

August 21, 2018

THE HIGH TECH AGENDA



Chris Anderson: As I See It

As I noted in my July 4, 2018, [Boston Globe op-ed](#), the breadth and solidarity of the coalition of investors and job creators who supported our position and strategy (summarized in my [July 12 President's Bulletin](#)) to challenge the unconstitutional

income-tax amendment show the possibility and impact of bringing together disparate community, business, and advocacy groups for the greater good of preserving economic stability.

This is the most effective model for creating, sustaining, and defending conditions that promote investment and job growth in the Commonwealth. Real solutions lie in a union of organizations with a vested interest in prioritizing and achieving solutions to fiscal challenges and opportunities. Together, we can ensure that Massachusetts has the strength, the strategy, and the resources to invest in our public education system, an improved network of transportation infrastructure, and public-private partnerships that create economic opportunity and improved quality of life for all.

2018 Annual Meeting Follows Landmark Council Legal Victory



Council Vice Chairman Udit Batra of Millipore Sigma and Chairman Aron Ain of Kronos, Inc.

Just 24 hours after the SJC ruled in the Council's favor, hundreds of senior technology executives convened in Boston for the Council's 2018 Annual Meeting presented by Oasis Systems. Video highlights of the meeting can be viewed [here](#).

Featuring a keynote address from Governor Charlie Baker,

OUR MISSION

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.

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attendees enjoyed an interactive discussion with the Honorable Margaret H. Marshall, Senior Counsel at Choate Hall & Stewart and the former Chief Justice of the Massachusetts Supreme Judicial Court.

Council Chairman Aron Ain celebrated the fact that Massachusetts boasts one of the highest concentrations of high technology employment in the country, with nearly 500,000 people working for technology companies and nearly 40 percent of all jobs in the state contributing to the Innovation Economy. Ain also noted that, over the past 10 years, the Commonwealth has weathered and outperformed a crippling national recession and experienced a rarely seen explosion of capital investment, wealth creation, and employment growth across multiple sectors.

Nonetheless, Ain cautioned that the current robust economic numbers in Massachusetts are masking “significant strains” in the state’s finances that threaten the Commonwealth’s fiscal stability and long-term competitiveness. Preserving and enhancing the attractiveness of the state’s economic climate, and supporting critical public investment, are directly and inextricably linked to the state’s fiscal stability and budget policies.

Ain urged public officials, employers, and citizens across the Commonwealth to join MHTC in a unified effort to strengthen the state’s fiscal stability in support of a threefold goal:

1. Ensuring the Commonwealth has the financial strength and resources to invest in a world-class public education system;
2. Continuing to improve and innovate a 21st-century transportation infrastructure; and
3. Strengthening and expand public-private partnerships that catalyze economic growth and create economic opportunity and an improved quality of life for all of our citizens.

Members also re-elected 33 incumbent directors and the following three new directors at the Annual Meeting:

- **Thomas Colatosti**, Chief Executive Officer, Oasis Systems, LLC
- **Jacqueline Moloney**, Chancellor, University of Massachusetts Lowell
- **Jason Robins**, Co-Founder/Chief Executive Officer, DraftKings, Inc.

Council Leaders and Guests Invited to October 11 Directors’ Reception and Boston Symphony Orchestra Concert



Each fall the Council and its directors invite senior executive members and their spouse or guest to gather for a special reception at Symphony Hall in Boston. This Council tradition began three years ago and it has become a popular social event with a bit of policy discussion prior to a performance of the Boston Symphony Orchestra. This year’s reception will take place the evening of October 11, beginning with a cocktail reception at 6 p.m., followed by a performance of the Boston Symphony Orchestra led by Maestro Hannu Lintu.

Reduced registration fee for attendees is made possible by our Program Sponsor Neighborhood Health Plan. The reception will feature remarks from Council officers and David Segal, CEO of Neighborhood Health Plan. We are also pleased to be joined this year by the Honorable Robert DeLeo, Speaker of the Massachusetts House of Representatives, who will share with us his thoughts on key issues facing the Commonwealth today.

This is an invitation-only event. Please [email Chris Anderson](#) directly if you have questions to learn more about attending.

Trinity Partners LLC
University of Mass. Lowell
Worcester Polytechnic Institute

UPCOMING EVENTS

Board of Directors Reception Thursday, October 11 6:00 – 10:00 PM

Symphony Hall, Boston
By invitation.

Changing The Trajectory: How Companies Can Lean In Too Monday, November 5 7:30 – 9:00 AM

*McKinsey and Co., 290 Congress
Street, Boston*

Executive Committee Wednesday, November 28 6:00 – 8:00 PM

By invitation.

Board of Directors Meeting Thursday, December 13 10:00 AM – 12:00 PM

By invitation.

2017-18 Legislative Session Wraps with Mixed Results



The Massachusetts legislature concluded its formal sessions for the 2017-18 biennial session at just before 1:00 AM on August 1, capping a flurry of legislative activity. Several Council priorities were advanced in the closing days of the session, while legislators opted not to act

on other major issues before them. Below please find a high-level summary of key developments.

A Not-So-Grand Bargain: The Aggressive Progressive Agenda

The revenue ramifications of the Council's SJC victory had significant impacts on the development of the so-called "Grand Bargain of 2018." Proponents of ballot questions that would cut the state sales tax rate, impose a paid family and medical leave mandate on employers, and raise the state minimum wage to a highest-in-the-nation \$15/hour agreed to forego those efforts and back a legislative compromise that would delay and soften the immediate impacts of the proposals.

The enactment of the ballot question versions of these new laws undoubtedly would have resulted in more severe impacts on many employers and their approval by voters in November seemed highly likely. But the ultimate result remains another "not as bad as it could have been" compromise in the face of the increasingly aggressive tactics employed by well-funded special interests in support of economic policies that have resulted in fiscal destabilization and economic stagnation in other states.

The 2018 session is reminder that a unified community of job-creators deeply engaged with state policymakers will be critical to advancing the solutions necessary to put the Commonwealth on more secure financial footing and avoid policy choices that will imperil our economic momentum.

Budget and Fiscal Stability: Annual Spending Tops \$41B: Surplus Revenues to "Rainy Day" Fund

State spending for the coming year will exceed \$41 billion under the final enacted FY19 state budget. Spending on MassHealth, the state's single largest program, increased slightly to \$16.22 billion and will continue to absorb approximately 40 percent of overall state spending. As noted below, legislators declined to enact any significant modifications to the state program that would help alleviate the crowd-out effect it is having on investments in other key state priorities, including education and transportation.

Throughout the second half of the state's 2018 fiscal year (which ended June 30), actual monthly revenue collections regularly exceeded the revenue estimates used to formulate the FY18 budget, resulting in an overall FY18 revenue surplus of ~\$1 billion. About half of that, or approximately \$500 million in capital-gains tax revenues, is required by statute to be deposited into the state's Stabilization Fund reserves. The Baker Administration budget team anticipates another sizable deposit in the Stabilization Fund in the coming year, resulting in an anticipated total balance of \$2.15 billion by the end of FY19—nearly double what the balance was in 2015 and the highest amount in more than a decade.

Health Care Costs

The House and Senate failed to reach a compromise on competing versions of health care cost containment legislation each branch had passed earlier in the 2017-18

session. Disappointingly, neither bill included any meaningful reforms to the state's MassHealth/Medicaid program. Instead, the bills were aimed largely at the private market, and included surcharges and cost-shifting provisions resisted by many of the state's larger health insurers and negatively impacted providers.

The legislature's inability to reach consensus on this legislation and continued unwillingness to adopt meaningful MassHealth reforms are further reminders of the intensive advocacy that is needed to overcome inertia and resistance to reform, without which the state's overall fiscal health and climate for economic growth will be jeopardized.

Employee Non-competition Agreements

Council-supported statutory restrictions on employee non-competition agreements were included in an omnibus economic development bill enacted in the session's final minutes. 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.

The new restrictions include durational limits (12 months) and advance-notice requirements (disclosure at time of job offer) and will help ensure non-competition agreements do not unintentionally impede economic growth, while preserving employers' ability to protect their legitimate interests in their intellectual property and workforce investments.

Expansion of Local Taxing Authority

Pressure and proposals to impose new taxes and raise additional revenue continued to proliferate this session. Legislators ultimately did not enact two troubling proposals that would radically expand the power of municipalities and private citizens to impose new property, sales or payroll taxes on citizens, businesses and property owners.

A bill to allow groups of real property owners to vote to impose new taxes on themselves and other owners advanced close to final enactment before resistance from the Council and others succeeded in derailing it. Another proposal to allow cities and towns to initiate local ballot question referenda to impose new payroll and other taxes to fund local transportation projects was included in the Senate's version of the omnibus economic development bill but was eliminated from the final version.

Third Annual MHTC "Closing the Gender Gap" Tech Event Scheduled for November 5

Once again this year, 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 on November 5, from 7:30 to 9:30 AM 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 moderated by Frank Holland, from NBC 10 Boston and NECN, 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.

- **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 reachIRE

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.

Council Supports Fall 2018 Massachusetts STEM Week and ATEA Events

The Council and Council leaders are providing key support for two of the region's pre-eminent STEM events this fall. The Council is engaged with Governor Baker's STEM Council as a 2018 STEM Week Partner. STEM Week will be celebrated from October 22 to 26, with educators and STEM employers statewide participating in STEM-based hands-on learning opportunities. For additional information on how your company can participate contact the Governor's STEM Council and your [regional STEM Network representatives](#).

Council Board member Al Bunshaft of Dassault Systemes is hosting the 2018 regional meeting of the American Technical Education Association on November 8 and 9 at Dassault Systemes' Waltham campus.

The event is a unique technical education conference entitled "End to End Digitization" and will feature a keynote address from Massachusetts Secretary of Education James Peyser and demonstrations of advanced technologies in the fields of cyber security, healthcare, biomedical devices and the aerospace industry. Click [here](#) to learn more about the conference and how you can participate.

Data that MATTERS

Among MHTC MATTERS Peer States, Massachusetts' rankings align with the least fiscally stable states: California, Connecticut, Illinois and New Jersey. The best-performing states are Utah, Texas and Virginia. The Council is developing a new MATTERS State Fiscal Stability Index.

Sample State Fiscal Rankings: Massachusetts and MATTERS Peer States

By Average Rank

State	"State Fiscal Condition Rankings" (George Mason U/ Mercatus Institute)	"Best States for Fiscal Stability" (US News & World Report)	"Fiscal 50: Fiscal Balance Rankings" (Pew Charitable Trusts)
UT	11	1	5
TX	19	17	8
VA	21	14	22
MN	31	24	24
CO	22	31	23
WA	23	27	30
MD	37	23	43
NY	46	28	42
OH	7	37	35
PA	41	42	38
CA	44	43	45
CT	47	41	47
MA	48	40	48
IL	50	50	49
NJ	49	49	50

