



WOMEN IN GOVERNMENT

Empowering all women state legislators to effect sound policy

Family Finance

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THE JOBS RECOVERY PLAN IN ILLINOIS

By Lauren McKown, Graduate Fellow

Women In Government State Director and Illinois Senator Pam Althoff (R) rolled out numerous job-creating proposals in 2011. In the wake of a weakening economy, Senator Althoff joined her senate colleagues to create and implement a 30-point action proposal entitled the Jobs Recovery Plan. The plan is to serve as a “reality check” to the Illinois government which, according to Althoff, is gravely in debt due to a budget crisis and failing economy.¹ In fact, from 2003 through earlier this year, Illinois lost nearly 250,000 jobs. Currently many businesses, as well as workers, have been leaving the Land of Lincoln. Althoff says she is “eager to work with her Democrat colleagues to pass meaningful job recovery legislation in order to send a powerful message that Illinois is serious about making the state friendly to businesses and economic growth once again.”²

The 30-point plan contains a variety of important measures, including a permanent Research and Development Tax Credit (R&D tax credit). The credit is designed to boost job openings and competitiveness in the areas of nanotechnology and green manufacturing. The proposal also encourages streamlining businesses’ ability to get permits and licenses. The former Congressional Office of Technology Assessment concluded that “for every dollar lost in tax revenue, the R&D tax credit produces a dollar increase in reported R&D spending, on the margin.”³ The proposal offers a five-year extension to the previous R & D tax credit which expired in December of 2010. The Research and Development Tax Credit is a bi-cameral measure that has been proposed in House Bill 2842 and Senate Bill 1215.

Another important measure focuses on increasing opportunities for higher education in Illinois by keeping college education affordable. Since 2003, tuition at public universities has risen by 150 percent.⁴ With increases in new innovative technology comes the creation of new jobs, and Illinois will need a highly trained workforce to fill those positions. Utilizing the Massachusetts job creation plan as a model, the University of

Illinois’ Board of Trustees Chairman Chris Kennedy outlined a vision for affordable Illinois higher education. By leveraging the capital of its more than 55,000 students enrolled, Illinois intends to bring in big federal research dollars to alleviate the costs of tuition.⁵ Chairman Kennedy also hopes this increase in funding will create new emerging industries and a revived entrepreneurial environment.



Senator Pam Althoff

Encouraging green manufacturing is another way Illinois intends to bolster its economy and create new jobs. New environmentally friendly energy alternatives are beginning to replace old “rust belt” manufacturing jobs, and Illinois hopes to promote this job growth. By establishing and encouraging an aggressive Renewable Portfolio Standard, Illinois projects that 25 percent of the state’s electricity will come from renewable sources by 2025.⁶ Due to the fact that Illinois is home to many research institutions, green buildings and rooftops, and a large pool of qualified workers, the state seeks to attract a diverse mix of energy companies to create new jobs. Currently Illinois is positioning itself as an expert on energy construction, energy production, and energy efficiency.

An example of this emerging expertise is the Argonne National Laboratory’s state-of-the-art battery program for electric cars and their collaboration with Northwestern University. The Jobs Recovery Plan supports the continued funding of programs such as this and predicts an increase in jobs from the production of new energy technology.

There are many more action items in the plan. To read the entire plan, please visit: http://www.senatoralthoff.com/images/stories/jobs_doomsday_web.pdf. ■

1. <http://www.senatoralthoff.com/>
2. <http://www.senatoralthoff.com/>
3. http://www.senatoralthoff.com/images/stories/jobs_doomsday_web.pdf
4. http://www.senatoralthoff.com/images/stories/jobs_doomsday_web.pdf

5. http://www.senatoralthoff.com/images/stories/jobs_doomsday_web.pdf
6. http://www.senatoralthoff.com/images/stories/jobs_doomsday_web.pdf

SENATOR MIMI WALTERS' PENSION REFORM ACT OF 2011

By Lauren McKown, Graduate Fellow

During this time of financial instability, states such as California have been experiencing extreme budgetary challenges. One issue that has taken center stage as a means through which to reform state spending is the state's pension program. State Senator and Women In Government State Director Mimi Walter (R) has proposed a series of bills designed to save California money and reduce spending, while at the same time balance workers' rights and retirement funding.

Senate Bill (S.B.) 520 creates a hybrid pension system, which attempts to strike a new balance within the California Public Employees' Retirement System (CalPERS) system, which provides retirement, health, and related financial programs and benefits to more than 1.6 million public employees, retirees and their families, and more than 3,000 public employers.¹ The proposed plan will encompass a less generous defined-benefit plan, but will maintain an employer-matched defined-contribution plan. Senator Walters hopes this initiative will reduce spending while protecting the cash flow of CalPERS. While the initiative will not completely eliminate the state's massive unfunded pension liability, Senator Walters hopes it will help to mitigate California's unsustainable liability.

Another provision in S.B. 522 eliminates "airtime" by repealing a 2003 law that permits public employees to "buy" credits for pension-qualified years of service that those employees did not actually work. The measure eliminates the authorizing provisions of law that enable members of CalPERS, CalSTRS, and the '37 Act Counties to purchase non-worked service time credit. It is Walters' hope that this step will significantly reduce the funds for which California taxpayers are responsible in paying toward future public employee pensions.

1. <http://www.calpers.ca.gov/>

Senate Bill 523 eliminates pensions for part-time elected officials. Walters does not believe it appropriate for part-time workers to receive pensions, particularly elected officials, who have the ability to "make the rules."² S.B. 523, therefore, would eliminate potential conflicts of interest in part-time elected officials granting themselves pensions and is another potential way the state can save money.

In order to create CalPERS transparency, Walters also proposed S.B. 820, a measure which institutes a pension reporting standard and requires CalPERS to report the actual rate of return from the inception of the institution rather than reporting only the last 20 years or any other period of time. In the past, reports have used snapshots of the historical performance of CalPERS and it has caused confusion for the public.

Finally, because the economy of California is so entrenched in debt, Walters also proposed S.B. 524, which prohibits retroactive benefit enhancements in the pension systems. When the economy recovers, Walters believes any surplus of revenue should be set aside to protect Californians from encountering a fiscal crisis of this magnitude in the future.

Currently all of Walters' proposed legislation -- S.B. 520, S.B. 522, S.B. 523, S.B. 524, and S.B. 820 -- are in the Senate Committee on Public Employment and Retirement. While this article does not detail all of Walters' pension plan reforms, they are available at: http://cssrc.us/web/33/pubs/2011_WaltersPensionReform.pdf. ■

2. http://cssrc.us/web/33/pubs/2011_WaltersPensionReform.pdf



Senator Mimi Walters

PEÑA-MELNYK WORKS TO ENSURE FAIR WAGE AGREEMENTS

By Jack Rollins, Graduate Fellow

In these times of economic hardship, many working families struggle to make ends meet. Employers also face considerable challenges striking a balance between effective business practices and looking out for their employees. To provide legislative guidance in this environment, Maryland State Delegate Joseline A. Peña-Melnyk (D) introduced House Bill 298, the Labor and Employment - Wage Payment and Collection - Void Agreements Act.

This legislation modifies Maryland's labor and employment laws to render void any employment agreements which involve employers paying employees less than the minimum wage. Maryland's minimum wage matches the federal minimum wage of \$7.25 an hour. The Act assists Maryland's workers by guaranteeing they receive a fair wage for their work. This provides working families with the wage security they need to weather today's economic turbulence and maintain a sound financial basis for the future.

"Bill 298 ensures that an employer does not take advantage of an employee by entering into an agreement with the employee to work for less than the wage required by law, including overtime

pay," said Delegate Peña-Melnyk. "This ensures that employees in low-wage jobs receive their earned compensation, as necessary to ensure the financial welfare of the employee and the employee's family. Fair compensation for work performed is necessary for the family to be able to afford housing, food, healthcare, and other basic necessities."

Delegate Peña-Melnyk is Women In Government's Eastern Regional Director. She represents Maryland's 21st District and serves on the House Committee on Health and Government Operations, the House Subcommittee on Public Health and Long-Term Care, and the House Subcommittee on Government Operations. ■



Delegate Joseline A. Peña-Melnyk

LOOPER'S LEGISLATION TO OPEN NEW JOB OPPORTUNITIES FOR FORMER MILITARY SERVICEMEN AND WOMEN

By Lauren McKown, Graduate Fellow

Colorado State Representative Marsha Looper (R) is dedicated to expanding job opportunities for all her constituents, including America's valuable former military personnel. In January, Representative Looper proposed House Bill (H.B.) 1100 to help Colorado's military members use the skills and trades they learned during their time of service to gain professional licenses in their communities.

"Men and women serving in the military gain valuable experience that can easily be translated into the private sector," Looper said. "Yet they often find themselves at square one when it comes to attaining the requisite licensure to practice their trade or profession. That is why my proposal would allow them to put that experience to work by making their credentials count toward Colorado licensure or certification."¹

Specifically, H.B. 1100 requires the Colorado Director of Regulatory Agencies and the Examining and Licensing Boards to accept military education training or experience towards a Colorado state license or certification. All former military personnel would need to prove satisfactory evidence of service and training to the board before consideration is granted. Currently



Representative Marsha Looper

Colorado only expressly acknowledges military experience toward dental, electrical, and plumbing licenses. Looper says that efficient licensing practices could help these highly skilled veterans land well-paying jobs in the private sector.

"The experience and training gained in military service is second to none," Looper said. "Yet we are leaving these men and women at a significant disadvantage when they begin their transition into the private sector. This proposal would allow them to make that change more quickly and with

more security for their families."²

The legislation moved quickly through both chambers and was enacted by the General Assembly. On May 9, Governor Hickenlooper signed the bill into law, and it will take effect January 1, 2012.

Representative Marsha Looper, a State Director for Women In Government, is a member of the House Agriculture, Livestock, and Natural Resources Committee and the House Transportation and Energy Committee. She represents a district which is home to Schriever Air Force Base, Peterson Air Force Base, and sections of Fort Carson Army Post. ■

1. http://www.gomarsha.org/press/press_release_2011feb25.html

2. http://www.gomarsha.org/press/press_release_2011feb25.html

Don't Miss Women In Government's Outreach to Vulnerable Populations: Children & Families Conference!

**August 27-28, 2012
Pittsburgh, Pennsylvania**

On August 27-28, Women In Government will hold its annual *Outreach to Vulnerable Populations* meeting. This year's meeting will convene female state legislators from across the country to discuss cutting-edge policy issues affecting children and families. Topics include family economic success, trends in financial literacy, family homelessness, affordable housing, recession recovery and workforce training, family nutrition, childcare, and education.

New Updates to the Family Economic Success Policy Resource Center

Don't forget to check out the Family Economic Success (FES) Policy Resource Center's website to gain access to the latest news and insights! Log on and find out what legislators are doing in response to the latest issues on building family assets, access to higher education and workforce development, financial literacy, and state economic development. Connect with FES Legislative Champions or download our legislative toolkit. Visit us at <http://www.womeningovernment.org/familysuccess>.



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