

WEDNESDAY, AUGUST 10

Executive Committee

Closing Business Session

7:30 a.m.-8:30 a.m. | Porte Kent, First Floor

Farewell Breakfast

8:30-10:00 a.m. | Porte du Palais, First Floor

SAVE THE DATE

The Council of State Governments Eastern Regional Conference 57th Annual Meeting and Regional Policy Forum will be held Aug. 13-16 2017 in Connecticut.

A Regional Partnership for Shared Prosperity

Maine Gov. Paul LePage has been concerned that, when it comes to trade, the states in the Eastern region of the U.S. has looked south too much and north too little.

"It's just a border that divides us," LePage said during Tuesday's luncheon plenary session. "We, the states, have to learn to do a lot more with Canada."

The plenary session featured a conversation with LePage and Philippe Couillard, premier of Quebec; the theme was "A Regional Partnership for Shared Prosperity."

To that end, both LePage and Couillard discussed the many commonalities between the regions in Canada and the U.S.

Couillard said the U.S. and Canada share many things in common. He said not only are the countries friends and business partners, but also allies. That's important in a world where security is a growing concern.

But Couillard stressed that trade relationship is critical to both countries. "The question of markets remaining open is very critical to us," he said. "What's threatening jobs is not opening market, it's closing markets."

He said 47 percent of Quebec's GDP is based on exports, and the province does more than \$24 billion in trade with states in the ERC region.

He said while those trade markets are important, he'd also like to see the two countries build on other assets, including energy and lumber. Couillard said Quebec has hydroelectric power available for trade and stresses it is energy from an ally. "That's important to repeat in today's world."

LePage agreed that the U.S. and Canada have common interests in many industries, and laments decisions made decades ago regarding hydroelectric power in the U.S.

"Today we are watching with envy the low cost of energy in Quebec," he said.

New England, LePage said, has the highest energy costs in the U.S. and one reason is the decisions made in the 1970s and 1980s with regard to hydroelectricity. "We were fighting it and decided to go a different direction," he said.

LePage said states in the Eastern region need more predictable taxes and regulations before they can compete with energy states like Texas and North and South Dakota.

Couillard said the solution for job creation will be based on innovation and the knowledge-based economy, so the ability for students to go back and forth between the countries is important. That's why the efforts to expand customs preclearance are so important, he said.

People are concerned about security issues, he said, but "at the same time, they have to make sure goods and people can travel from one country to another."



Maine Gov. Paul LePage, left, and Quebec Premier Philippe Couillard discussed the important relationship between the U.S. and Canada Tuesday. Photo by Sebastian Marquez

Speakers Say State, Provincial, Local Actions Must Drive Climate Agenda

When biologist and documentary filmmaker Jean Lemire first sailed the Northwest Passage in 2002, it was a stop-and-go affair with Arctic ice setting the pace. When he repeated the voyage in 2014, it was a straight, nonstop shot.

Trips like Lemire's, video from space and dramatic footage of polar bears struggling to survive in a vanishing habitat have provided the visual fabric that has helped global leaders agree to a treaty to lower carbon emissions. But in the end, a panel said, actions by state, provincial and local governments are needed to ultimately reach the goal.

That's because while agenda items, such as mileage standards and EPA-imposed clean air standards, are important, they alone can't get the job done.

Massachusetts Senate President Pro Tem Marc Pacheco, who rides AMTRAK up and down the East Coast, said it's time for those governments to step up to the plate. Pacheco moderated a Tuesday panel discussion on how changes in the Arctic are changing lives throughout the hemisphere and world.

"When you ride through Rhode Island and parts of Connecticut and New York, you can look out and say, 'Boy, we have a problem,'" he said. "We have done this to ourselves and we have to solve it."

Massachusetts is viewed as a leading state in setting carbon emission reduction standards. But in many states, especially in the Midwest, efforts to cut carbon emissions are often met with stiff opposition and dire predictions that changing fuel sources will lead to economic ruin.

"It isn't a choice between the ecology and the economy," Pacheco said. He noted that 2.5 percent of Massachusetts' gross state product is generated by the clean energy sector. "You can have both."

David Heurtel, Quebec's minister of sustainable development, environment and the fight against climate change, agreed. He said meeting the province's aggressive carbon reduction goals is expected to generate \$3.3 billion in economic activity in the province by 2020 as it moves to its interim goal of cutting emissions by 20 percent from 1990 levels.

Education, Lemire said, is a key to driving changes. During his voyages, he talked to classes via satellite about what his ship was encountering and that kind of messaging is effective.

Bilateral Agreement Benefits Canadian Farmers, Laborers from Mexico, Tour Illustrates

Migrant farm labor is sometimes a source of friction in the U.S., but a bilateral agreement between Canada and Mexico provides a steady source of labor that benefits farmers and farm workers, members of the ERC Agriculture Committee learned as they toured farms at the Ile d'Orleans Tuesday.

Committee members visited a dairy farm and got a look at Canada's produce farming during their visit to the island.

Guy Pouliot, an 11th generation farmer who operates a produce farm, said the arrangement provides him a stable seasonal labor force as about 96 percent of 165 workers who work at his 135 acre farm return year after year.

"They do not work as many hours as they do in Mexico," he said. "And when they go home, they bring back about three years' worth of pay there."

The work does have hardships, though. For

instance, workers leave their families behind when they head north for up to eight months at a stretch.

They benefit, however, by Canadian labor laws and the nation's national health system while they're in the country.

Ile d'Orleans, located just outside Quebec City, is an important source of produce for Canada. As an example, Pouliot said the island produces about 30 percent of Quebec's strawberries. The province produces about 51 percent of the country's berries.

In addition to production for domestic consumption, Pouliot said his farm also exports some of its produce to the U.S. Using migrant labor has other benefits, too, he said.



Dr. Mark Alan Hughes talks about climate change in Tuesday's plenary discussion. Other panelists were Massachusetts Sen. Marc Pacheco, U.S. Ambassador to Canada Bruce Heyman, Jean Lamire and Dr. Louis Fortier. Photo by Sebastian Marquez

"(Students) would go home and talk to their parents, and get them to change," he said.

While much of the science is long-established, Laval University professor Louis Fortier said part of the challenge is translating the science into something policymakers can use. Fortier's ArcticNet organization studies the effects of climate change along Canada's North Coast on everything from wildlife to human health and culture.

"I had to drag the scientists kicking and screaming from their ivory towers to put things in plain language," he said. "But the young scientists and students see science as a way to solve problems."

— Patrick Jackson



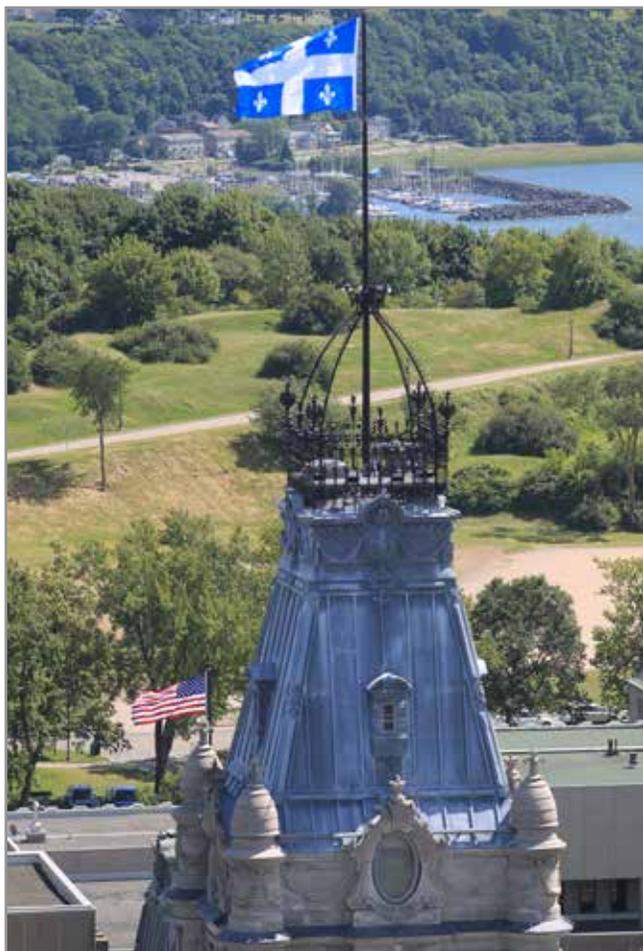
New Hampshire Rep. Tara Sad, who is retiring this year, presided at the dairy panel for the Agriculture Committee Monday, joined the group visiting the Ile d'Orleans Tuesday afternoon. Photo by Sebastian Marquez

It allows the farm to employ about 20 workers in support capacities and two employees to perform research functions.

"If it weren't for them," he said. "We would not be able to have researchers, which are a luxury, but have proven valuable to our farm."

— Patrick Jackson

GLOBAL CHALLENGES, REGIONAL SOLUTIONS



Clockwise from top left: The National Assembly of Québec flew the American flag over the Parliament Building in recognition of the 56th Annual Meeting and Regional Policy Forum Tuesday. ERC Co-Chairs Québec MNA Guy Oueltette and MNA Guy LeClair, at right, presented gifts to Québec Premier Philippe Couillard, left, and Maine Gov. Paul LePage. Members of the Québec staff – Mériem Lahouiou, Catherine Pelletier, Noémie Cimon-Mattar, Guylaine Chevalier, Simon Bérubé, Josée Dion, Aline Meunier, Catherine Vachon and Jean-Francois Provencal – have worked hard this week with members of the ERC staff to ensure a successful meeting. Marc Pelka, senior policy analyst on State-Based Criminal Justice Policy with the CSG Justice Center, discussed Justice Reinvestment at CSG Justice Center meeting Tuesday morning. Puerto Rico Rep. Rafael Hernandez Montanez, chair of the Finance and Budget Committee, discussed the island's debt crisis at the Fiscal Roundtable/ Budget & Tax Chairs Committee Tuesday afternoon. Photos by Sebastian Marquez

States Taking Bold Steps to Normalize Cost Drivers, Including Prescription Drugs

The rising cost of health care is hitting hard across North America, both in houses of government and at home, around the kitchen table, where the cost of vital prescription drugs can too often make or break a household budget.

From 2001 to 2011, health care spending by states jumped a staggering \$5.1 billion across America, an increase of 59 percent. Just as families might be forced to sacrifice a summer vacation as medical bills mount, states have cut \$4 billion in spending in other vital areas like education, housing, public safety and mental health, in order to compensate for the spike in health care costs.

It's not a sustainable model, and states are increasingly taking bold steps to attempt to normalize cost drivers, specifically prescription drug costs.

Earlier this year, Vermont became the first state in the U.S. to pass legislation requiring drug manufacturers to provide pricing justification for the biggest selling drugs in the state. And in Massachusetts, the Commonwealth's Health Policy Commission is playing a hands-on role in improving the transparency and accountability of the

health care system.

One of the major issues with prescription drug costs in America is that there's no agency that tries to value drugs before they're available to be marketed, according to Dan Ollendorf, chief scientific officer for the Boston-based Institute for Clinical and Economic Review.

ICER is trying to change that by advocating for value-based analysis of new drugs as they're brought to the market. ICER uses an impartial benchmarking system that seeks to establish a value for each new drug based on a number of factors.

"In our reports, we try to set a level on what we think is a reasonable price," Ollendorf said. "We try to time our reports around launch of drugs to United States so the benchmarks we present will affect negotiations over pricing."

Ollendorf believes a third-party valuation of prescription drugs adds transparency to a process that is often shrouded in secrecy, while protecting pharmaceutical companies



Quebec MNA Carole Poirer, left, moderated a panel discussion for the Health Committee that included Sara Sadownik, Dan Ollendorf, David Seltz and Melanie Bourassa Frocier. Photo by Sebastian Marquez

from being forced to share proprietary information or hindering innovation.

Sara Sadownik, a senior manager of the Massachusetts Health Policy Commission, said controlling prescription drug costs has come into focus as it implements a new law that requires new health care costs do not outpace the state's budget growth.

"Rising costs are not an anomaly, they're a trend," she said. She added projections show they'll continue to jump in the high single digits annually over the next few years before stabilizing at a 4-6 percent annual jump.

— Jesse Chadderdon

Reaching for the Ideal

Panel Talks Opportunities, Challenges with Education Act

The Every Student Succeeds Act, or ESSA, brings with it opportunities, but also challenges for implementation.

As Pennsylvania Rep. James Roebuck opened the discussion of the ESSA in the Education Committee meeting Tuesday, he noted the act set the goal to provide "a good education to every student in every district in every state. That remains the ideal."

But while states now have greater control over assessment and accountability than they did under No Child Left Behind, they still face some of the same challenges that have always plagued public schools, panelists said.

New York Assemblyman Michael Blake, who serves the South Bronx, said the ESSA's consideration of cultural sensitivity is important to areas such as the one he represents. The flexibility of assessments, particularly for teacher evaluations, will help to ensure schools and students in areas such as the ones Blake represents are well served.

"You cannot presume you understand a child's success just based on what they do on a standardized test," he said.

He and others on the panel discussed some of the challenges students, particularly those in inner cities, face. They believe those challenges are not recognized, often by teachers and school districts, but also by state leaders.

Massachusetts Sen. Eileen Donoghue pointed out the assessment program her state uses, the PARCC exam, expects students to test using a tablet computer when many of the students have never used that technology. That disconnect, she said, created a situation where "we're not ready for primetime because these kids don't have access in homes."

That is just one example of the challenges students face outside the classroom, panelists said.

"There's a lot that goes on in education that has nothing to do with academics," said



New York Assemblyman Michael Blake, right, makes a point in the Education Committee meeting Tuesday. At left are Pennsylvania Rep. James Roebuck and New Jersey Assemblyman Troy Singleton. Photo by Sebastian Marquez

Delaware Rep. Earl Jaques, who chairs the House Education Committee in his state. "We need to solve that piece of the puzzle also."

Other puzzle pieces range from things like whether students are getting fed to whether they are safe. New Jersey Assemblyman Troy Singleton said the ESSA gives states the opportunity to make the school environment more inclusive for all students.

"There's great opportunity in this new law but the devil is in the details," Singleton said.

— Mary Branham