

March 1, 2023

Media Contact: Elizabeth Mahoney
elizabeth@mhtc.org | 617-842-5693

The Massachusetts High Technology Council's Statement on Governor Healey's FY24 Budget

Governor Healey's FY24 budget proposal includes several positive elements that begin to address the new competitive challenges Massachusetts employers are facing, but rehabilitating Massachusetts' declining business climate will require far more significant steps.

Massachusetts employers are confronting strong economic headwinds, and state action is urgently needed, or we will continue to lose people and businesses to other states. Employers are also struggling to hire and retain workers with the skills their businesses need. The Massachusetts High Technology Council's research indicates that there are over 30,000 chronically unfilled tech-related jobs in the Commonwealth. While Massachusetts has world-class higher education institutions, we must ensure employers are engaged with those institutions to assure they are providing students with the skills required to fill those jobs. It is also imperative that we create the conditions that will allow young people to remain in Massachusetts once they graduate.

The High Tech Council is pleased the Governor's budget invests in programs that expand educational and career opportunities for Massachusetts students and adults. Better alignment of Community College career preparation, increasing access to Community Colleges for adult learners, and investment in student career pathways (such as early college and Innovation Pathways) are important tools for ensuring Massachusetts employers have access to the skilled workforce they need.

The Governor's tax package also begins to address the high cost of living in Massachusetts and our status as a national outlier on taxes, but it does not go far enough to improve our competitive position relative to other states. Providing relief for parents, renters, and seniors is a worthy investment in making Massachusetts more affordable. While this proposal will bring our estate tax and short-term capital gains rates more in line with other states, we will still be one of only 12 states that impose an estate tax, and our taxation of short-term capital gains will be merely comparable to, not better than, the approach other states take.

The newly passed income surtax is one factor that has hurt Massachusetts' competitive position. We commend the Governor's proposal to create a separate trust fund for this revenue so that taxpayers will have visibility into how much revenue is raised and how it is spent. However, her recommendation that this revenue be excluded from the voter-approved statutory limit on the growth of state tax revenue (Chapter 62F) is deeply concerning and we urge the Legislature to reject it.

While there is much to applaud in the Governor's budget, the High Tech Council is concerned that these proposals alone will not be sufficient to rescue Massachusetts' declining business climate. We look forward to working with the Healey administration and the House and Senate on the passage of an FY24 budget and other legislation that will rehabilitate Massachusetts' declining competitive advantage.

About the Massachusetts High Technology Council

The [Massachusetts High Technology Council, Inc.](https://www.mhtc.org) is an organization of CEOs and senior executives representing innovation, technology, and scientific companies; professional services firms; and research institutions dedicated to collaborating to create and sustain conditions that support investment, job

growth, and improved quality of life in Massachusetts. Our members are growth-oriented, knowledge-intensive employers and institutions that develop, deliver, and depend on technology and scientific products, services, and innovations to advance their organizational objectives—a definition that covers just about all business enterprises in Massachusetts today.

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 businesses within the innovation ecosystem.

###