly forbade.

To learn more about how you can support this effort contact [Chris Anderson](#).

## Data that MATTERS: Back to Taxachusetts or Away from It?

In October, Massachusetts improved by 3 spots to No. 22 in the nation in a core [MATTERS](#) data point: The Tax Foundation's [State Business Tax Climate Index](#). The Tax Foundation is a non-partisan think tank whose state tax policy rankings are widely-recognized and referenced by corporate site location decision makers and economic development experts. As noted in a recent piece by Boston Globe business columnist Jon Chesto entitled "[Massachusetts Just Took a Few More Steps Away from Taxachusetts](#)", the Tax Foundation rankings weigh uniform income tax rates favorably and would clearly view the imposition of the proposed Massachusetts amendment as a step in the wrong direction. The Tax Foundation has previously [expressed serious concerns about the radical and unprecedented nature](#) of using the state constitution to set tax policy and rates in the manner proposed in Raise Up's unconstitutional tax amendment.

On October 17, Pioneer Institute published "[Back to Taxachusetts](#)", an analysis of the significant negative competitive impacts of another aspect of the tax amendment: A massive increase in the taxes imposed on business creation, capital formation and economic investment in Massachusetts.

State tax rates on capital gains income are another key [MATTERS](#) data point, and the Pioneer Institute's study found that Massachusetts' top state capital gains tax rate would go from 30<sup>th</sup> highest in the nation to 4<sup>th</sup> and the top combined state and federal rate for Massachusetts residents and investors would move from 25<sup>th</sup> to 2<sup>nd</sup> highest nationwide. As noted in the study, "One of the few things most economists agree on is that keeping taxes on investment low is critical to economic growth, job creation, and rising wages." Higher taxes on investment are yet another way the proposed amendment would move Massachusetts in the wrong direction.

## Data Council Continues Push for MassHealth Stabilization and Savings; Senate Health Care Legislation Light on Needed Reforms

On October 17, the Massachusetts Senate's Special Committee on Health Care Cost Containment and Reform produced legislation aimed at reining in costs throughout the Massachusetts health care system. As noted in the [Council's October 25 letter to Senate leaders](#), the Council appreciates the extensive research on health care costs done by Senate members this year and their effort to take a comprehensive approach to long-term cost containment across the health care system in Massachusetts.

Unfortunately, the [proposed bill](#) does not do nearly enough to reign in and stabilize rapidly rising costs in the state's \$16B MassHealth program, which we believe is the most urgent and acute health care finance issue facing the Commonwealth today. In fact, the bill could exacerbate MassHealth's explosive enrollment growth because it would allow private employers to opt in to MassHealth as the primary health care coverage option for their employees.

Under the Senate bill, which we expect will be enacted by mid-November, employers would remain saddled with a significant new cost increase without the corresponding reforms to MassHealth enrollment and benefit cost drivers that were the subject of the Baker Administration's [proposed package the Council supported earlier this year](#). The Council has been willing to support the new temporary surcharge on employers, but only if it is balanced with significant MassHealth reforms. The Senate legislation simply does not achieve that balance and the Council has begun working with House leaders to advocate for alternative legislation that prioritizes MassHealth reforms.

If the net accomplishment of the legislature in 2017 with respect to the MassHealth cost crisis is to end the year by enacting a response that rests primarily on a \$400M employer tax assessment, it will miss a valuable opportunity to collaborate with employers on meaningful solutions and instead, send an alarming signal to those employers.

## Council's MATTERS Data Helps Drive State's Amazon Push

In October, the Council worked with our longtime collaborators at the Mass. Tech Collaborative to provide state economic development officials with key data to support the development of the [state's response to Amazon's "HQ2" Request for Proposals](#). The Council provided the proposal's authors with detailed data from our [Massachusetts Technology, Talent and Economic Reporting System \("MATTERS"\)](#), particularly with respect to the state's multi-cluster tech ecosystem and skilled workforce and joined Council member CEO's and other tech leaders in a [letter encouraging Amazon executives to select Massachusetts as the HQ2 location](#).

## Contact Us

### Massachusetts High Technology Council

Reservoir Woods | 850 Winter Street | Waltham | MA | 02451  
781.890.6482 | [www.mhtc.org](http://www.mhtc.org)