

New England Updates

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Across the Region

In July, the federal government approved a prescription-drug-buying collaborative that allows the states of **Maine**, **Vermont**, and Iowa to pool their Medicaid drug orders for the purpose of driving down the prices they have to pay manufacturers. The collaborative, known as the Sovereign States Drug Consortium, is the nation's first state-administered Medicaid supplemental drug rebate pool. Although the federal government is barred from entering into such negotiations itself, the national Centers for Medicare and Medicaid Services have approved the states' arrangement. The consortium began buying drugs last November, saving Maine \$1 million to date, and is projected to save Vermont \$4 million this year.

New England received assistance for agricultural losses resulting from heavy rains in the spring and summer. The U.S. Department of Agriculture gave natural disaster designation to **Vermont** in June and to **Connecticut** and **Rhode Island** in August, making farmers eligible for low-interest emergency loans. In June, Vermont allocated \$8.9 million in state funds to help local farmers who have been affected by heavy rains, low milk prices, and high fuel costs. In July, the U.S. Small Business Administration designated five Connecticut counties (Fairfield, Hartford, Litchfield, Middlesex, and New Haven) disaster areas because of June flooding, making affected homeowners, renters, and businesses eligible for the agency's low-interest loans.

State Highlights

CT Connecticut

In July, the state announced a new program to provide financial aid to Connecticut's struggling dairy farmers. The Dairy Farm Reinforcement Program is designed to help offset financial losses related to federal price controls and high energy costs. The program consists of grants, loans, loan guarantees, help with energy conservation, and a call for the Milk Regulation Board to propose new legislation to improve the long-term viability of dairy farmers. Governor M. Jodi Rell noted that the dairy industry in Connecticut has declined from 367 farms and eight milk-processing plants in 1990 to 165 farms and five milk-processing plants today. The dairy industry employs 2,200 people in Connecticut and produces approximately 50 percent to 60 percent of the milk consumed in the state.

Governor Rell signed a bill in August establishing an office to help identify, clean up, and redevelop brownfield sites. This one-stop shop will help current and potential owners of brownfields to apply for state funds and comply with state and federal clean-up requirements. The bill also cre-

ates a task force to develop long-term solutions for dealing with brownfield sites. More information can be found at www.ctbrownfields.com.

ME **Maine**

Governor John Baldacci signed LD 1987, An Act to Increase Awareness of Prescription Drug Pricing, in June. The law provides consumers with easy access to price comparisons of prescription medications across different pharmacies in the state.

The state's Creative Economy Council unveiled Maine's Creative Economy Community Handbook and a report on the state's creative economy in June. The report defines the creative economy as including artists, artisans, performers, architects, software engineers, entrepreneurs, researchers, and financiers. The creative economy comprises 8.3 percent of Maine's workforce, or 67,446 people, who earn an average of \$48,557 per year—33 percent higher than the state average of \$32,661. The report makes several recommendations for sustaining job and economic growth in the sector, including increasing the state's research and development activity, improving infrastructure, investing in the creative workforce, and supporting art education, downtowns, and creative partnerships. The Council's handbook provides the tools and knowledge necessary for communities to start or expand the creative economy at the local level.

To view the handbook and report visit <http://www.econdevmaine.com>

Maine launched a statewide 2-1-1 telephone help line in July, which will provide individuals with easy access to information about health and social services. Maine is the 15th state to offer 2-1-1 service to the entire state and the seventh to offer that service 24 hours a day, seven days a week. The 2-1-1 program is a public-private partnership between the State of Maine, the United Way, and several nonprofit and community partners.

MA **Massachusetts**

In July, the federal government agreed to continue a Medicaid waiver program that is a critical financial underpinning of the state's new universal health insurance program. As a result of the agreement, the Commonwealth will continue to receive \$385 million annually over the next two years to subsidize coverage of low-income residents. The agreement also provides the state \$225 million annually to expand Medicaid coverage for state residents.

In July, the state made available \$700,000 in discretionary funding to faith-based and community organizations in Boston to help stem violence in the city. Organizations were told that they could apply for the funding on an expedited basis and the state would review applications to ensure that all state and federal guidelines are met. This funding is on top of \$3 million to pay for similar programs that Governor Mitt Romney asked the legislature to approve in June and is still pending.

Governor Romney signed legislation in August to expand the residential options of low-income elders and disabled individuals. As a result, more people will be able to stay in their homes and communities, rather than rely exclusively on nursing homes. MassHealth currently spends about \$1.6 billion per year to care for about 32,000 individuals, or 70 percent of all residents in nursing facilities. The Equal Choices law permits flexibility to spend the money on care in a home or community setting. The legislation also provides preadmission counseling for all MassHealth members and private payers seeking admission to a long-term-care facility. The bill is expected to save about \$134 million over the next five years because community-based services are less costly than nursing facilities.

NH New Hampshire

In September, the Community Development Finance Authority (CDFA) began requesting applications from qualified organizations for participation in the Community Development Investment Program (CDIP). CDIP is a tax-credit program for affordable housing and community/economic development projects that are sponsored by nonprofit organizations, cooperatives, and certain municipal entities. During the application round, the CDFA Board could award up to \$6.3 million in state tax credits over fiscal years 2007, 2008, and 2009. Assistance may be in the form of a grant, loan, credit enhancement, equity investment, or some combination. The application deadline is November 20, 2006. For more information visit <http://www.nhcdfa.org>.

In August, the New Hampshire Main Street Center (NHMSC) awarded \$357,120 to nine designated Main Street Communities for projects that will help improve economic conditions in their downtowns. The funds come from a federal grant from the U.S. Department of Housing and Urban Development. For each federal dollar, the projects leverage nearly \$13 in private investment and an additional \$4.75 from other public monies, for a total estimated private investment of over \$4.6 million. NHMSC helps 19 Main Street Communities strengthen their downtown areas by promoting historic preservation and public-private partnerships.

RI Rhode Island

In July, Governor Donald L. Carcieri signed the Rhode Island Home Loan Protection Act, anti-predatory legislation that establishes fee thresholds and other protections for borrowers. The new law sets restrictions on how lenders are permitted to collect fees and points on high-cost loans. Any loan that meets the high-cost criteria would now automatically require that the borrower obtain credit counseling. The law also prohibits lenders from extending high-cost home loans to borrowers without verifying the borrower's income and ability to pay. The safeguards are aimed at protecting consumers who have less-than-perfect credit from taking on mortgages they cannot afford and losing their houses to foreclosure. The Governor cited research from the Center for Responsible Lending that found predatory lending costs Rhode Islanders about \$65 million a year. With the law's passage, Rhode Island becomes the 32nd state in the country to enact an anti-predatory-lending law.

In August, a new collaborative was announced that will help minorities and non-native English speakers improve their financial literacy by teaching skills in English-language reading, writing, speaking, math, and accounting. Project FLIP (Financial and Functional Literacy Incentive Program) is a joint effort of Rhode Island College and the Northern Rhode Island Chamber of Commerce. The program targets northern Rhode Island because of its lack of financial training programs and large percentage of residents with limited English-speaking skills. The 50-week English-language program includes 24 weeks of functional and financial literacy classes intended to help students acquire the necessary levels of math and general accounting skills.

VT Vermont

In July, the state announced approximately \$1.5 million in public grants that are expected to leverage over \$16 million in other resources to support housing projects. The Vermont Community Development Program grants will help create new housing units, rehabilitate existing housing units, and promote plans for future housing opportunities. The largest award, amounting to \$695,000, will be used to create 29 new units and preserve eight units of affordable housing in two locations in Brattleboro. The new units will be created in an existing building, which will be readapted for a mix of housing and office space.

In August, the Vermont Housing Finance Agency (VHFA) unveiled a \$10 million mortgage loan initiative to help low- and moderate-income consumers buy homes and provide incentives for developers to create more housing in communities designated for residential growth. The mortgage loans are 30-year mortgages with a 4.75 percent fixed interest rate. The program is accompanied by the launch of two new insurance products for VHFA borrowers by the Mortgage Guaranty Insurance Corporation: a job-loss protection benefit offered at no cost to VHFA borrowers; and, for qualified buyers, low-cost mortgage insurance that carries a premium approximately 35 percent below conventional programs.