

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Legislative Summit of the
National Conference of State Legislatures**

Canada-United States Inter-Parliamentary Group

**Philadelphia, Pennsylvania, United States of America
July 20 – 24, 2009**

Report

From 20-24 July 2009, the Honourable Wayne Easter, P.C., M.P., Vice-Chair of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation to the 2009 Legislative Summit of the National Conference of State Legislatures (NCSL) in Philadelphia, Pennsylvania. Senator Dennis Dawson, Mr. Brian Masse, M.P., Vice-Chair of the IPG, and Mr. Brent Rathgeber also attended the Summit.

Founded in 1975, the National Conference of State Legislatures is a bipartisan organization serving the legislators and legislative staff of the 50 U.S. states as well as its commonwealths and territories. The NCSL provides research, technical assistance and a venue for the exchange of ideas on state issues. It also advocates state interests before the U.S. Congress and federal agencies. The NCSL is governed by a 61-member Executive Committee, and has 12 standing committees comprised of legislators and legislative staff. These committees are:

- Agriculture and Energy
- Budgets and Revenue
- Communications, Financial Services and Interstate Commerce
- Education
- Environment
- Health
- Human Services and Welfare
- Labor and Economic Development
- Law and Criminal Justice
- Legislative Effectiveness
- Redistricting and Elections
- Transportation.

As well, there are a number of task forces:

- Federal Education Policy
- Homeland Security and Emergency Preparedness

- Immigration and the States
- School Dropout Prevention
- State and Local Taxation of Telecommunications and Electronic Commerce
- Sustainability
- Veterans and Military Affairs.

In general terms, the meetings at the 2009 Legislative Summit occurred in the following topic areas:

- agriculture and rural development
- arts and culture
- banking and financial services
- budget and tax
- economic stimulus
- civic education
- crisis leadership
- economic development and trade
- education
- elections
- energy and electric utilities
- environment/natural resources
- health
- human services and welfare
- immigration
- insurance
- international
- juvenile justice

- labour and employment
- law and criminal justice
- legislatures
- media public affairs.

In addition to committee and task force meetings, the following plenary sessions were held:

- A Bold New Vision for Education
- The Economy: A Conversation About What's In Store
- The Word from Washington
- The Politics of Change.

The interaction with state legislators enables members of the Canadian Section of the IPG to better achieve the aim of finding points of convergence in respective policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings with state legislators provide members of the Canadian Section with an important means to give input to, and gather information about, state-level issues that affect Canada. From this perspective, it is important to note that bilateral trade totalled \$710 billion in 2007, or more than \$1.7 billion traded in goods and services each day. As well, an estimated 7.1 million U.S. jobs depend on Canada-U.S. trade, and 35 U.S. states have Canada as their primary foreign export market. Finally, in a recent 12-month period, more than 13 million Americans visited Canada, spending about US\$6.5 million, while more than 24 million Canadians travelled to the United States and spent more than US\$10.5 million. In light of the nature, scope and importance of the bilateral relationship, it is anticipated that the Canadian Section of the IPG will continue its participation at NCSL's annual Legislative Summit.

This report summarizes the discussions that occurred at the plenary and selected committee sessions.

A BOLD NEW VISION FOR EDUCATION

Bill Gates Jr., *Bill and Melinda Gates Foundation*

- the times in which the United States finds itself are not ordinary times; the nation is experiencing a severe economic downturn; state legislators are on the front lines and see the consequences in terms of job loss, housing loss, etc.

- difficult times can spark great reforms that result in emergence from a crisis in a stronger position than when the crisis started
- although the U.S. may experience an economic crisis for a year, an education crisis lasts for decades
- the current education system in the U.S. is weak, and is run by old beliefs and bad habits
- *American Recovery and Reinvestment Act of 2009* (ARRA) funds can be used to spur the school reform that the U.S. needs; ARRA funds are “race to the top” money
- the U.S. should ensure that low-income and immigrant children are also given the opportunity for a world-class education
- achievement must be more measurable and the education system must be more accountable; measurement should be used to “drive” quality
- “some post-secondary education” is no longer enough; people must have a two- or four-year college diploma/degree
- the U.S. needs to identify which colleges are doing a good job and which innovations are working; knowledge can be gained from what is being done well
- without measurement, there is no pressure for improvement
- financial measures should be used to provide colleges with an incentive to offer the “right” courses, in a variety of formats, with the appropriate use of technology, etc.
- data are needed about school dropout rates, graduation rates, the types of jobs secured following the completion of education, etc.
- dropout rates must be lowered, graduation rates must be increased, etc.; dropout rates might be reduced if, in the fifth to eighth grades, a mindset that “education has value” is created within students
- the predictors of school dropout should be targeted, and those students who drop out of school should be “pulled back in”
- efforts must be made to ensure that high school graduates are college-ready
- Knowledge is Power Program – or KIPP – schools have higher test scores in reading and mathematics

- charter schools are where a great deal of innovation is occurring and many improvements are being made; it is important to learn from them when school reforms are being made
- great teachers are critically important; great teachers are positively correlated with higher student scores, and data should be collected that track student performance and particular teachers
- high-quality teachers should be rewarded appropriately and efforts should be directed at their retention; at the present time, many teachers are rewarded on the basis of seniority and educational attainment, which do not indicate that a teacher will be effective
- teacher effectiveness is more important than smaller class size, and every student should have effective teachers; a fabulous teacher in a large class is preferred to a poor teacher in a small class
- the average quality of teachers must be raised
- one area that should be explored is the type of teacher training that results in student achievement
- common standards should be identified, and curricula and tests should be aligned with these standards
- some of the best American students perform poorly in school because the curricula are not sufficiently interesting; in this regard, high school students should be permitted to take college classes
- teachers should be supported in their efforts to teach better; for example, individuals who develop online games should be linked with teachers, the best teachers should be used in online videos, etc.
- often, data come too late to assist those students who need help
- the U.S.' greatest promise continues to be its commitment to equality, of which a strong school system is a component
- in the long run, the U.S. will be required to invest more in education; reducing salaries, increasing class size, making other education-related reductions, etc. are not sustainable, and the United States needs to renew its educational excellence

- other countries have seen that education has been the key to the United States' success and, consequently, are improving their education systems

THE PERFECT STORM: STATES GRAPPLE WITH UNEMPLOYMENT (LABOR AND ECONOMIC DEVELOPMENT COMMITTEE)

Linda Bussell, *Legislative Research Commission of Kentucky*

- the recession has hit Kentucky hard, and the current unemployment rate exceeds 10%; this time, about 129,000 residents are unemployed and receiving unemployment insurance benefits, while 226,000 residents are out of work
- in 2008, Kentucky paid out about \$500,000 in unemployment insurance benefits; in 2009, more than \$500,000 was paid out in the first six months
- Kentucky's trust fund – which had, historically, been relatively healthy – is not holding up very well, and the state has started to borrow in order to pay unemployment insurance benefits
- a task force has been appointed and one goal is to develop a model that will ensure the future solvency and stability of the trust fund

Doug Holmes, *UWC-Strategic Services on Unemployment*

- an important consideration is the rate at which taxes become uncompetitive with other jurisdictions
- payroll taxes discourage job creation
- in addressing pressures on unemployment insurance benefit funding, options include adjustments to minimum qualifying requirements and experience rating
- in thinking about unemployment insurance, it is important to remember that each state is different: each started at a different place, has a different industrial composition, has a different unemployment rate, etc.
- the *American Recovery and Reinvestment Act of 2009* contains incentives to modernize unemployment insurance schemes
- an unemployment insurance program is an element of the social safety net

Andrew Stettner, *National Employment Law Project*

- the current unemployment rate – 9.5% – is at a 25-year high, and 6.5 million jobs have been lost in the United States since December 2007

- a record number of individuals have been unemployed for at least six months, and one-half of workers are exhausting their entitlement to state unemployment insurance benefits
- there are five individuals available for every job opening
- the existence of an unemployment insurance program provides a buffer for businesses and for local economies, since unemployment insurance benefits are spent rather than saved
- the *American Recovery and Reinvestment Act of 2009* is both responding to the current crisis and “seeding” long-term change

WATER INFRASTRUCTURE REHABILITATION AND REPLACEMENT (ENVIRONMENT COMMITTEE)

Audrey Levine, *United States Environmental Protection Agency*

- the first water supply systems in the United States were installed in order to put out fires; over time, pressurized water in cities began to be provided
- about 100 years ago, New Jersey introduced chlorination as a public-protection measure
- water quality should match its purposes
- a great deal of energy is used in moving water around

Andy Crossland, *United States Environmental Protection Agency*

- a national water infrastructure problem exists, but it is important to know the scope of the problem at the local, state and regional levels
- the federal role regarding water infrastructure is in flux
- solutions to water infrastructure problems are mostly local
- the vast majority of water infrastructure problems are related to thousands and thousands of miles of pipes
- in 2002, the United States Environmental Protection Agency completed a “gap” study
- in some locations, water infrastructure has become “stranded” because of population changes

- more droughts, larger storms, etc. affect water and wastewater systems
- a first-class city cannot be run on second-class infrastructure
- at the local and state levels, conclusions must be reached about infrastructure needs and plans must be developed to meet those needs
- a problem cannot really be solved if its nature and scope are not clear

Brian Pallasch, *American Society of Civil Engineers*

- in respect of water infrastructure, things are not getting better
- the American Society of Civil Engineers prepares a report card on the nation's infrastructure, and calculates the current state of, as well as investments needed in, infrastructure
- five solutions have been identified:
 - federal leadership
 - sustainability and resiliency
 - infrastructure plans at the local, state and regional levels
 - consideration of life-cycle costs and maintenance
 - enhanced levels of investment
- the Government Accountability Office has prepared a report that addresses the issue of how an infrastructure trust fund could be financed
- in general, a variety of infrastructure funding sources exist, including:
 - ratepayers
 - bond issuance
 - private-public partnerships
 - infrastructure banks
 - user fees

EXPORT PROMOTION: KEEPING TRADE CHANNELS OPEN (LABOR AND ECONOMIC DEVELOPMENT COMMITTEE)

Paul Snow, *National Conference of State Legislatures*

- since the onset of the current recession, export trade offices have seen a great deal of demand, but resources are becoming scarce
- in terms of export promotion, many states focus on helping small companies export their goods; in particular, they offer such services as training, marketing, partnering, trade shows and trade missions, etc.
- some states “pool” their export trade promotion efforts, including the Great Lakes states, states in the East, etc.
- state and federal governments are, to some extent, cooperating with respect to export trade promotion
- some states have attempted to build export-trade-related private-public sector partnerships, such as Enterprise Florida
- the largest “target” market for exports is China, although Europe continues to be the most important site for overseas offices

Anne Grey, *United States Department of Commerce*

- small businesses will play an important role in bringing about an economic recovery in the United States
- exports are important to the U.S. economy and lead to job creation
- the U.S. Department of Commerce has more than 100 offices throughout the United States that provide businesses with a front-line connection to the global marketplace, providing a one-stop-shop assistance and referral service; the department also has offices in more than 75 countries around the world

Geoffrey Kelley, *Member of the Quebec National Assembly*

- open borders and free trade between Canada and the United States benefit residents and businesses in both countries
- it is important to keep the shared border open in order that goods and services can move back and forth; as well, an open shared border sends an important signal to the rest of the world
- it has been two decades since the Canada-U.S. Trade Agreement was signed, and the result has been great successes on both sides of the shared border
- by far, Canada is the most important trading partner for the U.S.; as well, more than 7 million American jobs depend on bilateral trade

- Canada has an export-based economy
- the province of Quebec has six diplomatic and trade offices in the United States, and the province is a big exporter to – as well as importer from – the U.S.
- while Canada understands the inclination to protect domestic jobs, it must be noted that the Buy American provisions within the *American Recovery and Reinvestment Act of 2009* are hurting Canadian businesses

Albert Louie, *Ontario Ministry of Economic Development*

- the Canadian economy is dependent on trade; the United States is Canada's and the province of Ontario's primary trading partner, with the European Union, Mexico, China, Japan and other markets playing a secondary role
- while trade represents about 13% of the United States' gross domestic product, the figure for Canada is approximately three times larger
- Ontario is Canada's largest, and most trade-intensive, province; in particular, the province has 13 million people, and the US\$500 billion economy is four times more trade-intensive than the U.S. average
- the province of Ontario devotes relatively extensive resources to trade, including for trade promotion offices both in the province and abroad, traditional and virtual trade shows, trade missions, statistics, sector profiles, market intelligence, general business advice and counselling, technical information on visas, trade agreements, regulatory barriers and customs/border issues, and information on financing, marketing, contracts, logistics and risk management
- the province of Ontario attempts to provide advice to companies at all levels of trade-readiness and at every stage of the trade process; assistance with international business planning is also provided
- the province of Ontario is responding to the current global and financial crisis by:
 - increased monitoring of quickly changing global markets and legislation affecting trade
 - renewed initiatives to improve program relevance and responsiveness to client needs
 - the use of cost-reducing alternatives, when available
 - greater collaboration and operational coherence between trade promotion and trade policy

- increased emphasis on stimulus spending and procurement practices

IS THE INSURANCE PRODUCT REGULATION COMPACT WORKING AND CAN IT FORESTALL FEDERAL PRE-EMPTION? (COMMUNICATIONS, FINANCIAL SERVICES AND INTERSTATE COMMERCE COMMITTEE)

Bryan Cox, *American Council of Life Insurers*

- the American Council of Life Insurers (ACLI) supports the Insurance Product Regulation Compact (IPRC), and sees it as a unique success story
- the IPRC provides uniform standards in a central location that “speeds innovative products to market”
- members of the ACLI support the IPRC’s standards, which are quite high
- the ACLI is looking forward to having additional states sign the IPRC

Jane Cline, *West Virginia State Insurance and the Inter-state Insurance Product Regulation Commission*

- the Insurance Product Regulation Compact is a mechanism for insurance-product approval; it is revenue neutral for states
- insurance products are generally approved in less than 30 days

Roger Sevigny, *New Hampshire State Insurance and National Association of Insurance Commissioners*

- the Insurance Product Regulation Compact (IPRC) is a stellar example of how states can work together
- two states signed the IPRC five years ago; to date, 35 states and Puerto Rico have signed, and other signatures are expected
- some relatively large states, including Florida, California and New York, have not joined the IPRC
- while the IPRC is working, it is not truly national and may not be able to forestall federal pre-emption unless more states sign the IPRC and make certain reforms
- states need to make ongoing, meaningful improvements to their regulatory systems

Ryan Wilson, *AARP*

- overall, the Insurance Product Regulation Compact (IPRC) seems to be working fairly well
- the IPRC works on behalf of the signatory states

SAFE SURFIN': REDUCING CYBER VICTIMIZATION (COMMUNICATIONS, FINANCIAL SERVICES AND INTERSTATE COMMERCE COMMITTEE AS WELL AS LAW AND CRIMINAL JUSTICE COMMITTEE)

Senator Richard Sears, *Vermont Senate*

- the Vermont Senate Committee on Judiciary has developed a 34-point plan for Vermont's sexual abuse response system; among a range of other elements, this plan addresses:
 - legislative changes that are needed
 - enforcement
 - a registry
- while the extent to which children and youth who "are doing stupid stuff" should be made felons is an important question, legislators cannot be "soft" on this type of crime
- in Vermont, if the perpetrator is aged 13-19 years, the issue is addressed in family court, since the problem is viewed as one that should be addressed within the family

Chris Stetkiewicz, *Microsoft Corporation*

- threats to online safety inhibit the ability of the internet to reach its full potential
- the internet is a vital part of our societal infrastructure
- because children and youth are immersed in technology, they make little differentiation between their online and offline "worlds"
- children and youth need to be provided with tools for online use in the same way that they are taught to look both ways before crossing the street
- children as young as three years of age are on the internet, and many children are online for more than one hour each day
- there are three groups of risks to personal online safety:

- content
- contact
- commerce
- the risks to personal online safety get progressively worse as children get older
- Microsoft Corporation's online safety framework includes several elements:
 - technology
 - education
 - partnerships
- mandatory online safety education is the most effective means of protecting children and youth from online risks

Diane Woodside, *Office of the Attorney General of Pennsylvania*

- all children are using technology, often with little or no parental supervision
- most children have iphones and blackberries, and can access the internet in the palm of their hand
- one in five children aged 10-17 years has been solicited online
- online predators often send extremely graphic photographs, and offer to purchase such items as webcams – with which live video can be sent – as well as digital cameras, lingerie, etc.
- Pennsylvania currently has a perfect rate of success in convicting online predators
- online predatory behaviour rises in the summer months when children and youth are not at school
- the problem of online predation can be addressed using a three-pronged approach:
 - enforcement
 - legislation
 - education and outreach

- education can keep up with technology when legislation may not be able to do so

THE ECONOMY: A CONVERSATION ABOUT WHAT'S IN STORE

Question: How does this recession compare to previous recessions, and what is the U.S. economy doing now?

Simon Johnson, *Peterson Institute*

- the most dramatic impact of the current recession is not falling gross domestic product, but rather persistent and high unemployment
- the labour force participation rate is important and, in this regard, it should be noted that some unemployed workers are falling into the category of “discouraged workers”
- consumers are saving more, which has implications for reduced retail spending

David Wyss, *Standard & Poor's*

- while the economy is no longer in “free fall,” it will not hit the ground for a little while yet
- the current recession is much more national in scope when compared with previous recessions
- this recession is having a relatively larger impact on state governments, with implications for state revenues
- while the unemployment rate in the U.S. is still rising, the pace of layoffs is declining
- the national unemployment rate in the U.S. is 16.5% if the unemployed as well as those who are working part-time but want full-time employment are considered
- the expected age of retirement has risen from 63 years to 65 years as 401(k)s have become “301(k)s”
- a rising savings rate is normal in circumstances such as these; Americans do not save for a rainy day until they get wet
- the U.S. entered the recession with a savings rate of zero, which cannot be sustained forever

David Cohen, *Comcast Corporation*

- the nature of this recession is different because of its impact on local and state governments
- this recession is having a more direct and immediate impact on local and state property, sales and income tax revenues; there are consequences for municipal and state budgets and for the extent to which these levels of government can fund social and other spending
- while it is hoped that the economy will hit bottom in the next few months, unemployment is a lagging indicator and consumer confidence will not rebound until the unemployment rate falls
- some employed individuals are behaving as though they are about to become unemployed, and are reducing their spending

Question: When will the unemployment rate peak?

Simon Johnson, *Peterson Institute*

- the inflation rate is likely to rise

David Wyss, *Standard & Poor's*

- employment is expected to rise by the end of this year
- the unemployment rate is unlikely to fall by the end of this year, since it is a lagging indicator

Question: Is the federal stimulus package working, is the stimulus package too small, and – realistically – when are the results of the stimulus package likely to be seen?

Simon Johnson, *Peterson Institute*

- the federal stimulus package was not sufficiently targeted to:
 - unemployment/employment issues
 - the states
- it takes a long time to see the results of stimulus measures
- if there is another stimulus package, more funds should be given to the states

David Wyss, *Standard & Poor's*

- the federal stimulus package was too targeted to the states, which resulted in delays in “getting the funding out”
- the federal stimulus package gets a grade of F in terms of timely, temporary and targeted
- \$1 trillion does not buy what it used to
- while it is theoretically possible to have a successful stimulus package, it is not entirely clear that success can be achieved in the U.S.
- there is no need for another stimulus package at this time; the stimulus provided by the *American Recovery and Reinvestment Act of 2009* must be allowed to work

David Cohen, *Comcast Corporation*

- the U.S. economy is huge, and there was somewhat too much diffusion in the federal stimulus package in terms of the initiatives on which the federal stimulus funds are being spent
- if there is a second round of federal stimulus spending, the focus should be infrastructure-based, direct-job-producing activities
- it is too early to tell whether another stimulus package is needed

Question: When are state revenues likely to recover and what can the states do to stimulate recovery?

Simon Johnson, *Peterson Institute*

- the timing recovery of state revenues depends, in part, on the mix of state revenues

David Wyss, *Standard & Poor's*

- the timing of the recovery of state revenues depends on the state
- to stimulate of the recovery, states should “get it right” and spend stimulus funds in a targeted way
- roads and bridges give maximum short-term and timely impact; while education spending is also key, its impact is in the longer term
- like the unemployment rate, state revenues are a lagging indicator

- with a gradual, slow economic recovery, revenues are likely to recover slowly as well

David Cohen, *Comcast Corporation*

- there is not much that the states can do to stimulate recovery, but they should try to *not do* things that will impede recovery
- states should spend their reserves, be as facilitative to the recovery as possible and get stimulus funds “out the door” as quickly as possible

Question: Where should stimulus funds be spent for long-term sustainability?

Simon Johnson, *Peterson Institute*

- school buildings should be repaired
- the nature and scope of the digital divide must be recognized and addressed

David Wyss, *Standard & Poor's*

- broadband access is improving
- public internet access needs to grow, since more people are using computers at libraries than are reading books

David Cohen, *Comcast Corporation*

- broadband should be deployed and adopted
- increased broadband access means increased employment

Question: Which country will lead the global recovery and what role will the U.S. play?

Simon Johnson, *Peterson Institute*

- since the U.S. is 25% of the world's economy and Europe is 30-35%, other countries are looking to the United States and Europe
- state regulation of financial institutions allows “gaming of the system” and limits a federal response
- a consolidated insurance regulator at the national level is needed

David Wyss, *Standard & Poor's*

- the global recovery will be led by China and/or India
- the European central bank was too complacent when the financial crisis erupted; Europe is in “bad shape” and is unlikely to recover until next year
- Europe and Japan are important export markets for the United States, and these markets are not healthy at present
- the recovery in the United States will not happen until the nation gets its financial system fixed and running again
- in the U.S., there is no appetite to do what needs to be done: global consistency of regulations, accounting rules, etc.
- when there are too many regulators, no one is the regulator
- regulatory arbitrage needs to be avoided
- national institutions should be regulated at the national level; consistency is needed

Question: What does the post-recovery world look like?

David Wyss, *Standard & Poor's*

- after the recovery:
 - people will no longer be able to live beyond their means
 - liquidity that the Federal Reserve injected into the system will have to be removed
 - higher interest rates will be needed to combat inflation
- in the 1980s, deregulation occurred in order to permit the emergence of the large institutions needed to compete with large European financial institutions; the pendulum swung too far in the direction of deregulation, and now it is likely to swing too far in the other direction

Question: Are there any concluding remarks?

Simon Johnson, *Peterson Institute*

- the establishment of a consumer protection agency in respect of financial products is critical
- consumer protection is within the mandate of the states

David Wyss, *Standard & Poor's*

- the crisis is not over yet
- budget problems next year are going to be relatively worse than this year; recovery in state revenues lags economic recovery
- the current situation could turn into a deeper and longer recession

David Cohen, *Comcast Corporation*

- ultimately, consumers will lead the U.S. out of the recession
- consumer confidence needs to be restored

NOT JUST FARMS: HOW RURAL AREAS DIFFER, AND WHY DEVELOPMENT STRATEGIES SHOULD, TOO (AGRICULTURE AND ENERGY COMMITTEE)

J. William Andrew, *Delaware Electric Cooperative*

- energy that is affordable, sustainable and available is needed
- energy is critical for economies
- the United States needs an energy plan, and every utility in the nation should have a plan
- there is no silver bullet for energy, and no one plan will fit all
- Delaware's "Beat the Peak" initiative keeps utility costs low, reduces costs for consumers and benefits the environment
- when everyone saves a little, collectively we save a lot
- consumers should be provided with real-time pricing information; reduced power usage during peak periods will save money for consumers and costs for utilities

Martha Carter, *Nebraska Legislature*

- when standards are being set and audits are being planned, it is important to determine what goals are trying to be achieved
- not everything can be measured or quantified; that being said, to the extent possible, it should be possible to determine whether progress is being made, goals are being achieved, etc.

Chris Colocousis, *University of New Hampshire*

- “rural” cannot be equated with “agriculture,” especially if the focus is economic development
- “rural” may include agriculture, but also fisheries, forestry, mining, tourism, etc.
- rural America is complex and diverse; there are different social and economic realities across rural regions
- data should be collected over time in order that changes can be monitored
- some rural communities, such as those that are retirement communities and those that have amenity-based growth, are booming; some rural communities are chronically poor and some are declining
- even booming rural communities can experience a lack of economic opportunities and jobs, and such problems as illegal drug manufacturing
- in terms of policy recommendations, consider:
 - in high-amenity regions, there is a need to think about how to manage development
 - broadband access is important
 - to address population declines in some regions, migration incentives may be needed
 - some regions need health care and job creation measures

Barry Denk, *Center for Rural Pennsylvania*

- since change occurs at the local level, local and state governments must be provided with the data that will enable them to make decisions; more data and research should lead to better decisions
- issues and opportunities vary across counties: one size does not fit all
- consideration should be given to the extent to which regions are receptive to in-migration; in-migrants may be the next entrepreneurs
- many states are experiencing out-migration of youth
- in order for communities to attract businesses and people, communities need health care, educational institutions and jobs; quality-of-life factors are very important

- it cannot be assumed that “if we build it, they will come”
- agri-tourism provides opportunities for farms to survive and thrive
- money will always follow a good project, but a project will not always follow the money

THE FEDERAL ECONOMIC STIMULUS: AN ASSESSMENT

Tom James, *Government Accountability Office*

- balanced budget requirements have existed for states for decades; these requirements are problematic at times such as these, when state revenues are deteriorating
- most of the funds contained in the *American Recovery and Reinvestment Act of 2009* are obligated in 2010
- the Government Accountability Office is required to provide bimonthly reviews of selected states and localities; the Office is reporting on the use of federal stimulus funds, the impact that the funds are having, etc.

Edward DeSeve, *The White House*

- while there is no special audit requirement related to *American Recovery and Reinvestment Act of 2009* (ARRA) funds, every recipient of funds is required to meet certain reporting requirements
- it is possible to tell, on a state-by-state basis, the amount of ARRA funds that has been obligated
- the ARRA was designed to provide relief to those in need, to assist recovery and to support reinvestment
- in 24% of the time for implementation of the ARRA, 28% of the ARRA funds have been obligated; while much has been accomplished, 72% of the funds still have to be obligated
- in spending ARRA funds, it is important to:
 - avoid unwise projects
 - be vigilant
 - be accountable

- be transparent

IMMIGRATION INTEGRATION: INNOVATION AND INVESTMENT IN AMERICA'S GATEWAYS (HUMAN SERVICES AND WELFARE COMMITTEE AND TASK FORCE ON IMMIGRATION AND THE STATES)

Jose Molina, *Latino Leadership Alliance of the Lehigh Valley of Pennsylvania*

- facts need to be separated from myths
- Puerto Ricans are citizens of the United States, yet they experience discrimination and other challenges
- immigration can be defined by the economic principles of supply and demand
- the service industries in the U.S. depend on immigrants
- some are paying thousands of dollars trying to enter the U.S. in search of a better life

Anne O'Callahan, *The Welcoming Center for New Pennsylvanians*

- immigrants have two hearts:
 - their country of birth
 - the U.S., the country that has been adopted
- when a state experiences population decline, it also loses its tax base, federal population-based allocations, etc.
- immigrants face many challenges: perhaps language, recognition of foreign credentials, lack of credit history, etc.
- investments in such initiatives as welcome centers for immigrants lead to significant positive economic impacts, particularly when such centers are funded on a predictable basis
- many new businesses are immigrant-owned, and immigration is resulting in job growth
- the top two priorities of many immigrants seem to be learning English and getting a job

Nathaniel Steifel, *United States Citizenship and Immigration Services*

- when thinking about immigration, integration is often an afterthought

- integration is facilitated by learning English and sharing the U.S. civic identity
- integration is key to the United States' strength as a country
- immigration is a federal issue, but integration occurs locally
- new "immigration destinations" are developing; immigrants are moving to such states as North Carolina, South Carolina and Nevada rather than New York, Illinois, etc.
- in the U.S., the naturalization test has been revamped
- language is important for successful integration and, often, for getting a job

Paul Stein, *Colorado Department of Human Services*

- refugees are a subset of the foreign-born immigrant population
- refugee integration is a systematic, two-way process of intentional adaptation with multiple pathways to integration proceeding at various rates; it is a long-term process for any given individual, and individuals are integrated to different degrees
- investing in refugees and their integration is a good idea, and decision makers should focus on the assets – financial and otherwise – that immigrants and refugees bring to the U.S.
- integration occurs locally, and it cannot be "purchased" or "mandated" nationally

DIABETES: TAMING A SPREADING DISEASE (HEALTH COMMITTEE)

Ann Albright, *Centers for Disease Control and Prevention*

- about 24 million Americans have diabetes, and about 25% do not know they have it; 57 million Americans have prediabetes
- progress in reducing the rate of undiagnosed diabetics is being made
- one in three Americans born in the year 2000 is expected to develop diabetes at some point during his/her lifetime if nothing changes
- diagnosed and undiagnosed diabetes are a costly burden; the major cost drivers are complications associated with the disease, such as hospitalization
- a "single bullet" for solving diabetes does not exist

- the health of individuals cannot be separated from the health of communities, and individuals, families and communities need to act
- obesity is associated with Type II diabetes
- diagnosed diabetes is particularly prevalent among American Indians/Alaskan natives, non-Hispanic blacks and Hispanic/Latino Americans
- there are a variety of opportunities to control diabetes, including:
 - eye exams (vision loss)
 - foot exams (foot ulcers, amputations)
 - glucose control (kidney failure, vision loss)
 - lipid control (cardiovascular disease)
 - flu vaccination (hospitalization)
- diagnosis of diabetes is improving and those with diabetes are living longer
- more and more people are developing diabetes, and there is a need to focus on prevention; prevention often requires lifestyle changes

Susan Cooper, *Tennessee Department of Health*

- eight of the ten worst U.S. states in terms of the incidence of diabetes are in the American South
- there is a link between obesity and diabetes
- the health care costs associated with those with diabetes are more than double for those without diabetes
- diabetes is a preventable disease, and efforts must focus on:
 - policies
 - programs
 - partnerships
- consideration should be given to:
 - nutritional standards
 - labelling

- physical education requirements for children in schools
- body mass index screenings for children
- safe routes for bikes
- walkways

Ronald Brooks, *Greater Philadelphia Diabetes Coalition*

- technology can be used to help health care professionals provide better care
- technology can help to identify patients with chronic conditions for whom there may be opportunities for clinical improvement

THE WORLD FROM WASHINGTON

Secretary Gary Locke, *United States Department of Commerce*

- the states are the laboratories of democracy and innovative policy
- jobs that pay family wages need to be created
- all wisdom does not reside in Washington, DC; state legislators know what is needed for people, businesses and communities to thrive again
- the economic crisis has a variety of costs, including human
- the *American Recovery and Reinvestment Act of 2009* (ARRA) provides great opportunities for federal-state-local partnerships
- in less than 150 days, economic conditions have stabilized and families harmed by the recession have been helped
- problems that have been years in the making will not be solved in a matter of months
- the Census is one of the largest short-term job creators in history, and will help to ensure that every part of the U.S. gets its fair share of employment related to this activity
- the U.S. needs to return to what it has always done best: innovate in order that the nation has greater prosperity so that individuals can lead better lives

A SMART ELECTRIC GRID

Philip Moeller, *Federal Energy Regulatory Commission*

- a smart grid can “see” better what is “going on,” with improved efficiency and reliability, which has benefits at the wholesale level
- a smart grid can receive and transmit energy information, thereby increasing efficiency and perhaps lowering costs, which have benefits at the retail and commercial level
- a smart grid has the potential to provide transformations similar to what happened in telecommunications in the 1980s

James Rogers, *Duke Energy Corporation*

- the electrification of the United States is thought by some to be the biggest development of the 1900s
- the U.S. needs to make its communities the most energy-efficient in the world
- a smart grid should be thought about as an electricity internet, with a need for open architecture, interoperability and an internet protocol
- envision a portal in every home that matches needs and use patterns for optimization
- current regulatory models have been written for universal access rather than with a view to providing utilities with incentives for efficiencies
- a smart grid should be considered as an economic development tool
- it is critical that legislation facilitate a smart grid and investments in energy efficiency

PAVING THE WAY FOR TRANSPORTATION INNOVATIONS

Stephen Godwin, *Transportation Research Board*

- radical changes cannot be expected to occur over a short period of time
- transportation bears the largest share of the climate-change burden
- by 2020, surface transportation is expected to be:
 - much greener
 - more information-dependent
 - associated with more but slower choices

- more capacity-constrained
- more actively managed

Jeffrey Lindley, *United States Department of Transportation*

- there are a variety of ways to finance transportation innovation, including:
 - federal aid
 - state or local aid
 - the *American Recovery and Reinvestment Act of 2009*
 - innovative financing approaches/partnerships
- potential new funding sources/strategies include:
 - cap-and-trade resources?
 - expanded use of tolling and pricing?
 - expanded/targeted resources from the federal government?
 - expanded use of sponsorships/partnerships?

THE POLITICS OF CHANGE

Peggy Noonan, *The Wall Street Journal*

- states are where “the rubber hits the road”
- there is a difference between “showing your temper” and “losing your temper”
- great political leaders have more in common with an artist than with an economist; great political leaders have imagination
- all great Presidents of the media age have been great actors in playing the role of “President” but care must be taken to act the role of “President” without being phony
- Americans feel that their country has less margin for error now
- the U.S. needs a successful Presidency

STOPPING THE EPIDEMIC OF VIOLENCE

James Marks, *Robert Wood Johnson Foundation*

- there are factors in the environment that affect health, such as lead paint
- low-income individuals experience no or limited health care, inadequate access to nutritious food, unsafe places for children to play, etc.
- life expectancy in the U.S. improves two years each calendar year, yet inner-city residents often have relatively lower life expectancy
- surroundings can diminish health even if access to health care is not a problem
- although the nation needs a better-performing health care system, where and how well someone lives have relatively greater impacts on life expectancy
- the higher is educational attainment, the higher is life expectancy
- while good health requires personal responsibility, some individuals live and work in environments that make good health virtually impossible
- society must provide opportunities to those who want to make healthy choices
- the U.S. cannot improve its health as a nation if it leaves so many so far behind
- violence can spread in the same way as any other condition; it can become an accepted part of the environment and part of a cycle that is hard to break

Gary Slutkin, *Cease Fire*

- violence behaves like an infectious disease; consequently, violence disruptors need to be introduced
- homicide is the second leading cause of death among Americans aged 15 to 34
- in some neighbourhoods, people live in chronic fear and stress
- science should be applied to the problem of violence; then, an important consideration is which sciences should be applied
- violence and disease share certain characteristics, including:
 - transmission characteristics
 - time courses
 - incubation periods
 - latency

- dormancy
- variable susceptibilities
- misdiagnosis
- mistreatment
- there are three essential elements that reverse epidemics and could be applied in an attempt to reverse the epidemic of violence:
 - interrupt transmission
 - find the current or the next transmitter and give him or her the opportunity to cease the violent behaviour
 - change the norm of the entire group

ELEMENTAL LEADERSHIP IN CRISIS TIMES

Bill Purcell, *Harvard University*

- be clear about where you have been
- stay focused on where you are now
- hold onto a belief in the future

America's Changing Demographics: What It Means For Policymakers (Redistricting and Elections Committee)

Paul Taylor, *Pew Research Center*

- the U.S. has had a major influx of immigrants, many of whom have entered the U.S. illegally
- apprehensions of Mexicans at the shared border between the United States and Mexico are at a lower level, which does not necessarily mean that fewer Mexicans are entering the U.S.
- 11% of the Mexican-born population now resides in the United States
- in the U.S., 50% of illegal immigrants are legally married or common-law couples with children; the children of immigrants are U.S. citizens while their parents may or may not be
- population change is affected by:

- levels of immigration
- fertility rates
- mortality rates
- the United States has a fertility rate that is lower than the world average, but it is one of the highest in the developed world
- the “face” of suburban public schools is changing, with a “huge” infusion of Latinos, Blacks and Asians
- the November 2008 election had the most diverse electorate ever, due to demographic change and changes in voting behaviour
- there is a link between socioeconomic status and voting
- the biggest reason that Americans relocate is for greater economic opportunities, but the population is aging and the prevalence of dual-earner couples is rising
- states in the U.S. can be characterized as “magnet states” – they do a good job of attracting people from other states – and/or “sticking states” – they do a good job of retaining their residents

Respectfully submitted,

Hon. Jerahmiel Grafstein, Q.C., Senator	Gord Brown, M.P.
Co-Chair	Co-Chair
Canada-United States	Canada-United States
Inter-Parliamentary Group	Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Legislative Summit of the National Conference of State Legislatures
DESTINATION	Philadelphia, Pennsylvania, United States of America
DATES	July 20 – 24, 2009
DELEGATION	
SENATE	Hon. Dennis Dawson, Senator
HOUSE OF COMMONS	Hon. Wayne Easter, P.C., M.P., Vice- Chair Mr. Brent Rathgeber, M.P. Mr. Brian Masse, M.P., Vice-Chair
STAFF	Mr. Maxime Ricard, Acting Executive Secretary Ms. June Dewetering, Advisor
TRANSPORTATION	\$4,589.36
ACCOMMODATION	\$8,318.35
HOSPITALITY	\$87.54
PER DIEMS	\$2,846.57
OFFICIAL GIFTS	\$ Ø
MISCELLANEOUS/REGISTRATION FEES	\$3,940.33
TOTAL	\$19,782.15