

New England Updates

Second Quarter 2006

by Ricardo Borges

Across the Region

Health Insurance

In April, Governor Mitt Romney signed legislation intended to make health insurance available to all Massachusetts residents within three years. The law requires every resident to purchase health insurance by July 1, 2007, and offers several provisions to help those for whom health insurance is currently too expensive. First, state calculations estimate that, of the approximately 500,000 uninsured individuals in the state, about 100,000 are currently eligible for Medicaid benefits. Second, the approximately 200,000 residents who make less than 300 percent of the federal poverty level (FPL) but are not eligible for Medicaid will receive premium assistance on an income-based sliding scale. Third, another 200,000 individuals with incomes above 300 percent of the FPL will be able to purchase lower-cost policies in the private market. Premium assistance will be financed by redirecting a portion of the \$1 billion currently spent by the state on medical care for the uninsured. Finally, the legislation also aims to help consumers make informed health-care choices by collecting and publishing data on various health insurance alternatives.

In May, Governor Jim Douglas signed health-care reform legislation that launches cost containment provisions for Vermont residents with health insurance and extends affordable coverage to state residents currently without it. Low-income, uninsured Vermonters with access to employer-sponsored insurance will be given a subsidy to pay for the insurance plan available to them. Those without access to a plan will be offered a Catamount Health policy, a new, lower-cost private health insurance. Catamount Health premiums range from \$60 month for individuals with household incomes of less than 200 percent of the FPL to \$135 per month for individuals with household incomes between 275 percent and 300 percent of the FPL.

Flood Assistance

The U.S. Small Business Administration approved disaster-declaration requests from Maine, Massachusetts, and New Hampshire in response to severe storms and flooding in May. Many homes and businesses suffered. Homeowners, renters, property owners, businesses, and nonprofit organizations located in selected counties have applied for physical-damage disaster loans. Small businesses have also applied for economic-injury disaster loans. The Finance Authority of Maine (FAME) has also tailored two loan programs to meet the immediate needs of businesses affected by flooding in southern Maine.

Identity Theft Alert for Veterans

In May, the federal government announced the loss of sensitive personal information for more than 26 million U.S. veterans. Veterans were urged to check their credit report for fraudulent activity for free at www.AnnualCreditReport.com and consider placing a fraud alert on their credit files at the three national credit bureaus. The Federal Trade Commission has detailed instructions on placing fraud alerts at its web site, www.ftc.gov. In Connecticut, Governor M. Jodi Rell directed a special

Identity Theft Information Team to conduct identity theft prevention seminars for veterans. She also directed the state Veterans Affairs Commissioner, Linda S. Schwartz, to make recommendations on ways to enhance personal data security. In Maine, Governor John Baldacci signed LD2017 and LD1835, bills designed to strengthen the protection of personal data by educating residents and providing for notice of debit-card holds, the process by which financial institutions or vendors put a hold for a certain dollar value on an account to ensure that the customer has sufficient funds to pay for a pending purchase. In New Hampshire, Governor John Lynch signed Senate Bill 334, which will allow victims of identity theft to ask their credit-reporting agency for a “credit freeze.”

State Highlights

CT Connecticut

In April, the state received a \$100,000 grant to help kick off a national initiative aimed at more fully integrating economic and workforce development with education. A regional partnership in Southwestern Connecticut, convened by the Work Place, Inc., was selected to be part of a national demonstration project. The partnership’s proposal builds on the “One Coast, One Future” initiative, a consortium formed by the Bridgeport Regional Business Council and the Business Council of Fairfield County to strengthen the alliance between the region’s business centers for their mutual benefit.

In June, Governor M. Jodi Rell announced an additional \$10 million in state funding for Connecticut’s Housing Trust Fund. Signed into law in December 2005, the Housing Trust Fund for Economic Growth and Opportunity is designed to help create housing for low- and moderate-income working families by providing critical gap financing in the form of loans and grants. The \$100 million Housing Trust Fund is funded through state General Obligation bonds, providing a maximum of \$20 million per year for five years to create additional housing throughout the state. The authorization of \$10 million in bond funding will fulfill the state’s financial commitment to the program for 2006. The State Bond Commission approved an initial \$10 million in December 2005.

ME Maine

In April, Governor John E. Baldacci signed LD235, giving everyone earning minimum wage a pay raise. The bill will raise Maine’s minimum wage to \$6.75 an hour, effective October 2006, and to \$7.00 an hour, effective October 2007.

In April, the state awarded \$315,000 in Maine Microenterprise Initiative grants from the Department of Economic and Community Development. The grants will be used by Maine’s microenterprise community to provide business skills training, coaching, and peer-to-peer learning opportunities. Approximately \$159,550 is going to the Maine Small Business Development

Centers; \$75,000 is going to the Maine Centers for Women, Work, and Community; \$34,500 is going to Waterville Main Street; and \$45,950 is going to the Sunrise County Economic Council.

MA Massachusetts

In April, State Treasurer Timothy P. Cahill and Citizens Bank of Massachusetts announced a public-private partnership that will make a \$25 million loan pool available to low- and moderate-income businesses across the state. The program was developed as part of the treasurer's Job Growth Task Force, established in February 2005 to propose strategies for creating and retaining jobs in Massachusetts. Under the program, qualified businesses can receive loans ranging from \$100,000 to \$500,000 at an interest rate below the market rate.

The Massachusetts Housing Finance Agency announced in April that low- and moderate-income residents of Martha's Vineyard, some of whom have struggled with increasingly high rents on the summer island vacation spot, will soon have a new affordable housing option, Pennywise Path. The new Edgartown housing development will consist of 60 units of mixed-income, multifamily rental housing and will be built with \$10 million in financing from MassHousing.

NH New Hampshire

In May, Governor John Lynch signed legislation that will help communities rebuild from damage caused by the October floods. The legislation, House Bill 1767, would allow the state to purchase property located in Alstead, Langdon, and Walpole that was severely damaged or destroyed by the floods. The property would be purchased at the preflood assessed value minus the total amount of financial aid the property owner received, such as federal disaster aid or insurance payments. No property owner would be required to sell.

RI Rhode Island

In April, Providence Mayor David N. Cicilline introduced a five-year housing plan called, "Create, Preserve, Revitalize," which includes streamlining the permitting process and waiving fees for developers of affordable housing, setting goals for more affordable units, allowing developers to build higher and denser in return for contributions to the city's Affordable Housing Trust, and challenging businesses to create housing-assistance programs for their employees. The plan included the launch of two initiatives on May 1, 2006. The first extended the City Home Program to middle-income families. Residents buying a home through the program can get an interest-free loan that does not have to be repaid until the house is sold. The other program created a revolving fund to help community development corporations buy land to build housing.

In April, Rhode Island Attorney General Patrick G. Lynch told state taxpayers who are eligible for income tax refunds to avoid any offers that promise instant refunds, which tax preparers call refund anticipation loans, instant money, rapid refunds, or immediate refunds. He explained that these are short-term loans that charge exorbitant interest rates. The attorney general referenced a

release by the National Consumer Law Center and the Consumer Federation of America that says that about 40 percent of those getting refund anticipation loans are filing for Earned Income Tax Credits (EITC) —payments available to some low-income workers—even when they do not owe income taxes. He added, that when fees for tax preparation, electronic filing, check cashing, and the loan are tallied, almost \$270 is subtracted from the average \$1,600 EITC refund.

VT Vermont

In May, Governor Jim Douglas signed legislation aimed at protecting consumers from paying too much for petroleum products at the pump and at home. The new law protects consumers entering into guaranteed price plans and prepaid contracts with dealers who sell home heating oil, kerosene, or liquefied petroleum gas by requiring the terms of the contract to be fully and clearly disclosed in writing.

In May, the federal Environmental Protection Agency (EPA) awarded eleven grants totaling \$3 million to Vermont communities to help revitalize former industrial and commercial sites. The funding will help pay to assess, clean, and redevelop abandoned, contaminated parcels known as brownfields. Brownfields are sites where contaminants may be impeding revitalization. The EPA also issued Vermont a Revolving Loan Fund grant to create a funding source for low-interest loans to property owners undertaking brownfield cleanups.