



M A S S A C H U S E T T S
HIGHTECHNOLOGYCOUNCIL
Dedicated to Growth... Committed to Action

December 19, 2019



President's Message
- Chris Anderson

The Hanukkah and Christmas season and celebrations were quick to arrive this year. Last year, there were 10 days between Thanksgiving and the lighting of the first Advent candle in our home. This year, only 3 days separated Advent from Thanksgiving. Holiday preparations and year-end work challenged even the best attempts to scheduling the most important meetings, gatherings and tasks. The loss of a week this year reminds me of the Lewis Carroll quote from Alice in Wonderland, "The hurrier I go, the behinder I get."

Nonetheless, I found time to reflect on gifts in my life and priorities that matter most. My faith, my family, the people like you who I interact with on a daily basis doing the work of the High Tech Council. For all these gifts, I am blessed and grateful. Thank you! On behalf of Mark Gallagher, Bernie Prusaczyk and Karen Catania, we wish you a Merry Christmas, Happy Hanukkah, a joyful holiday season and a healthy and prosperous 2020.

Council Policy Agenda: Member-Driven Impact

Throughout 2019, the Council built on its 42-year history as a uniquely impactful voice for the tech and innovation-heavy private economy, advocating for pro-growth policies that welcome employers and entrepreneurs, expand opportunity for Massachusetts residents and contribute to robust tax revenues that are critical for innovative and impactful public investments in the shared priorities of our Commonwealth.



State economic data and revenue collections continue to show Massachusetts in a sustained period of robust economic growth and the Council is committed to helping maintain that momentum by empowering private sector leaders and public officials to seize on our competitive advantages while responding to emerging risks and intensifying challenges.

In 2020, we'll formally launch our Economic Growth and Competitiveness Initiative as a framework for the technology community's most important policy objectives and advocacy efforts and host our inaugural Economic Growth and Competitiveness Conference in the Spring.

Both the Economic Growth and Competitiveness Initiative and Conference will be powered by [MATTERS](#), the Council's 50-state competitiveness dashboard. Throughout 2019, a team of Council economic development advisers and data experts worked to identify further refinements to MATTERS' data and State Profile Indices and opportunities to include additional relevant metrics and optimize the user experience and utility of this unique, freely-available database.

In 2020 a team of members lead by Council directors will elevate and expand the use of MATTERS, launch a graduate-level business analytics course with Bentley University, and produce data and analysis on emerging industries and opportunities.

The Council wishes to thank all the members, colleagues and policymakers with whom we collaborated in 2019 to identify and advance shared policy priorities and objectives. The viewpoints and subject matter expertise contributed by our members are the most important input and resource the Council brings to bear to shape the public policies that will impact the Commonwealth's immediate and long-term climate as a welcoming and attractive place for technology and innovation-focused companies to locate and thrive.

Council Policy Agenda: 2019 Progress & 2020 Priorities

Transportation

Our region's intensifying traffic congestion and sustainability challenges demand solutions aimed at the problem: optimizing our investment of available resources; prioritizing systemic innovation; increasing project delivery capacity and output at transportation agencies; and encouraging and enabling private sector investment and partnerships.

As articulated in a December 8 [Op-Ed](#) by Council President Chris Anderson, this focus will move Massachusetts toward a 21st Century transportation system by prioritizing investment, innovation and impact. Conversely, there is growing appreciation among policymakers across the political spectrum that—contrary to representations by some advocates—there is neither a consensus among business leaders nor sufficient grassroots support for the types of multi-billion dollar tax and toll packages that are being proposed by many external advocates.

Throughout 2019, the Council suggested that the legislature's highest priority transportation policy should be the timely enactment of the Transportation Bond Bill which presents an immediate opportunity for the Commonwealth to both invest more than \$18 billion in transportation infrastructure and improvements to the MBTA, highways, roads and bridges over the next 5 years and advance long-overdue policy changes that will provide Massachusetts transportation agencies with the project delivery and procurement tools they need to succeed and that other states already have.

The Transportation Bond Bill received broad support from business leaders, transportation advocates and system users at a September 24th legislative hearing; is ready to enact and begin implementing immediately; and its prompt passage by the legislature will continue to be a top Council priority in 2020. (See the [November 26 High Tech Agenda](#) newsletter for additional detail on the Council's ongoing transportation policy advocacy efforts.)

Tax and Fiscal

In 2019, Massachusetts benefited greatly from continued economic expansion and robust revenue growth. State corporate taxes paid by Massachusetts companies increased by more than \$550 million in FY19, contributing to an overall revenue increase of more than \$1.9 billion over FY18 levels and a second consecutive state budget surplus of more than \$1 billion.

The continued revenue growth also triggered the fulfillment of a commitment made by legislators nearly 20

years ago to implement a voter-approved ballot initiative restoring Massachusetts' income tax rate to 5.0%. In 2000, Massachusetts voters overwhelmingly supported a ballot question that repealed "temporary" increases enacted by the legislature more than a decade earlier which had raised the rate on income from 5.0% to as high as 6.25%. Legislators, however, voted to ignore the will of the voters by passing subsequent legislation that preserved the higher income tax rates, reducing them only if and as certain economic and revenue benchmarks were met. On January 1, 2020, the last reduction of the Massachusetts income tax will take place, finally implementing what the voters directed nearly 20 years earlier: restoring a flat income tax rate of 5%.

Advocates who currently support persistent efforts to enact ballot questions that impose new taxes while leaving to the legislature absolute discretion to appropriate increased revenues for any purpose should take note of the legislature's retained powers and historic willingness to thwart the will of the public on tax and spending policies; even those set by direct vote of the citizens.

As the 2019 legislative sessions wound down, Massachusetts legislators missed an important opportunity to be responsive to a key business community priority by failing to preserve a longstanding state policy that permits companies to deduct the cost of interest incurred to finance equipment and other capital investments. State budget legislation passed by the House of Representatives in October would have prevented provisions enacted in the federal Tax Cuts and Jobs Act of 2017 from causing the elimination of this important state policy, but were met with strong resistance in the State Senate and from pro-tax advocacy groups and was ultimately omitted from the legislation. Many of these same pro-tax advocates also support [increases to taxes on businesses and employers](#) and the permanent enshrinement of a graduated individual income tax in the Massachusetts Constitution.

In 2020, the Council will continue to advocate for tax policies that are fair, competitive and responsive to changing economic conditions and an evolving federal tax policy landscape, while using data and the experience of other states to educate civic leaders and policymakers about the folly of pursuing tax policies that punish rather than promote economic growth and opportunity.

Education

After years of debate, the Governor and Legislature advanced a key Council priority in November, signing into law legislation that will result in a \$1.5 billion increase in state funding targeted toward the Commonwealth's neediest local school districts and closing persistent achievement gaps. The new investment will be powered by sustaining our robust private economy—without a need for additional taxes. Council leaders have consistently supported state policies that ensure additional targeted state education spending, improve educator accountability/ student assessment and expand state powers to support and intervene in chronically under performing schools.

The Council joined with the Mass. Business Alliance for Education in [praising the new law](#) which "prioritizes increases in funding for students and communities that need it the most, includes sufficient guardrails to ensure the money is thoughtfully and strategically deployed to close persistent achievement gaps, and increases state and district focus on preparing students for college and workforce opportunities."

Housing

The Council continues to partner with housing production advocates, Baker Administration officials and legislators to raise awareness of the need to dramatically expand housing production in Massachusetts, which is as much an economic development challenge as it is a housing policy issue.

A critically important and immediate next step is the passage of the [Housing Choices legislation](#) which would make it easier to get important zoning changes approved by city and town boards that control land use and density with a simple majority, as opposed to a two-thirds vote. Through this Baker-Polito

Administration initiative, the state would also offer a combination of incentives, technical assistance and new capital grant funding to facilitate community-led housing production across the Commonwealth. The Council appeared before the legislature's Joint Committee on Housing on May 14 to present [testimony](#) in favor of the legislation and communicate the Council Board's [Statement of Support](#) for the bill as an urgent economic development priority.

Despite intense advocacy by the Baker Administration and support from municipal officials and direct advocacy by the Council and a broad group of business leaders, the bill remains stuck in the legislature's Housing Committee, representing a missed opportunity to address a risk of increasing concern among employers and business leaders.

In addition to the Housing Choices legislation, the Council is working to better-align housing policies with transportation policy innovations, like eliminating barriers to public-private partnerships with developers willing to privately fund the construction and operation of transportation infrastructure, so Massachusetts can add housing and manage congestion impacts in a more coordinated and impactful way.

Get Involved

Council members are encouraged to reach out to [Mark Gallagher](#) to discuss policy priorities for 2020 and beyond and respond to invitations to meet with legislative leaders and Baker Administration officials at Council Roundtables and private meetings.

MHTC Women in Leadership Initiative: Actionable Insights, Analysis and Content

Following a [successful introduction in 2019](#), the Council's Women in Leadership Initiative (WIL) will kick-off 2020 with added energy and growing momentum.

The WIL initiative continues to produce actionable insights, analysis and useable content for Council members and WIL participants. The most recent [WIL Whitepaper](#) captures and synthesizes key learnings and action steps identified at our October 3 WIL Roundtable on Executive and Organizational Accountability, including best practices to adopt relevant and impactful organizational goals and metrics and promote corporate cultures that reflect elevated senior executive action and engagement.

Special thanks to Megan Greenfield and our WIL partners at McKinsey & Company for producing this series of whitepapers which provide critically important usable content and ensure we are equipped to translate these dynamic discussions into direct action.

In 2020, the Council will continue to collaborate with WIL partners McKinsey & Company and reachIRE, new partners including The Center for Women and Business at Bentley University, as well as PTC who has committed to be our 2020 Women in Leadership Initiative Sponsor.

Council members will have numerous opportunities to get involved in the WIL Initiative in 2020 by:

- Participating in one or more of our 2020 Roundtable discussions on key topics that directly bear on leadership development. Planned Roundtables for 2020 include:
 - January 29 from 8 to 10 a.m. MHTC Women in Leadership Roundtable, "Creating an Inclusive and Supportive Workplace", hosted by The MITRE Corporation
 - March 26 from 4 to 6 p.m. – Hosted by Putnam Investments
 - June/July (Day/time TBD) – Hosted by Millipore Sigma
 - September (Day/time TBD) – Hosted by PTC
- Sharing your organization's experience and best practices through a Women in Leadership Case Study for publication in our WIL Resource Library; and
- Participating in the 2020 McKinsey Women in the Workplace survey. Look for an invite and detailed survey information in the months to come.

OUR MISSION

The Massachusetts High Technology Council is an organization of CEOs and senior executives representing technology companies, professional services firms, and academic and research institutions dedicated to creating and sustaining conditions that support investment and job growth in Massachusetts. Our members are growth-oriented, knowledge-intensive employers and institutions that develop, deliver and depend on technology products, services and innovations to advance their organizational objectives.

Our mission 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.

For more information [visit our website](#).

