

# LEGISLATIVE COMMISSION ON THE ECONOMIC STATUS OF WOMEN

## Planning Meeting May 18, 2004, 1p.m. State Capitol Room 125

*Members present:* Senator Linda Berglin; Representative Karen Clark; Senator Leo Foley; Representative Mindy Greiling; Representative Joe Hoppe; Senator Becky Lourey; Senator Julianne Ortman; and Senator Sandy Pappas

*Members absent:* Representative Connie Ruth and Representative Barb Sykora

*Staff present:* Diane Cushman; Cheryl Hoium; and Michelle Pryce.

*The following is a summary of the discussion that took place at the meeting.*

Senator Pappas, chair, called the meeting to order at 1:15 p.m.

### **DATA UPDATE**

Cheryl Hoium updated members on Legislative Commission on the Economic Status of Women (LCESW) data projects and future data the LCESW will compile including new Minnesota earnings data by occupation and sex which will be available soon. The Commission plans to work with the Demographer's office to compile that data.

### **WEBSITE UPDATE**

Michelle Pryce provided information about the LCESW website which has had over 30,600 hits since the beginning of the year and an average of more than 7,400 hits per month. Pryce described the district profile project the Commission is working on and provided members with an example of the prototype that will be used to develop the profiles. Pryce also presented information about new materials available on the website, LCESW website improvements, and the LCESW's participation in the Legislative Network Group (LNET).

### **MILBANK STUDY UPDATE**

#### **LARHAE KNATTERUD, MINNESOTA DEPARTMENT OF HUMAN SERVICES (DHS)**

Handouts: *"Maximizing Non-Government Resources in Long-Term Care"* and  
*"2001 Survey of Older Minnesotans"* tables

LaRhae Knatterud shared information about the status of the Milbank study. The study results will serve as a foundation for what should be done as the baby boomers grow older and need long-term care and the challenge that situation presents to the State. Knatterud expressed her appreciation for the work and contributions Diane Cushman has provided in the Milbank working group which is comprised of stakeholders across different state departments. The Milbank data should arrive and be released in June of this year.

Knatterud provided information from the 2001 Survey of Older Minnesotans including data on current income and assets of Minnesota's elderly. One finding was that more older people and their families are purchasing long-term care (LTC) assistance (e.g., help with cleaning,

household chores, transportation, etc.) to supplement what their families are able to provide for them. The family is still the major source of assistance to older Minnesotans and 91 percent of services are currently provided by families.

Senator Pappas inquired about the data showing the decline in the U.S. personal savings rate and asked if the rate included assets like housing.

Knatterud answered the U.S. personal savings rate only includes saving of personal income and added that most of the time home equity is separated out as an asset. Research points to baby boomers being heavily invested in their homes.

Senator Foley inquired about the caregiver ratio and the differences in the ratio by county.

Knatterud replied the caregiver ratio is the number of people over age 85 years compared to the number of women between 45 and 64 years. This ratio measures the availability of the population to provide care as women between the ages of 45 and 64 years tend to be the caregivers. These women are often daughters, daughter-in-laws, and workers in nursing homes and home care agencies. Urban areas such as Anoka and Hennepin counties and regional centers have younger populations and lower caregiver ratios. Rural areas have older populations and higher caregiver ratios.

Senator Lourey asked about shifts in population to and from rural areas and how the shifts affect caregiver ratios.

Knatterud responded the higher caregiver ratios in the rural areas are indicative of fewer women in the middle generation in those areas. The population is older in the rural areas and some of the people taking care of those 85 years and over are between the ages of 65 and 85 years.

Senator Ortman commented the caregiver ratio compares the numbers of females in two age groups. It does not necessarily mean women included in the ratio are providing care. Rather, they are potential caregivers. The ratio also does not include potential caregivers under age 45 years.

Knatterud replied Senator Ortman was correct and added an average caregiver is a woman who is about 52 years who is taking care of her mother.

Representative Hoppe noted some of the population trends in the rural areas could be attributed to big agriculture. The current situation is such that it takes one person to grow more food than 20 people used to be able to grow.

Senator Lourey agreed and said all kinds of things are being done to enhance really huge farms when smaller farms need help to survive.

Senator Berglin said the Milbank fund has sponsored and worked with the Reforming States group. They've conducted studies on income adequacy for retirement in a number of states and this summer they will be having regional meetings with states that have had studies done along with neighboring states to try to look at a wide range of long-term care solutions. Senator Berglin added that some attention has been paid to the problem but more attention and focus on solutions is needed.

Representative Hoppe inquired about the assets of future elderly data that showed the median net worth of assets was \$1,000 for baby boomers.

Knatterud replied the median net worth of assets of baby boomers was \$1,000 and was calculated by subtracting debts from assets (excluding home equity). This data was national data from the American Association of Retired Persons (AARP). Minnesota data on the future elderly will hopefully be available from the Milbank study.

Representative Clark asked why home equity was excluded from assets given that home investments are the major way most people currently save.

Knatterud said home equity is counted but is in a different category than assets. This allows for easier comparisons.

Senator Berglin added that home equity is included in the study and that it is important to remember there is a certain percentage of elderly people who do not have homes.

Senator Ortman commented about the assets of future elderly data and said as a representative of the baby boomers, people may not have a lot of savings but may be investing in their children and homes.

Senator Lourey asked if one reason home equity was in a different category from assets is because of the common situation that occurs when one spouse goes into long-term care the other one stays in the house. Senator Lourey added she carried a reverse mortgage bill a number of years ago with Representative Murphy because of the crisis in Hermantown and it was very controversial at that time.

Knatterud replied that because of the variety of the situations people are in, a variety of options are needed for the private financing of the care they are going to need.

Knatterud provided some background information about the Milbank study. A few years ago a study of the future income and assets of elderly was done in Oregon by the Milbank Memorial Fund to provide data on what is going to happen in the future when baby boomers retire and try to pay for their health and long-term care costs. Milbank has been working with the Employee Benefits Research Institute (EBRI) to develop a model that allows them to take huge databases on public and private pensions, 401Ks, and other data to project out the kind of income and assets people are going to have in the future. They have also projected health care costs (assuming Medicare and Social Security remains the same way they are) and have looked at average long-term expenditures that people are going to have. Minnesota will be the fourth state to have this study completed. Findings from other states have included the percentage of elderly who have enough income to cover their long-term care costs. In previous studies it was found that two-person households will do quite well and will be able to cover their costs for the most part. About 60 percent of male-headed, one-person households will have enough money to pay for their long-term care costs. Only one-third of female-headed, single person households will have enough money to pay for their long-term care.

Senator Berglin added Milbank has included home equity in all of their studies. They didn't include farm equity previously but a farm equity component has been added to the Minnesota study. Senator Berglin further added that not all of farm equity can be assumed to be available to

meet long-term care needs. Farms are often family affairs and the people taking over the farm need the land and equipment to continue farming.

Knatterud said the study would also look at the purchase of long-term care insurance in Minnesota. Knatterud said once the Milbank study results are available a lot of work will need to go into getting the results out. People need to understand there will be huge challenges coming up that will need to be dealt with.

Knatterud shared information about a broader long-term care study DHS is working on about private financing options. This study was mandated by the Legislature and will be finished by next January. Financing options being studied include long-term care insurance /partnership program legislation, Hawaii's CarePlus proposal, and ways to make long-term care more affordable such as the Golden Girl Homes housing model.

Senator Lourey inquired about Golden Girl Homes and the legal barriers they face when the homes are considered boarding homes when a certain number of unrelated adults live in them.

Knatterud answered the issue is related to local zoning ordinances.

Senator Berglin asked when the University of Minnesota study will be completed.

Knatterud answered that it is contingent on when additional funding becomes available to supplement the appropriation provided by the Legislature. Knatterud added they hope to hear about the status of the additional funding in July of this year and are hoping to have some of the early conclusions available by November or December. DHS is having a long-term care financing conference on December 3, 2004.

Knatterud added the partnership with the University of Minnesota will provide a deeper analysis and simulation of what will save the state money, what will maximize private dollars and which actions are in the best interest of the State.

Senator Pappas said she was glad to see the work included ethnic groups, tribal and immigrant communities.

Representative Clark added she hoped that what is studied and suggested is not just a matter of what saves costs but also what contributes to quality of life.

#### **LEGISLATION UPDATE**

Diane Cushman provided information about legislation the Commission worked on by request of senators and representatives this session.

- Sex trafficking (SF 2245 Pappas, Foley, Knutson, Ranum, McGinn/HF 2314 Tingelstad, Meslow). As a result of the information presented at the hearing on sex trafficking the Commission held last year, trafficking legislation was introduced in the House and Senate. The legislation passed in the Senate omnibus finance bill and in the House omnibus corrections bill. The sexual trafficking legislation will be reintroduced next session with some additional trafficking legislation.

- Affirmative action (SF 2376 Wiger, Robling/HF 2609 Thissen, Rhodes). The Commission was asked to work with the Department of Employee Relations to look at a different way for the State to gather affirmative action information. This bill passed in the final hours of the session.
- Nursing mother's privacy (SF 1818 Limmer, Anderson/HF 3098 Zellers, Olsen, S., Severson). The nursing mother's privacy bill passed out of committee in the Senate and was included in the Senate omnibus finance bill. It was introduced in the House but did not meet the deadline or get a hearing. Work to build support for this legislation will continue over the interim so that the bill can be reintroduced and move through both bodies next session.
- Parent education (SF 1846 Dille, Marty, Lourey, Robling, Kiscaden/HF 2642 Harder, Otremba, Wardlow) and healthy marriage, responsible fatherhood (SF 1841 Dille, Neuville, Marty, Robling, Lourey/HF 2641 Harder, Holberg, Otremba, Wardlow). The healthy marriage, responsible fatherhood bill was amended to the parent education bill and the parent education passed out of both bodies very late on the last day of session. Cushman added the healthy marriage, responsible parenthood project could be a good topic for an interim hearing.

#### **NEW PROJECTS**

Cushman shared information about new LCESW projects including a meeting with the United States Department of Labor, Women's Bureau. The Women's Bureau contacted the Commission and asked if the Commission would host a meeting this summer of 25 to 30 high level women in business, government, education, and other areas. Shinae Chun, director of the Women's Bureau, would like to listen and hear what the issues of Minnesota women are. The Commission will be hosting this meeting on July 20<sup>th</sup> in the Capitol.

Cushman also shared information about the McKnight Foundation Families Forward Initiative for advancement for low-income Minnesota workers. The McKnight Foundation has invited the LCESW to be part of a taskforce that will build on the findings of the McKnight study on training low income workers for self-sufficiency. Cushman added that copies of the training study are available.

#### **INTERIM HEARINGS**

Cushman discussed three potential interim hearing topics.

- Milbank study. The results should be available in June and the Commission would be one of the first groups to have access to the data.
- Healthy Marriage, Responsible Fatherhood project. This project is being conducted through the University of Minnesota will receive \$1 million in federal funding and \$500,000 in state funding from an increase in the marriage license fee
- Women and crime. There are lots of different aspects to this topic including incarcerated women, childbirth in prison, how to raise children when in prison, and post-partum depression and crime.

Additional hearing topics were discussed.

Representative Greiling said she would be interested in a hearing on women's pensions.

Diane Cushman responded the Milbank study will be collecting data on pensions as part of their work.

Senator Pappas would like to further explore the topic of first generation college students and learn if women who would be first generation college students are getting access to college.

Cushman added there is some interesting data out about first generation women college graduates and the community colleges.

Representative Clark said she would be interested in the hearing topic of toxic exposure and its relationship to various health problems. Some legislation was passed this session to look at birth defect data. What's missing is the right to know for people who've been exposed to various toxins. This topic impacts a broad spectrum of people from farm women to people in the cities to children.

Senator Pappas asked if a related topic would be the excessive amounts of hormones in foods that have been linked to breast cancer.

Representative Clark replied that it was a related topic and excessive exposure to hormones has been linked to breast cancer and changes in male fertility.

Senator Pappas said the Commission should consider going to Greater Minnesota to conduct a hearing.

Representative Clark added there's a huge problem with prostitution trafficking in her district. For more than two years there have been outreach efforts by community members but the problems with drugs and prostitution do not seem to be getting better. Long-term assistance is needed to help someone get out of prostitution. Currently, treatment options are not available and these are some of the people who end up in the prisons. Representative Clark said prevention and early intervention would be so much better. Also, this issue is not just isolated to Minneapolis as young women from all over the state are involved.

Senator Foley brought up the idea of convening meetings throughout the state through the use of technology. For example, a meeting could be convened in St. Paul and other locations around the state at the same time.

#### **BUDGET STATUS**

Diane Cushman provided a budget update. The Commission is right on target for this year's budget. The next fiscal year is going to be more challenging as the budget is not sustainable. The staff has used salary savings to meet our budget. Cheryl Hoium now works half-time and Michelle Pryce works 75 percent-time. The Commission does not have any funding for paid interns.

The meeting was adjourned at 2:30 p.m.