



*COMMISSION ON THE ECONOMIC STATUS OF WOMEN
1986 BIENNIAL REPORT
TO THE GOVERNOR AND LEGISLATURE*

DECEMBER 15, 1986

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Commission on the Economic Status of Women

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House

Kathleen Blatz
Harriet McPherson
Sidney Pauly, Vice Chair
Pat Piper
Eileen Tompkins

Senate

Linda Berglin
Marilyn Lantry
Eric Petty
Ember Reichgott, Chair
Donald Storm

Staff

Aviva Breen, Executive Director
Lisa Cohen, Assistant Director
Cheryl Hoium, Assistant Director

To: Governor Rudy Perpich
Lieutenant Governor Marlene Johnson
Members of the Senate
Members of the House of Representatives

From: Aviva Breen, Executive Director

Date: December 15, 1986

The following is the biennial report of the Commission on the Economic Status of Women as required by Minnesota Statutes Section 3.9222, Subdivision 4.

COMMISSION ON THE ECONOMIC STATUS OF WOMEN

The Commission gathers information and advises the legislature through the following activities:

- Public hearings are conducted at the Capitol and throughout the state. The hearings may be focused on a particular study topic, or they may be open as to topic.
- Task forces are established when more intensive study is needed on a particular topic.
- Other research includes data gathered by the staff through surveys and data gathering by state agencies and the U.S. Bureau of the Census.
- Reports are provided to the legislature and the governor, including recommendations for legislative and administrative actions to improve the status of women.
- Legislative programs are developed each biennium. The Commission provides information and assistance to the legislature as it considers proposals affecting women.
- Public information is provided through publications and by telephone. Commission staff can provide basic information about women's legal and economic rights as well as statistical data about women in Minnesota.

MEMBERSHIP OF THE COMMISSION 1985-86

Representatives

Kathleen Blatz
 Harriet McPherson
 Sidney Pauly, Vice-Chair
 Pat Piper
 Eileen Tompkins
 (resigned Jan. 1, 1986)

Senators

Linda Berglin
 Marilyn Lantry
 Eric Petty
 Ember Reichgott, Chair
 Donald Storm

MEETINGS AND HEARINGS

1985

February 11, 1985	Development of legislative program, St. Paul.
February 21, 1985	Election of officers. Development of legislative program, St. Paul.
August 15, 1985	Open Hearing, Duluth.
September 19, 1985	Economic Development Issues for Women, Women's Trade Fair, Minneapolis.
October 30, 1985	Open Hearing, Morris.
November 25, 1985	Discussion of Commission budget. Reports from agencies. St. Paul.
December 11, 1985	Development of legislative program, St. Paul.

1986

January 21, 1986	Development of legislative program. Presentation of Economic Action Plan, St. Paul.
January 30, 1986	Development of legislative program, St. Paul.
May 12, 1986	Higher Education Issues for Women North Hennepin Community College, Brooklyn Park.
June 24, 1986	Discussion of Aging, St. Paul.
July 21, 1986	Open Hearing, Fergus Falls.
September 23, 1986	Open Hearing, Albert Lea.
December 10, 1986	Development of legislative program, St. Paul.

LEGISLATIVE PROGRAM

Each session the Commission endorses legislative proposals designed to improve the economic status of women in the state. In the 1984 session the proposals related to employment, family law, child care insurance, and human rights. A complete list of proposals for the 1986 session, and summaries of action on the 1985 and 1986 proposals are included here as an appendix.

PUBLICATIONS

The Commission published the following materials in 1985 and 1986:

- Vocational Education Sex Equity Report: Secondary, 1985,
June 1985 (29 pp.).
- Vocational Education Sex Equity Report: Post-Secondary, 1985,
November, 1985 44 pp. .
- Vocational Education Sex Equity Report: Secondary, 1986,
June 1986 28 pp. .
- Vocational Education Sex Equity report: Post-Secondary, 1986,
November 1986 (47 pp.).
- A Woman's Place, 3rd Edition, a 44 page guide to women's legal and
economic rights, revised and updated.
- Minority Women in Minnesota, a 51 page demographic analysis of
minority women in Minnesota patterned after the Commission publication
Women in Minnesota, published in 1984.
- Pay Equity: The Minnesota Experience, a 44 page review of the Minneso-
ta experience with pay equity at the state and local levels. Written in
1985, revised in 1985, and rewritten in 1986.
- Welfare in Minnesota, a ten page fact sheet about Minnesota's Public
Assistance Programs.
- Brochures The following brochures, published by the Commission were
rewritten and updated to conform to current law:

The Legal Right to Child Support
Women's Rights in Marriage
Marriage Dissolution and the Law

Women and Finances
Employment Rights for Women

- Monthly Newsletter. Newsletters provide announcements of Commission meetings and publications as well as summaries of legislative proposals, report summaries, statistical information and other information on the economic status of women. Newsletters are mailed to a list of approximately 2,000 readers. Every member of the legislature receives the newsletter. Additional copies are available upon request.

Newsletter Topics

1985

Legislative Program
 Equity in Education Task Force Report
 Women Workers: Minnesota - U.S. Comparison; Higher Education
 Women in Public Office; Women's Earnings, U.S.
 The Economics of Divorce - U.S. Data.
Excerpts from Pay Equity: The Minnesota Experience
 Legislative Summary, 1985
 Minnesota 1960-1970-1980
 Employed Mothers and their children
 Earnings Gap
 Highlights from Commission hearings
 U.S. women; family and household, marital status, employment,
 income and poverty.

1986

Child Care Workers
 Legislative Program 1986; AFDC
 Local Government Pay Equity
 Women Today Fact Sheets, U.S. 1984
 Legislative Summary 1986; Pensions
 Minority Women in Minnesota
 Women in State Government Employment
 Women-Owned Businesses
 Farm women in the U.S. 1984
 Parental Leave
 Money, Income and Poverty, U.S. 1985

ONGOING ACTIVITIES

In addition to data collection, preparation of reports, and testifying in support of Commission-endorsed legislation, the following activities are conducted on an ongoing basis.

Assistance to legislators and legislative staff. The Commission provides statistical information about women, background information on legislative issues, and information about women's resources and organizations on request from legislators and legislative staff.

Interaction with executive branch agencies. The Commission provides similar information to state agencies and works with agencies in monitoring areas of concern, avoiding duplication of effort in data-gathering, and providing assistance in implementing programs serving women's needs.

Public hearings. Public hearings, in conjunction with statistical research, form the basis for Commission reports and recommendations. Hearings may be on a particular study topic, or open to any concern participants wish to express about the economic status of women. Each year the Commission holds some hearings outside the Twin Cities to ensure a statewide focus.

Public information. The Commission receives many requests for information from the press, private corporations and foundations, women's organizations and the general public. Public information is provided by;

- Making newsletters, brochures and other publications and other reports available ;
- Preparing and distributing press releases about legislation, reports and hearings;
- Participating in seminars, panels, workshops and advisory committees;
- Reviewing grant proposals related to the economic status of women;
- Providing information via telephone, including a toll-free "Women's Information Line" for callers outside the Twin Cities.

Women's Information Line. Callers may request information about individual problems in employment, finances, or other areas; statistics about women; or referral to resources such as battered women's shelters. About 30 calls are answered per day, and an average of one-fifth are from outside the Twin Cities. Overall, about 40 percent of calls are from individuals, while 25 percent are from legislators, state agencies or other government sources, 25 percent are from women's organizations, and the balance are from other sources. Requests break down into the following categories;

- Employment discrimination, pregnancy rights, labor laws, and other employment-related questions, 51 percent;
- Credit, insurance and other financial matters, 22 percent;
- Divorce, child support, battering, housing and education, 26 percent.

STAFF COMPLEMENT

The Commission has a staff complement of 2.1 positions. The Assistant Director position is filled by Cheryl Hoium and Lisa Cohen on a shared-job basis. Additional funds received from the Department of Vocational Technical Education provide additional staff hours to the Commission. These funds are used to produce two reports for the Department of Vocational Technical Education each year.

BIENNIAL BUDGET

Description	BUDGETED FY 86	BUDGETED FY 87	BIENNIAL TOTAL
Salaries and fringe	\$79,400	\$83,000	\$162,400
Repairs	\$ 200	\$ 300	\$ 500
Printing	\$12,000	\$12,500	\$ 24,500
Professional Technical Services	\$ 700	\$ 800	\$ 1,500
Computer Services	\$ 1,500	\$ 1,400	\$ 2,900
Purchased Services	\$ 300	\$ 300	\$ 600
Communications	\$ 9,500	\$ 9,400	\$ 18,900
Members expense	\$ 4,600	\$ 4,800	\$ 9,400
Staff travel	\$ 600	\$ 600	\$ 1,200
Out of state travel	\$ 300	\$ 300	\$ 600
Fees	\$ 100	\$ 100	\$ 200
Supplies and Publications	\$ 800	\$ 800	\$ 1,600
Equipment	\$ 400	\$ 400	\$ 800
 TOTAL	 \$110,400	 \$114,700	 \$225,100

The budgets for fiscal years 1986 and 1987 were each reduced by 3.5%.

COMMISSION ON THE ECONOMIC STATUS OF WOMEN

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This report covers the activities of the Commission from December 31, 1984 to December 31, 1986.

APPENDICES

Legislative Summary 1985

Commission on the Economic Status of Women
85 State Office Building, St. Paul, MN 55155

COMMISSION ENDORSED LEGISLATION WHICH PASSED

Commission on the Economic Status of Women: Provides funds for the Commission for the 1985-87 biennium. Increases the staff complement to allow a staff position to become full-time. (Special Session Chapter 13)

Battered Women's Programs: Provides \$5.1 million for the biennium for continued support for the 17 battered women's shelters in Minnesota, and allows for the development of additional non-shelter services and intervention programs which operate in conjunction with local police departments. (Special Session Chapter 9)

Displaced Homemaker Programs: Provides continued support for the state's ten displaced homemaker programs. Funds for the displaced homemaker programs come from the marriage license fee which was increased \$5 this session to provide additional support for these programs. (Special Session Chapter 9)

Sexual Assault Programs: Provides \$1.2 million for the Sexual Assault Services Program which provides training, develops materials and provides state coordination, administration and grants to local communities for sexual assault programs. (Special Session Chapter 9)

Women Offenders: Increases funds to the Department of Corrections for women offenders to provide six additional staff at the Minnesota Correctional Facility at Shakopee in 1986 and 20 additional staff in 1987. (Special Session Chapter 9)

Family Planning: Provides \$2.1 million for family planning special project funds for the biennium. (Special Session Chapter 9)

Pay Equity: Appropriates \$11.7 million to complete implementation of pay equity for state government employees. (Special Session Chapter 13). The legislature made no changes in the local government pay equity law.

Affirmative Action: Strengthens the state's affirmative action laws. Requires a report to the Governor and the legislature evaluating the affirmative action progress of state agencies. Requires every state agency with more than 1,000 employees to have a full-time affirmative action officer. (Special Session Chapter 13)

Child Care: Increases funding for sliding fee child care to \$10.1 million for the biennium. The sliding fee program will now be available statewide to eligible families. Funds in the Aid to Families with Dependent Children (AFDC) special needs program have been earmarked for employment related child care. The State continues to provide the refundable child care tax credit to Minnesota taxpayers with incomes below \$24,000. (Special Session Chapters 9 and 14)

Extended Medical Assistance Coverage: Extends medical assistance coverage for an additional three months (for a total of twelve months) to AFDC households that have been terminated from AFDC due to the loss of the \$30 and one third work incentive disregard. (Chapter 252)

Child Support: Strengthens Child Support enforcement efforts by conforming the state's child support enforcement laws to the new federal legislation. The first \$50 of child support collected for a public assistance recipient must now be paid to the recipient within 15 days of its collection. The fee that may be charged to a non-public assistance recipient who uses the county collection services is limited to five dollars. Income withholding is now required when child support is 30 days overdue. (Chapter 131)

Maintenance Awards: Clarifies the legislature's intent that a court award permanent maintenance when a spouse's earning capacity has been permanently diminished because employment was subordinated to homemaking and/or child rearing. The new law requires the court to award permanent maintenance when there is uncertainty and leave the order open for later modification. (Chapter 266)

Equity in Education: Provides that community education programs dealing with early childhood and family life education be reviewed to insure that materials are not racially, culturally or sexually biased. Requires that the evaluation of technology demonstration sites must include an analysis of the extent of equal participation of girls and boys in courses and other training opportunities. Requires the collection of data on enrollment, participation and equipment usage in these programs. (Special Session Chapter 12)

Part-Time Students: Continues the Part-Time Grant Program for students of post-secondary institutions. After July 1, 1986 the Part-Time Grant program will be expanded to include students who attend school less than half-time. (Special Session Chapter 11)

University of Minnesota Women's Athletics: Provides \$5.7 million for the biennium for women's intercollegiate athletics at the University of Minnesota to ensure equal access to athletics for women students. (Special Session Chapter 11)

COMMISSION ENDORSED LEGISLATION WHICH DID NOT PASS

Child Care Resource and Referral: Provides matching funds to encourage community support for public and private non-profit child care resource and referral programs. No hearing were held. H.F. 1068. S.F. 1196.

Child Care Licensing: Eliminates some of the exclusions for child care programs from child care licensing requirements. Passed the Senate. No hearings were held in the House. H.F. 1207. S.F. 682.

Set-Aside Program for Small Business: Establishes a centralized certification program for SED vendors to eliminate the need for SED vendors to be certified by more than one department. No hearings were held. House H.F. 868 and H.F. 1267. One bill was introduced in the Senate, S.F. 955 which is the companion to H.F. 868.

LEGISLATIVE PROGRAM 1986

Commission on the Economic Status of Women
85 State Office Building, St. Paul, MN 55155

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For more information about these proposals, contact the Commission on the Economic Status of Women, 85 State Office Building, St. Paul, MN 55155, or call 296-8590 or 1-800-652-9747.

CHILD CARE

Background

It is now the norm for women with young children to be working in the paid labor force. In the past decade labor force rates for all women with children increased from 41 percent to 60 percent. Over half of mothers with preschoolers and two-thirds of mothers with school-age children are now in the labor force. For many women affordable child care services may make the difference between welfare dependency and economic self-sufficiency.

The question of caring for the children is a major concern for working parents. In 1980 there were 1.6 million licensed day care slots in the country, but there were seven million preschool children who had working parents. According to the Department of Human Services one of every seven Minnesota children under the age of six receives licensed day care.

Working women are responsible for the economic survival of more and more families which is one of the factors contributing to the growing demand for child care services.

Research has demonstrated the importance of a good day care licensing system in protecting children and promoting quality care.

Minnesota Rules, Parts 9502.0300 - 9502.0445 (commonly referred to as Rule 2) went into effect October 1, 1985. Rule 2 has created much controversy among family day care providers throughout Minnesota. The building regulations, which regulate items such as water temperature, railing height, fire doors and fire escapes, have been one of the major areas of controversy and one that is most costly to providers. Many providers have stated that the regulations in Rule 2 may cause them to go out of business.

Another issue that has the potential of driving day care providers out of the business is the cost and availability of liability insurance. A 1985 Department of Commerce survey on day care liability insurance concluded that day care liability is available on a limited basis. But insurers frequently place restrictions on policyholders as to the number of children and the types of facilities. The result of this is that it is very difficult to obtain insurance, unless a family day care provider is caring for fewer than four children or a day care center is church related. Another concern of day care providers is the increasing cost of insurance. There have been reports of insurance costs increasing almost six fold in the past five years.

Goal of Legislation

1. Support the creation of a state mechanism, such as a joint underwriting association, to ensure the availability of insurance coverage for child care providers.

CHILD SUPPORT

Background

The number of single-parent female-headed families has grown dramatically in recent years. In 1980 there were more than 59,000 such families in Minnesota, accounting for 12 percent of all families with children. These families are economically vulnerable. Almost one-third with children under 18 and almost half of those with children under six are living in poverty.

Adequate and regular payment of child support is crucial to the economic well-being of these children. However, according to the most recent national data, most absent fathers do not provide adequate support for their children. In a 1982 U.S. Census study only 59 percent of women with custody were awarded child support. Of these women only 47 percent received the full amount awarded, 25 percent received less than they were due and 28 percent received no child support payments. Non-support is as prevalent among affluent and middle class families as it is among low income families, and there is little correlation between ability to pay and actual payment of child support.

The Minnesota Office of Child Support Enforcement assists in enforcing the legal obligations of absent parents. A number of improvements have been made in the child support enforcement system both at the state and federal levels. The non-paying parent may have wages and other income withheld and may be required to pay the administrative cost of collection.

The state has adopted guidelines which the courts must use in determining the child support obligation, and the new federal child support laws provide for increased services to non-public assistance recipients from the Office of Child Support Enforcement.

Currently, in a paternity action, the mother, the alleged father and the Department of Human Services may reach a compromise agreement. Under such an arrangement the alleged father agrees to acknowledge and provide economic support for the child but does not acknowledge or accept legal responsibility as the child's parent. This agreement denies the child the possibility of any legal benefits which might come to him/her through the establishment of paternity.

Goals of Legislation

1. Clarify the child support guidelines to insure that only the income of the obligor is used to compute a child support award.
2. Clarify the method of applying child support guidelines in cases where there are multiple child support orders.
3. Repeal the compromise agreement provisions from the parentage act.

AID TO FAMILIES WITH DEPENDENT CHILDREN

Background

Of the 374,000 Minnesotans living in poverty in 1980, 41 percent were women, 33 percent were children and 26 percent were men. Female-headed families have the lowest average income of all family types in Minnesota. Over half of the female-headed families with children under 6 are living in poverty. Although female-headed families represent only 13 percent of families in Minnesota, they account for 33 percent of all families living in poverty.

Aid to Families with Dependent Children (AFDC) is the primary program designed to provide financial assistance to needy dependent children and their caretakers. It is funded from both state and federal sources. Minnesota law defines a needy dependent child as one who is deprived of parental support or care by reason of death, continued absence from the home or physical or mental incapacity of a parent. More than 90 percent of the caretakers of needy dependent children in Minnesota are women.

To be eligible for AFDC a family's net monthly income must be less than the standard of need set by a state. Each state sets a standard of need based on its determination of the minimum monthly cash amount which a family needs to obtain shelter, food, clothing, utilities and other necessities. A state's need standard must reflect a realistic assessment of these costs. States are not required to provide payment levels equal to need, nor are they required to set standards of need at or above the poverty level.

States vary greatly in their determination of what constitutes need. Vermont is the highest with a standard of need for a family of three of \$9,360. Tennessee is the lowest at \$2,148. Minnesota is 13th with a standard of \$6,000. Minnesota's need standard is 70 percent of the poverty level and Minnesota pays benefits at that level. Even if the food stamp amount is added to the amount of the AFDC payment the total is 85 percent of the poverty level.

In Minnesota AFDC grants have not kept pace with inflation over the past thirteen years. Between 1974 and 1976 when the inflation rate increased by almost 30 percent, the AFDC grant increased 4 percent. This loss in buying power has not been recovered. Between 1975 and 1985 the AFDC grant increased 60 percent. In the same period the Consumer Price Index rose 105 percent. This amounts to an additional loss of twenty-two percent in buying power over the ten year period.

It would be a hardship for women and children living below the poverty level to see their income decrease.

Goal of Legislation

1. Maintain Aid to Families with Dependent Children (AFDC) payments at current level.

WOMEN, INFANTS AND CHILDREN FOOD PROGRAM (WIC)

Background

WIC (Special Supplemental Food Program for Women, Infants and Children) is a federally funded program designed to provide basic foods to medically and nutritionally at risk pregnant women and their children under 5. In 1985 Minnesota received an appropriation of 24 million dollars which is spent as follows: 78% for food, 4% for nutrition education and 18% for administrative costs. WIC is administered by the Department of Health through the 40 Community Health Services (CHS) agencies. As of 1985 all counties now participate in the WIC program. WIC is available on a priority basis to eligible applicants. The highest priority in the program is pregnant women who are medically at risk, followed by pregnant women at risk nutritionally, children up to age 2 medically at risk, children ages 3-5 medically at risk and finally children up to age 2 nutritionally at risk and children ages 3-5 nutritionally at risk.

There are currently 5,500 applicants who are on waiting lists for the program. In spite of this fact, the Department of Health returned \$633,000 of unexpended funds to the federal government last year. WIC funds were returned because of the uncertainty in the process used by the federal government in allocating funds and because of the reluctance of the Minnesota Department of Health to provide services to individuals whom they may not be able to continue to serve if funds are cut. Surveys have shown that many pregnant women using free food shelves were not using WIC because they were not aware of the program.

Goals of Legislation

1. Direct the Department of Health to develop a statewide outreach effort to provide information about Special Supplemental Food Program for Women, Infants and Children (WIC).
2. Develop a more predictable method of allocating WIC funds so that all allocated federal funds can be expended to serve needy women and children.

PRENATAL CARE

Background

Maternal and Child Health (MCH) block grant funds are provided to the state for health services for high risk and low income individuals. In 1985 the Minnesota Legislature appropriated an additional \$3.2 million for the MCH program from the increase in the cigarette tax. Two of the major goals for the use of the additional funds are a measurable reduction in infant mortality and a measurable reduction in poor birth outcomes.

There are presently approximately 3,900 uninsured pregnant women in Minnesota whose income is below 200% of the poverty level. Some of these women will become eligible for medical assistance as soon as the pregnancy is verified and some may become eligible for medical assistance under the spend-down provision in MA after they have paid for some of their medical care. The estimated cost of a prenatal care "package" is \$700.

Insuring prenatal care for poor women will help to carry out the goal of reducing infant mortality and poor birth outcomes.

Goal of Legislation

1. Make use of Maternal and Child Health block grant (MCH) funds to provide prenatal care for uninsured pregnant women with incomes below 200% of poverty a top priority.

UNEMPLOYMENT INSURANCE

The purpose of the unemployment insurance program (UI) is to provide workers who become unemployed through no fault of their own a weekly check to tide them over until they find new work. Eligibility for benefits depends upon sufficient prior employment and is not based on need. Benefits are paid from a trust fund maintained through taxes on wages.

To receive any UI benefits an unemployed worker must file for benefits with the Department of Jobs and Training and establish a valid claim. To establish a valid claim the worker must have at least 15 credit weeks of covered employment during the 52 week period immediately preceding the week in which the claim was filed. If the worker has less than 15 credit weeks a valid claim cannot be established and no benefits will be paid.

Under the statute, a "credit week" is defined as a week in which the worker's gross wages equal or exceed 30 percent of the average weekly wage for all covered employment in Minnesota. While 30 percent of the average weekly wage for 1986 is \$103, the definition incorporates an automatic escalator so that in 1987 30 percent of the average weekly wage will be even higher.

This definition of credit week has a profound impact on low paid part-time workers. A worker employed half-time (20 hours per week) would have to earn at least \$5.15 per hour to establish a credit week. Even if a person works 25 hour per week for three years at \$4.00 per hour, under Minnesota law that person would not qualify for unemployment benefits if involuntarily laid off. By comparison, a person who worked ten hours per week at \$10 per hour for only 15 weeks during an entire year would be eligible for unemployment insurance.

In 1986, 31 hours at minimum wage will be required to establish a credit week. By 1990, unless the statutory scheme for establishing a valid claim is amended, a full-time minimum wage worker will not be entitled to unemployment insurance benefits.

The Minnesota definition of credit week excludes low paid part-time workers. Women workers are disproportionately represented in low paid part-time work. The number of women part-time workers has increased but the number of women who are voluntarily working part-time has decreased. In many low paying occupations the trend is toward more part-time hours. The Minnesota unemployment insurance program has not been adapted to cover the need of many women whose low earning and part time employment make them ineligible for benefits even though they are permanently attached to the labor force.

A low paid part-time worker who is laid off after months or even years of continuous employment may not qualify for unemployment insurance in Minnesota because of the operation of the "credit week" provision. By contrast, a higher paid part-time worker with as few as 15 weeks of work in a year can qualify.

Goal of Legislation

1. Provide an alternative method for low paid part-time workers who are permanently attached to the labor force to qualify for unemployment insurance.

WOMEN AND SMALL BUSINESS DEVELOPMENT

Background

At a time when almost four-fifths of the Minnesota's poverty population is women and children, and the number of female-headed families has increased 46 percent during the last decade, it is clear that economic self-sufficiency is an issue for women. Most of the discussions of employment and training for women, however, do not include the idea of self-support.

The number of women entrepreneurs in the United States is growing. From 1972 to 1979 self-employment for women increased 43 percent, five times the rate of increase for men. From 1977 to 1980 the number of women owned businesses increased another 33 percent. During this same period the number of small businesses owned by men increased 11 percent. Even with this dramatic growth, women owned businesses accounted for only 4.6 percent of all small businesses in the U.S. in 1980. Nationally, self-employed women accounted for approximately 4 percent of employed women.

Women are faced with a lack of opportunity to participate in the mainstream economy. They have a need for leadership and organizational development and they share a desire to reduce their dependency on organizations and systems in which they have little control.

Business ownership offers women the potential for economic independence, but the risks of business ownership are great. It is important for women to be able to assess if going into business is the right move for them. If it is, women need access to resources critical to business success. Programs that help women develop business plans, learn business skills, acquire financing and develop business networks are crucial to the success of women entrepreneurs.

At the Commission's hearing on economic development issues for women, access to credit was repeatedly cited as a barrier to women starting their own businesses. Women often have a difficult time having their request for a business loan taken seriously. Many times bankers require a women's spouse, or sometimes a son, to cosign for a business loan. Several women testified at the frustration of needing their husband to cosign for a loan for a business they had planned, started and operated without their spouse's assistance.

A program has been designed which would remove most public policy disincentives and provide access to training and loan fund capital for AFDC recipients who are entrepreneurs. Business planning and support services would be provided by the Women's Economic Development Corporation (WEDCO) or a similar non-profit agency.

Goals of Legislation

1. Provide a specific component for women, and particularly rural women, in all state funded economic development programs aimed at small business development.
2. Apply the consumer credit provisions of the Minnesota Human Rights Act and the federal Equal Credit Opportunity Act to commercial credit.
3. Provide the legislative authorization necessary to transfer economic development funds to the Department of Jobs and Training for use in the Aid to Families with Dependent Children (AFDC) Entrepreneurship Project.

TAXES

Background

Single parent families are the fastest growing family type in the United States. Single parents face many problems. They face the stress of raising their children alone and, because the majority of single parents are women, have difficulties obtaining employment that will provide for their families. In addition to these stresses, single heads of households are faced with an inequitable tax burden.

The highest tax rates in Minnesota are for singles. Under current Minnesota tax law single heads of households with dependents are taxed at the same rate as single persons. Married couples with one or two earners are taxed at a lower rate than single individuals and single heads of households.

Although household expenses are comparable, single parent households and married couples with the same income and the same number of dependents are not taxed at the same rate under Minnesota tax law. For example, a married couple with one wage earner and two children (1 earner and 3 dependents) pays \$1,312 in taxes. A single head of household with the same income and 3 children (1 earner and 3 dependents) pays \$1,614 in taxes.

Single parents face more difficult circumstances than married couples. On average single parent family incomes are significantly lower than those of married couple families. Single parents must pay for services that are sometimes provided through the unpaid labor of a spouse in a married couple family. Imposing an additional tax burden on single parents adds to their already difficult circumstances.

Goal of Legislation

1. Ensure equity for single heads of households in the Minnesota income tax laws by bringing Minnesota's tax categories into conformity with the federal tax code.

PROPOSALS REMAINING FROM 1985

PAY EQUITY

1. Continue to support the implementation of pay equity at the local level.

CHILD CARE

1. Provide matching funds to encourage community support for public and private non-profit child care resource and referral programs and to utilize available federal dollars.
2. Extend the protection of licensing to all child care centers, including latchkey programs.
3. Ensure the provision of child care in all job training and employment programs for women.
4. Provide on-site or community based child care programs for parents enrolled at vocational schools to use while attending classes.

GOVERNMENT INITIATIVES TO ENCOURAGE CHILD CARE BENEFITS

1. Provide a tax credit to employers who pay for child care services for an employee.
2. Provide a tax credit to an employer who constructs or renovates a child care facility for employees.

EQUITY IN EDUCATION

1. Provide for legislation modeled after Title IX of the Education Amendments of 1972, including authority for the Department of Education to promulgate rules implementing the legislation.
2. Provide for continued state funding for the Equal Education Opportunities position and additional staff for the implementation of the above legislation, including replication of exemplary sex equity projects and inservice training of educators.
3. Appropriate funds to the Department of Education to maintain the Minnesota Civil Rights Information Systems (MINCRIS), to report MINCRIS results to local districts and assist them in analyzing the data and to conduct compliance reviews.
4. Incorporate sex equity provisions similar to the technology legislation in programs receiving state funding or oversight.
5. Provide for incentive grants from the Department of Education to school districts which develop inservice programs for staff development.

TEENAGE PREGNANCY

1. Require school districts to collect data and follow up on students who drop out because they are parents.
2. Expand the school aid formula to provide aid to school districts which target programs to teenage parents.
3. Provide funding for programs which assist teenage parents to complete high school by providing for the child care needs of teenage parents and providing curriculum in parenting, child development and legal rights and responsibilities.
4. Target a portion of Early Childhood Education funds to serve high risk teenage parents.

WOMEN AND MINORITY DEVELOPMENT CORPORATIONS

1. Establish a pilot grant program in the Department of Energy and Economic Development to provide administrative and project financing to eligible women and minority development corporations.

SET-ASIDE PROGRAM FOR SMALL BUSINESS

1. Continue support for the state set-aside program for small business.
2. Establish a centralized certification program for SED vendors to ensure uniform standards among all state departments and to eliminate the need for SED vendors to be certified by more than one department.

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COMMISSION ENDORSED LEGISLATION WHICH PASSED

Child Care Insurance: Creates a joint underwriting association to provide insurance coverage for persons or entities unable to obtain insurance through ordinary means if the insurance is required by law or is necessary to earn a livelihood or conduct a business. Authorizes the joint underwriting association to provide insurance to day care providers after the Commissioner of Commerce has attempted to find insurance coverage from among a pool of insurers called the market assistance plan. (Chapter 455. Effective March 1986.)

Child Support: Clarifies that the income of the obligor's spouse is not included in the net income of the obligor. Prohibits consideration of the financial circumstances of each party's spouse on a motion for modification of support. Allows reductions of net income for current child support or maintenance payments, as well as for reasonable, as opposed to mandatory, pension deductions. (Chapter 406. Effective August 1, 1986.) (See next page for additional child support provisions.)

Aid to Families with Dependent Children: AFDC payments were maintained at current level.

Women, Infants and Children Supplemental Food Program (WIC): Requires the Commissioner of Health to spend at least 99% of the federal funds available for the WIC program to improve outreach by aggressively marketing the program and to determine whether the delivery of each WIC program increases the participation of pregnant women by at least ten percent annually. (Chapter 404. Effective August 1, 1986.)

Pay Equity: Local government pay equity was maintained. (See next page for additional pay equity provisions.)

Child Care Resource and Referral: Gives the Commissioner of Jobs and Training the authority to make grants to public or private non-profit agencies for child care resource and referral programs and child care services. Requires the commissioner to apply for federal matching funds. (Chapter 404. Effective August 1, 1986.)

Auto Insurance: Prohibits discrimination in auto insurance on account of marital dissolution and requires an insurer to provide coverage to a former spouse. Application for insurance must be made within 60 days of the entry of the dissolution decree and the individual must have been an insured driver under a policy for the past 12 months. The insurer must issue a policy based on the individual's driving record. The premium must be based on the driving record of the insured individual. (Chapter 455. Effective March 1986.)

OTHER LEGISLATION RELATED TO THE ECONOMIC STATUS OF WOMEN

Child Care Licensing and Rules: Excludes non-family after school child care from licensing requirements. Sets criteria for writing and enforcing child care rules. Prohibits the adoption of additional child care rules before July 1, 1987. Requires the Commissioner of Human Services to report to the legislature by January 1, 1987, on the progress of writing and enforcing day care rules. Establishes a task force to study child care services, food programs, safety standards, child/staff ratios, availability of liability insurance and alternative methods of regulations. (Chapter 395. Effective March 1986.)

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Child Support: Creates a presumption that the court will award joint legal custody at the request of either or both divorcing parents unless either party can demonstrate why joint custody is not in the best interest of the child. An award of joint legal custody cannot be a reason for departure from the child support guidelines. Authorizes the court to order either or both parents to pay child support. Requires the court to approve a child support agreement of the parties if each party has legal representation, unless the agreement is not in the interest of justice.

Requires the court to consider earnings, income and resources of both parents, the educational and financial needs and resources of the child and the standard of living which the child would have enjoyed if the marriage had not been dissolved when setting or modifying child support orders. Reduces the income that can be considered in computing child support from \$6,000 net monthly income to \$4,000. Debts which the court may consider now include debts incurred for the support of either parent, not just the obligor. Allows the court to set support on an annual basis for an obligor with seasonal income to allow for variations in monthly income. (Chapter 406. Effective August 1, 1986.)

Country Club Discrimination: Eliminates the open space property tax benefit available to private clubs if they discriminate on the basis of sex. (Chapter 412. Effective October 1, 1986.)

Medical and Dental Support: Requires the court to order an obligor (a non-custodial parent who is ordered to pay child support) to name a minor child as beneficiary on any health and dental insurance plan available on a group basis or through an employer or a union, unless the obligee (custodial parent to whom child support is owed) has coverage available at a more reasonable cost. If insurance coverage is not available a court may require that the obligor obtain it or be liable for the child's reasonable and necessary medical or dental expenses. The obligor is also required to provide coverage for the obligee if there is no additional cost. The court order can be forwarded to the employer or the union if the obligor does not provide the coverage and the employer or union must enroll the child and withhold the premium from the obligor's income or wages. (Chapter 404. Effective August 1, 1986.)

Pay Equity: Requires an arbitrator, in interest arbitration, to consider the results of a job evaluation study as well as any employee objections to the study. Allows a political subdivision to set aside funds for pay equity as well as for general salary increases. (Chapter 459. Effective August 1, 1986.)

COMMISSION ENDORSED LEGISLATION WHICH DID NOT PASS

Unemployment Insurance: A provision that provides an alternative method for low paid part-time workers who are permanently attached to the labor force to qualify for unemployment insurance was included in the unemployment insurance reform plan, S.F. 2114 which passed both houses and was then vetoed.

Taxes: Ensures equity for single heads of households in the Minnesota income tax laws by bringing Minnesota's tax categories into conformity with the federal law. H.F. 1855 introduced, no further action this session.

Women and Small Business Development - Commercial Credit: Applies the consumer credit provisions of the Minnesota Human Rights Act to commercial credit. H.F. 2299 no action. S.F. 2019 passed committee.

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