



**MASSACHUSETTS  
HIGH TECHNOLOGY  
COUNCIL**

# *HIGH TECH NEWS*

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## **Romney Outlines Vision at Council Annual Meeting Council Sets Bold 2003 Policy Agenda**

**In this issue:**

**Romney Meets  
Council ...**

**On February 26, 2003, Governor Mitt Romney addressed 150 technology leaders at the Council's 26<sup>th</sup> Annual Meeting.** During his keynote address, Romney promised to keep Massachusetts more competitive by holding the line on taxes, reforming government and focusing on education, particularly in efforts to increase the number of math and science teachers.

**Officers, Directors  
Elected ...**

The Council's slate of officers and directors was also unanimously approved by the membership. **George Chamillard, Chairman and CEO of Teradyne** stays on as Chairman, with **Level 3 Communications Executive Vice President Paul Gudonis** remaining as Vice Chair. **MKS Chairman and CEO John Bertucci** is the new Council Treasurer and **Goodwin Procter Senior Partner Paul Gauron** returns as Secretary. In all, the Council members elected 30 directors.

**Chairman  
Chamillard  
Reviews 2003,  
Looks Ahead ...**

George Chamillard provided the Chairman's remarks and recapped the Council's successes of 2002 including the passage of the budget growth limit and the progress made in securing a new delay-reduction runway at Logan Airport. Chamillard also indicated that 2003 would be a challenging year for technology employers, but emphasized the long-term strength of the Massachusetts technology economy and enumerated the benefits to doing business in the Bay State.

**"No Sacred  
Cows..."**

Chamillard praised Romney for his early handling of the budget crisis and his related efforts to transform state government. "He has not only proposed to tinker on the margins – he has outlined a bold vision for reconstructing both the perception and reality of state government and its services. There are no sacred cows – and the excuse 'that's not how it's done around here' is not in his team's vocabulary."

**2003 Objectives  
Approved by  
Directors ...**

**Council President Chris Anderson** introduced Romney, and thanked him for his support of Council initiatives and the strong level of communication already enjoyed with his Cabinet members. Anderson stressed that continued cooperation with Romney was essential to making progress with the Council's **2003 Highest Priority Public Policy Objectives**, which were approved by Council directors immediately before the Annual Meeting.

<p><b>Romney: Govt. Management Key to Strong Economy ...</b></p>	<p>In Romney's keynote address to the Council membership and in a private meeting with Council directors prior to the Annual Meeting, Romney reiterated his appreciation for the work of the Council and the technology industry's efforts to propel the economy. He spoke of his proposed government reforms that will improve Massachusetts's ability to sustain and expand our tech economy. Romney told Council members that solving the budget problem was essential for a stable and competitive business climate. "We need to manage ourselves well as a state government so we don't pass on financial burdens to you and your employees."</p>
<p><b>New Office of Business &amp; Technology ...</b></p>	<p>Romney announced at the Annual Meeting that he is revamping the state's <b>Department of Economic Development</b> into the new <b>Office of Business and Technology</b> to be headed by former <b>Boston Consulting Group consultant Barbara Berke</b>. The Council called for the creation of this office last fall as a key component of the Science and Technology Initiative. Other competitor states such as Colorado and Virginia have technology officers charged with charting a knowledge-based economic strategy for the state and to act as a top-level liaison to the technology community. The work of these tech officers has helped <b>Virginia and Colorado</b> become much more competitive, in many cases eating into Massachusetts's advantages.</p>
<p><b>Romney to Make ITC Permanent ...</b></p>	<p>While promising to hold the line on taxes, Romney also announced that he will support making permanent the <b>Investment Tax Credit (ITC)</b> which is currently scheduled to sunset on December 31, 2003. The ITC is a valuable tool to encourage business investment by providing a three percent credit for commercial investment. While Romney did not include ITC language in his budget, the Council has been assured by the Administration that a formal bill to preserve the ITC will be filed shortly.</p>
<p><b>UMASS Needs Five-Campus System ...</b></p>	<p>Romney's budget submission has been termed by both supporters and critics as "bold" and "creative." The Council strongly supports many of Romney's initiatives and his strong anti-tax stance. However, the Council differs with part of his effort to improve the <b>University of Massachusetts's</b> five-campus system. The Council believes that retaining a networked system of campuses is crucial to continuing improvements that transform UMASS into a world-class public university system with strong research and development and technology workforce creation capabilities. On February 27, Chris Anderson joined Governor Romney and advocates in support of his proposed budget at a State House press conference. Anderson said: "Governor Romney's budget plan proves that there are other means to solving a fiscal challenge than automatically raising taxes. By holding the line on new taxes and spending increases, and supporting the Governor's bold reform agenda, we have a unique opportunity to provide stability for the state's employers and families by ending forever the boom-and-bust budget cycle that haunts Massachusetts every decade."</p>
<p><b>Strong Progress on MCAS ...</b></p>	<p><b>On March 4, Romney and Education Commissioner David Driscoll announced that 90 percent of high school seniors have passed both the math and English portions of the MCAS</b>, which for the first time is required to earn a high school diploma. The remaining 10 percent of students still have another opportunity to retake the test in May, and have access to tens of millions of dollars worth of remediation programs. The Council would like to take this opportunity to congratulate the state's teachers, administrators, policy makers and most of all the students of the Class of 2003 for making the remarkable progress to ensure that high school graduation guarantees students have the basic skills to compete in the global economy.</p>

**Workers' Comp  
Hikes Make  
Council SIG  
Good Option ...**

In late February, insurance companies proposed a nearly 11 percent increase in workers' compensation rates for 2003. While the Division of Insurance has not yet approved a new rate, there will likely be an increase this year. Rates had been level since 2000 after a near 50 percent drop in employer costs since the workers' comp reform of 1991. With this increase on the horizon, Council members should explore the savings opportunities available through the **High Tech Self-Insurance Group** (High Tech SIG). Since its formation in 1994, the High Tech SIG has saved participating Council members an additional 50 percent off their workers' comp costs. Combined with the reductions in costs from the 1991 reforms, participating Council members have lowered their workers' comp costs by 75 percent. With **FutureComp** to manage the High Tech SIG, and higher insurance costs after 9/11, the Council's SIG is more attractive than ever. Please call 781-890-6482 for more information.



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*Dedicated To Growth ... Committed To Action*

**2003 HIGHEST PRIORITY  
PUBLIC POLICY OBJECTIVES**

**FISCAL/ECONOMIC POLICY**

- Ø Work with Governor Romney and his cabinet as a conduit to diverse technology community to develop and implement specific competitive economic growth policies
  - Create state economic development roadmap with science/technology focus
  - Work with Gov. Romney's Regional Competitiveness Councils
  - Help state identify and foster collaborative projects of industry and academia that lead to technological advancement and job creation (NSF, NIH supported projects)
- Ø Maintain/enhance long-term state Budget Growth Limit enacted in 2002
- Ø Oppose new/higher taxes, protect competitive policy gains
- Ø Make Unemployment Insurance system more competitive for employers
- Ø Enhance/expand Research & Development tax credit program

- Ø Federal: Work to maintain the viability of broad-based employee stock option plans

## **INFRASTRUCTURE**

- Ø Work to reduce commuter travel issues by devising a competitive transportation infrastructure plan that reflects current and future economic considerations (new Rt. 93 Interchange)
- Ø Make Logan and regional airports safer and more efficient
  - Work with Massport's Technology Security Council
- Ø Implement necessary energy restructuring enhancements (legislative and regulatory) that benefit all Massachusetts energy consumers

## **WORKFORCE DEVELOPMENT/EDUCATION**

- Ø Support the Science and Technology Initiative in collaboration with other organizations
  - Help position the University of Massachusetts as the "Berkeley of Massachusetts"
- Ø Increase the pipeline of scientists and engineers to meet state's future job growth needs
  - Work to improve math and science instruction in public K-12 system (EiMC, YTE)
  - Maintain overall competitiveness of the state's K-12 system

## **HEALTH CARE**

- Ø Join together health care stakeholders to provide a more cost-effective and economically vibrant health care delivery system
  - Support New England Health Initiative (NEHI), *Why Care?* Initiative, and Romney health care bureaucracy restructuring efforts
- Ø Support reform of medical malpractice insurance/tort system

### ***Ongoing High Technology Council Programs:***

- Operate High Tech Energy Cost-Savings Programs
- Operate High Technology Workers' Compensation Self-Insurance Program

*Approved by the Council's Board of Directors at its 26<sup>th</sup> Annual Meeting on February 26, 2003*

