



MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL

Dedicated to Growth... Committed to Action

August 9, 2023

State Government News & Public Policy Updates

FY24 Budget Finalized

Last week, the House and Senate finalized the FY24 budget and sent it to the Governor's desk. Today, the Governor signed the \$56 billion budget into law, representing a more than 6% increase in spending over the FY23 budget.

Of note, the budget details how the expected \$1 billion in revenue from the new income surtax will be spent, dedicating \$524 million to education initiatives and \$477 million to transportation projects, including funding for school building projects, community college scholarships for adult learners, MBTA safety and infrastructure, and local road projects. The final budget also includes increased funding for career pathways and workforce training programs.

Unfortunately, the budget includes a measure that will exclude the new income surtax revenue from the voter-approved statutory limit on the growth of state tax revenue (Chapter 62F). Last year, Chapter 62F triggered the return of nearly \$3 billion to taxpayers and this change will make it less likely that Chapter 62F will be triggered going forward.



Tax Reform Stalls on Beacon Hill

The Legislature has yet to finalize a tax reform package and seems unlikely to do so before September. The FY24 budget signed by the Governor does set aside \$580 million for tax relief measures and House and Senate leadership maintain that tax relief is a priority.

The High Tech Council continues to advocate with the Legislature for a tax reform package that addresses the Commonwealth's status as a national outlier on high taxes by increasing the estate tax threshold, reducing the short-term capital gains rate, and adopting a single sales factor apportionment.

You can read the High Tech Council's letter to the House and Senate members negotiating the tax reform legislation [here](#).



2024 Ballot Question Landscape Begins to Take Shape

Last Wednesday was the deadline for proposed 2024 ballot questions to be filed with the state Attorney General's office. Forty-two proposals were filed, covering a range of topics. Of particular concern is a question filed by the Massachusetts Teachers Association that would end the use of the MCAS exam as a high school graduation requirement for Massachusetts students. The High Tech Council stands firmly opposed to this proposal, which would jeopardize the futures of Massachusetts high school graduates, endanger the state's standing as a national leader in education, and put the state's economy at a further competitive disadvantage. See the High Tech Council's statement [here](#).



Other notable proposals include questions that would allow Lyft and Uber drivers to continue to be classified as independent contractors, a 'tenant protection' question that includes a rent control provision, and a question to gradually increase the state's tipped wage to align with the minimum wage. The High Tech Council will closely monitor these proposals as they make their way through the ballot referendum process.

MHTC News & Updates

You're Invited! Assessing State Competitiveness with CNBC's Scott Cohn & MHTC Board Chair Dr. John Lee, CEO of MKS Instruments, on 8/15

CNBC's highly anticipated [2023 Top States for Business Rankings](#) has been released, and Massachusetts has reason to celebrate its progress. Climbing the ranks, the state secured the 15th position overall, a remarkable improvement from last year's 24th place. Notably, Massachusetts claimed the top spot in the coveted Technology and Innovation category, highlighting our thriving innovation economy and highly skilled workforce.

While the 2023 rankings showcase Massachusetts' strengths, it also brings attention to areas that require urgent attention from state policymakers. Massachusetts, renowned for its educational excellence, now stands at a crossroads, relinquishing its long-held top Education position for the first time since 2014. The rankings also emphasize the Commonwealth's continued struggle in categories like the Cost of Doing Business (49th) and the Cost of Living (47th), serving as a call to action for fostering cost-competitiveness and affordability for both businesses and residents, especially given the noticeable outmigration to more cost-effective states in recent years.

Interested in learning more?

Next [Tuesday, August 15 at 12:00 p.m. ET](#), CNBC Special Correspondent **Scott Cohn**, the creator of the network's influential annual study, will join the High Tech Council again along with **John T.C. Lee, Ph.D.**, President and CEO of MKS Instruments and Chair of the Council's Board of Directors, to analyze the 2023 results, dissect Massachusetts' performance, and discuss the way forward. Together, they aim to unravel the factors behind Massachusetts' rise and the imperative steps needed to ensure a thriving and competitive future for the state.

Don't miss this opportunity to gain valuable insights into Massachusetts' economic landscape and the road ahead. [Register now](#) to secure your spot!



ICYMI: Cohn's Compelling Presentation at the 2023 Annual Meeting

Ahead of the release of the 2023 results, Cohn spoke about state competitiveness at the High Tech Council's Annual Meeting in June. If you haven't had the chance to watch his insightful presentation, we have you covered! Access it [here](#).

Chris Anderson & Fellow Former Chairs of the State Board of Education Weigh in on Massachusetts Education Reform

In recognition of the 30th anniversary of the historic Massachusetts Education Reform Act of 1993 last month, High Tech Council President and former Chair of the Massachusetts Board of Elementary and Secondary Education, Chris Anderson, along with fellow past Chairs, reflected on the progress and challenges of our state's education system in a *Boston Globe* Op-Ed. Together, they shed light on the remarkable strides our state's education system has made and the vital work that lies ahead to fulfill our commitment to equity in education.

In this thought-provoking piece, the former State Board of Education Chairs advocate for the creation of Ed Reform 2.0—a comprehensive approach encompassing quality, universal early childhood education; after-school and summer enrichment opportunities guaranteed for all; personalized learning plans for every student; school-to-career pathways; early college initiatives; project-based applied learning; and many more strategies to enrich opportunities, learning, and the health and well-being of our children.

Learn more about their call to action and what they believe the state must do to uphold its commitment to equity in education [here](#).



MHTC in the Media

Stay up to date with the following selection of recent media coverage.

[Massachusetts Teachers Association board backs ballot measure that would remove passing the MCAS as a graduation requirement](#), Boston.com, August 8, 2023

[Healey stays out of ballot question, legislative audit fray](#), State House News Service, August 8, 2023

[Teachers Union Doubles Down On Killing Test Required For Graduation](#), Daily Caller, August 7, 2023

[Massachusetts Teachers Association to launch ballot campaign aimed at ending MCAS graduation requirement](#), *The Boston Globe*, August 6, 2023

[The name, image and likability of Charlie Baker | Ballot Battles](#), POLITICO Massachusetts Playbook, August 4, 2023

[MCAS ballot question: Education groups gear up for contentious campaign](#), *The Boston Herald*, August 3, 2023

[Fight to streamline corporate taxes heats up on Beacon Hill, with some blue-chip companies opposed](#), *The Boston Globe*, July 6, 2023

OUR MISSION

The Massachusetts High Technology Council, Inc. is an organization of CEOs and senior executives representing technology companies, professional services firms, and research institutions who are dedicated to creating and sustaining 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 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 in the innovation ecosystem.

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

