



ISSUE 13/277

## LEGISLATIVE UPDATE

APRIL 2017

### Message from the Director

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The 2017 Minnesota legislative session will end on or before May 22, 2017. This newsletter provides an overview of proposed legislation that would have particular impact on the economic security of Minnesota's women and girls. If you want further information on any of these bills, please feel welcome to email me. I will post updates on legislative activity on OESW's [Facebook Page](#) and [Twitter](#).

We've also distilled some facts and figures on women in Greater Minnesota, thanks to the Minnesota State Demographic Center.

My great appreciation to OESW student intern, Jaimee Leibfried, a senior in Social Work at St. Kate's. She is doing a yeoman's job of helping track legislation and analyze data, and bringing me into the 21st century with graphic design.

We hope you find this newsletter interesting and informative. Its purpose is to provide information to legislators, legislative staff, and the community on priority and emerging women's economic issues. Please send your suggestions to [barbara.battiste@oesw.leg.mn](mailto:barbara.battiste@oesw.leg.mn). Visit OESW's [Facebook Page](#), [Twitter](#), and website [www.oesw.leg.mn](http://www.oesw.leg.mn).

*Barbara Battiste, Director, Office on the Economic Status of Women*

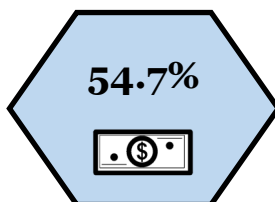
### Go Figure!\*



Ave. annual cost of infant care  
in a MN childcare center



Ave. annual cost of care of a 4-yr.-old  
in a MN childcare center



Bite out of a single parent's  
paycheck for infant care



Childcare spaces lost in  
Greater MN, 2006—2015



Families on waiting list for childcare  
financial assistance, Oct. 2016

\* All data is from the Legislative Task Force on Access to Affordable Childcare, Report and Recommendations to the Minnesota Legislature, January 15, 2017. The "bite out of a single parent's paycheck" is based on the state median income for a single parent family: \$27,093.

# LEGISLATIVE UPDATE

a/o March 31, 2017

Almost 5,000 bills have been introduced so far by Minnesota legislators in 2017. Bills that have not yet been heard and advanced out of committees have little hope of passing this year. However, bills introduced this year remain alive in 2018.

Most bills that passed out of committees have been incorporated into a relatively small number of large “omnibus bills.” For example, the House Health and Human Services (HHS) Omnibus bill is 327 pages long and contains over 80 individual bills.

Omnibus bills are now being passed out of committees and sent to the House and Senate floor. When the version of a bill passed by the full Senate differs from its companion passed by the full House—and it is rare for them not to differ—a conference committee of a handful of senators and representatives meets to iron out the differences.

***The following is a broad overview of the current status of legislative proposals that have particular impact on the economic security of Minnesota’s women and girls:***

## **Women-Owned Businesses**

The House Omnibus Jobs bill ([HF2209](#)) provides funding to WomenVenture for business training specifically tailored to Hispanic, African American, Hmong, and American Indian women, delivered in their communities and taught by trainers from their communities.

The House Omnibus Jobs bill also provides funding to WomenVenture to establish two pilot co-operative childcare businesses in low-income urban areas. A cooperative business structure can be a way for childcare workers to earn higher wages and have workplace benefits like health insurance, a 401k match, consistent and predictable hours, paid leave, and schedule flexibility. Wages for childcare co-op workers in other parts of the country are typically two to two-and-a-half times what a traditional childcare worker earns. The planned result of this pilot project is not only to establish two profitable childcare centers in low-income areas, but to develop a model that can be replicated throughout the state.

The House Omnibus Jobs bill ([HF 2209](#)) eliminates individual funding for seven of the 2016 Equity Grant Programs—including the Emerging Entrepreneur program, which has as priorities businesses owned by women, minorities, veterans, low-income people, and people with disabilities. Instead it is proposed that these seven programs compete against each other for a reduced overall funding.

Neither the House nor Senate omnibus tax bill ([HF4/SF2255](#)) provides continued funding for the “angel tax credit” program, meaning it could sunset the end of 2017. This program gives income tax credits to investors who put money into qualifying business start-ups, with priority for women-owned businesses, minority-owned businesses, and businesses in Greater Minnesota.

## **Racial and Ethnic Equity**

A number of provisions in the House and Senate Omnibus Jobs bills ([HF2209/SF1937](#)) provide continued funding, though often at reduced levels from the last biennium, to various nonprofits that help low-income people and people from ethnic or racial minority communities succeed academically and economically. The House bill eliminates individual funding for seven of the 2016 Equity Grant Programs—including the Emerging Entrepreneur program, which has as priorities businesses owned by women, minorities, veterans, low-income people, and people with disabilities, and the Women in High-Wage, High-Demand, Nontraditional Jobs program, which was part of the 2014 Women’s Economic Security Act and was amended last year to give priority to women of color. The House bill instead has these seven programs compete against each other for a reduced overall funding.

The Senate Omnibus Jobs bill ([SF1937](#)) creates a new “Nonprofit Assistance Fund,” which would give capacity-building grants to culturally specific nonprofits that serve historically underserved cultural communities.

## **Equal Rights Amendment**

Equal Rights Amendment bills have not received hearings this year in either House or Senate.

## Childcare

Last legislative session a House “select committee” on childcare studied causes and possible improvements to make childcare in Minnesota affordable and available. Last summer a joint House/Senate legislative task force worked on the issue. This legislative session a House subcommittee on childcare heard countless hours of testimony and developed a large number of bills to address the problem. All this good work had the potential of being a game-changer for Minnesotans with young children and for childcare providers.

Unfortunately, not many of the recommendations of these bodies have been included in the omnibus bills that are advancing. Neither the House nor the Senate Omnibus Health and Human Services (HHS) bill ([HF945/SF800](#)) increases the childcare assistance reimbursement rate to childcare providers who serve low-income families. (The current reimbursement rate is the 25<sup>th</sup> percentile of market rates for 2011. This means that 75% of providers in 2011 were charging more that year than the current state reimbursement rate.)

There is no provision that ends the current situation where a move from one county to another may bump a family to the bottom of the waiting list for childcare assistance. There is no reduction of the waiting list of families for Basic Sliding Fee childcare assistance, a waiting list that hovers in the 5,000 – 6,000 families range.

The childcare proposals that did make it into the omnibus bills do solve some of the enforcement and regulatory complaints of family childcare providers that were driving them out of the business.

The House Omnibus HHS bill ([HF945](#)) repeals the 2013 law that allowed family childcare providers to unionize.

The Senate Omnibus HHS bill ([SF800](#)) funds the At-Home Infant Care program (AHIC). AHIC allows a low-income parent of a newborn to elect to stay home to take care of the baby in its first year. Instead of receiving childcare assistance from the state, the family receives a portion of the Basic Sliding Fee childcare assistance subsidy. Essentially, AHIC subsidizes a parent who elects to stay home to take care of a new baby in its first year rather than giving a larger subsidy to a parent who goes back to work during a baby's first year.

AHIC was created by the legislature in 1997, but it has not been funded since 2007.

The House Omnibus Jobs bill ([HF2209](#)) continues to fund the grant program created by the legislature last year providing funds to local communities (especially in Greater Minnesota) to increase the number of childcare providers.

Both House and Senate Omnibus Higher Education bills (the House bill, [HF2477](#), is here [March 31 House Journal pp 3646-3696](#); the Senate bill is here [SF2214](#)) expand the childcare assistance for college students who have children. The expansion increases the length of time student parents can be in college and still be eligible (from eight to ten semesters) and the amount of the assistance (from \$2,800 to \$3,000 per academic year).

## Women's Health

The House Omnibus Health and Human Services Bill ([HF945](#)) eliminates MNsure. (MNsure is the state online health insurance marketplace where individuals, families and small businesses can compare and choose health insurance coverage, and apply for financial help to lower health insurance costs.) Minnesota would instead opt into the federal health insurance marketplace.

Bills that place additional requirements or restrictions on abortion services have advanced through committee and are awaiting action by the full House or Senate ([HF809/SF702](#))

## Student Loan Debt

There are many bills or provisions of omnibus bills that seek to help people with student debt. Both House and Senate Omnibus Tax bills ([HF4/SF2255](#)) allow tax credits to offset student loan payments. Some “forgive” a portion of student debt, based on either what your degree is in (e.g., there are provisions to forgive part of student loans if you graduate with an aviation degree or large animal veterinarian degree). One particularly promising bill would forgive \$3,000 of your student loan per year for five years for every year after graduation that you work in Greater Minnesota. This “Greater Minnesota” provision is included in the House Omnibus Higher Education bill (SF2214—see [March 31 House Journal pp 3646-3696](#)) but the appropriation is only \$300,000 for the biennium—the original Greater Minnesota student loan forgiveness bill had funding of \$20,000,000 for the biennium. \$300,000 would serve about 50 people per year, but it is doubtful that is enough to provide an incentive for people to work in Greater Minnesota.

## Older Women

Both House and Senate Omnibus Tax bills ([HF4/SF2255](#)) increase the amount of social security benefits that are tax exempt. The House bill, which increases the threshold income below which all social security benefits are tax exempt, would result in more lower-income seniors having all their social security benefits be tax-exempt, but would have a resultant revenue loss to the state of \$269M in the 2018-2019 biennium and a loss of \$412M in the 2020-2021 biennium. The Senate proposal is more complex, and would also increase the number of lower-income seniors who would have all social security benefits tax-exempt, with a resultant revenue loss to the state of \$75M in the 2018-2019 biennium and a loss of \$82M in the 2020-2021 biennium.

(Minnesota is one of 13 states that taxes, for some income levels, part of social security benefits. Minnesota follows the federal tax laws pertaining to social security, exempting all social security benefits from taxation for low-income seniors, taxing up to 50 percent of social security for higher-income seniors, and taxing up to a maximum of 85 percent of social security for high-income seniors.)

## Poverty

The House Omnibus Health and Human Services bill ([HF945](#)) removes a financial disincentive for people on the Minnesota Family Investment Program (MFIP) who want to get married.

The House Omnibus Health and Human Services bill ([HF945](#)) provides no increase in the amount of cash assistance to MFIP families. The Senate Omnibus HHS bill ([SF800](#)) increases the MFIP cash assistance by \$13/month. (MFIP is for very low-income families and pregnant women. The current monthly MFIP cash assistance for a single mother with one child is \$437; for a family of three it is \$532. This amount has not increased since 1986.)

The House Omnibus Jobs bill ([HF2209](#)) provides \$400,000 for the 2018-19 biennium for the displaced homemaker program. \$4,000,000 had been requested. Minnesota's Displaced Homemaker Program helps individuals who need to enter or re-enter the workforce due to abandonment, divorce, death, disability or military deployment of a spouse. There are six displaced homemaker service providers in the state. Each provider serves seven to eleven counties; each

provider has one or two staff members. Currently, no tax dollars go to Minnesota's displaced homemakers program. Funding comes instead from marriage license and divorce filing fees. The revenue from those fees is going down and the number of displaced homemakers requesting help is going up.

The Senate Omnibus Jobs bill ([SF1937](#)) provides \$200,000 for a new "Getting to Work" program, which would give grants to nonprofits who in turn would provide cars or car repair services for low-income people who need the cars to obtain or keep employment.

The House Omnibus Tax bill ([HF4](#)) includes a small, one-time (tax year 2017) increase in the renter's property tax refund, but a decrease for future years. This is of particular importance to older women, who often are low-income, and often are renters.

The House Omnibus Tax bill ([HF4](#)) increases the dependent care tax credit (a tax credit to offset expenses for child and dependent care for lower-income taxpayers that are working or looking for work). This is projected to provide almost \$36M in tax relief for working families in FY2018-2019.

## Supportive Workplaces for Parents

In November of 2016, amendments to state labor contracts negotiated by Governor Dayton's administration providing up to six weeks of paid parental leave for state government workers became effective. The paid leave has been in place since then, but unless it is ratified by the state legislature prior to its May 22, 2017, adjournment date, the paid parental leave will end. So far, neither the House nor Senate Omnibus State Government bill contains a provision to ratify paid parental leave for state government employees.

## Gender Wage Gap

Both House and Senate Omnibus Jobs bills ([HF2209/SF1937](#)) significantly reduce funding for the WESA "women in high-wage, high-demand nontraditional jobs" grant program. The Senate bill cuts the funding in half. The House bill lumps this program in with six other programs, who will compete for funding, so there is no guarantee of how much or even whether there will be funding for this program in the coming biennium.

# Women in Greater Minnesota

## Economics

- Half or more of men working fulltime in rural, small town, or large town Minnesota earn less than \$45,300 annually. Half or more of all women working full-time in rural, small town, or large town Minnesota earn less than \$34,600 annually. Urban workers' median earnings, for men and women, are \$10,000 or slightly higher than all other geography types. This earnings advantage is due in part to more urban employment in higher paying industries.
- Male workers' median earnings are about \$10,000 or more greater than female workers' earnings, regardless of geography type.

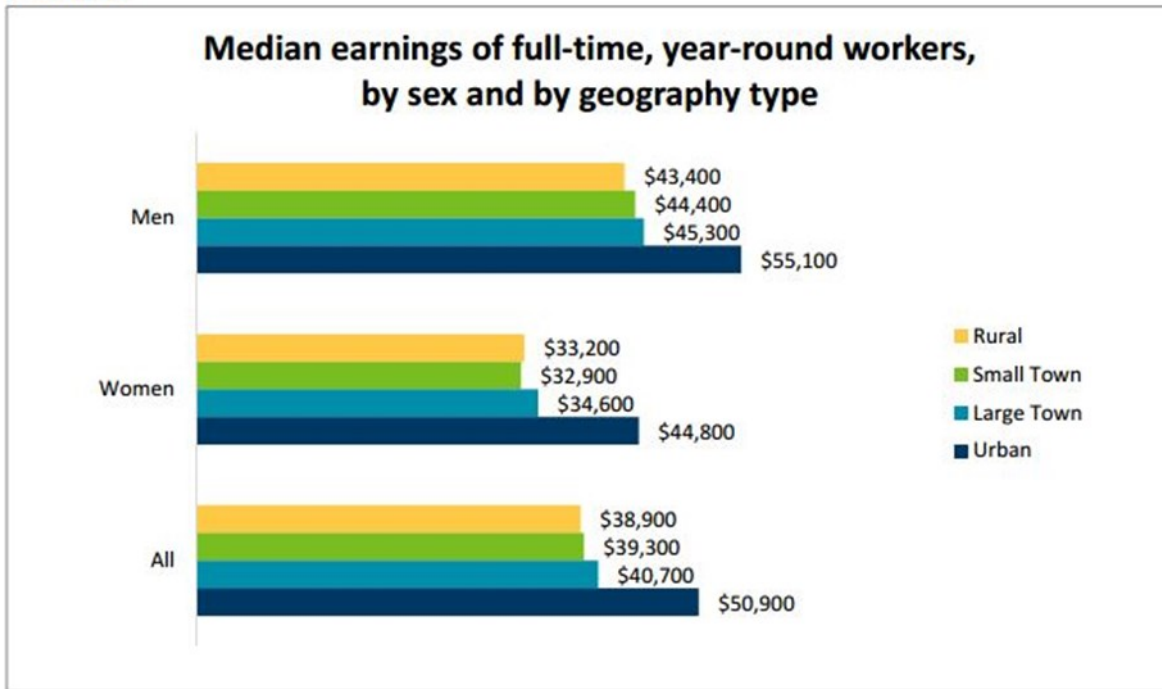
## Elders

- Within the age 80+ population, women account for 60% of the population in rural Minnesota, 62% in small town Minnesota, 64% in large town Minnesota, and 63% in urban Minnesota.

Source: [\*Greater Minnesota: Refined and Revisited\*](#),  
Minnesota State Demographic Center. January, 2017.

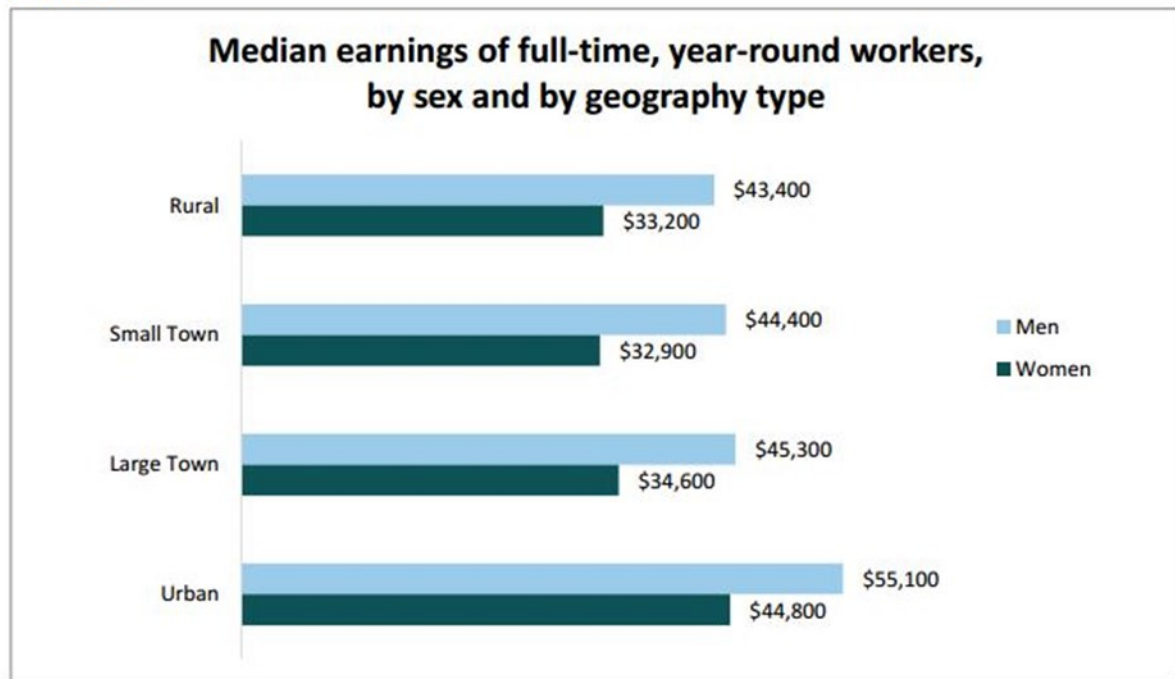


FIGURE 16



Source: [\*Greater Minnesota: Refined and Revisited\*](#), Minnesota State Demographic Center. January, 2017.

FIGURE 17



Source: [\*Greater Minnesota: Refined and Revisited\*](#), Minnesota State Demographic Center. January, 2017.