HIGH GROWTH STATES:
A SUMMARY OF INITIATIVES

JOINT URBAN STUDIES CENTER
NOVEMBER 2006
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The Joint Urban Studies Center
The Joint Urban Studies Center was established to provide essential research, analysis, and consultation to small and mid-size cities aiming for full participation in the new economy of the 21st century. The Center mobilizes the resources of regional institutions of higher education to engage communities in planning that is informed by research, energized by broad participation from stakeholders in the community, and validated by successful implementation. As the managing partner in the Center, Wilkes University is joined by Keystone College, King’s College, College Misericordia, Luzerne County Community College, Penn State Wilkes-Barre, and the University of Scranton.

Note
The views expressed here do not necessarily reflect those of the educational partners, their offices, trustees or board members, or private businesses that fund the Joint Urban Studies Center (JUSC) or the staff of the JUSC.

Acknowledgements
We would like to acknowledge the Joint Urban Studies Center Advisory Board for its time, effort and commitment to this region:

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*United Way of Wyoming Valley*

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The top five states in each of the five categories have been identified through information obtained from the U.S. Census Bureau, Bureau of Economic Adjustment, and the Bureau of Labor Statistics data. A summary of each respective state’s attributes have been identified in regard to:

- quality of life;
- education [both K-12 and higher education];
- cost of doing business and economic development policies;
- land use;
- transportation;
- cost of living;
- and housing affordability

Quality of life (QOL) attributes are very important when analyzing states. Often, quality of life factors are of the utmost importance to those looking to relocate, seeking in a new environment security and comfort for them and their families. While “quality of life” means different things to different people, determinants such as housing costs, a strong K-12 infrastructure, arts and cultural offerings, sports and recreation opportunities, houses of worship, crime, and government services may be determining factors in the decision to settle in a specific community, region or state.

In addition to a state description, which includes climate, natural resources, recreation, arts & culture amenities, each state has a crime index and a better living index. The crime index (with 100.00 representing a low crime rate and 50.00 being the national average) is a weighted index of all crime by degree of violence. The better living index includes a weighted index of crime, cost of living and higher education attainment. The national average is 50.00 and the best is 100.00. Most people strive to live comfortably in order to enjoy their lives. Nonetheless, QOL is a term that describes intangible feelings of happiness. Employers and communities are learning that quality of life indicators are keys to retaining qualified workers with strong productivity; for communities, such indicators can help grow populations of responsible, tax paying citizens. Most people don’t want to live in an area that has a poor physical appearance or limited entertainment and recreation opportunities. Therefore, a state’s offerings such as parks, attractions, public safety, aesthetics, and climate, are keys to its ability to develop and promote a strong quality of life factor.

K-12 education is always an important factor, particularly for families with children. Now that global competitiveness is shrinking the world and strong education infrastructure and high education attainment affect the wealth and long-term sustainability of a region or state, K-12 is even more important. Several years ago, President Bush passed the No Child Left Behind Act, in order to implement common operating and performance standards in all public schools. With this Act, all schools are required by law to implement specific achievement standards to ensure that all children receive equal education opportunities – regardless of where they live.

National publication Education Week produces a study entitled “Quality Counts.” This resource was selected for use in this report’s data collection as it accounts for each of the nation’s states and utilizes the same criteria for side by side analysis. Through the Quality Counts study, states are rated on the following: standards and accountability, efforts to improve teacher quality, school climate, and resource equity. In each of the four categories, states are ranked on the following criteria:

**CRITERIA**

1. **Standards and accountability**: standards, assessments, and school accountability;
2. **Improve teacher quality**: teacher education and qualification, teacher assessments, professional support and training, and teacher accountability for quality;
3. **School climate**: engagement, safety, parental involvement, choice and autonomy, class size, school size, and facilities;
4. **Resource equity**: wealth, McLoone Index, and coefficient of variation
The U.S. Department of Education’s FY 2006 budget provides $56 billion in Federal funding, which is an increase of 33 percent since President Bush took office. Despite all priorities competing for tax dollars, strengthening the nation’s economy through education is a strong commitment reflected in the FY 2006 budget.

HIGHLIGHTS OF THE FY 2006 BUDGET

- **Title I Program funding increases to $13.3 billion** for students in high-poverty schools - a 52% increase over 2001 levels
- **Special education grants to state programs receives a record $11.1 billion** - a 75% increase over the funding level when the President took office and the highest level of Federal support ever provided for children with disabilities
- **Pell Grant Program receives $13.7 billion** to support 5.5 million recipients in the 2006-2007 school year; since President Bush took office, the number of Pell Grant recipients has grown by more than one million students, which includes the President’s $33 million request for new Enhanced Pell Grants for State Scholars to provide up to an additional $1,000 for freshmen who took challenging courses in high school
- **High School Initiative receives $1.5 billion**, including $1.24 billion for a new High School Intervention Program focused on strengthening education for at-risk high school students, and $250 million to help states develop and implement new high school assessments in reading/language arts and mathematics
- **Reading funding increases to a total $1.3 billion**, including $1 billion for the Reading First Program, $104 million for Early Reading First programs, and $200 million for the Striving Readers Program to meet the President’s goal of ensuring every child can read at grade level
- **Choice and Options for students and parents expand to $332 million** - an additional $52 million to empower families to find schools that best meet the needs of children who most need help
- **Teachers receive $5.2 billion** in support through training, recruitment, incentives, loan forgiveness and tax relief—up from $4.8 billion in 2005
- **State accountability systems receive $412 million** to support state assessments required by No Child Left Behind in grades 3 through 8, which provide vital information to ensure each child is achieving at grade level
- **English language acquisition receives $676 million** to support children who are learning the English language so they can achieve their full potential in school and life.

A state’s higher education infrastructure contributes to its future prosperity. Universities, colleges, and technical schools educate students and provide them with skills to add value to the workforce and increase their standard of living, which in turn, has a ripple effect through the state. Higher education attainment is not only an independent measure for high growth states, but is identified as important criteria for those growing in the three other categories.

Additionally, institutions of higher education bring a wealth of resources to communities in the form of dollars spent in their respective areas by staff and students, opportunities for enrichment courses, arts and cultural offerings, use of facilities by the community, aesthetically pleasing infrastructure and added tax revenue. Each state’s respective web site was referenced to gather information on infrastructure - specifically, number and type of institutions, and any special offerings for the higher education data collection.

A state’s cost of doing business plays an important role in new business start-ups, expansion, retention, and relocation. If costs are lower in a certain state, holding all other variables constant, businesses can enjoy a higher profit margin, therefore increasing the likelihood of attracting businesses to the state.

The Milken Institute produces an annual Cost-of-Doing Business Index and ranks states on their attractiveness to business. The Milken rankings are used throughout this report in the cost of doing business section. The Cost-of-Doing-Business Index indicates each state’s comparative advantages.
or disadvantages in attracting and retaining businesses. The Index measures wage costs, taxes, electricity costs and real estate costs for industrial and office space. Each state is measured in the five individual categories, and those weighted scores are compiled to complete the overall index.2

Economic development policies also play a role in attracting businesses in similar ways by providing financial and non-financial incentives. High growth states have multiple organizations and or agencies committed to economic development. These organizations appear to be public-private partnerships and provide businesses with value added services and financial and technical assistance.

Land use is another important factor to consider when comparing states, as efficient land use policies may help to preserve natural resources and reduce the amount of funds required by a state to maintain developed areas. A sensible land use plan finds balance between natural resources and development and builds communities that are environmentally sound, less congested with lower air pollution, and more attractive spaces. To acquire data on land use, each state’s web site was referenced.

Another tool, the Cost of Living Index, compares costs, in weighted indexes, by states and major communities. The Cost of Living Index is based on the composite price of groceries, housing, utilities, transportation, health care, miscellaneous goods and services (including clothing and entertainment). Several indexes provide calculators to compare the value of annual salaries, as well. The American Chamber of Commerce Research Association provides the most comprehensive cost of living study.

Housing affordability, a primary reason for migration of population, is a major factor in determining relative costs from city to city and state to state, as it impacts long-term population growth and sustainability. Housing affordability also directly impacts communities’ rental occupancy rates, which have a direct effect on the respective community’s economic strength and marketability. For this report, housing data was derived from the Coldwell Banker House Price Comparison Index.

Transportation, specifically accessibility and congestion issues, are important for individuals and businesses alike, as heavy traffic volume and congestion often lead to problems on many levels. Mass transit, both for movement of people and energy conservation, has new relevance in today’s world. Efficiently planned roads (coordinated with land use) provide for a safer, shorter and more convenient commutes for travelers and a well-planned highway system helps businesses achieve ready access to clients and a more efficient goods movement process. Data from each state’s own web site was extracted to complete the transportation sections of this report.

The table below provides a glimpse at states that exhibit high growth in each of four categories. It should be noted that some states show high growth in more than one category, while other states display just one category of high growth.

**CONCLUSIONS**

The states with population growth, job growth, and greatest percentage change in real gross state product are primarily warmer in climate and west of the Mississippi, while states with wage increases and higher education attainment are primarily on the east coast (mostly in the mid-Atlantic region). After a cursory review, it appears that there are no consistent determinants among states. With the exception of Colorado, states with the most growth appear to have higher costs of living, more crime, and a weak Better Living Index. The difference is Colorado. Colorado’s Better Living Index is 100% — the highest in the nation. They are a leader in land use and transportation planning and development and have moderate costs and a lower crime rate.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Population Growth</th>
<th>Job Growth</th>
<th>Real Gross State Product</th>
<th>Wage Increases</th>
<th>Education Attainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nevada</td>
<td>Nevada</td>
<td>Arizona</td>
<td>Connecticut</td>
<td>Massachusetts</td>
</tr>
<tr>
<td>2</td>
<td>Arizona</td>
<td>Idaho</td>
<td>Nevada</td>
<td>New Jersey</td>
<td>Colorado</td>
</tr>
<tr>
<td>3</td>
<td>Florida</td>
<td>Utah</td>
<td>Florida</td>
<td>Massachusetts</td>
<td>New Hampshire</td>
</tr>
<tr>
<td>4</td>
<td>Texas</td>
<td>Arizona</td>
<td>Idaho</td>
<td>Maryland</td>
<td>Maryland</td>
</tr>
<tr>
<td>5</td>
<td>Georgia</td>
<td>Florida</td>
<td>Oregon</td>
<td>New York</td>
<td>New Jersey</td>
</tr>
</tbody>
</table>
To understand why some states have experienced such growth while others have not, we look at specific indicators/data to examine states with the largest population growth. Such indicators/data report on quality of life, K-12 education, higher education infrastructure, cost of doing business, economic development, land use, cost of living, housing affordability, and transportation.

When comparing states with high population growth, a noticeable similarity is that they have warm climates. As a marketing tool, climate is used to attract those from opposite climates with the hope of the visitors someday becoming residents. Quality of life in warmer climate states is made more attractive by well maintained communities that are filled with inspiring landscapes, good school systems, and exciting tourist attractions.

**NEVADA**

**Quality of Life**

Nevada - Spanish for "snow capped" - is a relatively dry state. Annual precipitation is typically 15 inches or less, reaching a low of four inches in its southern region. Temperatures in southern Nevada average 10 to 15 degrees higher than northern Nevada. Northern Nevada enjoys four seasons, including snowfall during winter. The sun shines more than 300 days per year and winter days are relatively moderate. The state's overall lack of humidity provides for a moderate feel that allows for year-round outdoor activities. Nevada includes a mix of urban areas (including gaming communities with a variety of entertainment and hospitality services), small town living and rural communities. Nevada offers a wealth of outdoor recreation options and natural resources, such as mountains, lakes, streams, valleys and high desert scenery. The state’s arts, cultural, and entertainment offerings are rich and diverse. Additionally, Nevada's location provides for easy access by car or air. Nevada has a crime index of 27.36 and a Better Living Index of 21.01.

**Education**

**K-12**

Nevada's public education system includes 545 schools, more than 20,000 teachers and over 385,400 students. Among Nevada’s public school population, 49% represent minorities, 19% live in poverty, 11+% represent children with disabilities, and 18+% are English language learners. The state spends $2.3 billion on education. In addition Nevada has more than 150 private and charter schools, a list of which is available on the Nevada Department of Education (NDE) web site.

According to Education Week’s Quality Counts study, Nevada ranks at the national level for standards and assessments however it lacks elementary standards in science and social studies. Nevada was also cited for not consistently citing low performing schools or for rewarding the others. Nevada scored poorly in the teacher quality section save for holding teachers accountable. Nevada is weak in school climate (facilities, class size, choice, etc.); however it is first in the nation in resource equity. It ensures that there is a higher per pupil spending in poorer districts.

**How the President’s Budget Will Help Nevada's Children and Families**

- Increases Federal education funding to $438.8 million—68.8% more than when the President took office
- Provides $128.6 million to help Nevada implement No Child Left Behind reforms
- Increases Title I funding to $71.7 million—$38.4 million over 2001 levels—to help the state’s neediest children
- Increases special education grants to $70.7 million—$30.9
Higher Education

Nevada enjoys a strong and ever-growing network of public community colleges and universities, as well as private colleges that work together. Nevada’s two state universities are The University of Nevada Las Vegas and University of Nevada, Reno. The University and Community College System is comprised of the two universities, as well as Nevada State College in Henderson, Desert Research Institute, and four community colleges. On both ends of the state, there are also several private colleges and a number of specialty trade and business schools.11

Millennium Scholarship Program

Nevada offers the Millennium Scholarship.12 In 1999, Governor Kenny Guinn’s Millennium Scholarship initiative was enacted into law by the Nevada Legislature; the legislation (NRS 396.911) created the Millennium Scholarship Trust Fund to be administered by the State Treasurer. Although there are a number of pathways to the Millennium Scholarship, by far, the most common is the successful completion of a rigorous program of study at a Nevada high school.13

The dollar value of the Millennium Scholarship is determined on a per-credit basis. Millennium Scholars receive reduced costs per credit hours at an approved institution, with funding limited to a maximum of 12 credits per semester at all institutions.14

Nevada Prepaid Tuition Program

The state also offers high school students an opportunity to obtain a higher education through the Nevada Prepaid Tuition Program, which offers tax-deferred growth and covers in-state tuition for two or four years of undergraduate education at any state college or university in Nevada. In its seventh year, the program essentially enables Nevada’s parents, grandparents and family and friends to lock in future college tuition rates at today’s prices. The program’s success has been tremendous. In just three short years, more than 10,500 invested nearly $65 million to guarantee the academic future of the children in their lives.15

Program participants have a variety of payment options to choose from, including a lump sum payment, spreading payments over five years, or making monthly payments from the time of enrollment to the time that the students begins college. In addition, the program is fully transferable to private or public out-of-state colleges and universities and can be transferred to another family member, including a first cousin.16

Economic Development

Nevada has lower costs associated with doing business. Commercial real estate rates are much lower than in other West Coast markets and space is readily available. As a result of gaming revenue, the state’s tax structure is favorable both to corporations and individuals. As such, Nevada consistently ranks among the best places to start and grow a business.

Nevada is perfectly situated as the hub of the 11-state western region with a market area of 51 million people within a day’s drive. The state is positioned to allow businesses to stay tapped into technology resources of other western states, while escaping the barriers of doing business. Nevada displays strong product distribution capabilities with both air cargo and ground transportation; its central location ensures that products reach key customers the next day. Further, air passenger service in Reno and Las Vegas is vast.17

### Table 2: Cost of Doing Business

<table>
<thead>
<tr>
<th>Category</th>
<th>Nevada</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>35.852</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>60.8</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>8.04</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>25.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>5.2</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: Milken Institute

PAGE 11
Commission on Economic Development
The purpose of the Nevada Commission on Economic Development (NCED) is to create a more diversified and prosperous state economy.

Department Goals:
• Preserve and enhance Nevada's business-friendly environment
• Attract new and expanding businesses to Nevada
• Support the vitality of existing businesses by providing resources, incentives, and programs to encourage growth
• Increase the number of primary jobs by assisting Nevada-based businesses to export products overseas
• Advocate public/private partnerships that promote a highly skilled workforce
• Assist with community development, planning, and implementation of infrastructure needs
• Partner with public/private entities to increase Nevada's technology and entrepreneurial business base
• Continue to support regional development authorities in achieving agency goals

Employers who have started up or moved their businesses to Nevada have found a skilled and retainable employee base. The entire state has a growing population of highly skilled tech workers, including a number of residents seeking refuge from California’s high cost of living.

In recent years, the American Electronics Association ranked Nevada second in the U.S. in high tech job growth. Nevada is ranked well above annual job growth rates of the nation as a whole.

Land Use
Division of State Lands
Nevada’s Division of State Lands acquires, holds, and disposes of all state lands and interests; provides technical land use planning assistance, training, and information to local units of government or other agencies; develops policies and plans for land use under federal management; and represents the state in its dealings with the federal land management agencies.

The Division of State Lands is one of ten divisions and agencies comprising the Department of Conservation and Natural Resources. The chief executive is the administrator and also serves as the state land registrar and executive officer for the Nevada Tahoe Regional Planning Agency. The division is comprised of five sections, each with a separate function within the agency; the five sections include technical services, clerical and financial, land use planning, state lands and Tahoe services. Additionally, the division provides staff services for the Advisory Board on Natural Resources, Land Use Planning Advisory Council and the Nevada Tahoe Regional Planning Agency.

Applicable Department Goals (Department of Conservation and Natural Resources)
• Provide for the effective conservation, protection, management and enhancement of Nevada’s natural resources, including its land, air, water and biological resources for current and future generations

<table>
<thead>
<tr>
<th>Table 3: Annual Job Growth [Dec-02 to Dec-03]</th>
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<tbody>
<tr>
<td><strong>Nevada</strong></td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Nevada**</td>
</tr>
<tr>
<td>Las Vegas MSA</td>
</tr>
<tr>
<td>Reno MSA</td>
</tr>
<tr>
<td>United States**</td>
</tr>
</tbody>
</table>

*Preliminary estimates
** Rates are seasonally adjusted for Nevada and the U.S. Job growth based on Current Employment Statistics Data

Source: Nevada Workforce Informer
Protect Nevada’s natural resources through the provision and enforcement of effective and equitable standards, policies, laws and regulations

Provide for the wise use and development of natural and recreational resources, while actively and efficiently protecting the environment and natural ecosystems

Promote a range of resource planning, inventory and research activities for the protection and use of Nevada’s natural and recreational resources

Protect the state’s interests, communities, people and its natural resources with respect to federal activities

Efforts to provide technical planning assistance to local governments throughout Nevada were greatly enhanced with the addition of an agency planner during the biennium.22

Housing Affordability
Like cost of living overall, housing is more affordable when compared with California. As many Californians left the state in the 1990s because of increasing housing costs, population growth in Nevada increased.

Generally, rental properties are affordable throughout Nevada. In the Reno-Sparks area, average rent for a two-bedroom

### Cost of Living

**Table 4: Cost of Living**

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas</td>
<td>109.8</td>
<td>110.8</td>
<td>121.7</td>
<td>91.6</td>
<td>109.4</td>
<td>112.7</td>
<td>104.6</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*

**Table 5: Cost of Living**

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas</td>
<td>106.1</td>
<td>96.7</td>
<td>123.1</td>
<td>116.4</td>
<td>107.8</td>
<td>102.3</td>
<td>93.2</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*
apartment is about $850, while in Las Vegas average rent the same size apartment is $790. The statewide median rent value is $938. Many cities in Nevada also offer a number of choices when it comes to corporate and assisted living.23

Table 6: Average Home Prices*

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reno, Nevada</td>
<td>$440,817</td>
</tr>
<tr>
<td>San Jose, California</td>
<td>$1,272,625</td>
</tr>
<tr>
<td>San Francisco, California</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Las Vegas, Nevada</td>
<td>$359,500</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 Bedrooms (BR), 2.5 baths, Family Room (FR), and 2-car garage.

Source: Coldwell Banker

Transportation
The mission of the Nevada Department of Transportation (NDOT) is to efficiently plan, design, construct, and maintain a safe and effective transportation system for Nevada's travelers, taking into consideration the environment, economic and social needs, and transportation opportunities. The department is responsible for the planning, construction, operation and maintenance of the 5,400 miles of highway and nearly 1,000 bridges comprising the state highway system. The department is divided into three districts, with a district engineer and two assistant engineers in each. The districts are responsible for supervising all state transportation activities within local areas. Transportation includes an integration of travel by rail, bike, air, or bus. The department also oversees various allied projects from the Adopt-a-Highway Program to the maintenance of state historical markers.24

Nevada has 33,977 miles of public roads and just 6.4 miles of toll roads. In addition, the state has 1,677 bridges, 1,603 miles of bus routes, and 132 civil and joint use airports and heliports. The state also includes two freight railroads, with 2,009 miles of freight rail.

With about 1,072,900 workers, more than 77% drive to work alone; mean travel time in Nevada is 29.4 minutes.25

ARIZONA
Quality of Life
Arizona has many natural resources and a pleasant climate. Popular attractions include:

- 22 national parks, monuments and wildlife preserves, in addition to Grand Canyon National Park
- 67 natural and man-made lakes
- Cross-country and downhill skiing
- 25 state historical and recreational parks
- Preserved ruins of ancient Native American civilizations
- Rodeos, Pioneer Day observances, Native American ceremonies and festivities, lost mines, ghost towns, and guest ranches
- Artist colonies in Bisbee, Jerome, Sedona, Lakeside, and Tubac
- Year-round golf, tennis, horseback riding, bicycle riding, and hiking facilities
- Professional sports include: National Basketball Association Phoenix Suns; National Football League Arizona Cardinals; National Hockey League Phoenix Coyotes; and Major League Baseball Arizona Diamondbacks
- Major League Spring Training or Cactus League games are played throughout the Phoenix and Tucson metropolitan areas; teams include the Chicago Cubs, Milwaukee Brewers, San Francisco Giants, Anaheim Angels, Seattle Mariners, San Diego Padres, and Oakland A’s, with the Chicago White Sox, Colorado Rockies, Arizona Diamondbacks training in Tucson
- Numerous area golf tournaments sanctioned by the Professional Golf Association, Ladies Professional Golf Association and Senior Professional Golf Association ; Indy and NASCAR racing, arena football, indoor soccer, roller hockey, and thoroughbred and greyhound racing
College fans enjoy intercollegiate athletics at three major state universities.

A full range of cultural opportunities including theater, ballet, opera, symphony, art exhibits and museums.

Arizona has a crime index of 7.83 and a Better Living Index of 28.10.

**Education**

**K-12**

Arizona has more than 1,900 public schools and 47,500 teachers in its system. As of 2005, the system included approximately 1,012,000 students. Annually, the state spends $5.9 billion on Pre-K-12 education. Approximately 50% of Arizona’s students represent minority populations, 20% are living in poverty, 15% are English-language learners and more than 10% are students with disabilities.

Arizona scores are at or below average in three of the four graded categories of the education policy in Quality Counts. Each of categories has three to seven indicators of measurement that are graded separately. The state’s highest grade, a B, is in the standards and accountability section. Arizona lost points for its lack of science and social studies assessments.

Arizona ranks second-to-last in the nation for efforts to improve teacher quality. It does not require prospective high school and middle school teachers to major in the subjects they teach and only high school teachers are required to pass subject-knowledge tests for a beginning-teacher license. It should be noted, however, that the state does include information about teacher qualifications on its school report cards.

While Arizona has room for improvement on school climate measures related to school safety and parent involvement, the state’s grade in this area receives a boost from strong policies on school choice. Arizona’s charter school law received the highest possible rating from the Center for Education Reform.

Arizona performs poorly on resource equity. For example, the state’s score on the coefficient-of-variation indicator shows a relatively high degree of disparity among funding levels across the state’s school districts.

**How the President’s Budget Will Help Arizona’s Children and Families**

- Increases Federal education funding in Arizona to $4.9 billion—144.8% more than when the President took office
- Provides $590 million to help Arizona implement No Child Left Behind reforms
- Increases Title I funding to $259.4 million—$118.3 million over 2001 levels—to help Arizona’s neediest children
- Increases special education grants to $187.4 million—$82.2 million over 2001 levels
- Provides $386.7 million in Federal Pell Grants to help ensure a college education for students who otherwise might not be able to afford it
- Provides Arizona with $3.6 billion in funding for new Federal student loans that ensure greater access to a college education for more young people
- Provides $15.8 million to ensure that Arizona high school students graduate with needed skills to succeed in college and in the globally competitive workforce
- Provides access to $23.5 million in Reading First funding to ensure that every child learns to read by third grade
- Provides $48.3 million to attract and retain highly qualified teachers
- Provides $7.8 million for annual assessments so parents know how well their children are learning and where they need improvement
- Provides $18.6 million to support students learning the English language.

**Higher Education**

The state of Arizona houses the Arizona Commission for Postsecondary Education. Its mission is to expand access and increase higher education attainment and its goals include increasing financial assistance, identifying strategies to...
improve postsecondary education, and access to information, enhancing collaboration between business and academia, reducing bureaucracy in higher education, and conducting more research.34

Economic Development
Arizona is a right to work state. It has competitive financial opportunities for businesses and a favorable tax code.

**Table 7: Cost of Doing Business**

<table>
<thead>
<tr>
<th>Category</th>
<th>Arizona</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>34.738</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>58.8</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>6.23</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>20.1</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>4.1</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Arizona ranks 25th

**Source: Milken Institute**

Business Financial Opportunities
- R&D Tax Credit - Income tax credits for qualified research and development conducted in Arizona, including cooperative research efforts between companies and state universities
- Private Activity Bonds - Tax-exempt bonds for construction, purchase of equipment for manufacturing operations, qualified real estate development, etc.
- Pollution Control Tax Credit - Income tax credit on real or personal property used to control or prevent pollution

Tax Operating Environment
- No corporate franchise tax
- No business inventory tax
- No income tax on dividends from out-of-state subsidiaries
- No worldwide unitary tax
- Aggressive accelerated depreciation schedules
- Virtually all services are exempt from sales tax
- 100% of Net Operating Loss may be carried forward for five subsequent years

Strategic Location Benefits
- Enterprise Zones - Income tax credits and/or property tax reclassification for businesses located in designated disadvantaged zones
- Foreign Trade Zones - Special areas created to reduce operating costs for import/export businesses
- Military Reuse Zones - Incentives available to aviation and aerospace companies creating new jobs and making capital investments within designated zones35

The Commerce and Economic Development Commission (CEDC) was established in 1989 as Arizona’s strategic economic research and initiatives entity. Nine commissioners govern the CEDC, with the Director of the Department of Commerce serving as chair and eight members appointed by the Governor for three-year terms. The CEDC is responsible for developing the state’s 10-year economic strategy. In addition, it administers the CEDC Fund, which provides financial assistance to support the Arizona’s economic development efforts. The CEDC is funded through the Arizona Lottery, with 21.5% of two scratch games providing continuous funding. The CEDC is also the recommending body for the Economic Strength Projects (ESP) Program, a grant providing assistance to local government entities for road construction projects.36

CEDC’s mission is to manage and leverage financial resources that enhance economic development. To ensure future high-quality, high-paying jobs for Arizona, the CEDC is developing a 10-year economic strategy called Moving Arizona Forward: Strategies for Success. The plan will be based primarily on the Statewide Economic Study (SES), a public-private effort to analyze the economy and identify compelling opportunities for Arizona’s regional economies over the coming decade.37

The CEDC serves as a catalyst to develop and launch "economy defining" initiatives that have a fundamental impact on Arizona’s state, regional, and local economies. Recent projects include funding for the feasibility and organization planning for the Translational Genomics Research Institute (TGen), the Critical PATH Institute and the "Arizona Virtual Water University" (working title).38

Land Use
Growing Smarter Mandates
Through a partnership among the Arizona Legislature, interested citizens, and the Arizona Governor’s Office, a comprehensive effort was undertaken to address growth-related issues that resulted in the passage of the Growing Smarter Act of 1998 and the Growing Smarter Plus Act of 2000. Together, the Growing Smarter legislation provides comprehensive land use planning and zoning reforms, including the acquisition of

PAGE 16
open space, and gives residents of Arizona cities, towns, and counties a number of tools to shape growth in their own communities, such as the right to vote on general plans and restrictions on how general and comprehensive plans can be amended.39

Following is an excerpt from the Growing Smarter Act:

“The purpose of this act is to more effectively plan for the impacts of population growth by creating a more meaningful and predictable land planning process, to increase citizen involvement in the land planning process, to directly acquire and preserve additional open space areas within this state through necessary reforms to the master planning and open space conservation programs of the state land department and to establish a growth planning analysis process to consider and address various statewide growth management issues so that the future development of land in this state will occur in a more rational, efficient and environmentally sensitive manner that furthers the best interests of the state’s citizens by promoting the protection of its natural heritage without unduly burdening its competitive economy.” 40

The State of Arizona has been working for nearly a decade to actively manage growth and preserve open space. Since 1973, most cities, towns, and counties have been required to develop plans for communities examining issues such as land use, circulation, housing, public services and facilities, and conservation, rehabilitation and redevelopment. As growth rates significantly increased in the 1990s, a critical mass of political support emerged to provide more tools to assist in responding to the consequences of such growth. In 1998, the Arizona Legislature passed the Growing Smarter Act, which clarified and strengthened planning elements in the required plans of municipalities and counties and added four new elements, namely: Open Space, Growth Areas, Environmental

### Cost of Living

#### Table 8: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phoenix</td>
<td>98.2</td>
<td>100.0</td>
<td>92.1</td>
<td>91.8</td>
<td>107.6</td>
<td>99.5</td>
<td>101.8</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*

#### Table 9: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phoenix</td>
<td>103.8</td>
<td>99.1</td>
<td>113.4</td>
<td>90.4</td>
<td>101.4</td>
<td>100.8</td>
<td>102.7</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*
Planning, and Cost of Development. In 2000, the Legislature passed Growing Smarter Plus to further enhance land use planning statutes in Arizona.\textsuperscript{41}

**Housing Affordability**
Housing is readily available in most Arizona communities. In 1998, Arizona issued 120,897 building permits. Where housing is not immediately available, Arizona’s year-round construction industry provides new houses and/or apartments in a short time and at a comparatively reasonable price. The median rent value in Arizona is $747.

**Table 10: Average Home Prices***

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa</td>
<td>$248,666</td>
</tr>
<tr>
<td>Phoenix</td>
<td>$293,334</td>
</tr>
<tr>
<td>Tempe</td>
<td>$345,000</td>
</tr>
<tr>
<td>Flagstaff</td>
<td>$425,000</td>
</tr>
<tr>
<td>Scottsdale</td>
<td>$478,833</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker

**Homes for Arizonans**
In an effort to help low- and medium-income families realize the dream of homeownership, the Arizona Housing Finance Authority (AzHFA) and the Arizona Department of Housing (ADOH) have combined forces to create the Homes for Arizonans Initiative, which makes homeownership possible for individuals and families who may not otherwise be able to purchase their first home. The Initiative is available in all counties except Pima and Maricopa.\textsuperscript{42}

The Initiative combines several funding sources including the AzHFA Mortgage Revenue Bond (MRB) program, funding from the Housing Trust Fund and federal tax credits from the AzHFA Mortgage Credit Certificate (MCC) program. Combined, the Homes for Arizonans Initiative offers:
- Mortgage financing (MRB)
- Down payment and closing cost assistance
- Federal tax credits for individuals (MCC)\textsuperscript{43}

**Mortgage Credit Certificate**
The Mortgage Credit Certificate (MCC) Program is designed to allow first-time homebuyers a reduction in federal income tax liability, thereby helping make mortgage payments more affordable. The tax credit is equal to 20\% of the buyer’s annual mortgage interest payment. The buyer receives the credit for as long as the home remains the buyer’s primary residence.\textsuperscript{44}

The buyer must qualify for the program and not have owned a home in the past three years. Maximum income and purchase price limits apply and are explained in the Mortgage Credit Certificate Information Sheets. This program usually works best for buyers at or over 80\% AMI and can be combined with the Down Payment, Closing Cost Assistance program.\textsuperscript{45}

**Transportation**
The Arizona Department of Transportation’s (ADOT) mission promotes prosperity through its linkage to the global economy and a desire to demonstrate respect for the environment and quality of life.\textsuperscript{46} ADOT’s mission of organization serves as a beacon in guiding agency actions. Its vision constitutes a “performance agreement” with its stakeholders. The performance agreement defines what ADOT must do in exchange for taxes and fees used in accomplishing its mission.\textsuperscript{47}

Arizona has 58,112 miles of roads and 7,109 bridges, none of which constitute toll roads or bridges. The state also has 3,379 miles of bus routes, 299 airports and heliports, ten freight railroads, and 1,836 miles of freight rail. The state includes 2,427,059 workers, 76\% of who drive to work alone.

The average commute time in the state of Arizona is 23.4 minutes.\textsuperscript{48}
**FLORIDA**

**Quality of Life**

Florida has a mix of business and industry combined with the tourist trade. The state has a large segment of seasonal residents and a larger retiree population. Florida’s warm climate allows for twelve months of tourism and year-round sports and recreation opportunities. The state includes both major urban areas and smaller communities, but no major rural areas. Florida’s crime index is 7.83 and its Better Living Index is 28.10. Some general facts about Florida are listed below:

- The state economy is the eighth largest in the Western Hemisphere and the 15th largest in the world
- Florida has fourteen hospitals ranked among America’s Best Hospitals
- Florida ranks second in the nation on the TechNet Broadband Index
- The state’s fourth graders are ranked eighth in the nation
- Florida’s economy grew fastest among the ten largest states
- Florida is the ninth top job-creating state
- Florida’s Embry-Riddle Aeronautical University ranked #1 for related engineering
- Florida has positive job market growth
- The state’s tax system is ranked seventh nationally among business friendly states
- The state includes eight cities listed among Intel’s 100 best for wireless accessibility
- Florida is the fourth most populous state and the ninth largest producer of exported goods

**Education**

**K-12**

Florida has over 3,400 public schools, 144,955 teachers, and more than 2,587,000 students. More than 48% of students represent minorities, 18% are living in poverty, 15.5% have disabilities, and 8% are English-language learners. Florida spends $16.4 billion annually on education.

In 1999, Governor Jeb Bush introduced the A+ Plan for Education – a program based on high standards and expectations, clear measurement and accountability, and rewards or consequences for results. Since then, the state has raised the bar on accountability by providing remediation and eliminating social promotion, making reading instruction a primary focus in elementary years, providing reading coaches, using the latest in research-based reading curriculum and setting higher standards in how schools are graded.

The state scores above the national average in standards and accountability and resource equity. It scores slightly below the national average on teacher quality and school climate. Teachers are not required to major in subject areas and class sizes are large. Such factors contribute to Florida’s lower ratings.

Governor Bush and Lt. Governor Toni Jennings, joined by members of the Florida Legislature, K-12 Public Schools Chancellor Cheri Yecke, state officials, school administrators, and teachers, have made reforms in middle and high schools. New policies provide students a more rigorous and relevant high school education, better preparing them for post-secondary education and entering the workforce. These proposals comprise Governor Bush’s A+ Plan for Education and support many recommendations of the Florida State Board of Education’s High School Reform Task Force.

In addition to the significant reforms, Governor Bush introduced recommendations related to middle and high school reform, career education and workforce certification, reading, and teacher retention. His recommendations focus on reading, building a strong middle school foundation, moving high
High Growth States: A Summary of Initiatives

schools into the 21st century, and building an educated, skilled workforce.56

How the President’s Budget Will Help Florida’s Children and Families

• Increases Federal education funding in Florida to $5.8 billion—59% more than when the President took office
• Provides $1.1 billion to help Florida implement No Child Left Behind reforms
• Increases Title I funding to $644.9 million—$233.4 million over 2001 levels—to help Florida’s neediest children
• Increases special education grants for Florida to $651.4 million—$270 million over 2001 levels
• Provides $783.3 million in Federal Pell Grants to help ensure a college education for Florida students who otherwise might not be able to afford one
• Provides Florida with $3 billion in funding for new Federal Student Loans that ensure greater access to a college education for more young people
• Provides $38 million to ensure that every high school student in Florida graduates with skills needed to succeed in college and in the globally competitive workforce
• Provides access to $54.9 million in Reading First funding to ensure that every child learns to read by the third grade.
• Provides $134.3 million to attract and retain highly qualified teachers in Florida classrooms
• Provides $15.7 million for annual assessments, so parents know how well their children are learning and where improvement is needed
• Provides $39.5 million to support students learning the English language57

Higher Education

Florida's official online student advising system is entitled FACTS.org. High school students, college students, parents, and counselors are encouraged to use the site’s services to help plan and track educational progress. FACTS.org is provided free by the Florida Department of Education to help students make informed education choices.58

In June 2005, the Board of Governors adopted the State University System of Florida’s Strategic Plan 2005-2013. The Board established the following system goals for 2012-2013:

• Goal 1: Access to and production of degrees
• Goal 2: Meeting statewide professional and workforce needs
• Goal 3: Building world-class academic programs and research capacity
• Goal 4: Meeting community needs and fulfilling unique institutional responsibilities

Florida works to improve its workforce quality through the Office of Workforce Education. This Office promotes training programs that ready adults for today's workforce. Its programs serve adult learners by preparing them for employment in a variety of industries that require well-developed technical skills. Additional workforce development efforts focus on providing skills maintenance and enhancement through continuing education to those already employed, and retraining to displaced workers. The Office also works with community colleges to build partnerships with a variety of organizations including business and industry, economic development agencies, the Florida Chamber of Commerce Agency for Workforce Innovation, Workforce Florida, Inc. and its Regional Workforce Boards.59

Economic Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Florida*</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>33.221</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>56.2</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>6.27</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>21.7</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>5.8</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Florida ranks 22nd

Source: Milken Institute

Florida has…

• No corporate income tax on limited partnerships
• No corporate income tax on sub-chapter S-corporations
• No state personal income tax guaranteed by constitutional provision
• No corporate franchise tax on capital stock
• No state-level property tax assessed
• No property tax on business inventories
• No property tax on goods-in-transit for up to 180 days
• No sales and use tax on goods manufactured or produced
Florida offers sales and use tax exemptions on…

- Semiconductor, defense and space technology-based industry transactions involving manufacturing or research equipment
- Purchases of machinery and equipment used by a new or expanding Florida business to manufacture, produce or process tangible personal property for sale
- Labor, parts and materials used in repair of and incorporated into machinery and equipment that qualify for sales tax exemption upon purchase (phased in over four years, 75% exempt on July 1, 2001)
- Electricity used in the manufacturing process
- Aircraft parts, modification, maintenance and repair, sale or lease of qualified aircraft
- Commercial space activity -- launch vehicles, payloads and fuel, machinery and equipment for production of items used exclusively at Spaceport Florida
- Labor component of research and development expenditures
- Any facility, device, fixture, machinery or equipment required for pollution control, abatement or monitoring of equipment used in manufacturing processing or compounding items for sale

Florida also offers incentives for targeted industries, workforce incentives, road infrastructure and special opportunities.

Florida’s Office of Economic and Demographic Research (EDR) is a research arm of the Legislature, principally concerned with forecasting economic and social trends that affect policy making, revenues and appropriations. EDR provides objective information to committee staffs and the state Legislature in support of the policy making process. EDR publishes the entire official economic, demographic, revenue, and agency workload forecasts developed by Consensus Estimating Conferences and makes such information available to stakeholders and the general public. EDR, through a contract with the University of Florida, arranges for annual population estimates for Florida county and city. These estimates provide the basis for revenue sharing programs.

Governor’s Long Range Program Plan
The goal of Governor Bush’s long-range program plan is to improve the health, safety, welfare, and economic well-being of Florida’s citizens.

Objectives

- Help formulate the Governor’s goals and policies through legislation, the budget process, and supervision of executive agencies
- Develop Florida’s mission critical industries, including tourism, sports, entertainment, and space; in turn, this translates into increased economic development in Florida
- Increase the wages of jobs facilitated by Enterprise Florida, Inc. to 125% of the state or regional average
- Increase by 3% the export sales of Florida businesses facilitated by Enterprise Florida, Inc.
- Sustain at least 2% growth in the number of travelers who come to and go through Florida annually
- Increase by 2% the cumulative value of private, federal, and international investments in space businesses and programs as a result of Florida Space Authority activities
- Increase by 5% the number of amateur athletes participating in Florida’s Sunshine State Games and Senior Games
- Increase by 5% the economic impact generated by Florida Sports Foundation funded and hosted sports events
- Increase by 5% production-related business transaction revenues as a result of the Office of Film and Entertainment facilitation
- Increase by 2% the number of jobs supported by financing
from the statewide Black Business Investment Corporation (BBIC)

- Formulate and implement the Governor’s economic development goals and policies through legislation, the budgeting process and coordination of the State’s economic development partnerships, while reducing or maintaining the OTTED (Office of Tourism, Trade, and Economic Development) administrative costs to less than 3%
- Implement the Governor’s long-term strategy to decrease demand for and incidence of drug abuse in order to maintain safe and healthy communities
- Provide management information services to the Governor’s Office of Policy and Budget and the Legislature; assist in development of the agencies’ Legislative budget requests, Governor’s budget recommendations, and legislative appropriations

**Land Use**

Efficiently planned communities help Florida’s seniors remain in their own homes and communities and ensure a high quality of life for residents. By accommodating people with varied needs, communities may also have significant environmental impact on energy consumption for travel and heating/cooling, which can be particularly beneficial to those on fixed or limited incomes. Community planners may help address the needs of seniors living in “naturally occurring retirement communities,” where 25% of the population is age 65 and older, by addressing issues such as co-location of goods and services with housing.

### Cost of Living

#### Table 12: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacksonville</td>
<td>98.2</td>
<td>100.0</td>
<td>92.1</td>
<td>91.8</td>
<td>107.6</td>
<td>99.5</td>
<td>101.8</td>
</tr>
<tr>
<td>Pensacola</td>
<td>96.9</td>
<td>98.4</td>
<td>92.4</td>
<td>93.1</td>
<td>99.0</td>
<td>100.8</td>
<td>99.6</td>
</tr>
<tr>
<td>Tallahassee</td>
<td>109.4</td>
<td>106.4</td>
<td>113.7</td>
<td>117.5</td>
<td>104.0</td>
<td>104.7</td>
<td>107.5</td>
</tr>
<tr>
<td>Panama City</td>
<td>96.3</td>
<td>97.3</td>
<td>88.5</td>
<td>99.8</td>
<td>107.0</td>
<td>102.1</td>
<td>97.5</td>
</tr>
<tr>
<td>Fort Walton</td>
<td>99.8</td>
<td>94.2</td>
<td>94.6</td>
<td>103.1</td>
<td>100.8</td>
<td>106.5</td>
<td>104.8</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)

#### Table 13: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tampa</td>
<td>99.5</td>
<td>102.1</td>
<td>96.0</td>
<td>103.5</td>
<td>103.6</td>
<td>94.6</td>
<td>99.6</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
Florida’s encouragement of philosophies such as “green building,” helps communities promote preservation of green space, efficient use of natural resources and reduced water and air pollution. Green building is broadly defined as a collection of land-use, building design and construction strategies and technologies that reduce the environmental impact of buildings throughout their life cycle.64

The green building concept warrants special consideration for elder housing because many older adults live in homes in need of repair, often equipped with aging appliances in need of replacement. Green building principles used in making repairs reduces heating and cooling costs, thereby making monthly bills more manageable. Replacement appliances can be much more energy and space efficient. Green building concepts in new construction ensure energy efficient buildings and landscaping designed to require minimal maintenance. The green building approach also helps create neighborhoods that reduce dependence on automobiles and fosters a sense of community as well as protecting the environment. Green building concepts are easily incorporated into an elder-ready community.65

On shorelines, Florida adds to these regulations other rules regarding the size and shape of buildings, as well as their locations. The additional regulations are intended to avoid adverse environmental consequences resulting from building construction.66

### Housing Affordability

The Growth Management Act (GMA) requires local plans to address housing affordability as a specific, defined housing issue. In 1988, the Florida Legislature even adopted a housing goal that strives to “ensure that decent and affordable housing is available for all its residents” by 2010. Florida planners took the role as enforcer of the state GMA’s principles seriously; more than half of the comprehensive plans for cities, and two-thirds of the plans for counties were rejected by the Florida Department of Community Affairs because they failed to comply with an element of the state’s growth-management law.67 Florida’s median rent is $791.

### Transportation

The Florida Department of Transportation’s (FDOT) mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of the environment and communities.68

Florida’s highway system contains over 40,000 lane miles with 6,377 bridges. There are 750 aviation facilities (132 are public – 19 of which have scheduled service). There are fourteen active seaports, 15,019 miles of bus route miles and more than 2,800 miles of rail with fourteen freight railroads. Florida has 1,540 of inland waterway miles. In Florida, there are over 7,490,350 workers - 81% of who drive to work alone. The mean travel time to work is 25.4 minutes69. **Table 14: Average Home Prices**

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensacola</td>
<td>$222,258</td>
</tr>
<tr>
<td>Gainesville</td>
<td>$259,950</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>$290,778</td>
</tr>
<tr>
<td>Tallahassee</td>
<td>$296,191</td>
</tr>
<tr>
<td>Port Charlotte</td>
<td>$310,164</td>
</tr>
<tr>
<td>Orlando</td>
<td>$312,000</td>
</tr>
<tr>
<td>Tampa</td>
<td>$320,781</td>
</tr>
<tr>
<td>Clearwater/St. Petersburg</td>
<td>$323,833</td>
</tr>
<tr>
<td>Daytona Beach</td>
<td>$349,650</td>
</tr>
<tr>
<td>Panama City</td>
<td>$360,333</td>
</tr>
<tr>
<td>Ft. Myers</td>
<td>$385,483</td>
</tr>
<tr>
<td>Ft. Lauderdale</td>
<td>$387,141</td>
</tr>
<tr>
<td>Sarasota</td>
<td>$387,375</td>
</tr>
<tr>
<td>West Palm Beach</td>
<td>$429,250</td>
</tr>
<tr>
<td>Naples</td>
<td>$433,666</td>
</tr>
<tr>
<td>Boca Raton</td>
<td>$521,412</td>
</tr>
<tr>
<td>Miami</td>
<td>$671,854</td>
</tr>
<tr>
<td>Key West</td>
<td>$949,375</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index
TECHAS
Quality of Life
Texas has beaches, rugged mountains, prairies and piney woods. Like the other large states, it includes diverse geography, moderate climate, and wildlife. In Texas, Austin and Dallas are listed on Forbes’s top ten list of best cities. Texas also has more than 900 golf courses, 600 miles of coastline, nineteen wildlife refuges, thirteen national parks and 123 state parks, historic sites and natural areas, theme parks, water parks, zoos, and campgrounds.70

The population of Texas reached 22,118,509 in 2003, according to the latest estimates from the U.S. Census Bureau. The 2000 Census indicates that 82.5% of the state’s population lives in metropolitan areas. According to the Texas State Data Center at Texas A&M University, the state’s population is expected to reach 35 million by 2040. This represents a 68% jump from 20.85 million in 2000. Hispanics will account for 83% of this growth and are expected to outnumber Caucasian residents by 2020.71 Texas’ statewide crime is 17.53 and its Better Living Index is 51.39.72

Education
K-12
Texas has more than 7,800 public schools, 289,481 public school teachers, and over 4,331,000 students. Of its students, 61.3% represent minorities, 23% are living in poverty, 11.8% have disabilities, and 15.3% are English-language learners.73

Texas scored at or below average in all four categories of the Quality Counts report. The state ranks average in standards and assessments. Math is the only subject with Federation of Teachers approval in standards and assessments. Texas ranked below average in the other three categories and remains weak in training and mentoring teachers, parental involvement, and resource equity.74

The Academic Excellence Indicator System (AEIS) gathers a wide range of information on the annual performance of students in each Texas school and district. This information is incorporated into annual AEIS reports, which are available each fall.

Performance on the indicators is shown disaggregated by ethnicity, sex, special education, low-income status, and, beginning in 2002-03, limited English proficient status. The reports also provide extensive information on school and district staff, finances, programs, and demographics.

The TAKS (Texas Assessment of Knowledge and Skills) replaced the TAAS (Texas Assessment of Academic Skills) in the 2002-03 school year as the state-administered assessment. AEIS reports prior to 2002-03 report performance on the TAAS test.75

The Accountability Rating System for Texas public schools and school districts applies a subset of the performance measures computed for AEIS to assign a rating to each public school and district. Schools and districts have been rated since 1994 using this system. Additionally, school report cards (available on the web through the AEIS site, by year starting in 1997-98) are sent out to parents. Report cards show a subset of the performance, staff, and financial measures in the AEIS reports. The annual Snapshot publications, which date back to 1987-88, provide extensive district-level information, which is calculated for AEIS. Pocket Edition provides a state-level overview of public school education in a compact brochure. Such brochures date back to the 1990-91 school year.76

How the President’s Budget Will Help Texas’ Children and Families

• Increases Federal education funding in Texas to $7.8 billion—64.4% more than when the President took office
• Provides $2.1 billion to help Texas implement the No Child Left Behind reforms
• Provides $1.2 billion in Title I funding—$521.1 million over FY 2001—to help Texas’ children who are most in need
• Provides $13.3 million in new Title I School Improvement Grants to help Texas turn around low-performing schools and districts.
• Increases special education grants for Texas to $998.5 million—$437.8 million over FY 2001.
• Provides $1 billion in Federal Pell Grants to help ensure a college education for Texas students who otherwise might not be able to afford it
• Provides Texas with $3.4 billion in funding for new Federal student loans that ensure greater access to a college education for more young people
• Provides $61.6 million to ensure that every high school student graduates with the skills needed to succeed in college and in the globally competitive workforce.
• Provides access to $100.7 million in Reading First funding to ensure that every child in Texas learns to read by third grade
• Provides $241.3 million to attract and retain highly qualified teachers in Texas classrooms
• Provides $22.7 million for annual assessments so every parent knows how well their children are learning each year and where improvement is needed
• Provides $89.4 million to support who are learning the English language

Higher Education
$4 Billion is available every year to help Texans attend college. The web site collegefortexans.com is timely and easy-to-navigate mega site that helps Texans prepare, apply and pay for college or technical school. The goal of the College for Texans Campaign is to bring 300,000 additional people prepared to succeed into higher education by 2015, beyond the 200,000-student enrollment growth already projected, in order to reach the participation and success goals of closing the gaps by 2015.

The campaign is needed because Texas is on a path to becoming a less educated, less prosperous state. Currently, one million Texans are enrolled in higher education, representing only 5% of the state's population. This participation rate is lower than comparable states, such as New York, California, Michigan, and Illinois, and lower than its rate a decade ago. If this trend continues, Texas will grow to 1.2 million students in 2015, as the proportion of the state's population enrolled in higher education falls to 4.6% or less. As higher education participation rates and educational attainment levels decline, so will annual household income - by an estimated $30 to $40 billion in 2030. The loss would be dire for both families and the state's economy.

Economic Development

Table 15: Cost of Doing Business

<table>
<thead>
<tr>
<th>Category</th>
<th>Texas</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>36.421</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>45.2</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>6.56</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>18.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>4.5</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Texas ranks 27th

Source: Milken Institute

Facts on Texas’ Business Environment
• Texas is a right-to-work state, with low unionization of the manufacturing workforce
• Texas has instituted major reforms in workers’ compensation, which have lowered employers' costs substantially over the past several years
• Texas has no personal income tax
• Among the fifteen most populous states, Texas ranks as one of the lowest in business taxes as a percentage of total state tax revenue
• The average manufacturing wage in Texas was $12.57 an hour in 2001, which is 15% below the U.S. average of
Texas value added per production worker hour in manufacturing is 17 percent higher than the U.S. average.

Total energy costs in Texas rank among the lowest in the nation.

Leasing costs for Class A office space in Dallas and Houston are priced far below those in Chicago and Boston on a square foot basis, and are half the cost of office space in New York City (2001).

Texas is home to the third highest number of companies on both the Fortune 500 and Forbes 500 listings for 2002.

More than 90% of the state is in the Central Time Zone, making nationwide and international business easier to conduct.

The state is committed to remaining at the forefront of emerging markets and industries. Its economic development tools, including the $295 million Enterprise Fund and the Texas Economic Development Bank, are already creating jobs. Market Texas Business ensures that state resources are implemented to encourage new business success.

Land Use
The core functions of the Texas General Land Office, manager of 20.4 million acres of state property, are tied to the protection and preservation of natural resources. In the state’s coastal areas, there exist programs like Adopt-a-Beach, Coastal Erosion Planning and Response, and Oil Spill Prevention and Response. These programs are designed to promote a balance between preservation of beaches, bays, and estuaries with the commercial and recreational use of such resources.

Cost of Living

Table 16: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>95.2</td>
<td>93.6</td>
<td>84.4</td>
<td>97.1</td>
<td>102.5</td>
<td>102.3</td>
<td>101.5</td>
</tr>
<tr>
<td>El Paso</td>
<td>91.5</td>
<td>105.6</td>
<td>80.3</td>
<td>98.7</td>
<td>95.0</td>
<td>100.0</td>
<td>91.7</td>
</tr>
<tr>
<td>San Antonio</td>
<td>94.2</td>
<td>83.5</td>
<td>97.2</td>
<td>80.4</td>
<td>89.1</td>
<td>97.3</td>
<td>100.5</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)

Table 17: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>95.8</td>
<td>105.8</td>
<td>78.4</td>
<td>119.1</td>
<td>102.6</td>
<td>99.7</td>
<td>97.0</td>
</tr>
<tr>
<td>Houston</td>
<td>90.2</td>
<td>83.1</td>
<td>74.0</td>
<td>112.3</td>
<td>98.1</td>
<td>98.8</td>
<td>96.3</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
Resource Management Codes assist potential users of state-owned submerged lands with project planning efforts. State and federal resource agencies assign codes to state-owned tracts in development guidelines for activities within the tracts. The codes provide recommendations for minimizing adverse impacts to sensitive natural resources from mineral exploration and development activities.83

Housing Affordability
The median rent value in Texas is $669.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Killeen</td>
<td>$131,328</td>
</tr>
<tr>
<td>Arlington</td>
<td>$139,510</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>$148,610</td>
</tr>
<tr>
<td>Houston</td>
<td>$151,600</td>
</tr>
<tr>
<td>Lubbock</td>
<td>$164,133</td>
</tr>
<tr>
<td>Waco</td>
<td>$178,500</td>
</tr>
<tr>
<td>Corpus Christi</td>
<td>$179,125</td>
</tr>
<tr>
<td>Plano</td>
<td>$183,750</td>
</tr>
<tr>
<td>Amarillo</td>
<td>$191,558</td>
</tr>
<tr>
<td>El Paso</td>
<td>$195,225</td>
</tr>
<tr>
<td>Austin</td>
<td>$199,381</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$219,075</td>
</tr>
<tr>
<td>Dallas</td>
<td>$261,325</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index

Transportation
Texas’ plan to improve its transportation infrastructure is entitled “Trans Texas Corridor”. The plan intends to move hazardous materials out of urban population centers, reduce air pollution, and improve opportunities for economic development and job creation. The plan incorporates toll and non-toll roads, high-speed freight and commuter rail, water lines, oil and gas pipelines, electric transmission lines, broadband and other telecommunications infrastructure in the same corridors. Population projections have shown that Texas could grow from 21 million to 50 million residents over the next few decades. Its transportation plan will allow the state to construct a system with minimal expenditure of public money. These measures were approved by the Texas legislature and by Texas voters. Through an exclusive development agreement authority, Toll Equity, Regional Mobility Authorities, and the Texas Mobility Fund, Texas can use increasingly tight state and federal funds to partner with public and private entities to design, build, operate, and manage the innovative system, without implementation of new taxes. The Texas Transport Commission has begun planning for a corridor system, which will link with existing interstate systems, three existing regional transport systems, as well as major ports of entry in Laredo, El Paso, Brownsville, Beaumont, Corpus Christi and Houston.84

Texas has:
- Non-stop flights to Canada, Mexico, Europe, South America, and the Far East that offer Texas businesses ready access to foreign markets
- 27 commercial airports in 24 cities; more than 90% of the state’s population lives within 50 miles of an airport
- Fort Worth’s Alliance Airport is the first industrial facility of its kind to be planned, designed, and built specifically to serve business needs
- 29 coastal and inland water ports, the Port of Houston is the largest in size and handles more foreign cargo than any other
- 29 general-purpose foreign trade zones85

Texas has 303,176 miles of public roads, more than 163 miles toll roads, 24 toll bridges, and toll tunnels and ferries. The state includes about 48,000 bridges, 12,900 miles of bus routes, and 1,913 airports and heliports, 44 freight railroads 14,049 miles of freight rail. In Texas, the mean travel time to work is 23.8 minutes—73.8% of the population drive to work alone.86
GEORGIA
Quality of Life
Georgia’s diverse topography includes beaches and barrier islands along the coast, fertile soil in the state’s center, as well as the foothills and forests of the Appalachian Mountains. While the state enjoys the variety of four seasons, its mild climate makes it easy to take advantage of all this state has to offer throughout the year. Georgia’s crime index is 25.50 and its Better Living Index is 58.19.

Recreation options in Georgia range from lakeside resorts and mountaintop lodges to 63 state parks and historic sites that present a full range of outdoor and sporting opportunities. Spectators enjoy Georgia’s professional sports teams, including:

- Atlanta Braves, MLB
- Atlanta Falcons, NFL
- Atlanta Hawks, NBA
- Atlanta Thrashers, NHL
- The new Atlanta Force, in the Arena Football League
- NCAA teams from Georgia, Morehouse Georgia Tech, Georgia State, and others
- While Georgia golf best associated with the Masters Tournament in Augusta, golfers may choose from 128 public golf courses throughout the state
- Appalachian Trail, Okefenokee Swamp and Chattahoochee River National Recreation Area to Cumberland Island National Seashore
- Beaches along the Atlantic Ocean

The variety of Georgia’s cultural opportunities is just as impressive as its sporting and outdoor activities. In fact, Atlanta is an arts center of the Southeast, with:

- Two resident ballet companies
- A symphony orchestra
- Several permanent theater groups
- An opera company
- Chamber music ensembles

Atlanta’s High Museum of Art is the heart of the state’s cultural attractions, regularly hosting exhibits of internationally known artists and collections. Other attractions include:

- Atlanta Botanical Gardens
- Carlos Museum at Emory University
- Fernbank Science Center
- Zoo Atlanta
- Atlanta History Museum
- Callanwolde Fine Arts Center

Georgians’ strong appreciation for culture and art provides support for additional state attractions, including:

- State Botanical Gardens in Athens
- Macon’s Museum of Arts and Sciences
- Meadow Garden in Augusta
- State Museum of Agriculture in Tifton
- Confederate Naval Museum in Columbus
- Fort Frederica National Monument on St. Simon’s Island

Education
K-12
In Georgia, there are more than 2,030 public schools, with 97,150 teachers, and over 1,522,000 million students. Of these students, 48% represent minorities, 21% are living in poverty, 12.2% are children with disabilities, and 4% are English-language learners.

Georgia scored at the national average in three of the four categories. The state ranked below the average on resource equity, as there exists a disparity in per pupil spending in low-income schools. Georgia met the national averages in the other categories as a result of new teacher education policies, class size reduction efforts, and a sanctions and rewards program for schools.

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The Georgia Education “GO Get It” Partnership is the best hope ever for Georgia students to achieve:

- A high-school diploma
- A college degree
- A successful, fulfilling life

GO will:
• Enable and motivate all students to reach their potential through education
• Increase Georgia's economic prosperity
• Help students to GO forward in school and GO forward in life.

Georgia students entering grades six through twelve in the fall are eligible to apply for a GO scholarship – which awards $500 scholarships to six students who are selected based on application essays. The scholarship money is placed in each recipient’s 529 Education Savings Plan. The money can subsequently be used to attend the college, university or technical college of their choice.

GO Kits contain college preparation presentations, notes, and activities for students from preschool through high school and their parents, mentors, and other "believers." GO offers such tools to community-based organizations for use with the students and families they serve. Presentations cover succeeding academically, and preparing and saving for college. GO Kit distribution and training information is available on the GO Kits web page.

GO Centers are a grassroots network of college and career access centers located in schools and communities across the state of Georgia. Through GO Centers, students and adult "believers" receive the message that high school graduation and college education maximize life's choices and are desirable, attainable, and affordable goals.

How the President's Budget Will Help Georgia's Children and Families
• Increases Federal education funding in Georgia to $3.3 billion—69.8% more than when the President took office
• Provides $661.1 million to help Georgia implement the No Child Left Behind reforms
• Increases Title I funding to $418.9 million—$161.4 million over 2001 levels—to help Georgia's neediest children
• Increases special education grants for Georgia to $327.7 million—$144.1 million over 2001 levels
• Provides $372.6 million in Federal Pell Grants to help ensure a college education for Georgia students who otherwise might not be able to afford it
• Provides Georgia with $1.9 billion in funding for new Federal student loans that ensure greater access to a college education for more young people
• Provides $22.3 million to ensure that every high school student in Georgia graduates with the skills needed to succeed in college and in the globally competitive workforce
• Provides access to $31.8 million in Reading First funding to ensure that every child in Georgia learns to read by third grade
• Provides $77.3 million to attract and retain highly qualified teachers in Georgia classrooms
• Provides $10.3 million for annual assessments so parents know how well their children are learning and where improvement is needed
• Provides $10.9 million to support students in Georgia who are learning the English language

Higher Education
Georgia has 104 post-secondary schools that are eligible for state-funded student financial aid - a network of public and private universities and colleges, public technical colleges, and special purpose schools located throughout the state.

Higher education is a key element of economic prosperity, both for Georgians and the state’s business climate. GA College 411 empowers residents by giving tools to plan, apply and pay for college. This informative, free online resource enables Georgians to explore careers, select a college, prepare for the SAT and ACT, plan high school coursework and learn about financial aid. GA College 411 also provides access to Education GO Get It. This statewide initiative develops public/private partnerships to improve Georgia’s high-school graduation rates and increase the number of residents earning college degrees. The program issues student scholarships and mini-grants for community organizations to work with young people.
**Georgia's HOPE Program**

HOPE — Helping Outstanding Pupils Educationally — is Georgia’s unique scholarship and grant program that rewards students with financial assistance in degree, diploma, and certificate programs at eligible state public and private colleges, universities and technical schools. HOPE is funded entirely by the Georgia Lottery for Education, which also funds a statewide pre-kindergarten program. Since the HOPE Program began in 1993, over $2.7 billion has been awarded to more than 850,000 students.

There are several ways to benefit from HOPE, including the following:

- **Georgia residents enrolling in a degree program at a state public college, university, or technical school, may be eligible for the HOPE Scholarship. Funds cover tuition, HOPE-approved mandatory fees, and a book allowance. Those enrolling in a state private college may be eligible for a $3,000 per academic year scholarship for full-time study or $1,500 for half-time study.**

- **Georgia residents enrolling in a certificate or diploma program at a Georgia public college, university, or technical school, may be eligible for the HOPE Grant regardless of high school graduation dates or grade point averages. The HOPE Grant covers tuition, HOPE-approved mandatory fees, and a book allowance of up to $100 per quarter or $150 per semester.**

- **Legal Georgia residents who earn a General Education Development (GED/high school equivalency) diploma awarded by the Georgia Department of Technical and Adult Education after June 30, 1993, may receive a one-time $500 HOPE award. This award may be used toward tuition, books, and other educational costs at an eligible public or private college, university, or technical college in a degree, diploma, or certificate program.**

**Economic Development**

Businesses are nurtured by Georgia’s vast resources and services, designed to speed and sustain economic growth and market success. Small business start-ups and Fortune 500 companies alike can utilize Georgia’s many tax credits, designed to accelerate financial prosperity and enrich the workforce. Establishing or relocating headquarters to Georgia may qualify businesses to receive a headquarters or new manufacturing facilities job tax credit for establishing new jobs. Businesses can also benefit from tax credits designed to accelerate economic growth in Georgia’s competitive industries and for those meeting specific business needs for manufacturing, warehousing, distribution, processing, telecommunications, tourism, and research and development firms.

Small businesses also thrive in Georgia with the help of programs designed specifically to meet their unique needs. Such small businesses can improve their bottom line and become more fiscally competitive as a result of tax credits. Programs developed in conjunction with the University of Georgia’s Small Business Center, Georgia Tech’s Advanced Technology Development Center and the Georgia Department of Economic Development’s (GDEcD) regional offices are available to speed success in the regional, national and global marketplace.

Georgia is a place for personal growth and enrichment. Ongoing workforce training opportunities, supported by the Employer’s Credit for Approved Employee Retraining, include a proactive retraining of employees to teach skills necessary in a changing competitive environment. The low cost of living across the state, lower energy costs and valuable tax credits all translate into savings and better quality of life for businesses and employees.

The Georgia Department of Economic Development (GDEcD) is the lead agency in state government empowered to influence, affect, and enhance economic development. In order to achieve the highest degree of effectiveness and efficiency, the department engaged in a dynamic process to create a strategic plan. GDEcD presents the strategies, focused both internally and externally, that ensure Georgia’s maintenance of its competitive position in a global economy. The primary objective of the department is to create jobs, and therefore economic well-being, through the promotion of Georgia as a business location or a tourist destination. Deployed across the state, with offices in eleven service delivery regions, and in thirteen nations around the world who work to carry out the functions of GDEcD, the GDEcD is overseen by a board of directors comprised of 20 members appointed by the governor. The GDEcD co-operates and partners with other statewide
economic and community development agencies, colleges, universities, and a variety of corporate entities to accomplish its mission.\textsuperscript{108} Over 40 countries already have consulates and trade offices in Georgia.\textsuperscript{109}

**Georgia Allies**

Created in 1997, Georgia Allies is a partnership between state government and private corporations designed to lead marketing efforts for members of the Georgia Corporation for Economic Development. A collaborative endeavor, Allies leverages individual initiatives of its members into a larger, targeted program that aggressively promotes statewide business development.\textsuperscript{110}

The principal goal of Georgia Allies is to create the most successful economic development marketing initiative in the world, with particular emphasis on building relationships amongst key decision-makers. By identifying and attracting leading companies in strategic industry sectors, the partnership extends the number of quality opportunities available and drives the overall success of Georgia’s business development strategies.\textsuperscript{111}

**Land Use**

As Georgia’s population and economy grow, the demand for land is increasing rapidly. Much of the land use change is from forest and agriculture to urban uses. Often, this rapid growth contributes to sprawl, with its accompanying environmental and economic impacts. The mission of the Georgia Land Use Trends (GLUT) Project is to track and analyze changes in Georgia’s land use over the past 25 years, providing valuable information for planners, policy makers, and researchers.

GIS databases for the entire state are generated using LANDSAT data. So far, databases for 1974, 1985, and 1998 have been created. Land cover maps are created for each year, distinguishing land cover types.

## Cost of Living

### Table 20: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>97.2</td>
<td>96.5</td>
<td>93.6</td>
<td>88.3</td>
<td>101.4</td>
<td>108.4</td>
<td>100.5</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*

### Table 21: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>97.5</td>
<td>97.8</td>
<td>96.3</td>
<td>86.2</td>
<td>102.0</td>
<td>101.2</td>
<td>99.9</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*
Housing Affordability
Low property tax and modest real estate costs in Georgia allow individuals and families to afford homes. The state’s median rent value is $752. The Georgia Dream Homeownership Program makes purchasing a home more affordable for low-to-moderate income families and individuals by offering fixed, low-interest rate mortgages loans. In addition, the program offers down payment and closing costs assistance to eligible borrowers, which greatly reduce buyers’ out of pocket expenses. The Program provides free homebuyer education through a partnership with local entities to help homebuyers take a comprehensive look at the home buying process and home ownership responsibilities. Applicants seeking down payment and closing cost financing are required to attend Homebuyer Education prior to the loan closing.

Table 22: Average Home Prices

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macon</td>
<td>$167,850</td>
</tr>
<tr>
<td>Dalton</td>
<td>$182,750</td>
</tr>
<tr>
<td>Columbus</td>
<td>$217,818</td>
</tr>
<tr>
<td>Athens</td>
<td>$230,152</td>
</tr>
<tr>
<td>Savannah</td>
<td>$247,375</td>
</tr>
<tr>
<td>Atlanta</td>
<td>$303,300</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.


The Single Family Development Program is designed to assist local communities throughout Georgia to expand the supply of affordable single family housing and to increase homeownership opportunities for low- to moderate-income individuals. Prospective applicants may develop new housing in subdivision style settings, rehabilitate vacant and dilapidated housing in established neighborhoods or construct new housing on vacant lots in inner city communities.

Under the FY2006 Single Family Development Program, housing developers and/or local public housing authorities may apply for up to $300,000 in financing to assist with the construction and sale of single-family housing. These resources are offered as gap financing in the form of a Home Buyer Subsidy and/or a Development Subsidy. Applicants are required to obtain construction term financing from another lending source.

Transportation
Georgia has built logistics and transportation infrastructures to enable companies to move products quickly. It ties air, sea, rail and roads. Hartsfield-Jackson Atlanta International Airport offers more scheduled flights than any other U.S. airport. Businesses can reach 80 percent of the U.S. market within two hours, and any major North American city in four hours. International flights reach 45 cities and 30 countries. Hartsfield-Jackson is also the world’s leading air cargo center, handling more than 900,000 tons of cargo annually.

Georgia companies have another gateway to the world through state-of-the-art deepwater ports in Savannah and Brunswick. Operated by the Georgia Ports Authority, they are the fifth largest in the country and serve as the south Atlantic’s premier auto-processing facility. Combined with inland barge operations in Bainbridge and Columbus, these waterways accelerate the pace of commerce. Georgia has 721 miles of inland waterways.

Georgia has a 4,800-mile rail network with 20 freight railroads that connect to four major interstates. Georgia companies are within a two-day drive of most of the United States via more than 1,200 miles on interstate highways and 20,000 miles of federal and state highways. Overall, the state contains more than 117,000 miles of public roadway (with only 6.2 miles of toll roads) and approximately 13,000 bridges. The state is served by more than 4,400 miles of bus routes and 455 airports and heliports.

In Georgia, there are over 3,980,900 workers, almost 80% of who drive to work alone. The mean travel time to work is 26.8 minutes.

The state has an aggressive plan for moving Georgia’s transportation program forward. Governor Perdue brought together key transportation players to develop a common plan. Today, the Georgia Department of Transportation (GDOT), Georgia Regional Transportation Authority (GRTA), State Road and Tollway Authority (SRTA), Atlanta Regional Commission (ARC), local governments, and other stakeholders are working together like never before.

With key agencies assembled, the Governor provided them with the following vision — a clear set of principles to help guide transportation planning:

- Promote safety
- Improve the mobility of people and goods
- Improve air quality
• Spend transportation funds in a strategic, cost effective manner
• Allocate funds equitably across the state

Georgia’s transportation team was asked to follow these principles in developing a comprehensive plan. In 2003, the Governor announced an initial bond package – Georgia Gets Going. The package was focused on accelerating existing high priority projects to improve mobility and access.

With the players, principles, and plan aligned, Georgia is now moving forward with a comprehensive transportation program for the next 6 years. The $15.5 billion program to relieve congestion and promote economic growth is coined “Fast Forward.” It allows the state to accomplish in six years work that would have otherwise taken 18 years.

In keeping with the Governor’s principle of allocating funds equitably, approximately half of the $15.5 billion will be spent in the Metro Atlanta Region, where nearly 50% of all Georgians live. The remaining funds will be allocated to serve the needs of residents in other regions.

The funding sources include:
• $11 billion in funding through the regular GDOT program
• $1.5 billion in General Obligation (GO) and Guaranteed Revenue (GRB) bonds
• $3 billion in Grant Anticipation Revenue Vehicle (GARVEE) bonds

The GO-GRB package will fund projects similar to those in the 2003 bond package, focusing on arterial road improvements, express bus service, and the Governor's Road Improvement Program (GRIP) for Georgia’s rural communities to expand economic opportunity.

GARVEE bonds are a new funding mechanism that will accelerate much needed projects. It is critical for the state to move forward on projects that provide short-term relief while progress is made on long-term solutions.

Short-term congestion relief includes:
• $211 million to expand the Intelligent Transportation System (ITS) and HERO coverage to more safely and efficiently clear traffic incidents that disrupt the flow of traffic and cause delays. With this investment, the goal is to reduce peak hour delays by 30%.
• $16 million to expand ramp metering – control of the flow of cars onto highways at on-ramps. Implementation of this system can reduce peak hour delays by 7%.
• $116 million for traffic signal upgrades, including synchronization. In a pilot project by GDOT, fourteen traffic lights were synchronized on State Route 316 between Gwinnett and Barrow Counties resulting in a 16% reduction in average travel time for commuters.

Long-term congestion relief includes:
• $1.3 billion to accelerate expansion of HOV lanes to encourage carpooling and greater bus ridership.
• $286 million to implement two new transit corridors in the Atlanta region, providing commuters with transportation alternatives.

For economic development, statewide improvements will be made to Georgia’s interstate system. Approximately $1.5 billion will be allocated to add more than 400 new lane miles to rural I-75, I-85 and I-95 and urban interstate capacity. Georgia’s interstates help put businesses within a 2-day truck or rail haul of 80% of U.S. industrial markets. Maintaining and upgrading highway capacity is a critical component of Georgia’s economic development strategy.

As a growing state, Georgia has tremendous transportation needs. Its challenge is twofold – reduce congestion in the Atlanta region and improve access for economic development throughout Georgia. Fast Forward accomplishes these goals in an equitable and fiscally responsible way that meets the states needs while living within its means.

SUMMARY
Nevada and Arizona’s growth can be attributed, in part, to a mass exodus of Californians who left the state because of its high cost of living; combined with burdensome workers’ compensations [laws], a significant number of business left as well. On the East Cost, Florida and Georgia experienced population growth because of their moderate climates, and also because business patterns indicate that before moving off shore, manufacturing moved south. Studies out of Rutgers University show that new technology jobs are moving south as well. Texas has a lower cost of living, lower housing prices, a higher-than-average Better Living Index (although a higher crime rate), and a lower cost of doing business. The common attribute among all five states is that they have a moderate climate.
III. JOB GROWTH

Over the year, non-farm employment increased in 47 states and the District of Columbia. Louisiana, Michigan, and Mississippi were the only states to show a decrease in non-farm employment between June 2005 and June 2006.

Utah and Arizona also had metropolitan areas ranked among the top five in over-the-year employment change. St. George, Utah, displayed the second highest percentage change (+8.4%), while Yuma, Arizona (+7.8%), and Prescott, Arizona (5.9%), showed the third and fifth highest over-the-year percentage gains in employment.132

Table 23: Top 5 States with the Largest Over-the-Year Percentage Change in Employment

<table>
<thead>
<tr>
<th>State</th>
<th>Jun-05</th>
<th>Jun-06</th>
<th>Number Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada</td>
<td>1,223,800</td>
<td>1,288,300</td>
<td>64,500</td>
<td>5.3%</td>
</tr>
<tr>
<td>Idaho</td>
<td>608,500</td>
<td>639,900</td>
<td>31,400</td>
<td>5.2%</td>
</tr>
<tr>
<td>Utah</td>
<td>1,143,800</td>
<td>1,200,700</td>
<td>56,900</td>
<td>5.0%</td>
</tr>
<tr>
<td>Arizona</td>
<td>2,498,400</td>
<td>2,620,600</td>
<td>122,200</td>
<td>4.9%</td>
</tr>
<tr>
<td>Florida</td>
<td>7,779,200</td>
<td>8,050,100</td>
<td>270,900</td>
<td>3.5%</td>
</tr>
</tbody>
</table>


Table 23: Top 5 States with the Largest Over-the-Year Percentage Change in Employment

While Number one - Nevada (p.10), number four - Arizona (p.14), and number 5 - Florida (p.19), are highlighted in the first section of this report, Idaho and Utah are featured below.

IDAHO
Quality of Life
Idaho’s crime index is 79.18 and its Better Living Index is 53.46.133

Idaho is a very popular location for outdoor enthusiasts:
- Hells Canyon, the deepest river gorge in North America, is in Idaho’s western border
- Idaho has 16 alpine ski resorts, over 200 miles of groomed Nordic trails, over 7,200 miles of groomed snowmobile trails; 464,000 acres of lakes and reservoirs; 26,000 miles of fishing streams; 2,433 miles of rivers; 25 state parks and 15 national forests
- Idaho has a diverse climate. The northern part of the state has greater precipitation than both the southwestern or southeastern parts. Yet, the southern part of Idaho sees milder temperatures.
- Idaho’s crime rate is the lowest in the western region of the U.S. According to the FBI, the rate of serious crime is 21.3 percent less than the national average.
- Idaho has winter carnivals, art shows, and a summer Shakespeare festival134

Education
K-12
Idaho has 664 public schools, 14,049 teachers, and approximately 252,120 students. Of its students, 15.9% represent minorities, 11.4 % have disabilities, 20% are living in poverty, and 7.8% are English-language learners. The state of Idaho spends $1.5 billion on public education.135

Idaho is inconsistent in its rankings. In the two categories of standards & accountability and school climate, respectively, it ranks at and above national standards. In the categories of teacher quality and resource equity, Idaho ranks well below national standards. The state fails in teacher assessments and criteria for initial teacher licenses. In addition, Idaho has one of the worst records for inequities in per pupil spending; the state spends far more in wealthier districts than in poorer districts.136

Higher Education
Idaho has 11 colleges and universities enrolling over 75,000
full time students. Almost every city with a population over 20,000 has a college or university.

Idaho has several financial incentives available to residents to encourage higher education. They are:

- Idaho has the IDeal, which is Idaho’s college savings program. The amount a Idahoan contributes to the fund each year, is deducted from their Idaho taxable income up to $4,000 a year. The beneficiary of these funds can use them to go to any college nationwide as well as abroad.
- The Robert R. Lee Promise Scholarships gives scholarships upwards of $3,000 to highly talented Idahoans.
- Idaho Minority and “At-Risk” student scholarship assists minorities and at-risk individuals to obtain a college education. It is a $3,000 award and is renewable for up to four years.
- The Idaho Governor’s Challenge Scholarship gives a $3,000 award renewable for up to four years to Idaho students who are highly motivated and show a passion for public service.137

Economic Development

In 2000, leaders of more than 30 different economic development organizations today created the Idaho Economic Development Association.

The Association intends to provide additional statewide, grassroots support for the Idaho Department of Commerce and serve as a focus for enhanced professional development for local and regional economic development groups.

<table>
<thead>
<tr>
<th>Category</th>
<th>Idaho*</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Burden (2004)</td>
<td>70.1</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>4.86</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>14.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>3.7</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Idaho ranks 46th

Source: Milken Institute

Idaho’s Department of Commerce and Labor administers programs for workforce development, unemployment, economic development and tourism. Its single administrator ties all programs together. There is a strong emphasis on programs to expand and retain businesses and targeted programs for urban and rural development and science and technology. Idaho has employer tax credits as one of their primary incentives to business.

Traditional industries are agriculture, forest products and mining. The civilian labor force was over 700,000 in year 2004. Unemployment is 4.7 percent and the top three median wages by occupation are:

- Financial Managers: $26.23
- General & Operations Managers: $24.58
- Computer Programmers: $25.07138

Land use

Idaho is putting several land use initiatives on the ballot in the Fall 2006. They are similar to Oregon’s Measure 37 which
allows for compensation to land owners for land use changes (see Oregon land use section). Measure 37 may be repealed in Oregon as Idaho (and several other western states) look at passing a similar bill.

Idaho has been trying to develop its land use controls over the past few years as part of their transportation planning process.

Transportation
In 2003, the Idaho Transportation Department asked citizens to dream about the future. The response of policy makers and Idaho citizens to this visioning process was significant. Every corner of the state had a major role in drafting a new vision. While citizens identified needs that were unique to their geographic area, they discovered an amazing consensus from border to border. The result is a message for all Idaho transportation agencies, not just ITD. Citizens want a transportation future that:

- Creates a multimodal system that provides individuals with choices;
- Supports a quality of life in Idaho, respects its history and protects its environment;
- Engages people and businesses who use and operate the system in making decisions about transportation; and
- Achieves their goals within bounds of reasonable funding in new and creative ways.139

Idaho contains 47,100 miles of state and local highways and 4,347 bridges, but there are neither toll roads nor toll bridges. Idaho’s transportation infrastructure includes 255 civil and joint use airports and heliports; nine freight railroads operating on 1,678 miles of rail; 349 miles of bus routes; and 111 miles of inland waterway. There are approximately 619,796 workers in the state, 75.6% of who drive to work alone. The mean travel time to work is 19.7 minutes.140

Housing Affordability
Idaho’s median rent value is $617.

### Table 26: Average Home Prices*

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boise</td>
<td>$213,808</td>
</tr>
<tr>
<td>Coeur d'Alene</td>
<td>$262,850</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index

**UTAH**

**Quality of Life**
Utah’s crime index is 50.81 and its Better Living Index is 64.76.141

Below are some highlights from the state of Utah:
- Utah’s altitude ranges from 2,220 ft above sea level in the southwestern part of the state to 13,500
- Average temperature varies from 37 degrees in January to 93 degrees in July
- Precipitation ranges from less than 5 inches a year in the Salt Lake Desert region to over 60 inches a year in the northern mountain ranges
- Utah’s especially dry snow gives it the reputation as the world’s greatest powder
- Utahan’s enjoy lower disease rates and longer life expectancies compared to other western states
- Utah has five national parks: Arches, Canyon lands, Bryce, Zion, and Capitol Reef
- Utah contains many fine arts performances such as the Utah Symphony, the Utah Opera Company, and award winning Mormon Tabernacle Choir
- Utah has many sports franchises including: the NBA’s Utah Jazz; Minor League Baseball’s Salt Lake Stingers, Ogden Raptors, and Provo Angels and more

**Education**

**K-12**
Utah has 886 public schools, with 22,147 teachers and 495,981 students. Of those students, 16.5% represent minorities, 13% are living in poverty, 11.6% have disabilities, and 10% are English-language learners. Annually, the State of Idaho spends $2.4 billion on public education.142

Utah scores below national standards in three of the four categories of Quality Counts. It lacks sufficient standards and accountability measures in three of the four core subjects and has
in place limited accountability measures. In the area of teacher quality, its licensing requirements are loose and accountability measurements lacking. Utah loses points for school size and student engagement, despite doing well on class size, facilities, and school choice. The state shines, however, as one of ten states with a balanced wealth index—meaning that it provides more money to poorer districts than wealthier districts.\textsuperscript{143}

Higher Education
Utah has thirteen degree accredited universities and colleges and three are research-based institutions. They are University of Utah, Utah State, and Brigham Young. Ten are part of the Utah System of Higher Education and three are private. In 2003, Utah ranked 2nd in the country for spending on colleges and universities. Utah has a number of financial assistance programs and savings programs (529). Further, oil royalties from the Navajo Trust help fund higher education for members of the Navajo Tribe.

Economic Development
The Governor formed a new office of economic development in 2005. This new office split the Department of Community and Economic Development by folding tourism and business development into the new office.

Utah is focusing on cluster based economic development. As a result it has centers of excellence which focus on university based technology transfer as technology is one of its expanding clusters.

\begin{center}
\textbf{Table 27: Cost of Doing Business}
\end{center}

<table>
<thead>
<tr>
<th>Category</th>
<th>Utah*</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>30.829</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>65.9</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>4.69</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>19.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>3.9</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Utah ranks 37th

Source: Milken Institute

Utah has several programs and financial incentives to assist business:

- **Industrial Assistance Fund (IAF)** - The Industrial Assistance Fund was created in 1991 to encourage the creation of good jobs in the State of Utah.
- **Economic Opportunities (EO)** - State-funded monetary assistance to projects furthering state economic interests.
- **Custom Fit Training** - Custom Fit training money is used to help companies train their employees and is administered generally through state colleges and state applied technology centers.
- **Film Incentives** - The Motion Picture Incentive Fund's purpose is to attract film production with a post-performance rebate plan.
- **Enterprise Zones** - Under the program, certain types of businesses locating to, or expanding in a designated zone may claim tax credits provided in the law.
- **Recycling Zones** - In 1996, the Utah Legislature created the Utah Recycling Market Development Zone Program which focuses on recycling as an economic development tool.
- **Aerospace Aviation Tax Increment Financing (AATIF)** - The Aerospace Aviation Tax Incentive was created by the State of Utah Legislature in 2003 to encourage the development of the Aerospace Ecosystem.\textsuperscript{144}

Job Growth in Utah has increased steadily from 2.8 percent in 2004 to 3.5 percent in 2005 while unemployment has decreased from 5.2 percent in 2004 to 4.7 percent in 2005. The average annual non-agricultural wage in Utah is $32,890. In the construction industry, low interest rates powered construction value to $6.4 million and a record high 26,800 new housing units received permits. The Utah ski industry enjoyed record breaking numbers in 2005 as the rest of the tourism industry saw steady growth. Mineral production also grew from $2.3 million in 2004 to $3.5 million in 2005. That is an increase of 52 percent. The agriculture industry grew modestly from $368 million in 2003 to $368 million in 2004.\textsuperscript{145}

Land use
In 2005, the state passed a land use reform act. However, the act has not created a fundamental change or new direction in land use planning. It does not address future growth. It mainly cleans up existing land use and planning law which was very similar to most states in that it was very moderately restrictive.
with changes for growth or significant links to transportation planning.

Housing Affordability
Utah’s median rent value is $620.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provo</td>
<td>$237,518</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>$262,117</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index

Transportation
Utah includes 42,710 miles of state and local highways, with only one mile of toll road in the entire state. Its transportation infrastructure includes 2,805 bridges, 143 airports/heliports (civil and joint use), and six freight railroads with over 2,600 miles of freight railways.146

Utah has extensive commuter rail and light rail systems. It has also a strong bus and rapid transit system. Utah has 1,077,277 workers, 73.8% of who drive to work alone. The mean travel time to work is 20.7 minutes.147

SUMMARY
There is logic in the fact that that three of the five states with the largest population growth also experienced the largest job growth. All three states offer moderate climates. Utah, along with Arizona and Nevada, was successful in enticing residents and companies from California for a number of years. Its cost of living, cost of doing business, and the attraction of the four seasons (and other quality of life factors) are its selling points. Utah boasts that its low crime rate, low cost of living, high Better Living Index, and lower cost of doing business (save the tax rates) promoted such job growth.
Florida, Idaho, Nevada, Oregon, Utah, and Virginia were also among the fastest growing states in 2004. It should be noted that all of the states except for Oregon are listed in the first two sections of this report.

OREGON

Quality of Life
Oregon’s crime index is 32.87 and its Better Living Index is 63.41.148

Oregon has a temperate climate. In January, it ranges from 25 degrees in the southeast to 45 degrees in the coastal regions. In July, mean temperatures range from 65 degrees in the plateaus and central valleys to 78 degrees along the eastern border. The Cascade Range separates the state into two climatic regions. The western part has heavy precipitation and moderate temperatures. The eastern region has low precipitation and more extreme temperatures.

Oregon has many arts and culture activities, outdoor recreation and college and professional sports teams. The Portland Rose festival is a major event that includes a traditional rose show, Indy car racing, Parade, and an air show. The Peter Britt Music festival held in Jacksonville provides a variety of music from bluegrass, jazz, folk, to dance. The Oregon Shakespeare Festival located in Ashland is internationally acclaimed. The festival has five-hundred staff members and over a thousand volunteers. For the outdoorsman there is the Dee Wright Observatory, Silver Falls State Park and Crater Lake State Park. In addition, the Rogue River provides white water excitement for many. Oregon has many sports franchises including: the NBA’s Portland Trailblazers, the WNBA’s Portland Fire, the Oregon University Ducks and the Oregon State Beavers.149

Education
K-12
Oregon includes over 1,220 schools, with 26,732 public school teachers, and 551,273 students. Of its students, approximately 23% represent minorities, 19% are living in poverty, 12.8% have disabilities and 0% are English-language learners. The State of Oregon spends $2.4 billion on public education.

Oregon is failing in three of four categories of Quality Counts. While the state ranks average in school climate, within that category it is slightly below average in student engagement. Further, the state ranks near the bottom in teacher quality, as it posts low scores in each of the category’s policy areas.

While Oregon ranks below average in standards and accountability, it is the assessments and accountability that need improvement, as its standards are highly regarded across the nation.

In the equity category, Oregon ranks slightly below average in that there is more per pupil spending in wealthier districts than in poorer districts.

IV. GROSS STATE PRODUCT

The Bureau of Economic Analysis defines the gross state product as equivalent to the Nation’s gross domestic product; gross state product is the sum of all of the originating industries within a state. This benchmark is the percentage change in real gross state product from 2004-2005.

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>GSP Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Arizona</td>
<td>8.7</td>
</tr>
<tr>
<td>2</td>
<td>Nevada</td>
<td>8.2</td>
</tr>
<tr>
<td>3</td>
<td>Florida</td>
<td>7.8</td>
</tr>
<tr>
<td>4</td>
<td>Idaho</td>
<td>7.5</td>
</tr>
<tr>
<td>5</td>
<td>Oregon</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Source: Home Price Comparison Index, Coldwell Banker

Table 31: Gross State Product

Florida, Idaho, Nevada, Oregon, Utah, and Virginia were also among the fastest growing states in 2004. It should be noted that all of the states except for Oregon are listed in the first two sections of this report.
Higher Education
The Oregon University System (OUS) is comprised of seven universities under the control of the State Board of Higher Education. The seven universities within OUS include Eastern Oregon University, Oregon Health Sciences University, Oregon Institute of Technology, Oregon State University, Portland State University, South Oregon University, University of Oregon, and Western Oregon University.

The State Board of Higher Education in Oregon reinvented itself in 2004, as it struggled to improve the system. It formed three committees made up of educators, students, government, business and civic leaders to address issues related to excellence, economy, and delivery. The three committees are: academic excellence and economic development, access and affordability, and excellence in delivery and productivity.

Oregon has a high rate of matriculation. For example, in the school year ending June 2005, the state found that almost 73% of its high school graduates were enrolled in higher education for the fall. Oregon has experienced enrollments increasing for the past 12 years.

Economic Development
Oregon’s economy has not recovered fully from the 2001 recession. Unemployment grew from 4.3 percent in 2000 to 7.1 percent in 2004 with a high of 8.2 percent in 2003 due to a loss of exports to Asia by NAFTA and plants moving to either Canada or Mexico.

Oregon has the fourth highest statewide minimum wage in the country. In 2004, its minimum wage was $7.05 an hour.

Beginning in the 1980’s Oregon has been transitioning from a resource-based economy to a more mixed manufacturing and marketing economy. Professional and business services accounts for more than one in ten jobs in Oregon. The reason for the boost is the amount of call centers and temporary employment agencies has increased significantly.

The top three private sector employees in Oregon as of 2002 were:
- Fred Meyer, Inc.
- Providence Health System
- Intel Corporation

Oregon collects personal income taxes, corporate income taxes, property taxes and gasoline taxes. There is no state sales tax and personal income taxes range from five to nine percent. The corporate income tax is set at 6.6 percent of taxable business income. The minimum corporate tax is ten dollars. Oregon has a number of incentive programs for business including tax credits, exemptions, and special financing opportunities.

Oregon uses a cluster based strategy for attraction and creation of business. There are ten identified clusters. The state joined with the private sector to create “Brand Oregon.” Brand Oregon is a business recruitment strategy that has shown success in its first 18 months of operation. The state has an innovation council that developed a $40 million plan to increase technology and innovation industries in the state. The plan was approved and funded by the state legislature.

Land use
In 1973 (through Senate Bill 100), the Oregon Land Use Act program all cities and counties have adopted comprehensive plans that meet mandatory state standards. The standards are 19 statewide planning goals that deal with land use, development, housing, transportation, and conservation of natural resources. This was the most restrictive and comprehensive land use planning law in the country. The passage of Measure 37 in Novem-

Table 32: Cost of Doing Business

<table>
<thead>
<tr>
<th>Category</th>
<th>Oregon</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>33.844</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>56.7</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>5.51</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>20.5</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>5.1</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Oregon ranks 28th

Source: Milken Institute

Oregon has the fourth highest statewide minimum wage in the country. In 2004, its minimum wage was $7.05 an hour.

Page 40
ber 2004 showed the potential for profound changes in the implementation of land use laws. Measure 37 allows for landowners to be compensated for any land use changes that occur after they purchase a property. This ballot measure was approved by 61% of the voters who were frustrated by operating under such restrictive codes. Legal challenges to this measure remain and it is up for review on the next ballot. The irony is that a number of other western states have measures quite similar to Measure 37 on their ballots for this year.152

**Housing Affordability**

Oregon’s median rent value is $681.

### Table 33: Average Home Prices*

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salem</td>
<td>$253,536</td>
</tr>
<tr>
<td>Corvallis</td>
<td>$282,450</td>
</tr>
<tr>
<td>Portland</td>
<td>$304,650</td>
</tr>
<tr>
<td>Eugene</td>
<td>$327,000</td>
</tr>
<tr>
<td>Bend</td>
<td>$363,778</td>
</tr>
<tr>
<td>Medford</td>
<td>$387,500</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

### Table 34: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>14%</td>
<td>28%</td>
<td>10%</td>
<td>10%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td>Klamath Falls</td>
<td>96.4</td>
<td>96.6</td>
<td>86.4</td>
<td>95.9</td>
<td>104.9</td>
<td>97.0</td>
<td>101.9</td>
</tr>
<tr>
<td>Portland</td>
<td>116.7</td>
<td>114.7</td>
<td>127.4</td>
<td>115.6</td>
<td>102.6</td>
<td>106.4</td>
<td>114.4</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)

### Transportation

Oregon includes 65,861 miles of public roads, and zero toll roads. The state includes two toll bridges and five toll ferries. In addition, the state has over 7,000 bridges; more than 2,700 miles of motor bus transit route miles; 455 civil and joint use airports and heliports; 20 freight railroads; and the state operates over 2,800 miles of railway. Oregon has over 1,603,299 workers, 73% of who drive to work alone. The mean travel time to work is 21.4 minutes.153

Oregon’s Transportation Department manages all transportation functions similar to other states, however they have a number of commissions with staff members and the community designing more bike paths (in urban and rural areas), regulating ATV use as a tourism program, regulating the ski industry, and developing a long-term plan for transportation funding to continually enhance the existing infrastructure.154

**SUMMARY**

Again, we see four out of the five states as population and job growth leaders. The anomaly is Oregon. Oregon is another state successful in recruiting California residents and businesses, however, because of its rapid growth and proximity to the major urban center of Vancouver, its cost of living and housing affordability are not competitive.

It should be noted that in the first three categories, all of the states profiled appear in different order among the top ten; this points to the inter-relationship among the categories.
V. WAGE GROWTH

In this report, three underlying factors are considered in determining wage increases in high growth states - per capita income, median household income, and the least amount of persons below poverty level. The data for this section is based upon 2003 U.S. Census Bureau information. The tables below point to the top five states in each of the categories noted above.

<table>
<thead>
<tr>
<th>Table 35: Personal Income Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
</tr>
<tr>
<td>Connecticut</td>
</tr>
<tr>
<td>New Jersey</td>
</tr>
<tr>
<td>Massachusetts</td>
</tr>
<tr>
<td>Maryland</td>
</tr>
<tr>
<td>New York</td>
</tr>
</tbody>
</table>

Source: See endnote 155

<table>
<thead>
<tr>
<th>Table 36: Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
</tr>
<tr>
<td>New Jersey</td>
</tr>
<tr>
<td>Maryland</td>
</tr>
<tr>
<td>Connecticut</td>
</tr>
<tr>
<td>New Hampshire</td>
</tr>
<tr>
<td>Massachusetts</td>
</tr>
</tbody>
</table>

Source: See endnote 156

<table>
<thead>
<tr>
<th>Table 37: Least Amount of Persons Below Poverty Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
</tr>
<tr>
<td>New Hampshire</td>
</tr>
<tr>
<td>Minnesota</td>
</tr>
<tr>
<td>Connecticut</td>
</tr>
<tr>
<td>Maryland</td>
</tr>
<tr>
<td>New Jersey</td>
</tr>
</tbody>
</table>

Source: See endnote 157

These tables point to some very basic facts. Connecticut, Maryland, and New Jersey are listed among the top five in each of the three categories. New Hampshire and Massachusetts are listed in two of the three categories. However, while New Hampshire and Massachusetts did not rank in the top five categories, they are still very close. In the personal income per capita category, New Hampshire is ranked sixth. And in the least amount of persons below poverty level category, Massachusetts is ranked seventh. The states appearing once in the three categories are Minnesota and New York. Minnesota ranks eighth in the per capita income and twelfth in median household income. New York ranks seventeenth in least amount of persons below poverty level and median household income. With the exception of New York, there is a strong consistent grouping in the placement of states evaluated in the chosen categories.

A possible explanation for inconsistent rankings of New York could be its cost of living - specifically in New York City. In 2003, New York’s total population was 18.6 million. The population of New York City alone was 7.9 million. New York City is one of the most expensive cities to live. In 2003, the City was ranked tenth in the world among the most expensive cities in the world to live. In New York City, several hundred people representing the top 3% of wealth in the U.S. live among thousands of unemployed and homeless people and millions of ordinary blue-collar workers; as such, a direct analysis of personal per capita income may not provide a realistic value for the actual average wage of New Yorkers. The reported value may be too high or too low, depending on actual numbers of individuals and their real income.
CONNECTICUT

Quality of Life

Connecticut is New England's “Nutmeg State,” with beautiful beaches, rolling hills, picturesque lodgings, a fascinating history and casinos. Connecticut offers a variety of destinations, including the Litchfield Hills, Housatonic River and Connecticut River Valley, and a variety of historical cities, like Hartford, New Haven, Danbury, New London, Mystic and Waterbury. Connecticut's diversity is reflected in the variety of state parks, beaches, quaint village greens, and hiking and biking trails. Connecticut offers rivers, lakes, a 250-mile shoreline and four seasons. Close proximity to New York City, Boston and Providence allows “Nutmeggers” easy access to other states. Further, many Connecticut residents work in New York City. Connecticut has a 41.53 crime index and a 93.87 Better Living Index.

Education

K-12

Connecticut has 1,099 public schools (and more private schools per capita than any other state), with 42,370 teachers and 577,203 students. Of those students, 32% represent minorities, 10% are living in poverty, 12.1% have disabilities and 4% are English-language learners.

Connecticut ranks at or above in all four Quality Counts categories. Its standards and assessments have not been formally approved by the American Federation of Teachers in all core subjects, and the state’s social studies standards are lacking. In teacher quality, Connecticut ranks third in the nation. It is the only state that requires and finances new teacher mentoring. While Connecticut has an insufficient charter school law, which impacted its school climate rating, the state ranks average on equity criteria.

The Connecticut State Board of Education has formed the Bureau of Educational Equity, the mission of which is to lead aggressive statewide efforts to close achievement gaps affecting students whose educational opportunities are limited by racial, ethnic or economic isolation, special education needs or low-performing schools, and to provide education and assistance in eliminating bias and discrimination in education.

The state has a Technical High School System, the mission of which is to provide a unique and rigorous high school learning environment that:

- Ensures student academic success, and trade/technology mastery and instills a zest for lifelong learning;
- Prepares students for post-secondary education, including apprenticeships, and immediate productive employment; and
- Responds to employers' and industries' current, emerging and changing global workforce needs and expectations through business/school partnerships.

How the President’s Budget Will Help Connecticut's Children and Families

- Increases Federal education funding in Connecticut to $1.1 billion—49.6% more than when the President took office
- Provides $188.7 million to help Connecticut implement the No Child Left Behind reforms
- Increases Title I funding to $109.3 million—$23.3 million over 2001 levels—to help Connecticut's neediest children
- Increases special education grants to $137.3 million—$52.1 million over 2001 levels
- Provides $82.2 million in Federal Pell Grants to help ensure a college education for Connecticut students who otherwise might not be able to afford it
- Provides Connecticut with $599.7 million in funding for
new Federal student loans that ensure more young people greater access to college education
- Provides $8.1 million to ensure that every high school student in Connecticut graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $6.9 million in Reading First funding to ensure that every child in Connecticut learns to read by third grade
- Provides $26.7 million to attract and retain highly qualified teachers in classrooms
- Provides $5.8 million for annual assessments so every parent will know how well their children are learning and where improvement is needed
- Provides $4.8 million to support students learning the English language

Higher Education
The Board of Governors is Connecticut's higher education coordinating agency. The Connecticut Department of Higher Education carries out the Board's administrative responsibilities.

The Education & Employment Information Center (EEIC) is a statewide referral service of the Connecticut Department of Higher Education. EEIC is a central source of free information for anyone who has questions about college, careers and job training. Most of EEIC’s callers are adults looking for retraining in preparation for new careers. EEIC also helps teenagers making college or career decisions, unemployed or displaced workers exploring job options, adults who have not completed high school, homemakers looking to return to college or the job market, professionals making mid-life career changes, senior citizens wishing to enrich their lives with new knowledge, employers seeking training programs or recent college graduates.

Most Connecticut financial aid is administered by the Financial Aid Office at Connecticut's institutions of higher education. The federal government assists college students through the HOPE Scholarship and Lifetime Learning Credit — federal tax credit programs (not scholarship programs), for which students and their families may apply when completing federal tax returns. Connecticut also provides specific grants and scholarships to residents based on financial need. Such grants and scholarships include:
- **Capitol Scholarship** - Awarded to a Connecticut resident, U.S. citizen or permanent resident alien who is a high school senior or graduate with a ranking among the top 20% of his class or an SAT score of at least 1,800. The Capitol Scholarship provides up to $3,000 per year for use at a Connecticut college or at colleges located in states that have reciprocity agreements with Connecticut.
- **Connecticut Aid for Public College Students** - Awarded to residents attending a Connecticut public college or university. Connecticut Aid for Public College Students provides students funds up to the amount of his unmet financial need.
- **Connecticut Independent College Student Grant Program** - Awarded to residents attending a Connecticut independent college or university. Connecticut Independent College Student Grant Program provides grants of up to $8,500 per year.
- **Tuition Set Aside Aid** - Awarded to students attending a Connecticut public college or university. Tuition Set Aside Aid provides students funds up to the amount of unmet financial need.

Connecticut also offers a grant to minority students interested in becoming teachers. The Connecticut Minority Teacher Incentive Grant is awarded to a minority junior or senior enrolled in a Connecticut college or university’s teacher preparation curriculum. Also available is the Connecticut Minority Teacher Incentive Grant program, which provides grants up to $5,000 per year for two years and loan reimbursement of $2,500 per year for up to four years, if the students go on to teach in a Connecticut public school.

Economic Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Connecticut</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>47.262</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>64.7</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>8.96</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>22.7</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>5.6</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Connecticut ranks 5th

While in 2004 and 2005 Connecticut had the nation’s fifth highest cost of doing business, the state offers businesses tax incentives.

**Urban and Industrial Site Tax Credit Program**
Dollar-for-dollar corporate tax credit of up to 100% of an investment and up to a maximum of $100,000,000
Corporate Business Tax Credits
- Financial institutions constructing new facilities and adding new employees can receive a credit of as much as 50% of the tax for up to 10 years; the credit may be extended for an additional five years, depending on the size of the facility and level of employment
- 5% credit for fixed capital investment in tangible personal property
- 5% credit for investments in human capital: employee training, childcare, facilities and subsidies, and donations to higher education for technology advancement
- 10% credit for increased investment in machinery and equipment for companies with 250 or fewer full-time permanent employees within the state; 5% credit for companies with 251 to 800 full-time permanent employees within Connecticut
- From 1-6% of Research & Development (R&D) expenditures based on the amount of such expenditures and size of company
- 20% of R&D expenditures in the current income year exceeding R&D expenditures of the prior taxable year
- Unused R&D credits can be carried forward and, for companies with gross income of $70 million or less, can be sold to the state for 65% of their value
- Credit equal to 100% of property taxes owed and paid on electronic data processing hardware peripheral equipment and software; credit may be applied against certain other state taxes
- 25% credit for any increase in grants to institutions of higher learning for R&D related to technology advancement over the average grants provided during the preceding three years
- 100% credit against the premium, corporation or income tax for investment over ten years in an investment fund creating insurance-related facilities and jobs
- 100% credit for SBA loan guarantee fees paid by companies with less than $5 million in gross receipts

Corporate Sales Tax Exemptions
- 100% on (a) machinery used in the manufacturing of finished products or in the bio-technology industry and (b) materials, tools and fuel used in the manufacture or fabrication of finished products or in the biotechnology industry 50% on machinery, tolls fuels and equipment that may not meet the requirement for the 100% exemption
- 100% on computer and data processing services beginning July 1, 2002; declining 1% annually from current 3%
- 100% on repair, replacement and component parts for manufacturing machinery
- 100% on calibration services, registration and compliance services related to ISO 9000 and personnel training services offered by colleges or universities
- 100% on vehicles powered by alternative fuels, vehicle conversion equipment and alternative fuel filling-station equipment
- 100% on fuel and electric power used in manufacturing or to heat a manufacturing facility, provided that 75% usage test is met
- 100% of the cost of services related to creating and maintaining a Web site
- 100% of the cost of aircraft, repair, parts and services on aircraft exceeding 6,000-lbs. maximum takeoff weight

Corporate Business Tax Exemptions
- All insurance companies, Connecticut incorporated and non-Connecticut incorporated
- Corporate income, insurance premium and sales and use taxes for certain banks, insurers and investment companies locating in the Hartford Financial Service Export Zone that conduct all business with non-U.S. persons
- Capital gains from the sale of protected open space or Class I or II water company land to the state or certain entities
- Non-U.S. corporations whose sole activities in the state are trading stocks, securities or commodities of their own account
• 100% on employee safety apparel
• 100% on goods purchased inside or outside the state for use outside Connecticut, providing all conditions are met

Real & Personal Property Tax Exemptions
• 100% for five years on newly acquired and installed machinery and equipment eligible for 5-7 year depreciation
• 100% for inventories
• 30-100% from the increase assessment for personal property for manufacturers and 20-50% for eligible real property improvements can be offered by towns for 2-7 years, depending on the investment amount
• 100% for unbundled software, machinery & equipment that will be exempt under 12-81 (72) once installed and used
• 100% for five years on new commercial motor vehicles weighing over 26,000 lbs. that are used to transport freight for hire and all new commercial vehicles weighing over 55,000 lbs.

Targeted Investment Community Benefits
• Five-year, 80% real property and personal property tax abatements for manufacturers, five-year, 40-80% real property and personal property abatements for service, telecommunications and computer related providers, depending on amount invested
• Five-year, 50-80% tax abatements for personal property when part of a process technology upgrade, depending on the asset acquired
• Manufacturers or firms conducting R&D related to manufacturing and newly constructed distribution facilities may be eligible to receive a state corporate business tax credit of 25% for ten years
• Corporate business tax credit ranging from 15-50% for 10 years is available to certain selected service, telecommunications and computer-related facilities, based upon the number of jobs created

Additional TIC Benefits
Within Enterprise Zones or within areas of certain non-TIC municipalities designed for Enterprise Zone Benefits:
• Manufacturers and certain service firms may obtain a 50% corporate business tax credit for ten years; must meet specific hiring thresholds and investment requirements
• 100%, three-year corporate tax credit followed by a 50%, 7-year credit for businesses created after January 1, 1997; must employ (a) 375 or more people with 40% residing in an Enterprise Zone, or (b) fewer that 375 people with 150 residing in an Enterprise Zone

Enterprise Corridor Zone Benefits
• Selected communities bordering Route 8 and I-395 are eligible for full Enterprise Zone level benefits

Connecticut’s Department of Community and Economic Development helps businesses with financing in two ways - the Economic and Manufacturing Assistance Act (MAA), which is an incentive for direct loans for projects when there is strong economic development potential, and the Naugatuck Valley Revolving Loan Fund (NVRLF), which provides funding for manufacturers and eligible wholesale distributors within certain Connecticut communities.

The Department of Economic and Community Development (DECD) is committed to international trade. To stimulate trade, DECD is the lead facilitator and strategic catalyst of international activity within the state. DECD achieves its mission of increasing the state’s global competitiveness by: developing two-way trade and investment opportunities; helping businesses enter new markets and expand their global business base; aggressively pursuing foreign direct investment opportunities; and building public/private strategic partnerships.

A business-friendly state dedicated to encouraging growth, Connecticut has developed effective Industry Clusters, an economic development concept that utilizes the power of industry concentrations to boost economies through companies interconnecting to serve markets and manufacture products. Also, Connecticut has one of the nation’s best-educated, most productive workforces. Its employee productivity is at an all-time high, with output per worker more than 33% above the national...
average. Connecticut boasts over 45 colleges and universities, ranging from community colleges offering two-year degrees and job training programs to world-class research institutions turning out highly educated workers and entrepreneurs.179

Connecticut has in place business assistance programs designed to help everyone from new business owners to CEOs of global enterprises. The state makes this assistance easily accessible through its web site, help lines, and statewide neighborhood agencies. The state has provided licensing assistance, counseling, training programs, and technical information to help start-up and growing companies prosper.180

Land Use
Connecticut’s Department of Environmental Protection’s (DEP) mission is to conserve, improve and protect the natural resources and environment in such a manner as to encourage the social and economic development of the state while preserving its natural environment and the life forms it supports in a delicate, interrelated and complex balance, to the end that the state may fulfill its responsibility as trustee of the environment for present and future generations.181

Within the DEP are the Bureaus of Natural Resources, Outdoor Recreation, Air Management, Waste Management, Water Management, Financial and Support Services, and the Office of Long Island Sound Programs.182

Housing Affordability
Connecticut’s median rent is $923.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torrington</td>
<td>$233,331</td>
</tr>
<tr>
<td>Naugatuck</td>
<td>$351,494</td>
</tr>
<tr>
<td>West Hartford</td>
<td>$366,125</td>
</tr>
<tr>
<td>Old Lyme</td>
<td>$492,125</td>
</tr>
<tr>
<td>Danbury</td>
<td>$532,400</td>
</tr>
<tr>
<td>Ridgefield</td>
<td>$735,000</td>
</tr>
<tr>
<td>Fairfield</td>
<td>$737,738</td>
</tr>
<tr>
<td>Greenwich</td>
<td>$1,267,500</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

The Connecticut Housing Finance Authority (CHFA) has various programs to improve housing affordability. Following is a list of these programs:
- **Homebuyer Mortgage Program** - For first-time home buyers or prior homeowners purchasing in a targeted

---

### Cost of Living

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartford</td>
<td>116.4%</td>
<td>120.4%</td>
<td>129.2%</td>
<td>114.9%</td>
<td>107.2%</td>
<td>121.1%</td>
<td>107.1%</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*
area of the state

- **Down Payment Assistance Program (DAP)** - A low-interest rate second mortgage to help with down payment and closing costs
- **SmartMove Second Mortgage Program** - A second mortgage program for low- and moderate-income borrowers purchasing a home in Fairfield County
- **Homeownership Program** - For residents of public housing looking to purchase their first home
- **Home of Your Own (HOYO)** - For persons with disabilities looking to purchase their first home
- **Military Homeownership Program** - For members of the U.S. Military, Active Duty, Guard, Reserve
- **Police Homeownership Program** - For municipal and state police officers in designated areas of Connecticut looking to purchase their first home
- **Rehabilitation Mortgage Loan Program** - Provides mortgage assistance for the purchase and rehabilitation of an older home
- **Section 8 Housing Choice Voucher Homeownership Program** - For persons with a valid Section 8 voucher who can use the voucher to help pay the monthly mortgage payment
- **Teachers Mortgage Assistance Program** - for teachers working in Priority or Transitional school district or teaching in a subject-matter shortage area
- **Urban Rehabilitation Homeownership (UR Home) Program** - for state, municipal and private sector employees looking to purchase a home that needs repairs in one of six targeted communities; persons must live and work in one of such communities

**Transportation**

Connecticut’s transportation infrastructure includes rail, air, deep water ports, and highways. The state includes 21,143 miles of roadway and no toll roads or bridges – only toll ferries. In addition, there are 4,200 bridges and 3,346 bus route miles.

Below are statistics on Connecticut’s transportation infrastructure and usage:

- Amtrak’s Acela high speed rail service - between Boston and Washington, D.C. with stops in New Haven and Stamford
- More than 200 commuter trains travel between Connecticut and New York City daily; 33 million+ passengers used MetroNorth's New Haven line in 2000
- CSX Transportation has moved 1.4 million tons of rail freight in Connecticut, and has saved shippers $5.7 million using rail instead of trucks
- The state includes eight freight railroads with 708 miles of rail
- Approximately 7.3 million travelers flew to or from Bradley International Airport in 2000
- 189,029 tons of cargo passed through Bradley International Airport in 2000
- Connecticut’s Port of New Haven handles 2.1 billion gallons of liquid bulk products (led by petroleum products) and 800,000 short tons of dry cargo annually
- Connecticut is home to the country’s largest concentration companies providing bulk transport services for inter national system

Connecticut is home to 54 airports, 92 heliports, 6 Seaplane bases, and 117 miles of inland waterway. Connecticut has 1,645,180 workers, 81.6% of who drive to work alone. The mean travel time to work is 24 minutes.

The Connecticut Department of Transportation (ConnDOT) provides basic information on its leaders, direction, history, and funding. ConnDOT works with the public, transportation partners, state and federal legislators, and other state and local agencies to provide a safe and efficient transportation system for travelers.
MARYLAND
Quality of Life
Maryland offers hiking, great history, kayaking, culture, big-city excitement and cozy small towns, with its topographical diversity ranging from Chesapeake Bay gateways and beach town hideaways to the historic state capital of Annapolis and the Allegheny Mountains.187

Maryland is divided by the Chesapeake Bay, which runs from the Atlantic Ocean in its south almost to its northern border. The region east of the Chesapeake Bay is called the Eastern Shore, and, likewise, the region west of the Chesapeake Bay is called the Western Shore. Despite the state’s relatively small size, it includes five major geographic areas, which include, from east to west: the Atlantic Coastal Plain, the Piedmont, the Blue Ridge, the Appalachian Ridge, and the Valley and the Appalachian Plateau.188

Annapolis, in Central Maryland, is the state capitol and features the 18th-century William Paca House and Garden, the U.S. Naval Academy, and the Havre de Grace Decoy Museum. Waterfront towns and attractions, a giant wildlife refuge, and the beaches of Assateague are tourist attractions. Western Maryland offers a variety of attraction, including a major Civil War battlefield, a scenic railroad that chugs through the mountains, a carriage museum, a park set amid one of the world's oldest mountain ranges. The city of Bethesda is considered part of the D.C. Metro Region and offers a number of attractions and thousands of acres of scenic parklands. In southern Maryland, visitors enjoy the colony's recreated, 17th-century capital and the maritime museum.189

Maryland’s crime index is 26.16 and its Better Living Index is 80.55.190

Education
K-12
Maryland has 1,366 public schools, with 55,140 teachers and 869,133 students. Of its students, 49.6% represent minorities, 11% are living in poverty, 12.4% have disabilities, and 3.2% are English-language learners.191

Maryland scored at or above the national average in standards & assessment and teacher quality. The state stands out in that it identifies teacher qualifications on student report cards, yet doesn’t require middle school teachers to pass subject knowledge tests. Maryland ranks 49th on school climate as a result of large class sizes, limited small school environments, and the absence of open enrollment programs. Maryland also ranks below average on resource equity.192

Within the state’s Office of Academic Policy of the Department of Education, the Communications and Strategic Planning Office provides schools, school districts, the public and the media with information about state educational initiatives. Through a variety of written communications, web sites, and video technology, timely data is available on a range of educational subjects.193

Maryland has developed a Voluntary State Curriculum, which defines what students should know and be able to do at each grade, from pre-K through eighth-grade, in four content areas: reading/English language arts, mathematics, science, and social studies. It also defines what students should know and be able to do in tenth-grade reading.194

How the President’s Budget Will Help Maryland’s Children and Families
• Increases Federal education funding in Maryland to $1.7 billion—51.4% more than when the President took office
• Provides $295.2 million to help Maryland implement the No Child Left Behind reforms
• Increases Title I funding to $181.1 million—$53.7 million over 2001 levels—to help Maryland’s neediest children
• Increases special education grants to $207.8 million—$83 million over 2001 levels
• Provides $166.5 million in Federal Pell Grants to help ensure a college education for Maryland students who otherwise might not be able to afford it
• Provides Maryland with $917.7 million in funding for new Federal student loans that ensure greater access to a college education for more young people
• Provides $12.4 million to ensure that every high school student in Maryland graduates with the skills needed to succeed in college and in the globally competitive workforce
• Provides access to $11.4 million in Reading First funding to ensure that every child in Maryland learns to read by grade three
• Provides $41.6 million to attract and retain highly qualified teachers
• Provides $7.5 million for annual assessments so parents know how well their children are learning and where improvement is needed
• Provides $8.3 million to support students who are learning the English language

Maryland’s Higher Education Commission (MHEC) is the state’s higher education coordinating board responsible for establishing policies for Maryland public and private colleges and universities and for-profit career schools. MHEC also administers financial aid programs that affect students on a state-wide basis.

The state offers an array of financial aid programs in the form of grants, student and parent loans, scholarships and other awards for students who want to further their education beyond high school. Financial aid may also be merit and need based.

Maryland also offers pre-paid and investment plans to pay for higher education. Through the Maryland Prepaid College Trust, people can lock in college tuition at today’s prices—for use at schools nationwide; the program offers state and federal tax benefits. The Maryland Prepaid College Trust is backed by a Maryland Legislative Guarantee.

Economic Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Maryland</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>40.110</td>
<td>37.154</td>
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<tr>
<td>Tax Burden (2004)</td>
<td>56.5</td>
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<td>Electricity Costs (cents/KW hour)</td>
<td>5.92</td>
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<td>Office Space 2005q1 (sq. ft)</td>
<td>22.0</td>
<td>19.0</td>
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<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>4.8</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Maryland ranks 17th

Source: Milken Institute

Maryland Tax Credits for Businesses
• Biotechnology Investment Tax Credit program
• Brownfields Revitalization Incentive Program
• Empowerment Zone Incentives
• Enterprise Zone Tax Credits
• Maryland’s Job Creation Tax Credit
• One Maryland Tax Credit Program - Businesses can qualify for up to $5.5 million in income tax credits; those investing in an economic development project in a “qualified distressed county” may qualify for project tax credits of up to $5 million and start-up tax credits of up to $500,000.
• Research and Development Tax Credit - Businesses that incur qualified research and development expenses may be entitled to Maryland R&D tax credits; for a business to be eligible, it must apply to and be accepted by the MHEC.

Higher Education
Maryland includes 58 colleges and universities and more than 120 private career schools. Collectively, its colleges and universities offer every kind of educational experience, whether for the traditional college student who goes directly to college from high school, or for those who have already begun their careers and simply want to learn new skills.
Maryland is working to improve its business environment, as its leaders recognize that an expanding base of profitable firms helps create opportunities for employment and sustained economic growth. The State’s commitment includes:

- Job creation tax credits for qualified companies
- Timely licensing and permitting procedures to move projects forward
- Funding for enhanced worker skills training
- Benefits for investors seeking to revitalize and use abandoned industrial sites and employers who locate or expand in certain designated priority areas
- Additional savings for employers at an expanding array of statewide enterprise and empowerment zone sites

Through its web site at www.choosemaryland.org, DBED offers valuable information about financing, workforce training, exporting, trade and small and minority business assistance.

Land Use

The Maryland Department of Planning (MDP) promotes growth that fosters vibrant, livable communities, preserves and protects the environment, and makes efficient use of state resources. MDP provides data, trend analysis, research assistance, policy development and implementation support for local governments, communities, businesses, and organizations. MDP also provides technical assistance, local program review, and planning design services for the state’s counties and municipalities.

As MDP monitors and forecasts changes in development and land use statewide, it creates and produces research tools and resources to assist in planning for Maryland’s future. Information on demographic, socio-economic, political, cultural, geographic and land-use trends is collected, analyzed, and distributed in multiple formats. With its computer mapping and geographic information systems, MDP supports map display and analysis of census data, satellite imagery, aerial photography, land-use and parcel data to enhance and assist growth management and land-use planning.

As chair of the Smart Growth Subcabinet, the Secretary of Planning and MDP oversee the implementation of Governor Ehrlich’s Priority Places Program - working to revitalize communities.

MDP has a number of specialized offices, including:

- **A State Clearinghouse for Intergovernmental Assistance** - facilitates intergovernmental review and coordinates applications for financial assistance, nominations to the National Register of Historic Places, direct federal development programs, draft environmental impact statements, and state plans requiring gubernatorial review

- **Planning Data Services** - collects, analyzes, and publishes social, economic, and geographic information relating to the state and its political subdivisions; identifies and evaluates development issues; prepares reports and studies on specific topics; and disseminates U.S. Census and U.S. Department of Commerce information

- **Local Planning Assistance** - provides technical services to support the planning and management capacity of local governments; MDP’s Centreville, Cumberland, Salisbury, and Annapolis offices provide technical assistance to local governments, business, organizations, and the public

- **The Office of Smart Growth** - works directly with local governments, businesses, and organizations to coordinate the implementation of proven planning strategies; the office helps developers and local officials produce well-planned projects and to educate and inform the public on land-use issues; it also coordinates Priority Places efforts of the state agencies represented on the Smart Growth Subcabinet

- **MDP** - As a member of the Interagency Committee for Public School Construction, which ensures adherence to the principles of comprehensive planning, development management, land use, capital budgeting, policy analysis and smart growth for annual and five-year programs of elementary and
secondary school capital improvements, MDP helps produce the state’s annual Public School Construction budget\textsuperscript{206}

Maryland’s Smart Growth efforts rely on funding and other incentives to encourage infill and redevelopment in existing communities. It is this incentive-based approach - using carrots rather than sticks to redirect development patterns - that differentiates Maryland’s initiative from other states' more typical regulatory systems. The idea is to level the playing field so that infill and redevelopment sites, which often present economic and environmental challenges, are as attractive to developers as Greenfield sites in outlying areas.\textsuperscript{207}

Despite the enormous scope of the Smart Growth Program, or perhaps because of it, developers often are not aware of all available assistance. The Maryland Smart Sites database was designed to centralize this information for targeted properties.\textsuperscript{208}

\section*{Housing Affordability}
$910 is median rent value in Maryland.

\begin{table}[h]
\centering
\caption{Average Home Prices*}
\begin{tabular}{|l|c|}
\hline
Location & Average Home Price \\
\hline
Hagerstown & $283,175 \\
Bel-Air & $350,600 \\
Towson & $383,125 \\
Waldorf & $386,725 \\
Easton & $387,375 \\
Westminster & $389,950 \\
Frederick & $414,875 \\
College Park & $462,035 \\
Columbia & $463,000 \\
Baltimore & $513,425 \\
Annapolis & $541,500 \\
Bethesda & $829,750 \\
\hline
\end{tabular}
\label{tab:home_prices}
\end{table}

$Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.


The Maryland Department of Housing and Community have programs in place to make home ownership more attainable. Such programs include:

- The CDA Maryland Mortgage Program - provides low-interest mortgage loans to eligible homebuyers with low- to moderate-income households through state wide private lending institutions; the program began in 1980 and is targeted primarily to first-time home buyers.

\section*{Cost of Living}

\begin{table}[h]
\centering
\caption{Cost of Living*}
\begin{tabular}{|l|c|c|c|c|c|c|c|}
\hline
City & Composite** & Grocery Items & Housing & Utilities & Transportation & Health Care & Misc. Goods & Services \\
\hline
Baltimore & 120.0 & 108.1 & 154.7 & 115.9 & 109.5 & 105.7 & 102.6 \\
\hline
\end{tabular}
\label{tab:cost_of_living}
\end{table}

\textit{*Data is from the 2006q1}

\textit{**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.}

\textit{Source: American Chamber of Commerce Researchers Association (ACCRA)}
The Down payment and Settlement Expense Loan Program (DSELP) - used in conjunction with the Maryland Mortgage Program, DSELP offers low- and moderate-income homebuyers interest-free deferred loans of up to $3,000 for down payment and settlement costs.

The Homeownership for Individuals with Disabilities Program - provides low-interest mortgage loans to eligible disabled homebuyers.

The Department of Housing and Community Development – offers state owned homes for sale; through this effort, homes may be purchased by home buyers (Owner/Occupant), investors, and non-profit organizations.

The Maryland Community Development Administration (CDA) offers a state-sponsored mortgage program called “More Home for Less Maryland Mortgage Program.” CDA offers loan products providing a range of interest rates and loan terms, giving borrowers more flexibility. Moreover, CDA has gone conventional; with private mortgage insurance now available; borrowers now have more buying power.

Transportation
Maryland includes 30,808 miles of public roads, and no toll roads; the state does, however, include both toll bridges and toll ferries. The state includes 5,100 bridges, 5,728 miles of bus routes, and 214 airports and heliports. The state is served by ten freight railroads with 1,153 miles of freight rail. Maryland also includes 532 miles of inland waterway.

Maryland has 2,665,868 workers, 74.3% of who travel to work alone. The mean travel time to work is 29.7 minutes.

The Maryland Department of Transportation (MDOT) is the umbrella organization for the Maryland Transit Administration (MTA), the Motor Vehicle Administration (MVA), the State Highway Administration (SHA), the Maryland Aviation Administration (MAA), the Maryland Port Administration (MPA), as well as the Maryland Transportation Authority (MdTA).

MTA is the nation’s 10th largest transit system. In addition to operating Local and Commuter Bus, Light Rail, Metro Subway, MARC Train, and Mobility (Paratransit) services, MTA coordinates statewide rail freight logistics. MTA has its own Police Force, which oversees the safety and security of all MTA services and assets in the Baltimore/Washington Region. MTA also provides funding for locally operated transit systems in all 23 Maryland counties, Baltimore, Annapolis, and Ocean City, and contributes a substantial amount of funding to the Washington Metropolitan Area Transit Authority.

MAA fosters the vitality of statewide aviation and promotes safe and efficient operations, economic viability, and environmental stewardship. Responsible for the operation of Baltimore/Washington International, Thurgood Marshall and Martin State airports, develops enhanced domestic and international passenger and cargo opportunities through intermodalism and state-of-the-art technology. The Maryland aviation system will be the "Easy Come, Easy Go" gateway to the world.

Maryland’s Port of Baltimore comprises private and public port terminals located on 45 miles of waterfront land. Each of the facilities – from family-owned businesses to the state’s seven public terminals – are under MPA jurisdiction. Aside from serving as an economic partner, MPA is also a friend to the environment. Through its Dredged Material Management Program, MPA is helping to identify dredge sediment placement sites that can enhance the competitive position of the Port of Baltimore while also protecting and enhancing the Chesapeake Bay environment and adjacent lands.

NEW JERSEY

Quality of Life
Despite its small geographic size, New Jersey offers an array of destinations. In summer New Jersey most notably offers a variety of beaches, boardwalks and theme parks. In addition, during other seasons, the state offers opportunities for hiking, skiing, shopping, concerts, shows and gambling.

With more than 700 arts organizations calling New Jersey home, every region has music, theater, dance, film, fine art, and cultural exhibits.

The Meadowlands Sports Complex, in East Rutherford, is home to the 80,242-seat Giant Stadium, most notably featuring the New York Giants, the New York Jets and the New Jersey MetroStars soccer team. The National Basketball Association's (NBA's) New Jersey Nets and the National Hockey League’s New Jersey Devils also play at the Continental Airlines Arena.
– a part of the Meadowlands complex. In addition, thoroughbred and harness racing takes place at the Meadowlands Racetrack, the setting of the Hambletonian Festival. New Jersey’s eight baseball teams have hosted millions of visitors at stadiums around the state.217

One of New Jersey’s major natural resources is its 127 miles of beaches that draw thousands of visitors and families each year. The Bays and Rivers of the Jersey Shore provide for boating, fishing, & swimming.218 New Jersey also offers a variety of camping, fishing, golfing, shopping and wineries.219

New Jersey’s crime index is 57.44 and its Better Living Index is 85.45.220

The standards unit provides local school districts with technical assistance to ensure that all students receive an appropriate standards-based education. Content coordinators provide telephonic, electronic, and on-site technical assistance in areas related to curriculum development and alignment, policy development, student assessment, and research-based practices.

**How the President’s Budget Will Help New Jersey's Children and Families**

- Increases Federal education funding in New Jersey to $2.3 billion—48.8% more than when the President took office
- Provides $470 million to help New Jersey implement the No Child Left Behind reforms
- Increases Title I funding to $278.5 million—$63.6 million over 2001 levels—to help New Jersey's neediest children
- Increases special education grants to $371.3 million—$141.1 million over 2001
- Provides $274.1 million in Federal Pell Grants to help ensure a college education for New Jersey students who otherwise might not be able to afford it
- Provides New Jersey with $1.1 billion in funding for new Federal Student Loans that ensure greater access to college education for more young people
- Provides $18.2 million to ensure that every high school student in New Jersey graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $18.1 million in Reading First funding to ensure that every child in New Jersey learns to read by third grade
- Provides $65.2 million to attract and retain highly qualified teachers in classrooms.
- Provides $9.9 million for annual assessments so every parent in New Jersey will know how well children are learning and where improvement is needed.
- Provides $21.3 million to support students who are learning the English language.224

**Higher Education**

Fifty seven colleges and universities give New Jersey an economic edge. The New Jersey Commission on Higher Education was created in 1994 as part of the Higher Education Restructuring Act, which has been modified somewhat over the years. The Act provided greater autonomy for colleges and universities and established two new entities, the Commission and the Presidents' Council, while placing ultimate responsibility for the governance of institutions with individual trustee boards. The Commission is charged with statewide policy and planning, institutional licensure, information and research dissemination, advocacy for higher education, and administration of various programs. The Commission’s work is generally organized within four main areas: Policy and Planning, Advocacy and Initiatives, Administration, and Agency Operations.225

The New Jersey Commission on Higher Education offers the Educational Opportunity Fund (EOF), which is one of the nation's most comprehensive and successful state-supported efforts to provide access to higher education for economically and educationally disadvantaged students. The EOF assists low-income residents who are capable and motivated, but lack adequate preparation for college study. Helping students succeed and graduate, the EOF supports an array of campus-based outreach and support services at 28 public and thirteen independent institutions.

The New Jersey Commission on Higher Education offers the following grants:

- The Special Needs Grant Program
- Education of Language Minority Students Grant Program
- The College Bound Grant Program
- GEARUP (Gaining Early Awareness and Readiness for Undergraduate Programs)
- High-Tech Workforce Excellence grants
- Teacher Effectiveness grants and Teacher Quality and Capacity grants
- Teacher Preparation grants
- Building Capacity in Biomedical and Other High-Tech University Research226

**Economic Development**

**Table 44: Cost of Doing Business**

<table>
<thead>
<tr>
<th>Category</th>
<th>New Jersey*</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
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<td>Tax Burden (2004)</td>
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<td>Office Space 2005q1 (sq. ft)</td>
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</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>7.3</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*New Jersey ranks 7th

Source: Milken Institute

**Incentives and Resources**

**Business Start-up Programs/Services**

- New Jersey Seed Capital Program

**Business Support Services and Associations**

- Business Services Representatives Program
- Business Associations, including Chamber of Commerce
- Business Resource Centers
- NJCST Technology Incubator Network
- New Jersey Manufacturing Extension Program
- New Jersey Small Business Development Centers
- NJEDA Entrepreneurial Training Institute
- OSHA - New Jersey Division of Public Safety and Occupational Safety and Health
- Washington Technical Liaison

**Community and Local**

- Brownfields Incentive for Commercial and Industrial Site
Cleanup
• Certified Target areas Under the Immigration Act of 1990
• Fund for Community Economic Development
• Hazardous Discharge Site Remediation
• Local Development Financing Fund
• Municipal Landfill Site Cleanup
• Neighborhood and Business Child Care Incentive Program Tax Credit
• Real Estate Development
• Sustainable Loan Fund
• Urban Enterprise Zone Program
• WIB-Workforce Investment Boards

Financial Assistance

Tax Credits/Assistance
• Business Employment Incentive Program (BEIP)
• Manufacturing Equipment and Employment Investment Tax Credit
• Neighborhood and Business Child Care Incentive Program Tax Credit
• New Jobs Investment Tax Credit
• Redevelopment Authority Project Tax Credit
• New Jersey Manufacturing Extension Program
• Research & Development Tax Credit
• Research & Development Tax Credit Carry Forward Extension
• Smart Moves for Business Program Tax Credit (formerly: Ride Share Tax Credits)
• Technology Business Tax Certificate Program

Grants
• Business Relocation Assistance Grant (BRAG)
• Customized Training Program
• $5000 Registered Apprenticeship Incentive Program
• Literacy Grants
• New Jersey Technology Fellowships
• On-the-Job Training Program
• Small Business Innovation Research Bridge Grant Program
• Smart Moves for Business Program Tax Credit (formerly: Ride Share Tax Credits)
• Transportation Programs
• WIB-Workforce Investment Boards

Loans
• Bond Financing
• Fund for Community Economic Development
• Local Development Financing Fund
• New Jersey Technology Funding Program
• Statewide Loan Pool for Business
• Sustainable Loan Fund
Training

- Customized Training Program
- $5000 Registered Apprenticeship Incentive Program
- New Jersey Training Sources
- On-the-Job Training Program
- School-To-Careers Opportunities Program
- 2001/2002 Small Business Workshops

Transportation

- Smart Moves for Business Program Tax Credit (formerly: Ride Share Tax Credits)
- Transportation Programs

Employment

- Business Employment Incentive Program (BEIP)
- Business Relocation Assistance Grant (BRAG)
- Certified Target areas Under the Immigration Act of 1990
- Customized Training Program
- Employer Seminars
- Employer Human Resources Support Services
- $5000 Registered Apprenticeship Incentive Program
- Literacy Grants
- Manufacturing Equipment and Employment Investment Tax Credit
- Neighborhood and Business Child Care Incentive Program Tax Credit
- New Jobs Investment Tax Credit
- On-the-Job Training Program
- Professional Service Group

Science and Technology

- Commercialization of University Intellectual Property
- Early Stage Enterprise (ESE) Seed Investment Fund
- Edison Venture Fund
- New Jersey Commission on Science and Technology
- New Jersey Seed Capital Program
- New Jersey Technology Funding Program
- Research & Development Tax Credit
- Research & Development Tax Credit Carry Forward Extension
- Small Business Innovation Research Bridge Grant Program
- Small New Jersey-based High Technology Business Investment Tax Credit
- State of New Jersey Corporation Business Tax Benefit Transfer Program
- Technology Business Incubators
- Technology Business Tax Certificate Program

The New Jersey Commerce, Economic Growth & Tourism Commission is the state's lead agency in coordinating efforts between government and the private sector to provide access to a broad range of technical, financial and other assistance that helps businesses grow and contribute to economic develop-
ment. Because New Jersey occupies a key position as the central state in the largest economic concentration in North America, the Commission actively promotes a number of financial incentive programs to help businesses that expand or relocate there.228

There are seven regional account executives who serve New Jersey’s 21 counties and six industry account executives who serve the following key sectors:
- Finance and Insurance
- Information Technology
- Logistics
- Chemicals
- Pharmaceuticals and Biotechnology
- Hospitality
- Higher Education229

Land Use
From its hills of the Highlands to the sandy coastline of southern Cape May, New Jersey has a wealth of precious natural resources and unique landscapes. It is also the nation’s most densely populated state, and the most developed. Yet, new development claims another 50 acres every day, and 40% of this growth is occurring in critical natural resource areas and other environmental sensitive lands that should be preserved and protected.230

A sufficient land base must exist for agriculture to remain viable. Of the approximately 1.7 million acres of remaining undeveloped or unprotected open space in New Jersey, 850,000 acres are actively devoted to agricultural production.231 Therefore, the state’s farmland is in high demand by developers and others with non-agricultural interests. The Department of Environmental Protection (DEP) has set forth in its Strategic Plan a goal of preserving 20,000 acres of farmland per year.232

To assist in reaching the 20,000-acre goal, the State Agricultural Development Committee has developed the Strategic Targeting Project. The project encourages county agriculture development boards and county planning boards to adopt comprehensive farmland preservation plans that identify and inventory existing farmlands, coordinate efforts to sustain the agricultural community within municipal and regional master plans, and generally promote the expansion of agriculture as an industry that is key to the region and its economy.233

Land preservation is just one component of sustaining New Jersey’s farmers and agricultural industry. DEP’s approach to smart growth coordinates farmland preservation efforts with economic development strategies at the county and municipal levels. DEP’s Agricultural Smart Growth Plan includes comprehensive proactive strategies that link the state’s land, products, processing and workforce with marketing opportunities. The plan encourages proven traditional measures as well as innovative approaches, such as alternative wastewater treatment systems, to balance the need for both preservation and growth. The plan also opposes large lot zoning and down zoning - practices that permanently remove the land from agricultural production at an accelerated rate, undermine preservation programs, and erode farmer equity. The maintenance of equity is a key concern for farmers, who use their land’s value as collateral for operating and production loans.234

DEP is making significant regulatory changes that will strengthen protection of New Jersey’s drinking water supplies and other vital natural resources by imposing stricter standards

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
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<tbody>
<tr>
<td>Middlesex</td>
<td>132.5</td>
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<td>175.6</td>
<td>106.4</td>
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</tbody>
</table>

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
Incorporated into NJDOT’s procedures in 1999, Context Sensitive Design (CSD) is an approach to planning and designing transportation projects based on active and early partnerships with communities. CSD involves commitment to a process that encourages transportation officials to collaborate with community stakeholders so the project’s design reflects the goals of the people who live, work and travel in the area. Such collaboration results in creative and safe transportation solutions.238

The New Jersey Future in Transportation (NJFIT) initiative represents a change in direction for NJDOT. With NJFIT, the state is integrating road building and community building by forming partnerships to coordinate development and redevelopment in towns and cities with transportation needs and investments.239

NJDOT’s Office of Maritime Resources (NJDOT/OMR) provides interagency support, program planning and policy recommendations on maritime issues to the commissioner, Governor and the Legislature, and promotes coordination and cooperation among state, federal, regional and non-governmental agencies. NJDOT/OMR serves as the primary advisory body and lead agency for support of the state’s $50 billion maritime industry, which includes ports and terminals, cargo movement, boat manufacturing and sales, ferry operations, government services, marine trades, recreational and commercial boating and maritime environmental resources. NJDOT/OMR supports technology research and development, investigates innovative dredged material management technologies to ensure a balance between development and protection of the ecosystem and advocates and plans for continued development and growth of New Jersey’s Marine Transportation System.240

Portway is a series of 11 independent NJDOT projects that will improve access to and between the Newark-Elizabeth Air/Seaport Complex, intermodal rail facilities, trucking and warehousing/transfer facilities and the regional surface transportation system. These facilities and their access routes are the front door to global and domestic commerce for New Jersey and the greater metropolitan New York region.

NJDOT and NJ TRANSIT (New Jersey’s public transportation corporation) spearhead a multi-agency Smart Growth partnership known as the Transit Village Initiative. The initiative aims to redevelop and revitalize communities around transit facilities to make them an appealing choice for people to live, work and play, thereby reducing automobile reliance. The initiative serves as an excellent model for Smart Growth because it encourages such growth where infrastructure and public transit already exist.241

Housing Affordability
New Jersey’s median rent value is $936.

Table 46: Average Home Prices*

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnersville</td>
<td>$257,385</td>
</tr>
<tr>
<td>Cherry Hill</td>
<td>$282,736</td>
</tr>
<tr>
<td>Absecon</td>
<td>$351,625</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>$386,250</td>
</tr>
<tr>
<td>Tom's River</td>
<td>$407,984</td>
</tr>
<tr>
<td>Edison</td>
<td>$515,725</td>
</tr>
<tr>
<td>Clinton</td>
<td>$527,700</td>
</tr>
<tr>
<td>Sparta</td>
<td>$529,000</td>
</tr>
<tr>
<td>Wayne</td>
<td>$554,700</td>
</tr>
<tr>
<td>Marlboro</td>
<td>$554,900</td>
</tr>
<tr>
<td>Bridgewater</td>
<td>$602,933</td>
</tr>
<tr>
<td>Princeton</td>
<td>$628,000</td>
</tr>
<tr>
<td>Montclair</td>
<td>$658,450</td>
</tr>
<tr>
<td>Madison</td>
<td>$677,250</td>
</tr>
<tr>
<td>Basking Ridge</td>
<td>$684,633</td>
</tr>
<tr>
<td>Westfield</td>
<td>$686,950</td>
</tr>
<tr>
<td>Warren</td>
<td>$689,000</td>
</tr>
<tr>
<td>Ridgewood</td>
<td>$829,500</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index

Transportation
New Jersey’s transportation infrastructure includes 38,122 miles of public roads, 353 toll roads and bridges, and 6,484 bridges. The state is served by 8,305 miles of bus routes, 389 airports, heliports and Seaplane bases, 16 freight railroads and 2,798 miles of rail. There are also approximately 360 miles of inland waterway in the state.

New Jersey has 3,915,955 workers, 73.5% of who drive to work alone. The mean travel time to work is 29.4 minutes.236

New Jersey Department of Transportation’s (NJDOT) mission statement: "Improving lives by improving transportation."237

for development in environmentally sensitive areas. Such regulatory changes will also streamline and expedite regulatory permitting and dedicate funding for infrastructure and parks in smart-growth areas considered appropriate for development.235

HIGH GROWTH STATES: A SUMMARY OF INITIATIVES

Location | Average Home Price
---|---
Turnersville | $257,385
Cherry Hill | $282,736
Absecon | $351,625
New Brunswick | $386,250
Tom's River | $407,984
Edison | $515,725
Clinton | $527,700
Sparta | $529,000
Wayne | $554,700
Marlboro | $554,900
Bridgewater | $602,933
Princeton | $628,000
Montclair | $658,450
Madison | $677,250
Basking Ridge | $684,633
Westfield | $686,950
Warren | $689,000
Ridgewood | $829,500

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index
Aside from Smart Growth community revitalization, two other goals of initiative include reducing traffic congestion and improving air quality—all in an effort to increase the number of transit riders. Studies have shown that an increase in residential housing options within walking distance of a transit facility, typically within a ¼ to ½ mile radius, does more to increase transit ridership than any other type of development. Therefore, it the initiative’s goal to bring more housing, businesses and people into communities with existing transit facilities.242

Covering a service area of 5,325 square miles, NJ TRANSIT is the nation's third largest provider of bus, rail and light rail transit, linking major points in New Jersey, New York and Philadelphia. The agency operates a fleet of 2,027 buses, 711 trains and 45 light rail vehicles. On 236 bus routes and 11 rail lines statewide, NJ TRANSIT provides nearly 223 million passenger trips each year.243

The Port Authority of New York and New Jersey manages and maintains bridges, tunnels, bus terminals, airports, Port Authority Trans Hudson Corp (PATH) and seaports that are critical to the bi-state region's trade and transportation capabilities.244

New Hampshire offers many opportunities for outdoor recreation, including state parks and historic sites, lakes and beaches, mountains in the Northeast, three National Scenic Byways, traditional festivals and open-air markets. New Hampshire is known for its quaint towns and shops and it offers a number of galleries.245

The state has been successful in attracting creative people who, in turn, attract diverse industries. According to surveys, many creative people moved to New Hampshire because it is a "cool" place to live with amenities and demographic diversity. Many young, active and talented people find that New Hampshire has communities that offer outdoor recreation opportunities, a thriving music scene, active nightlife, bustling streets with outdoor cafes and small retail shops that remain open late at night.246

New Hampshire also largely thrives because of immigration. Openness to outsiders has resulted in New Hampshire being the only New England state that has a consistent level of immigration over the last ten years. On average, approximately 1,300 people move to New Hampshire each year, while most of the other New England states have a negative net migration of people moving.247

The state’s crime index is 88.40 and its Better Living Index is 78.32.248

Education
K-12
New Hampshire has 473 schools with 15,112 teachers, and 207,417 students. Of its students, 5.8% represent minorities, 10% are living in poverty, 14.2% have disabilities, and 1.3% are English-language learners.249

New Hampshire scored low in standards and accountability for its lack of subject standards in all subjects and all grade levels and no accountability measures or programs. It also scored low on teacher quality, as its certification process is very limited. The only category in which the state ranked average was its school climate—largely due to its small class sizes. In resource equity, New Hampshire ranks very low among parity of per pupil spending.

How the President’s Budget Will Help New Hampshire’s Children and Families
- Increases Federal education funding in New Hampshire to $471.4 million—44.6% more than when the President took office
• Provides $70.8 million to help New Hampshire implement the No Child Left Behind reforms
• Increases Title I funding to $34 million—$12 million over 2001 levels—to help New Hampshire's neediest children
• Increases Special Education Grants for New Hampshire to $49.4 million—$18.6 million over 2001 levels
• Provides $32.7 million in Federal Pell Grants to help ensure a college education for New Hampshire students who otherwise might not be able to afford it
• Provides New Hampshire with $293.7 million in funding for new federal student loans that ensure greater access to college education for more young people
• Provides $4.9 million to ensure that every high school student in New Hampshire graduates with the skills needed to succeed in college and in the globally competitive workforce
• Provides access to $2.5 million in Reading First funding to ensure that every child in New Hampshire learns to read by third grade
• Provides $13.9 million to attract and retain highly qualified teachers in classrooms
• Provides $4 million for annual assessments so every parent in New Hampshire will know how well their children are learning and where improvement is needed
• Provides $795,000 to support students who are learning the English language.250

Higher Education
New Hampshire’s Postsecondary Education Commission is the agency responsible for regulating the state’s postsecondary educational institutions - establishing criteria for granting degrees and awarding grants, scholarships and student loans. The Commission also acts as the repository of transcripts for New Hampshire colleges that have closed their doors, and operates the Veterans State Approvals under the authority of the U. S. Department of Veteran Affairs.251

The Commission's mission has evolved to the point where its activities can be grouped into two areas. The first is to provide access to higher education; the second is to ensure educational quality.252

The University System of New Hampshire is the largest provider of postsecondary education in the Granite State. With almost 30,000 enrolled students and 70,000 alumni living in state, the sister institutions of the University System - the University of New Hampshire, Plymouth State University, Keene State College, and Granite State College - have a direct impact on hundreds of thousands of New Hampshire citizens every year.253

The New Hampshire Community Technical Colleges System (NHCTCS) Foundation was formed on February 7, 2000 as a 501(c)3 corporation. It is overseen by a board of directors and its goal is to award scholarships to as many state citizens as possible to increase access to higher education. NHCTCS seeks and secures grants and private funds from corporations and individuals to achieve its goals. It accepts, holds, invests, and administers any gift, bequest or trust which benefits the NHCTC System or its member colleges.254

The NHCTCS is made up of seven colleges and other local “academic centers.” An academic center is a location where classes are offered, and certain student services provided through a regional “host” campus. Academic centers are led by a board of trustees, the NHCTCS Commissioner, and college presidents. NHCTCS is a state agency organized pursuant to NH RSA 188-F. Its office is located in Concord on the campus of New Hampshire Technical Institute. All colleges affiliated with NHCTC are accredited by the New England Association of Schools & Colleges Commission on Institutions of Higher Education. Many NHCTC courses and programs enable students to transfer credits to a baccalaureate institution.255

Economic Development
In an effort to encourage revitalization and create jobs, communities and employers may take advantage of New Hampshire’s new Community Reinvestment Opportunity (CROP) Zone Program. CROP is a new incentive for businesses to create new jobs. With the CROP Zone Business Tax Credit Program, tax credits may be used against the Business Profit Tax and Business Enterprise Tax in a qualifying CROP zone project.256

Table 47: Cost of Doing Business

<table>
<thead>
<tr>
<th>Category</th>
<th>New Hampshire</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>36.519</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>41.7</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>9.91</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005 sq ft (sq. ft)</td>
<td>15.4</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005 sq ft (sq. ft)</td>
<td>6.0</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*New Hampshire ranks 16th

Source: Milken Institute
Job Grants Program

New Hampshire’s Department of Resources and Economic Development launched a program in qualifying towns to help create new, lasting jobs for the community and reward participating businesses in the process. As a business owner in a qualifying town, the program offers qualified applicants up to $20,000 for each new job created. The amount of the grant is directly determined by the wage and quality each new job pays above the 2003 minimum wage and the existence of each job for a period of no less than five years. Tax credit recipients are also eligible to petition the host community for property tax relief.257

Existing businesses generate nearly 80% of new job growth, which is why New Hampshire is committed to providing assistance at critical growth and development stages. The New Hampshire Division of Economic Development (NHDED) provides access to technology, educational and financial resources, assistance with site location, cost-effective business operations, staff retention and retraining, and other solutions. NHDED’s staff works as strategists and partners to ensure a dynamic future for New Hampshire.258

A wide range of manufacturing and service industries are based in New Hampshire, producing everything from computer hardware and software and high technology industrial machinery, electronic equipment and hazardous waste management systems to specialty products like environmentally sensitive motorbikes, footwear, and Shaker-style furniture. New Hampshire has been very successful in nurturing growth in a range of “high tech” industries. In terms of production, software development follows close behind California’s Silicon Valley, and the state is home to many innovative firms, including the world’s leading developer of plasma cutting technology.259

Land Use

“New Hampshire has been the fastest growing state in New England for the last four decades,” says Frank Mitchell, land and water conservation specialist with UNH Cooperative Extension. “One major consequence of this growth is that the state is losing approximately 20,000 acres of open space to development every year.” 260

“Recently, UNH Cooperative Extension, the Society for the Protection of New Hampshire Forests, and the Forest Society’s Center for Land Conservation Assistance compiled information from a number of studies that collectively confirm the economic value of open space,” says Mitchell. “The data clearly show that working farms and forests and undeveloped natural areas bring in more revenue to a town than the land requires in services, and that conserving these lands can slow property tax increases in the long run.” 261

“Most towns have established criteria for selecting and evaluating land conservation projects, and are using the criteria to focus their efforts on the most important conservation properties in order to get the most conservation value for their investment.” 262

Founded by a handful of concerned citizens in 1901, the Society for the Protection of New Hampshire Forests is now one of the country’s most effective statewide land conservation organizations. As a non-profit membership organization with 10,000 members, the Society is dedicated to protecting the state’s most important landscapes while promoting the wise use of its renewable natural resources. Its vision for the next 25 years, New Hampshire Everlasting, is an effort to conserve another one million acres and continue preserving the state’s quality of life.263

The University of New Hampshire Cooperative Extension provides citizens with research-based education and information, enhancing the ability to make informed decisions that strengthen youth, families and communities, sustain natural resources, and improve the economy. As a University outreach program, the Extension has a network of professional staff located in all ten state counties. The staff works with local volunteers and specialists on the UNH campus to design and conduct educational programs that meet societal, environmental and economic needs. While many of its programs are conducted locally, it also uses current communications technology, including computer networking and interactive television. As part of the national land-grant university system, it also accesses the knowledge and expertise of other state land-grant universities throughout the U.S. 264
The New Hampshire Association of Conservation Commissions (NHACC) is a private, non-profit association of municipal conservation commissions. Its purpose is to foster conservation and appropriate use of the state’s natural resources by providing assistance to conservation commissions, facilitating communication and cooperation among commissions, and helping to create a climate that fosters success.265

Housing Affordability
New Hampshire’s median rent value is $871.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portsmouth</td>
<td>$335,996</td>
</tr>
<tr>
<td>Nashua</td>
<td>$361,475</td>
</tr>
<tr>
<td>Hanover</td>
<td>$498,125</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

The New Hampshire Department of Transportation’s (NHDOT) mission is to plan, construct and maintain the best possible transportation system and state facilities in the most efficient, environmentally sensitive and economical manner, utilizing quality management techniques consistent with available resources and mandate controls.267

The New Hampshire Transportation Business Plan (TBP) is a 25-year vision that serves to advance transportation, economic development, land use and environmental goals. The effort has four main purposes:

- Identify key customer issues
- Develop a transportation vision for the State of New Hampshire
- Look at realistic strategies and actions to achieve the vision
- Develop recommendations to improve policies and transportation investment decisions of the Department of Transportation

Cost of Living

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portsmouth</td>
<td>100%</td>
</tr>
<tr>
<td>Nashua</td>
<td>100%</td>
</tr>
<tr>
<td>Hanover</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
MASSACHUSETTS

Quality of Life
Massachusetts, located in the middle of New England, is the region's most populous state. Major urban areas, seaside communities, and tiny rural towns offer a unique mix of landscape, recreation and opportunities. Massachusetts’ crime rate is 52.87 and its Better Living Index is 96.98.

Massachusetts is famous for its trees, and a large number of visitors flock to the state in autumn/fall to witness the autumn foliage – called ‘tree peeping’. On its coast is Cape Cod, famous for its beaches, lighthouses and picturesque fishing villages, with popular resort islands such as Nantucket and Martha’s Vineyard. Boston is the state capital – home to the New England Aquarium and Harvard University. This historic part of the country is the famed location of the Boston Tea Party; in the “Shaker” style buildings, there remain many reminders of British colonial rule.

Boston offers a laid back, European feel compared with New York, and is known for its array of shopping, bars and restaurants and live music.

Education
K-12
Massachusetts has 1,860 public schools with 72,062 teachers and 980,459 students. Of its students, 25.4% represent minorities, 13% are living in poverty, 15.7% have disabilities, and 5% are English-language learners.

Massachusetts ranks above average in two categories and below average in two categories. While the state ranks near the top of the nation in standards and accountability, it ranks slightly below average in teacher quality (for not financing mentoring or professional development) and below average in resource equity. Massachusetts fares well in school climate as it has one of the highest rankings for charter schools and school choice and autonomy.

How the President’s Budget Will Help Massachusetts' Children and Families

- Increases Federal education funding in Massachusetts to $2.9 billion—52.1% more than when the President took office
- Provides $371.3 million to help Massachusetts implement the No Child Left Behind reforms
- Increases Title I funding to $236.1 million—$50.3 million over 2001 levels—to help Massachusetts' neediest children
- Increases special education grants to $291.7 million—$110.5 million over 2001 levels
- Provides $197.7 million in Federal Pell Grants to help ensure a college education for Massachusetts students who otherwise might not be able to afford it
- Provides Massachusetts with $1.9 billion in funding for new Federal Student Loans that ensure greater access to college education for more young people
- Provides $13.8 million to ensure that every high school student graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $14.7 million in Reading First funding to ensure that every child in Massachusetts learns to read by third grade
- Provides $51.9 million to attract and retain highly qualified teachers
- Provides $7.8 million for annual assessments so every parent in Massachusetts will know how well their children are learning and where improvement is needed
- Provides $12.9 million to support students who are learning the English language
Higher Education
Massachusetts public higher education system is committed to ensuring that all residents have the opportunity to benefit from a higher education that enriches their lives and advances their contributions to civic life, economic development, and social progress. Funded partially by tax revenues, the public system is committed to continuous improvement and accountability in all aspects of teaching, learning, and outreach.

Coordinated by the Massachusetts Board of Higher Education, the system is divided into three segments, complementary in character and mission: 15 community colleges, nine state colleges, and five campuses of the University of Massachusetts. The 29 public institutions are geographically dispersed throughout the state.

The Board of Higher Education is an independent advocate for the system of public higher education and a supporter of the significant role played by the state’s independent higher education sector. The Board is committed to insisting that its institutions use public funds efficiently to avoid unnecessary duplication. To that end, it has created a system of institutions with diverse missions among and within its segments founded on cooperation, collaboration, and participation.

Economic Development
Taxes and Business Costs in Massachusetts (see below)

<table>
<thead>
<tr>
<th>Table 50: Cost of Doing Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category</strong></td>
</tr>
<tr>
<td>Wages (2003)</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
</tr>
</tbody>
</table>

*Massachusetts ranks 3rd 
Source: Milken Institute

**Table 51: Taxes and Business Costs in Massachusetts**

<table>
<thead>
<tr>
<th>Taxes/Business Costs</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax</td>
<td>9.5% (offset by single sales factor) Approximately one-half of all companies in Massachusetts pay the minimum corporate income tax of $456.</td>
</tr>
<tr>
<td>Single Sales Factor</td>
<td>Yes</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>5%</td>
</tr>
<tr>
<td>Personal Income Tax</td>
<td>5.3% except 12% on short term capital gains</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>New Employer Rate: 2.125%; Experienced Rate: 1.325-7.225%; and Base Wage: $14,000</td>
</tr>
<tr>
<td>R&amp;D Tax Credit</td>
<td>10% on incremental qualified and 15% on incremental basic</td>
</tr>
<tr>
<td>Hiring Tax Credit</td>
<td>Cash rebate of 50% of newly hired biotech and medical device manufacturing employees' income tax withholdings payable over 3 years</td>
</tr>
<tr>
<td>Investment Credit</td>
<td>3% in manufacturing, R&amp;D, agriculture and fishing; any industry eligible for 5% when located in target areas</td>
</tr>
</tbody>
</table>

Source: See endnote 279
Qualifying biotechnology and medical device manufacturing companies are eligible to receive incentive payments for new job creation. Massachusetts already has a leading concentration of biotechnology and medical device manufacturers located within its boundaries, and is looking to grow.280

**Financing and Funding**

- Loan programs available through both public and quasi-public entities
- Grants for training and Brownfield redevelopment assistance
- Infrastructure and other specialized financing products
- Initial Funding- Financing options for businesses trying to get off the ground
- Venture Capital- Early stage and higher risk financing options
- Innovative Technology Grants - John Adams Innovation Institute, a division of the Massachusetts Technology Collaborative, supports regional initiatives that spur technology based economic development across the Commonwealth.
- Brownfield financing products to assist with assessment and remediation281

Recognizing the need for a private-public partnership to promote Massachusetts as a place to do business, in 1993 a consortium of the state's utility and telecommunications companies, real estate associations, and public sector partner - the Massachusetts Office of Business Development - founded the Massachusetts Alliance for Economic Development. The Alliance's founding was an outgrowth of recommendations made by the Governor's Council on Economic Growth & Technology, a body of civic and business leaders that advised Governor Weld on issues relating to the state’s competitiveness.282

The consortium’s founding members envisioned the Alliance as a non-partisan, professionally-staffed organization to serve as the Commonwealth's central source of available property information for expanding and relocating companies. To this end, the Alliance's Site Finder Service was launched and focused on assisting companies find appropriate properties for facility expansion.283

Committed to job creation, job retention, and private investment in the Commonwealth, Massachusetts Office of Business Development (MOBD) leads and coordinates the Business Resource Team (BRT). BRT provides a single point of contact for businesses looking to create and retain jobs in Massachusetts. BRT is a one-stop shop that aggregates government and other economic development programs and services, making them easier to access and providing businesses a higher level of service.284

Massachusetts Business Connect is an initiative designed to grow the Commonwealth's job base and boost the state's overall competitiveness.285 The initiative is a creative approach to business development that provides efficient access to Massachusetts' wealth of resources.286

The Massachusetts Technology Collaborative is the state’s development agency for renewable energy and the innovation economy, which is responsible for one-quarter of all jobs in the state. MTC administers the John Adams Innovation Institute and the Renewable Energy Trust and works to stimulate economic activity. As its name suggests, MTC uses a collaborative approach to achieving its mission; it brings together leaders from industry, academia, and government to advance technology-based solutions that lead to economic growth and a cleaner environment.287

By developing energy from wind, solar, and other renewable resources, MTC is reducing reliance on coal, oil, and other fossil fuels that contribute to air pollution and global warming. Investments in the emerging clean energy market stimulate new economic activity in the renewable industry and job growth across the state. Technology-driven innovation fuels Massachusetts’ economy. MTC is uniquely positioned to provide economic development solutions working with the Governor and State Legislature. By forming dynamic partnerships with key stakeholders, the agency serves as a catalyst for growing the innovation economy.288

Recognizing the need for a private-public partnership to promote Massachusetts as a place to do business, in 1993 a consortium of the state's utility and telecommunications companies, real estate associations, and public sector partner - the Massachusetts Office of Business Development - founded the Massachusetts Alliance for Economic Development. The Alliance's founding was an outgrowth of recommendations made by the Governor's Council on Economic Growth & Technology, a body of civic and business leaders that advised Governor Weld on issues relating to the state’s competitiveness.282

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Land Use
Massachusetts has taken an innovative approach to growth management, creating a grassroots, municipally-driven smart growth initiative called Community Preservation. Community Preservation is an organizing principle focused on preserving and enhancing the quality of life in Massachusetts - community by community, watershed by watershed. The initiative provides tools, technical assistance and outreach to local decision-makers to help them make informed decisions about future growth.289

Among other topics, Community Preservation encompasses land and watershed protection, affordable housing, historic preservation, economic development, and transportation. Community Preservation seeks to balance interests while encouraging communities to preserve unique characteristics and quality of life as they develop.290

Through Community Preservation, the Executive Office of Environmental Affairs (EOEA) is providing communities with a set of integrated tools and programs to help plan for their future, including: build out maps and analyses, professional planning assistance to complete and implement Community Development Plans (E.O. 418), information about the Community Preservation Act, and coursework in planning and growth through the Community Preservation Institute, among others.291

Cost of Living
The state of Massachusetts and the Boston-Cambridge area in particular, is known for its extremely high cost of living. The overall cost of living is 240% of the national average, with apartments ranking 48% more expensive than the national average. The average rent for two-bedroom, two-bath luxury apartment rentals is $1,900, and the average price for more modest one-bedroom apartments in older buildings is around $1,000.292

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>136.8</td>
<td>115.7</td>
<td>180.8</td>
<td>144.8</td>
<td>109.7</td>
<td>129.4</td>
<td>113.7</td>
</tr>
</tbody>
</table>

Table 52: Cost of Living*

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>133.6</td>
<td>112.6</td>
<td>163.2</td>
<td>126.0</td>
<td>111.5</td>
<td>130.4</td>
<td>126.4</td>
</tr>
</tbody>
</table>

Table 53: Cost of Living*

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
Housing Affordability

Massachusetts’ median rent value is $948.

The Citizens’ Housing and Planning Association (CHAPA) is a non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. Established in 1967, CHAPA is the only statewide group that represents all interests in the housing field, including non-profit and for-profit developers, homeowners, tenants, bankers, real estate brokers, property managers, government officials, and others.293

CHAPA's mission is to encourage the production and preservation of housing that is affordable to low-income families and individuals. CHAPA pursues its goals through advocacy with local, state and federal officials; provides research on affordable-housing issues; offers education and training for organizations and individuals; and facilitates coalition- and consensus-building among broad interests in the field.294

In 1978, the Commonwealth of Massachusetts created Community Economic Development Assistance Corporation (CEDAC) to serve as a vital resource for organizations engaged in community economic development. CEDAC is a public-private, community development finance institution that provides technical assistance, pre-development lending, and consulting services to non-profit organizations involved in housing development, workforce development, neighborhood economic development, and capital improvements to child care facilities. Such organizations may include community or neighborhood development corporations, non-profit developers, and tenants' associations.295

The Massachusetts Housing Partnership (MHP) is a statewide, public, non-profit affordable housing organization that works in concert with the Governor and the state Department of Housing and Community Development to help increase the supply of affordable housing.

MassHousing is a quasi-public agency that lends money at rates below the conventional market to support rental and home ownership opportunities for low- and moderate-income families. Its programs include the Affordable Housing Trust Fund, the Housing Starts Program, the Rental Property List, the Septic Repair Program, the Home Improvement Program, and the Get the Lead Out Program.296

Transportation

Massachusetts’ transportation infrastructure includes 35,783 miles of public roads with over 138 miles of toll roads, toll bridges, tunnels and ferries. There are 4,955 bridges, 6,679.4 miles of bus routes, and 232 airports, ports, Seaplane bases and heliports. Massachusetts is served by ten railroads, 1,255 miles of freight railway, and 90 miles of inland waterway.

Massachusetts has 3,058,926 workers, 75.9% of who drive to work alone. The mean travel time to work is 26.4 minutes.297

Massachusetts has 31,300 miles of highways including the Massachusetts Turnpike (Interstate 90), stretching the length of the state and connecting Massachusetts with Upstate New York, and roads that lead to Connecticut. Interstate 95, which circles Boston, runs the width of the state from Rhode Island to New Hampshire. Interstate 93 connects Massachusetts with New Hampshire, and Interstate 91 connects western Massachusetts with Vermont and Connecticut. Located within the

Table 54: Average Home Prices*

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worcester</td>
<td>$340,996</td>
</tr>
<tr>
<td>Springfield</td>
<td>$389,283</td>
</tr>
<tr>
<td>Taunton</td>
<td>$460,950</td>
</tr>
<tr>
<td>Framingham</td>
<td>$541,600</td>
</tr>
<tr>
<td>Acton</td>
<td>$605,687</td>
</tr>
<tr>
<td>Cape Cod</td>
<td>$639,750</td>
</tr>
<tr>
<td>Lexington</td>
<td>$729,500</td>
</tr>
<tr>
<td>Chestnut Hill</td>
<td>$811,525</td>
</tr>
<tr>
<td>Wellesley</td>
<td>$1,193,750</td>
</tr>
<tr>
<td>Boston</td>
<td>$1,260,000</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.
boundaries of Boston, Logan International Airport is New England’s largest passenger and air cargo terminal. Boston is part of Amtrak’s eastern corridor, which offers direct service to New York, Philadelphia, and Washington, D.C.  

The Massachusetts Bay Transportation Authority (MBTA) operates bus, trolley, trackless trolley, and rapid transit in 79 communities in the Greater Boston Area. Under the aegis of the MBTA, the Massachusetts Bay Commuter Railroad Company operates two commuter rail lines connecting Boston with various outlying suburbs. There are 15 other regional transportation authorities located throughout the state that provide regional public transportation.  

The Massachusetts Highway Department (MassHighway) is separated into five district offices, all of which operate under the direction of the central Boston office. The Boston office makes policy decisions on planned or ongoing state road improvement projects. Under the direction of Commissioner Luisa Paiewonsky, MassHighway identifies roads and bridges that are in need of repair, reconstruction, or replacement, and works to facilitate appropriate upgrades. MassHighway’s priority is safety, with as little inconvenience as possible to motorists.  

The Massachusetts Port Authority (Massport) is an independent public authority that develops, promotes and manages airports, the seaport and transportation infrastructure to enable Massachusetts and New England to compete successfully in the global marketplace.  

The mission of the Massachusetts Seaport Council is to “Develop the commercial maritime resources of the Commonwealth both physically and institutionally into a ‘Port of Massachusetts’ each of the several ports working cooperatively doing better what each does best and thereby creating and enhancing an integrated land/sea transportation network as access to the global market place in support of the economic development needs of the Commonwealth.”  

MINNESOTA
Quality of Life
Located in the North Central U.S., Minnesota is near the geographic center of North America, and is bordered on its north by the Canadian provinces of Manitoba and Ontario, on its west by North Dakota and South Dakota, on its south by Iowa, and on its east by Wisconsin and Lake Superior. Minnesota’s crime index is 65.77 and its Better Living Index is 83.00.

Minnesota can be divided into several regions with varying climates. The northern part of the state has snow, the mid-part has a more moderate climate, and the southern part has a late fall/early spring feel.

The state is at the crossroads of three types of terrain - grassland plains and prairies are in the west and south, coniferous (cone-bearing) forest is in the north, and hardwood forest, once known as the “Big Woods,” is in the east.

Education
K-12
There are 2,187 public schools in Minnesota, with 51,611 teachers, and 842,854 students. Of its students, 19.8% represent minorities, 11% are living in poverty, 13.5% have disabilities and 6.3% are English-language learners.

Minnesota ranked above average in two categories and below average in two categories of Quality Counts. The state ranked well above average in school climate and carries the highest accolades from the Center for Education Reform for its charter school law. Minnesota also fared well in resource equity among wealthy and poor districts. The state ranked below average in standards and accountability and teacher quality, as it lacks in assessments and because its teachers are not required to have a major or minor in the subject area taught.

Academic Competitiveness Highlighting Individual Excellence and Valuing Education (ACHIEVE) is a landmark program proposed by Governor Tim Pawlenty. It offers Minnesota high school students, graduating in the top 25% of their class or
posting a comparable ACT score, the opportunity to attend free of charge their first two years of public college. \( ^{308} \)

ACHIEVE is designed to encourage all high school students to attain good grades, keep the best and brightest high school graduates at home in Minnesota colleges and universities, and increase the number of Minnesota college graduates with strategic math and science degrees. Under the Governor’s proposal, students in families with annual adjusted gross income at $150,000 or below are eligible. \( ^{309} \)

**How the President’s Budget Will Help Minnesota’s Children and Families**

- Increases Federal education funding in Minnesota to $2.2 billion—72.3% more than when the President took office
- Provides $223.8 million to help Minnesota implement the No Child Left Behind reforms
- Increases Title I funding to $111.5 million—$13.7 million over 2001 levels—to help Minnesota’s neediest children
- Increases special education grants to $197 million—$73.9 million over 2001 levels
- Provides $189.3 million in Federal Pell Grants to help ensure a college education for Minnesota students who otherwise might not be able to afford it
- Provides Minnesota with $1.5 billion in funding for new Federal Student Loans that ensure greater access to a college education for more young people
- Provides $11.2 million to ensure that every high school student in Minnesota graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $8.9 million in Reading First funding to ensure that every child in Minnesota learns to read by third grade
- Provides $38 million to attract and retain highly qualified teachers
- Provides $7.1 million for annual assessments so every parent in Minnesota will know how well their children are learning and where improvement is needed
- Provides $7.2 million to support students who are learning the English language \( ^{310} \)

**Higher Education**

Minnesota’s 32 state colleges and universities offer affordable education in 46 communities. With more than 3,500 educational programs, Minnesota offers many choices. \( ^{311} \)

The Minnesota State Colleges and Universities System is committed to supporting economic growth throughout the state. The system’s state universities and community and technical colleges provide career preparation and continuing career education for more Minnesotans than any other state organization. Providing customized training to more than 140,000 employees annually, the system helps employers stay competitive and workers advance skills and manage career changes. \( ^{312} \)

The Minnesota Private College Council, Fund and Research Foundation are related non-profit organizations that represent private higher education. Organization members include seventeen private, four-year liberal arts colleges. \( ^{313} \)

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to post-secondary education. The agency serves as the state’s clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends. \( ^{314} \)

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program. The agency also oversees tuition reciprocity programs, a student loan program, Minnesota’s 529 college savings program, licensing and a youth-focused early awareness outreach initiative. Through collaboration with systems and institutions, the agency also assists in the development of the state’s education technology infrastructure and library programs. \( ^{315} \)
Economic Development

*Greater Minnesota Business Development Public Infrastructure Grant Program*
*Hire Education Loan Program*
*Minnesota Investment Fund*
*Minnesota Job Skills Partnership*
*Minnesota Rail Service Improvement Program*
*Small Business Development Loan*

**Tax incentives**
*Job Opportunity Building Zones*
*Tax Abatement*
*Tax Increment Financing (TIF)*

The Minnesota Department of Employment and Economic Development (DEED) is the state’s principal economic development agency, with programs promoting business recruitment, expansion, and retention; workforce development; international trade; and community development. The agency's mission is to support the economic success of individuals, businesses, and communities by improving growth opportunities. DEED’s mission and organizational structure are aligned.

The Minnesota Trade Office promotes and assists in the expansion of exports and foreign direct investments that contribute to the state’s economic growth. Its services are tailored for new exporters as well as experienced international companies, and include education and training, information and marketing, and counseling.

The Trade Office also helps foreign companies invest in Minnesota through new business startups or expansions.

Forming and conducting business in Minnesota involves many interactions with state agencies - from establishing the business entity, to taxation, regulation, and employer issues. While there is no single web site with universal applicability to all business issues and questions, BizLinks (www.bizlinks.org) offers links to web pages established and maintained by the state agencies and others, that deal with specific business topics.

<table>
<thead>
<tr>
<th>Category</th>
<th>Minnesota</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages (2003)</td>
<td>37.797</td>
<td>37.154</td>
</tr>
<tr>
<td>Tax Burden (2004)</td>
<td>80.6</td>
<td>61.4</td>
</tr>
<tr>
<td>Electricity Costs (cents/KW hour)</td>
<td>5.24</td>
<td>6.56</td>
</tr>
<tr>
<td>Office Space 2005q1 (sq. ft)</td>
<td>20.9</td>
<td>19.0</td>
</tr>
<tr>
<td>Industrial 2005q1 (sq. ft)</td>
<td>6.4</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Minnesota ranks 9th

**Source:** Milken Institute
The mission of Minnesota’s Environmental Quality Board is to develop an environmental policy by responding to key issues, providing appropriate review and coordination, serving as a public forum and developing long-range strategies to enhance environmental quality. The Environmental Quality Board consists of a Chair (who represents the Governor), nine state agency commissioners or directors and five citizen members.

Housing Affordability
Minnesota’s median rent value is $700.

<table>
<thead>
<tr>
<th>Table 56: Average Home Prices*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
</tr>
<tr>
<td>Moorhead</td>
</tr>
<tr>
<td>Rochester</td>
</tr>
<tr>
<td>St. Cloud</td>
</tr>
<tr>
<td>Mankato</td>
</tr>
<tr>
<td>Lake Minnetonka</td>
</tr>
<tr>
<td>St. Paul</td>
</tr>
<tr>
<td>Minneapolis</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.
Source: Coldwell Banker, Home Price Comparison Index

The Minnesota Housing Finance Agency (MHFA) has assisted more than 400,000 households by providing funding for a variety of housing needs. MHFA helps people buy their first homes or fix up existing homes, and it includes options for affordable apartments, single-family homes, shelters, and transitional and supportive housing. MHFA works cooperatively with others to revitalize older neighborhoods and communities, build new housing to support the state’s growing workforce, and preserve the stock of federally-assisted rental housing.

Transportation
Minnesota’s transportation infrastructure includes 131,937 miles of public roads [no toll roads and two toll bridges], 13,025 bridges and 5,245.9 miles of bus routes. There are 520 airports, heliports, STOL ports, and seaplane bases. Minnesota is served by 20 freight railroads and 5,923 miles of freight railway. The state also has 258 miles of inland waterway.

There are 2,562,390 workers in Minnesota, 79.2% of who drive to work alone. The mean travel time to work is 22.3 minutes.

Meeting Minnesota's transportation needs, now and in the future, is one of the top policy goals of the current governor’s administration.

Minnesota’s Department of Transportation’s most important priority is to operate, maintain and preserve the state’s existing transportation systems and infrastructure by:

- Maintaining a sound and safe condition for the state’s physical transportation assets — highways, bridges, airports, water ports, bikeways, and freight, bus, rail and intermodal facilities
- Protecting system performance through effective design, access management, financial support, and coordination with local transportation partners
- Minimizing system downtime due to incidents, construction activities, and other disruptions
- Safeguarding the security of the state’s transportation infrastructure

Cost of Living

<table>
<thead>
<tr>
<th>Table 57: Cost of Living*</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>St. Cloud</td>
</tr>
<tr>
<td>Source: American Chamber of Commerce Researchers Association (ACCRA)</td>
</tr>
</tbody>
</table>
Building More Goals
- Address congestion, add highway capacity and increase statewide mobility through investments to remove bottlenecks and improve the performance of interregional highway corridors
- Support cost-effective investments in transit systems and in highway transit advantage projects
- Pursue long-range transportation funding policies and strategies that reduce the state's significant backlog of critical highway and bridge construction and reconstruction projects, including "mega projects"

Building Faster Goals
- Accelerate construction of critical, long-delayed state highway and bridge projects when funding is available
- Shorten the duration of highway and bridge construction and reconstruction projects through innovative project development, delivery, construction and financing strategies, along with streamlining government review, permitting and other processes
- Accelerate funding for highway transit advantage capital improvements that support and encourage transit use in congested highway corridors

Moving Better Goals
- Focus the state's limited financial resources on investments that improve travelers' safety
- Reduce traffic congestion, and improve mobility in interregional corridors
- Strengthen cost-effective locally supported transit options
- Invest in major highway and transit projects that move the most people and goods in the most cost-effective manner to destinations of choice

NEW YORK
Quality of Life
New York is a diverse state that includes residents of all ages and ethnicities. Not only does the state have urban communities, but also suburban living and small rural communities that offer sports, entertainment, arts, museums, theatre and agriculture. The New York metropolitan area offers over 150 museums, 18,000 restaurants, and countless attractions.

New York has 164 State Parks, 46 mountain peaks, hundreds of miles of ocean and coastal beaches, lakes, ponds, streams, and wildlife preserves. Located within the borders of the state are more than 80,000 nationally registered historic sites, including 35 state-owned historic sites. New York is divided into eleven diverse regions.

New York’s crime index is 36.28 and its Better Living Index is 75.61.

Upstate New York offers the most options for any lifestyle, including easy commutes, a reasonable cost of living, and many natural treasures. The Adirondack, Berkshire, and Catskill mountains, the scenic Finger Lakes region and the Hudson Valley, Saratoga and with its horse racing and natural mineral springs comprise just part of “Upstate.” There, people enjoy cross country and downhill skiing, snowboarding, hiking, camping, fall foliage, maple sugaring, museums and many historical sites.

Education
K-12
There are 4,514 public schools in New York State with 216,116 teachers, and 2,864,775 students. Of its students, 46.1% represent minorities, 21% are living in poverty; there are no statistics available for students with disabilities, or English-language learners. The state spends $34.5 billion annually on public school education.
In Education Week’s Quality Counts study, New York scored at or above in three of the four categories. New York is second in the nation for its standards and accountability. With clear standards in all subjects, approved by the American Federation of Teachers, it also boasts defined accountability measurements and initiatives. New York lacks in teacher quality in that it has no programs for long-term teachers to move to a higher level. New York ranked below average in school climate, primarily because of school size and its ambiguity in handling violence and other issues. The state ranks average in resource equity, although it displays minor differences in per pupil spending based on wealth.334

In 1996, the New York State Board of Regents adopted learning standards for all content (subject) areas. Since then, the New York State Education Department (SED) has issued a series of core curricula, which provide an additional level of specificity to its learning standards. The core curricula are particularly important to local curriculum developers/educators since they include state expectations of what students must know and be able to do in relation to content areas. For each learning standard, the core curricula present key ideas (broad, unifying, general statements of what students must know) and performance indicators (statements of what students should do to provide evidence that they understand the key idea). Such core curricula are the foundation upon which state assessments are aligned and developed.335

New York’s core curricula are not designed as local school/district curricula, but rather they provide assistance to local schools/districts that maintain responsibility to design curriculums, which meet student needs. The core curricula respect the tradition of local choice that empowers educators to select texts, identify products, and use a rich mix of instructional strategies and activities to meet student needs.336

Chapter 655 of the Laws of 1987 (which amended Section 215-1 of State Education Law) requires the Board of Regents and the State Education Department to submit an annual report to the Governor and the Legislature with respect to "enrollment trends; indicators of student achievement in reading, writing, mathematics, science, and vocational courses; graduation, college attendance and employment rates; and other information concerning teacher and administrator preparation, turnover, in-service education and performance."337

How the President’s Budget Will Help New York’s Children and Families

- Increases Federal education funding in New York to $8.8 billion—47% more than when the President took office
- Provides $1.9 billion to help New York implement the No Child Left Behind reforms
- Increases Title I funding to $1.3 billion—$448.3 million over 2001 levels—to help New York'sneediest children
- Increases special education grants to $790.6 million—$303.7 million over 2001 levels
- Provides $1 billion in Federal Pell Grants to help ensure a college education for New York students who otherwise might not be able to afford it
- Provides $4.8 billion in funding for new Federal Student Loans that ensure greater access to a college education for more young people
- Provides $46 million to ensure that every high school student in New York graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $72.5 million in Reading First funding to ensure that every child in New York learns to read by third grade
- Provides $230.5 million to attract and retain highly-qualified teachers
- Provides $17.7 million for annual assessments so every parent in New York will know how well their children are learning and where improvement is needed
- Provides $52.2 million to support students who are learning the English language338

Higher Education

New York’s higher education is overseen by its Office of Quality Assurance. The agency’s mission is to ensure the quality of all postsecondary programs in New York State for the protec-
tion and benefit of higher education consumers. The agency has three offices that focus on teaching standards and performance, licensing and data collection, and reporting and analysis.

The Office of College and University Evaluation (OCUE) ensures high standards for academic excellence and performance. OCUE carries out a variety of related activities in support of a broad policy of raising learning and teaching standards. Such activities include:

- Review of all teacher education programs in New York State colleges to ensure that they prepare teachers for the new higher learning standards in the classroom
- Review of proposed academic programs in New York colleges to ensure a high standard of institutions and a quality learning environment
- Review of new institutions and requests for new degree authority to ensure integrity and excellence across all academic offerings

The Bureau of Proprietary School Supervision (BPSS) is responsible for overseeing and monitoring 400 licensed non-degree-granting proprietary schools. Over the past 10 years, the Bureau has protected the educational and financial interests of students, raised the integrity of the entire proprietary school industry, and provided the public critical services.

The Office of Research and Information Systems (ORIS) provides the Office of Higher Education with the capacity for data collection, reporting and analysis. SED is the only state agency with the ability to collect and provide information on the entire postsecondary education system. Such information is critical for promoting accountability in higher education and for supporting "data driven" decision-making and planning.

The State University of New York's 64 geographically dispersed campuses bring educational opportunity within commuting distance of virtually all New Yorkers and comprise the nation's largest comprehensive system of public higher education. New York also includes over 100 private colleges and universities.

### Economic Development

New York, under the administration of Governor George E. Pataki, has become the nation's leader in cutting taxes. Nearly all taxes in New York have been cut, with substantial reductions achieved in business, estate, sales, property, and personal income taxes. New York now has one of the lowest corporate income tax rates in the Northeast. In addition to lower taxes, New York offers numerous incentives to companies expanding or relocating in the Empire State. Such incentives include:

- Investment Tax Credit (ITC)
- Research and Development Tax Credit
- Sales Tax Exemptions
- Real Property Tax Abatement
- No Personal Property Tax
- Economic Development Zone/Empire Zone Tax Credits
- Wage Tax Credit (WTC)
- EZ Investment Tax and Employment Incentives Credit (ITC-EIC)
- New Business Refund
- Utility Rate Savings
- Zone Capital Credit
- Technical Assistance

The Small Business Technology Investment Fund (SBTIF) provides start-up high-tech companies throughout New York with a source of venture capital to promote new job creation and economic growth. The Fund makes early stage equity investments in companies that have developed innovative technology products or services and that display significant competitive advantage. It also offers technical and managerial services to growing technology-based business ventures.

New York assists business with low-interest loans to modernize facilities and operations, access new markets, develop products and improve overall competitiveness. Empire State Development offers the Linked Deposit Program (LDP), a public-private partnership that provides businesses with affordable capital based on bank loans at reduced interest rates. Such bank loans are subsidized by corresponding "linked" state deposits.

The New York State Economic Development Council (NYSEDC) is the state's principle organization representing
economic development professionals. Its 900 members include the leadership of industrial development agencies, local development corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce and private corporations.  

NYSEDC’s purpose is to promote economic development within the state and its communities, encourage sound practices in the conduct of regional and statewide development programs, and develop education programs that enhance the professional development skills of its members.

Chapter 1 of the Laws of 2003, as amended by Chapter 577 of the Laws of 2004, established the “Brownfield Cleanup Program” that, among other things, provides tax credits for the remediation and redevelopment of Brownfield sites in New York. The law directed ESD to designate Environmental Zones (“En-Zones”) in which such tax credits are enhanced. Designation of environmental zones is limited to those census tracts with a poverty rate of at least 20% according to the 2000 Census, and an unemployment rate of at least 125% - the New York average, or a poverty rate of at least double the rate for the county in which the tract is located.

Land Use
New York’s land use is controlled by a “Smart Growth” plan to deal with the population influx. Because of the home rule option in New York, individual communities choose how they want to develop themselves. The goal of this plan is to create a “quality community.” Part of the quality community goal is to encourage economic development, revitalization of downtowns, promote agriculture and farmland protection, strengthen intergovernmental and community partnerships, enhance transportation, and encourage technology use.

A Smart Growth fundamental is to slow down urban sprawl.

### Cost of Living

**Table 59: Cost of Living**

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, NY</td>
<td>212.1</td>
<td>137.1</td>
<td>399.2</td>
<td>146.6</td>
<td>117.4</td>
<td>139.2</td>
<td>136.2</td>
</tr>
<tr>
<td>Buffalo</td>
<td>98.8</td>
<td>102.9</td>
<td>90.8</td>
<td>130.8</td>
<td>103.6</td>
<td>95.6</td>
<td>94.0</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*

**Table 60: Cost of Living**

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, NY</td>
<td>201.2</td>
<td>144.6</td>
<td>373.6</td>
<td>135.1</td>
<td>108.6</td>
<td>127.8</td>
<td>138.2</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1
**Indicates relative price levels. The average composite for the nation is 100%, and each city's index is read as a percentage of the overall average.

*Source: American Chamber of Commerce Researchers Association (ACCRA)*
Instead of telling New York residents where they cannot live, the government provides incentives to revitalize community centers. This practice also must abide by the state’s home rule standards.

The New York State Department of Environmental Conservation plays a significant role in land use policies. In 2005, the state updated its Open Space Conservation Plan. The plan existed for the past eleven years to “protect the remarkable and diverse open space resources of the Empire State.”351 Updated every three years to accommodate growth, its goals include expanding public parklands, preserving critical lands, and creating new “opportunities” for people to enjoy New York’s lands.352

New York City has its own very specific land use concerns. The Pratt Center for Community Development performed a study on land use within the city in regard to manufacturers. The Center found that over the past ten years, space for manufacturing within the city had been taken up by commercial and automotive businesses. Residential space also increased in areas, driving the price of the real estate up so much that manufacturers could no longer compete and purchase land. As a result, manufacturing jobs had been moved out of the city. The Pratt Center believes that the city’s land use and zoning policies must be reevaluated to consider the welfare of the manufacturers.353

Cost of Living (charts on page 76)
As one of the most populous states in the nation, more than two of every five children in New York live in low-income families. Recent research indicates that New York’s income gap between the wealthiest and poorest families is the widest in the nation. Nearly half of all New York residents live in New York City, where the cost of living is particularly high.354

Research suggests that, on average, U.S. families require an income of about twice the federal poverty level to meet basic needs, including adequate food, stable housing, and healthcare costs. Families with incomes below this level—for 2006, $40,000 for a family of four—are considered low-income. Results from the National Center for Children in Poverty’s Family Resource Simulator show that even with the help of public assistance—including food stamps, public health insurance, and federal, state, and local income tax credits—low-income families in New York City do not earn enough to afford basic necessities. Thus, despite high rates of employment and small family sizes, many of New York’s low-income parents struggle to make ends meet.355

Housing Affordability
New York’s median rent value is $880.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binghamton</td>
<td>$152,875</td>
</tr>
<tr>
<td>Rochester</td>
<td>$256,333</td>
</tr>
<tr>
<td>Albany</td>
<td>$284,095</td>
</tr>
<tr>
<td>Orange County</td>
<td>$390,000</td>
</tr>
<tr>
<td>Long Island</td>
<td>$584,497</td>
</tr>
<tr>
<td>Syracuse</td>
<td>$217,028</td>
</tr>
<tr>
<td>Staten Island</td>
<td>$596,000</td>
</tr>
<tr>
<td>Katonah</td>
<td>$825,250</td>
</tr>
<tr>
<td>Rye</td>
<td>$869,125</td>
</tr>
</tbody>
</table>

*Homes are 2200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.


New York’s Division of Housing and Community Renewal (DHCR) provides funds to non-profit organizations throughout the state for the purpose of helping residents with housing needs. The two types of organizations, known collectively as Community-Based Housing Organizations, are Neighborhood Preservation Companies and Rural Preservation Companies.356

Each organization works within a specific geographic service area. The Affordable Housing Directory may be used to search for a Community-Based Housing Organization located in a specific geographic area.357

Community-Based Housing Organizations are directly impacting quality of life in the inner cities, towns, villages, and remote rural communities of the state by providing a wide variety of services to low- and middle-income families, the elderly, and persons with special needs. Examples of such services include, but are not limited to, developing and/or rehabilitating housing, assisting first-time homebuyers, organizing tenant associations, providing tenant assistance, forming community and neighborhood watch programs, developing job training programs, youth mentoring, and organizing community activities. Some Community-Based Housing Organizations are also weatherization assistance providers and assist eligible homeowners to in improving their homes’ energy efficiency.358

The New York State Housing Finance Agency (NYSHFA) offers financing options for the development and preservation
of affordable multi-family rental housing throughout New York. These financing options rely on proceeds of tax-exempt, taxable and 501(c)(3) bonds, low-income housing tax credits and subsidy loans.

NYSHFA’s financing programs:

- **The 80/20 Program** – is a practical financing product for the creation of affordable multi-family rental housing in high cost rental markets. A minimum of 20% of the units in a financed project must be set aside for low-income families, with the remaining units available at market rate rents.

- **The All Affordable Program** - encourages the creation of multi-family rental housing affordable to households earning no more than 60% of the Area Median Income, adjusted for family size.

- **The Senior Housing Program** - addresses the needs of one of the fastest growing segments of New York’s population, persons 55 years of age and older. This program provides financing for the new construction and rehabilitation of affordable senior rental housing and senior housing requiring state licensing.

- **The Housing Opportunity and Preservation for the Empire State (HOPES) Program** - provides financing for the preservation and rehabilitation of existing affordable multi-family rental housing. Housing initially financed through federal and/or state programs, such as federal Section 8, Section 236, Section 202 and low-income tax credit programs, as well as the New York State Mitchell Lama Program is eligible.

- **The 501(c)(3) Bond Financing Program** - provides financing to non-profit organizations, which play an increasing role in providing New Yorkers affordable housing opportunities.

- **The Taxable Mortgage Initiative** - provides an alternative to multi-family financing that does not rely on bond financing. Thus eliminating the time, cost and complexity of first mortgage debt financing. Instead, the agency originates a mortgage and note that are assigned to a participating construction lender. Upon completion of construction and stabilization, the mortgage is assigned to a permanent lender.359

**Transportation**

In 1967, the New York State Department of Transportation was formed to deal with the state's complex transportation system and its ever-increasing need to coordinate development of transportation with each mode serving its best purpose. Today, the New York State transportation infrastructure includes:

- A state and local highway system that annually handles over 100 billion vehicle miles; this total system encompasses over 110,000 highway miles and 17,000 bridges
- An extensive 5,000 mile rail network over which 42 million tons of equipment, raw materials, manufactured goods and produce are shipped each year on 35 freight railroads
- 582 public and private aviation facilities (including heliports and seaplane bases) through which more than 31 million people travel each year
- Five major ports that annually handle 50 million tons of freight
- 394 miles of inland waterways
- 18,000 miles of bus routes
- Over 130 public transit operators, serving over 5.2 million passengers daily
- 12 major public and private ports that handle more than 110 million tons of freight annually360

New York has 8,309,453 workers, 56.3% of who drive to work alone. Of all the states presented, at more than 25%, New York has, by far, the largest population using public transportation. The mean travel time to work each day is 30.6 minutes.361

**SUMMARY**

The states in this section all demonstrate a higher cost of doing business, and a higher cost of living. Despite this, these states are very popular for residents and businesses alike. The quality of life in major urban cities and easy access to more rural small towns is a positive factor. Businesses need the presence of and access to other business - and particularly, access to an international market. Higher wages result in their higher costs of living. Sheer size and rapid growth of these states over the past fifteen years increases costs in all sectors. Personal and business taxes are higher for public services and programs. There are more “haves” and “have nots” in these states as the middle class is migrating to other areas. Pennsylvania is seeing growth from New York, New Jersey, and Maryland. Connecticut demonstrates the best K-12 profile of all the states in this category, with all four indicators at or above standards in the Quality Counts study.
COLORADO
Quality of Life
Colorado offers a unique combination of scenery, recreational opportunities, moderate climate, numerous facilities for arts and culture, and strong healthcare and public school systems. The state offers residents a reasonable cost of living, low crime rates, and a wide selection of communities to suit every lifestyle. Concern for the environment is a widely held value among Colorado's individual and corporate citizens. The state is home to 40 state and three national parks and is a leader in recycling and renewable energy.

Colorado has abundant artistic and cultural resources with broad public and private support. The state is a national leader in funding for the arts - greatly supported by the private and non-profit sectors. A small sales tax set aside for culture and the arts was recently renewed by Colorado voters to ensure continued opportunities and enhancement of these valuable contributions to community. Red Rocks Amphitheater, a concert venue near Denver, was named among the top 50 examples of American architecture. Music and performing arts festivals are plentiful with pop, rock, classical, jazz, bluegrass and country western, along with ballet, opera, Broadway and regional theater represented.

Colorado's cities and towns appear frequently in national rankings of the best places to live and work, as well as being ranked among the most attractive venues in the nation for business development. Colorado ranks among the nation’s top ten states for quality of life indicators.

In May 2004, American City Business Journals ranked nine Colorado counties on its list of the top 50 counties in the nation for quality of life. With nine counties making the list, Colorado placed more counties than any state in the nation. Colorado's Pitkin County ranked #3, while Douglas County, near metro Denver, ranked #4.

Colorado has a crime index of 44.47 and a Better Living Index is 100.00.

Education
K-12
Colorado has 1,658 public schools, with 44,904 teachers and 757,693 students. Of its students, 35.4% represent minorities, 15% are living in poverty, 10% have disabilities, and 12.8% are English-language learners.

Colorado ranks above average in two of the four Quality Counts categories. In standards and accountability, a lack of standards in social studies, and minimal accountability efforts brings the states ranking down. In teacher quality, the state has higher standards for high school teachers, while lacking requirements for middle school teachers. In school climate, Colorado ranks second in the nation for having a successful class size reduction program. Colorado ranks slightly below average (near the middle of the nation) in resource equity.

The Colorado Department of Education (CDE) is the administrative arm of the Colorado State Board of Education. With an organizational commitment to high standards, challenging assessments, and rigorous accountability measures, CDE serves the state’s Pre K-12 public education, adult education and family literacy, and library communities.
Members of the Colorado State Board of Education are charged by the Colorado Constitution with the general supervision of public schools. The Board has numerous state law specified powers and duties. Members are elected on a partisan basis to serve six-year terms without pay.371

How the President’s Budget Will Help Colorado’s Children and Families

- Increases Federal education funding in Colorado to $1.9 billion—75.5% more than when the President took office
- Provides $247.1 million to help Colorado implement the No Child Left Behind reforms
- Increases Title I funding to $128.8 million—$48.1 million over 2001 levels—to help Colorado’s neediest children
- Increases special education grants to $158.3 million—$69.5 million over 2001 levels
- Provides $175.7 million in Federal Pell Grants to help ensure a college education for Colorado students who otherwise might not be able to afford it
- Provides Colorado with $1.2 billion in funding for new Federal Student Loans that ensure greater access to a college education for more young people
- Provides $10.7 million to ensure that every high school student in Colorado graduates with the skills needed to succeed in college and in the globally competitive workforce
- Provides access to $10.9 million in Reading First funding to ensure that every child in Colorado learns to read by third grade
- Provides $32.5 million to attract and retain highly qualified teachers

Higher Education

By coordinating policy and state resources for Colorado’s 28 public institutions, as well as several hundred private schools, and overseeing two key loan programs, the CDE seeks to ensure that higher education is accessible and affordable to all state citizens. CDE helps bring cultural and artistic education opportunities to citizens in each of the state’s 64 counties. The following six departmental agencies fall under the jurisdiction of the CDE:

- Colorado Commission on Higher Education
- Colorado Council on the Arts
- Colorado Historical Society
- College Access Network (formerly Colorado Student Loan Program)
- CollegeInvest
- Division of Private Occupational Schools

The Colorado Commission on Higher Education (CCHE) is an 11-member lay board, appointed by the Governor and confirmed by the Senate, which acts as a central policy and coordinating board for Colorado public higher education. The Commission’s mission is to implement the directives of the General Assembly and promote and preserve quality, access, accountability, and efficiency with Colorado public higher education.374

College Access Network is a state enterprise that has assisted nearly 500,000 students in achieving educational goals through
financial assistance. College Access Network is a self-supporting agency, receiving no state appropriations.\textsuperscript{375}

CollegeInvest’s mission is to address challenges Coloradans face in both the affordability of and access to higher education. CollegeInvest was created by the state in 1979 and is a CDE division. As Colorado’s leading education financing resource, CollegeInvest provides expert information, simple financial planning tools, scholarships, tax advantaged college savings plans and low-cost student and parent loans to take education dollars as far as they can go. CollegeInvest is a self-supporting state enterprise that is not taxpayer-funded. While CDE oversees and manages the division, it has a nine-member advisory board of directors appointed by the Governor and confirmed by the Senate.\textsuperscript{376}

The Division of Private Occupational Schools (DPOS) is also a CDE agency. The mission of the Division is to implement the directives of the General Assembly, to provide standards for and to foster and improve private occupational schools and educational services, and to protect from fraudulent or substandard private occupational schools.\textsuperscript{377}

\section*{Economic Development}

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|}
\hline
\textbf{Category} & \textbf{Colorado} & \textbf{U.S.} \\
\hline
Wages (2003) & 38.378 & 37.154 \\
Tax Burden (2004) & 42.5 & 61.4 \\
Electricity Costs (cents/KW hour) & 5.85 & 6.56 \\
Office Space 2005q1 (sq. ft) & 18.1 & 19.0 \\
Industrial 2005q1 (sq. ft) & 4.3 & 4.8 \\
\hline
\end{tabular}
\caption{Cost of Doing Business}
\label{table:cost_of_doing_business}
\end{table}

\footnotesize{\textsuperscript{*}Colorado ranks 29th}

\textit{Source: Milken Institute}

Colorado's Enterprise Zone Program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas. Colorado includes 18 enterprise zones and sub zones. Businesses located in an Enterprise Zone may qualify for ten different tax credits and receive incentives to encourage job creation and investment.\textsuperscript{378} Such business incentives include:

- Aircraft Manufacturer Tax Credits
- Biotechnology Sales- and Use-Tax Refund
- Colorado FIRST and Existing Industry Job Training Assistance
- Colorado Economic Development Commission
- Enterprise Zone Tax Credits
- Local Infrastructure Assistance
- Local Property Tax Incentives
- Manufacturing Revenue Bonds Assistance may be available through local economic development organizations\textsuperscript{379}

For many years, the Colorado Association of Commerce and Industry (CACI) has been at the forefront of the fight against abuse in the civil justice system pertaining to businesses. In 1986, CACI championed a major reform of the civil justice system to control the state’s cost of doing business. CACI is dedicated to maintaining a fair and predictable legal climate.\textsuperscript{380}

\section*{Land use}

In Colorado, land use decisions are made at the local level. The state delegates the power to local governments and outlines various codes and requirements, but mostly abides by the home rule option of the state constitution allowing decisions to be made by the respective municipality. This power is also described in the Colorado Local Government Land Use Control Enabling Act.\textsuperscript{381}

An example of successful land use policies has been documented in Stapleton, Colorado. In this particular case, an airport was closed and the land was to be developed to service a growing population. The development team wanted to preserve the open space and protect the environment while creating a residential area which effectively served the community. About one-third of the space is reserved for open areas. The neighborhood can house about 10,000 families. This is the future site for a national center for environmental technologies.\textsuperscript{382}

An innovative approach to the land use issue is found in the Boulder County Comprehensive Plan. First developed in the 1960s, the plan aimed to preserve open space during development to accommodate rapidly growing population. Respecting open space for recreation, areas for development were given strict regulations and buffer zones were created between residential and non-residential areas; ecosystems and habitats were preserved. Areas that were points of environmental concern were kept under the county’s stewardship.\textsuperscript{383}

In Denver, for over 25 years Elitch’s Zoological Gardens contained an amusement park, outdoor market and theater. In the late 1990’s, this family owned business was sold to Six Flags, which, almost immediately, relocated the amusement park and sold the land. The Denver Urban Renewal Authority (DURA) pledged $4.75 million in tax increment financing to a redevelop-
The Highlands' Garden Village embodies how smart growth principles are often aligned with those of urban renewal. It is a model of a dense, mixed use, urban village built on “green” building principles. This project is one of residential, commercial, and civic uses organized around a series of shared open spaces. The 306 residential units include townhouses, live-work units, senior apartments, multi-family apartments, and single-family detached homes. Initial price points for market rate housing on the site were generally at or below per square foot prices in surrounding neighborhoods and 15% of all units overall are affordable to residents earning below 60% of the area median income.

A 75,000-square-foot neighborhood commercial center now under construction, will include office and retail uses and is anchored by a supermarket. The Highlands' Garden Village is home to one of Denver's newest charter schools, Denver Academy of Arts & Sciences. The renovated Carousel Pavilion now hosts weddings, bar mitzvahs and bat mitzvahs, concerts, movies and a Sunday farmers’ market.

The developer recycled more than 30 tons of abandoned asphalt into new streets and alleys. Every tree not located directly on a developable lot was preserved and trees that had to be removed were mulched on site and are now used in throughout the development’s tree lawns and flower beds.

Denver has experienced increasing retail sales, a vibrant real estate market and more than $400,000 per year in new tax dollars.

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### Table 63: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Springs</td>
<td>96.5</td>
<td>13%</td>
<td>29%</td>
<td>10%</td>
<td>9%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td>Denver</td>
<td>103.5</td>
<td>103.1</td>
<td>99.0</td>
<td>79.7</td>
<td>103.6</td>
<td>102.2</td>
<td>94.4</td>
</tr>
</tbody>
</table>

*Data is from the 2004q2-2005q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)

### Table 64: Cost of Living*

<table>
<thead>
<tr>
<th>City</th>
<th>Composite**</th>
<th>Grocery Items</th>
<th>Housing</th>
<th>Utilities</th>
<th>Transportation</th>
<th>Health Care</th>
<th>Misc. Goods &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>100.4</td>
<td>13%</td>
<td>28%</td>
<td>10%</td>
<td>10%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>103.7</td>
<td>106.7</td>
<td>94.3</td>
<td>94.7</td>
<td>102.5</td>
<td>102.5</td>
<td>97.1</td>
</tr>
</tbody>
</table>

*Data is from the 2006q1

**Indicates relative price levels. The average composite for the nation is 100%, and each city’s index is read as a percentage of the overall average.

Source: American Chamber of Commerce Researchers Association (ACCRA)
Cost of Living *(charts on page 82)*
While Denver ranks slightly higher than the national average in terms of its cost of living, a comparison with some of the survey’s largest cities shows that Denver and other cities in Colorado enjoy a competitive cost of living. Denver cost of living ranks significantly lower than many of the largest cities in the nation, and is generally comparable to major cities in the western U.S.

Housing Affordability
Colorado’s median rent value is $1,041.

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Springs</td>
<td>$211,667</td>
</tr>
<tr>
<td>Fort Collins</td>
<td>$266,417</td>
</tr>
<tr>
<td>Denver</td>
<td>$336,433</td>
</tr>
<tr>
<td>Highlands Ranch</td>
<td>$354,500</td>
</tr>
<tr>
<td>Boulder</td>
<td>$546,350</td>
</tr>
</tbody>
</table>

*Homes are 2,200 sq.ft with 4 BR, 2.5 baths, FR, and 2-car garage.

Source: Coldwell Banker, Home Price Comparison Index

Transportation
The Colorado State Department of Transportation (CDOT) handles the state’s transportation system and the ever-increasing need to coordinate the transportation development with each mode serving its best purpose.

CDOT is responsible for:
- A state and local highway system that encompasses more than 87,000 (only 57 miles of toll roads) highway miles and 8,100 bridges
- An extensive 3,642 mile rail network serviced by 14 freight railroads
- 437 public and private aviation facilities, and heliports
- 6,600+ miles of motor bus transit routes

Colorado has 2,206,223 workers, almost 78% of who drive to work alone. The mean travel time to work is 23.5 minutes.

SUMMARY
It stands to reason that four out of the five states in higher education attainment appear in the income section as well. This demonstrates that those states are paying higher wages for more educated individuals. Therefore, job creation is comprised of high quality jobs. So despite not being a leader in job growth, its job creation is more desirable.

Colorado shows up in the category and makes quite an overall impression. It has moderate costs of living and doing business. It ranks relatively low on the crime index and, at 100%, has a perfect Better Living Index —100%. Ranking close to Colorado are Massachusetts (at 96.98%) and Connecticut (at 93.87%). Colorado, Massachusetts and Connecticut are the only states with Better Living Indexes above 90%.

Colorado also takes notable land use and transportation measurements. Green building and smart growth principles stand out in code and in development. Colorado has built several lifestyle communities and focuses on high density, mixed use development. The state is also increasing its mass transit capabilities.
This paper provides a summary of each state’s performance in all of the selected indicator categories. It is not intended to rank or directly compare the states with each other or with the Commonwealth of Pennsylvania. What is important is that despite the economic growth these states are experiencing, there is no one variable that is consistent among them all. It also demonstrates that states with challenges in either cost of living, doing business, or education can still grow and become economically stronger. New resources can then be used to mitigate their problems. No one has yet to be successful in mitigating all of the issues within their state. This paper does allow the reader or practitioner to glean some detailed information about different states and different sectors to consider when strategizing to improve the Commonwealth of Pennsylvania.

Several states appear in more than one high growth ranking. In particular, there appears to be a relationship between population growth, job growth, and real gross state product. Arizona, Nevada, and Florida appear in all three categories, with Idaho appearing in two. The majority of the states in each category are states with mild climates, primarily in the west. Yet, three of the states with the higher educational attainment and higher wage increases are primarily located on the east coast (mid-Atlantic and New England states), with the exception of Colorado. Patterns do exist. We already know that higher education attainment leads to higher wages. We can now surmise that job growth follows population growth and that leads to a higher real gross state product, but the quality or type of those jobs is apparently a factor since those states do not show major wage increases.

One of the more interesting stories is that of Colorado. The only state in the US ranking 100.0 on the Better Living Index, Colorado is also ahead of the curve on innovative and successful land use policies, effectively implementing smart growth, and green building principles. Colorado has a low crime rate and moderate costs of living and doing business.

One of the key indicators in this report is that of education. All states’ Quality Counts rankings were reviewed. Connecticut is the only state that scores at or above in all four Quality Counts benchmarks. Given the nature of our global economy, any state that has the ability to reform its K-12 program and implement a strong Pre-K system will be a state that will rank higher in each of the five categories in the next ten years. A strong Pre-K system can effectively educate and train the majority of its students to enter college or seek vocational training in various trades. The states that succeed in reforming K-12 will attract strong businesses that create strong jobs to grow and sustain its economy. While no state may appear as providing the premier model for Pre-K-12 education or for ranking strong in all categories, there are best practices that can be assembled from several states. One of the main attributes to an economically competitive future lies in the education of the youth.

The following data provides more conclusions drawn from the High Growth States research:

- **The states with the higher education attainment and higher wages also show higher costs of doing business.** They all rank in the top 20 with the exception of Colorado at 29. The states with higher population growth, job growth, and real gross state product rank from 12th – 46th with the majority lying mid range from 22 – 31. The states with the mid range show lower wages, utility, and space costs, but are not consistent with tax burdens. Some are relatively higher than the US average.

- **The states that rank the highest in higher education attainment demonstrate that 30% or more of the population possesses a college degree.** All states in all categories show high school graduates from the 81% at the lowest (Texas) to 95.51% at the highest (Colorado).

- **The states with the highest wage increases show not only the highest per capita income, but also, the highest household income.** These same states also show the highest median home and rent values and cost of living. Additionally, they do not show the highest crime rates and all states score higher on the Better Living Index (except for Colorado at 100.0). Ironically, there is no overlap between wage increases and real gross state product increases.

- **The states with the largest population growth show higher crime rates than those on the wage and education attainment list.**

The research shows that there is some relationship between the five indicators of job growth, population growth, real gross state product, wage increases, and higher education attainment. Variables such as economic development, quality of life, educational environment, housing, cost of living, cost of doing business, and land use and transportation all play an important role in helping a state reach high levels of the growth indicators. However, it appears that there is no systemic approach to ensuring positive growth indicators with a prescribed set of strategic initiatives in the aforementioned variables.
HIGH GROWTH STATES: A SUMMARY OF INITIATIVES

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HIGH GROWTH STATES: A SUMMARY OF INITIATIVES

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334. http://www.edweek.org/ew/articles/2006/01/05/17shr.ny.h25.html?levelId=1000