



# WOMEN IN GOVERNMENT

*Empowering all women state legislators to effect sound policy*

# Family Finance

*Strengthening the family through finance*

Family Finance

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## INSTILLING GENDER EQUALITY IN HEALTH INSURANCE

*By Representative Beth McCann, Colorado House of Representatives 8th District*



*Representative Beth McCann*

Many years ago when I was a recently admitted young lawyer in Colorado, I helped create a group which became the Colorado Women’s Bar Association. At that time, we were a small group of women lawyers who came together because we saw a great deal of discrimination against women in the legal profession. The instances ranged from being called “honey”

by a judge or opposing counsel, to more substantive legal issues such as the coverage provided to women by insurance companies. We were a feisty group of women who wanted to help both women in the legal profession and women affected by laws. One of our first projects was to examine some of the coverage issues of insurance companies.

Little did I know at the time that 30 years later I would still be addressing gender inequities in insurance coverage! It is nice, though, to now be in a position in which I have some power to do something about it!

House Bill (HB) 1008, signed into law by Governor Ritter in March 2010, prohibits gender discrimination in the premiums charged for comparable coverage in the individual health insurance market in Colorado (it is already prohibited in large group plans). This means that as many as 130,000 women will no longer pay up to 59% more than men for the exact same health insurance coverage.

When the bill was heard in committee, the representative of the health insurance industry was not able to demonstrate sound actuarial data to support the differences in premiums. He stated that women tend to use medical care more than men before age 50 and men use it more after age 50; however, he did not back up those statements with actual data. We were fortunate that the industry did not fight this bill aggressively.

The main opposition came from those concerned about increases in premiums for men who have insurance; however, most men also have wives, mothers, and daughters who will benefit from this legislation. The bill passed the House by a vote of 39-2 and the Senate 20-11.

I was pleased to be able to address such inequity in premium costs successfully. I also want to acknowledge my colleagues, Representative Sue Schafer, who was the prime sponsor of the bill and worked hard for its passage, and the Senate sponsors, Senator Morgan Carroll and Senator Gail Schwartz.

I was also a prime co-sponsor of HB 1021, which requires that all health insurance policies offered in the individual insurance market include coverage for maternity care and contraceptive services. Previously, this coverage was not available in the individual market so this is a great step forward for women and health insurance. This bill also passed and was signed by the Governor. This will fill a large gap in insurance coverage for women who become pregnant and those who do not want to become pregnant. ■

The Annie E. Casey Foundation, based in Baltimore, Maryland, recently published its 2010 Kids Count data book, containing information on child well-being in all 50 states, the District of Columbia, and Puerto Rico. Child well-being and family economic success are deeply intertwined, and analyzing this can give legislators a greater understanding of the effects of economic policy.

The study used ten key indicators to assess child well-being. Some of the studied information included statistics such as birth weight, infant mortality, child death rate, teen death rate, and teen birth rate. Percentages concerning education levels of students, for example, the percentage of teens not in school, not graduating from high school, not attending school and not working, were also studied. Additionally, the study focused on issues of students' home lives such as the percentage of children living in homes where parents do not have full-time employment, percentage of children in poverty, and percentage of children in single-parent families. Of these factors, the national average for low-birth weight, children in single-parent families, and children in poverty, worsened between 2000 and 2008, the data years for this publication.<sup>1</sup>

The percentage of children in poverty is a widely used indicator of child well-being, due to the fact that children who grow up in poverty are more likely to experience negative outcomes in health, education, and emotional welfare. According to 2010 Kids Count, 18 percent of children in America lived in poverty in 2008,<sup>2</sup> while individual states had poverty rates ranging from nine percent in New Hampshire to 30 percent in Mississippi. Nationally, children of color are disproportionately affected, with 34 percent of African American children, 31 percent of American Indian and Alaskan Native children, and 28 percent of Hispanic and Latino children living in poverty.

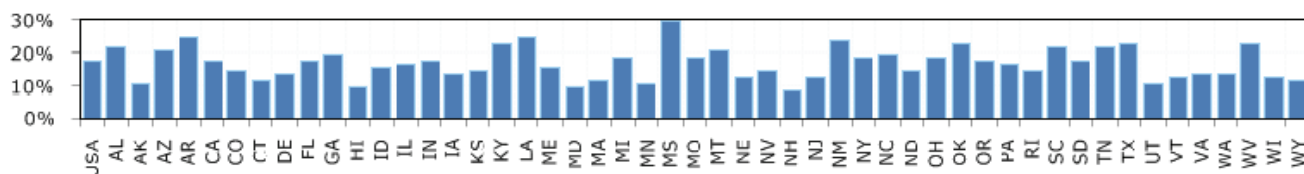
According to Nancy Cauthen and Sarah Fass of the National Center for Children (NCCP), "economists estimate that child poverty costs the U.S. \$500 billion a year in lost productivity in the labor force and spending on health care and the criminal justice system. Each year, child poverty reduces productivity and economic output by about 1.3 percent of GDP."<sup>3</sup> Additionally, families who are unable to escape poverty often fall into a cycle of poverty, meaning their low income produces further disadvantages, which leads to additional poverty. Children who live in poverty are more likely to live in poverty as adults than children who never experienced poverty, and this perpetuates the need for welfare services and government assistance.

Family economic success also impacts children of all communities in other important ways. Children rely on their families for economic support, and when that economic support is not present, they are negatively affected. According to the NCCP, poverty hinders a child's ability to learn and contributes to social, emotional, and behavioral problems. Gary W. Evans, a professor at Cornell University, is conducting a longitudinal research study on that correlation. Using a sample of 195 children above and below the poverty line, Evans measured the level of stress each child experienced at ages nine and 13. At age 17, the children were tested for working memory ability. His findings showed that the longer children lived in poverty, the higher amount of stress they felt, and the lower they scored on working memory tests. In fact, children who spent their entire childhood in poverty scored 20 percent lower on working memory tests and according to Evans, working-memory is important for retaining information and developing a vocabulary.<sup>4</sup>

Policymakers have the ability to impact child well-being and contribute to family economic success. One way to assist families, and thus children, is by creating or expanding state Earned Income Tax Credits (EITC). According to the Center on Budget and Policy Priorities, the federal EITC is the nation's most effective tool for lifting working families out of poverty.<sup>5</sup> Twenty-four states have EITCs modeled after the federal program, which incentivizes families to work by increasing take-home pay. EITCs are typically only a couple thousand dollars per family, but this boost in income allows 6.5 million people, including 3.3 million children, to escape poverty each year, on the federal EITC alone.<sup>6</sup> In Georgia, the Low Income Tax Credit is intended to offset the high percentage of sales tax that low-income families pay. On average, people in Georgia earning less than \$16,000 per year pay 7.8 percent of their income in state and local sales tax, whereas people earning \$62,000 pay 4.4 percent. However, since tax relief cannot be given through a lesser sales tax targeted toward low-income families, the credit is given through income tax. Other states could adopt similar measures to help make ends meet for even more families each year.

By addressing the poverty issue within each state, legislators can tackle the larger issue of child-well being, success in education, and provide a better future for children in their state. The 2010 Kids Count data book can be downloaded at [www.datacenter.kidscount.org](http://www.datacenter.kidscount.org).

Now You Know | Children in poverty Percent, 2008



1 <http://datacenter.kidscount.org/DataBook/2010/OnlineBooks/2010DataBook>.

2 <http://datacenter.kidscount.org/DataBook/2010/OnlineBooks/2010DataBook.pdf>

3 [http://www.nccp.org/publications/pub\\_829.html#question9](http://www.nccp.org/publications/pub_829.html#question9)

4 [http://www.washingtonpost.com/wp-dyn/content/article/2009/04/05/AR2009040501719\\_2.html](http://www.washingtonpost.com/wp-dyn/content/article/2009/04/05/AR2009040501719_2.html)

5 <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>

6 <http://www.cbpp.org/cms/index.cfm?fa=view&id=2992>

## JOBS AND THE ECONOMY—THE ROAD TO RECOVERY

By Representative Sandra Williams, Ohio House of Representatives / 11th District



Representative Sandra Williams

The worst financial crisis of our times has made job creation the top priority for many of us in government. As the recession has been national in scope, there are limits to what lawmakers in any one state can do to turn things around. In Ohio we have taken several steps that have proven to create jobs and position our state for prosperity.

As Chair of the Ohio House Economic Development Committee, I took an active role in writing legislation designed to create jobs.

I am most proud of a measure I sponsored to extend and expand a program known as the “Third Frontier.”

The Ohio Third Frontier Program began in 2002 with bi-partisan support and voter approval. It is a ten year, \$1.6 billion bond program that allows for targeted support of technology companies that diversify and accelerate Ohio’s knowledge-based economy. As Ohio’s economy transitions from manufacturing in the “Rust Belt,” the Third Frontier Program will give bio-technology and alternative energy companies the opportunity to retrain these displaced workers for the economy of tomorrow.

Retraining our workers to adapt to a changing economic climate was the motivation in sponsoring House Bill (HB) 423. HB 423 seeks to create an industry sector training program for workers based on the needs of the industries of the surrounding regions. As you may know, industries in Ohio vary from region to region. Based on the region’s top industries and high-demand jobs, the worker can participate in a training program that would give the worker the necessary credentials to find employment. This initiative coupled with the Third Frontier Program will ensure that these jobs and skilled workers will stay in Ohio.

According to an independent evaluation conducted by Stanford Research Institute (SRI) International, the Ohio Third Frontier Program has already created 41,300 jobs over the past seven years with more than \$2.4 billion in employee wages and benefits. The report also showed that taxpayers were seeing more than a ten-to-one return on investment. It states that from 2003 to 2008, an investment of \$681 million of state expenditures resulted in over \$6.6 billion of statewide economic impact.

My goal in the Ohio House was to see the program grow and create even more jobs. I sponsored a joint resolution to place

a renewal and expansion of the Ohio Third Frontier Program on the May 4, 2010, Primary Election ballot. We succeeded, and the program won overwhelming support from the voters of Ohio. The amendment that voters approved calls for the issuance of \$1 billion in additional general obligation bonds over five years to fund further job creation through the Ohio Third Frontier Program.

This bi-partisan program has not only created thousands of Ohio jobs, it has developed a foundation for Ohio’s economic recovery by jumpstarting high-growth industries such as the biomedical, advanced materials and alternative energy sectors. Third Frontier, however, is not the only tool Ohio is using.

Additionally, I sponsored and saw passed in the Ohio House legislation to expand the investment capacity of the Ohio Venture Capital Authority (OVCA) by at least \$100 million. The expansion would build on successful efforts to foster innovation in high-growth industries such as healthcare, advanced energy and information technology.

The OVCA was established to help increase private investment in Ohio companies in the early stage of business development. Through allocations made by the Ohio Capital Fund, 35 Ohio companies have received investments; those companies have more than \$90 million in annual payroll. OVCA is an integral element of Ohio’s broader technology programs which have created 42,000 jobs in recent years, according to an independent analysis by SRI. In addition, Ohio was recently ranked the fourth best state for bio-technology business by Business Facilities magazine in part due to venture capital programs in the state.

I, along with other members of the House of Representatives, sponsored a resolution that would utilize Ohio’s manufacturing factories and workers to manufacture rail cars and other components as part of the American Recovery and Reinvestment Act. Ohio has the infrastructure to continue to manufacture the components necessary to stabilize America’s bridges and roadways, at a cost that is more beneficial for the public than outsourcing these materials. This measure would provide high quality employment for the skilled workers in the short term, and the Third Frontier Program would ultimately provide long term job growth.

No one program can solve the economic difficulties that all states face. But by working together and thinking creatively, we in Ohio have managed to take several steps in the right direction. ■

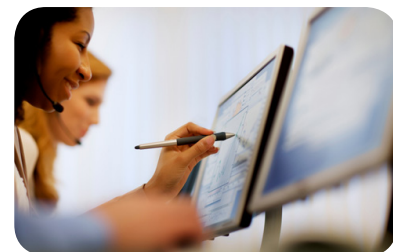
## EXTENDING JOB TRAINING TO AMERICA’S YOUTH

By Lauren McKown, Graduate Fellow

Working in the Commerce and Human Resources Committee, Idaho state representatives, Shirley G. Ringo, Anne Pasley-Stuart, and Elfreda Higgins sponsored legislation, House Bill (HB) 509 aimed at identifying and developing new opportunities for youth that will result in the direct increase of employment positions that would not otherwise be available for adolescents. The director of the existing Workforce Development Council is tasked with developing and implementing new youth employment and job training programs specifically aimed at increasing employment. HB 509 stipulates that the council director may accept and utilize funds or grants from public or private sources to sponsor the program. Understanding that the successful implementation of this program can not fall squarely

onto the shoulders of the state, the bill seeks to collaborate with mutual stakeholders such as non-profits, private businesses, federal support, and local sponsors to initiate new job training for youth.

First introduced in February of this legislative cycle, HB 509 sought to add critical



cont'd on pg. 4

*Job Training, cont'd from pg. 3*

programs to Idaho's pre-existing Employment Security Law. After a quick passage in the House, the legislation was approved by the Senate. Ultimately HB 509 ended up on Governor C.L. "Butch" Otter's desk and was signed into law on April 8, 2010, before the legislative cycle's end.

Considerable safeguards embedded in the legislation prevent undesirable effects. For example, HB 509 is not meant to be implemented at the expense of pre-existing jobs and, as such, it prohibits employers from initiating new hires that jeopardize existing contracts and services. Additionally, no business may employ any person to otherwise fill a position created due to the act of an employer terminating employment of a regular employee, in favor of filling the position by a youth who will be supported by the program.

As Representative Higgins notes, "I will continue to support legislation that provides for a diverse economy with strong businesses that will offer opportunities and good paying jobs." Diversifying the economy to expand upon youth as a valuable labor and market force is an effective way to stimulate further economic recovery.

Representative Ringo also notes, "Idaho individuals and families need the tools to thrive. Education accessible to all must be of the highest quality." Indeed, by focusing on job training and readiness skills, HB 509 increases the pool of qualified employees and can have considerable positive effects on job retention, for when persons are adequately trained for job opportunities, they are more likely to meet employer expectations.

Working within a committee to support family economic success is one effective way state legislators may use their ideas and votes to create and implement change. By working in the Commerce and Human Resources Committee, these three women state legislators have successfully collaborated with their colleagues and the public to support the expansion of workforce development among youth. ■



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