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## **Statement from the Massachusetts High Technology Council on the Governor's FY25 Budget Proposal**

Governor Healey's FY25 budget proposal comes amid concerning state revenue trends, including faltering tax revenue collections that required mid-year budget cuts, and the continued outmigration of taxpayers, particularly high-income taxpayers, from Massachusetts.

The Commonwealth is confronted with numerous complex challenges, including the impact of emerging technologies, changing demographics, and global economic shifts. These challenges are further exacerbated by the disruptive effects of Massachusetts' deteriorating business environment and changes in tax policies.

In a departure from prior state budget surpluses, FY24 tax collections have fallen below benchmarks for six straight months, a trend magnified by the outmigration of taxpayers to states with competitive tax and business climates and a more affordable cost of living.

These trends matter and should be "red flags" to policymakers because Massachusetts' tech-driven economy is highly mobile, and the barriers to exiting high-cost states are lower than ever.

State spending, which has grown 26% from FY20 to FY24, must reflect this revenue reality and the High Tech Council appreciates that the Governor's proposed budget represents anticipated growth that is more in line with inflation. However, the High Tech Council is concerned by the proposed use of one-time revenues and diverted funds from the stabilization fund to pay for new and ongoing expenditures that will require more funding next year and likely thereafter.

"It is critical that we improve the state's fundamental competitive position in order to reverse the trend of slowing revenue growth and ensure the Commonwealth has the resources to fund programs that support the quality of life and economic strength of Massachusetts," said High Tech Council President Chris Anderson. "As more and more residents consider leaving Massachusetts, a weakening economy and business climate will soon degrade the quality of life that makes this state attractive."

The High Tech Council will continue to work with the Healey administration and the Legislature on initiatives that emerge from our [MassVision2050](#) agenda to improve Massachusetts' competitive position and support the innovation economy.

### **About the Massachusetts High Technology Council**

The [Massachusetts High Technology Council, Inc.](#) 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 to live and work, and in which to create, operate, and grow businesses within the innovation ecosystem.

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