

## **HB 1002- Support- Economic Opportunity and Poverty Reduction Task Force:**

### **Restore the State Earned Income Tax Credit to #1 TABOR Refund Mechanism**

Sponsored by Rep. John Kefalas and Senator Paula Sandoval.

**What the Bill would Do:** This bill from the State's Economic Opportunity and Poverty Reduction Task Force would restore to State's Earned Income Tax Credit for low wage workers to the first TABOR refund mechanism paid during years state revenue exceeds the TABOR limit. It would not have immediate impact due to low state revenues, but **could result in low wage workers receiving their State EITC years earlier than the current situation**. As it currently stands, in the event of a TABOR surplus, the state would first have to pay out \$168 million for a reduction in the income tax rate as a TABOR refund mechanism prior to paying the State Earned Income Tax Credit for an estimated cost of \$43 million. This could delay the paying of the State Earned Income Tax Credit for additional years.

**Background:** Twenty three states (and the District of Columbia) have State Earned Income Tax Credits. The **Colorado State Earned Income Tax Credit** exists in the law as equivalent to 10% of the Federal Earned Income Tax Credit. It was paid to about 250,000 low-wage Colorado families ( those making less than about \$40,000 per year) in 1999, 2000 and 2001, but not since then. In 2005, HB 1317 created a new TABOR Refund mechanism—an additional cut in the State income tax rate from 4.63 to 4.5%. This bill had the effect of bumping the EITC from first place in TABOR refund mechanism to second place. Referendum C and declining state revenues make it unlikely there will be any TABOR excess revenue for the next few years.

**What Does it Cost?** A bill to restore the EITC as first TABOR refund mechanism will not have a fiscal note as it merely switches the order of required refunds. TABOR refunds are not anticipated for the next few years.

## **HB 1008 – Support - Health Task Force: No Gender Individual Health Ins Rates**

Sponsors: Representatives McCann and Schafer, and Senators Boyd and Carroll.

The bill prohibits carriers from using gender as a basis for varying premium rates for individual health insurance policies and declares premium rates based on gender to be unfairly discriminatory. 130,000 Colorado women 19-64 get health insurance through the individual market. They pay up to 40% more for the same coverage for individual health insurance policies. And these policies EXCLUDE maternity coverage. A similar bill was introduced last year, then watered down into a study of the issue by the Health Care Task Force. Now this measure is coming from the Health Care Task Force. See DWC Issue Paper: *Colorado Women and Health Insurance*

## **HB 1035 – Support - Early Childhood and School Readiness Commission Eligibility Child Care Assistance Program- Representative Massey & Solano**

This bill would:

- Extend the eligibility redetermination period from 6 months to 12 months
- For families enrolled in both the Colorado Child Care Assistance Program (CCCAP) and Head Start, the bill would align redetermination periods
- Parents would no longer be required to report all income or activity changes during the eligibility period – only those exceeding a threshold
- Parents would not become ineligible for program money as a result of maternity leave or attending school

Currently the CCCAP program is marked by instability of funding and placements for families due to the constant paperwork and paperwork snafus. Some families have income that changes weekly, based on work schedules, requiring a constant stream of paperwork.

Research by the National Conference of State Legislatures shows that about 85-95% of parents in various states stay eligible throughout a year. Few have dramatic increases in income.

Our current system burdens parents, and county Human Services workers with paperwork demands. Kids and their classmates suffer when a child loses their child care provider slot due to due to paperwork demands. Employers also suffer when a parent needs to miss work to submit paperwork or troubleshoot problems that have resulted in loss of child care. School breaks for teen parents mean the young people lose their child care slot and have to start over, unless a child care provider pays out of their pocket to keep a slot open.

This bill does not increase the number of available slots, which do fall short of the need. Yet the pay off in continuity of care for the child, the parent, the child care provider and the employer more than offsets this downside. And this bill should dramatically reduce the paperwork burden on County CCCAP workers.

## **HB 1021 Health Care Task Force**

### **Coverage for Reproductive Services Health Insurance Policies-- Sponsors: Rep Frangas and McCann and Senator Foster**

**This bill would:**

- Require individual health insurance policies to provide the same coverage for maternity care as currently required for all group policies
- The bill specifically states this does not include abortion procedures and services

One in five Colorado women do not get prenatal care during their first trimester, increasing their baby's risk on low birth weight and developmental problems.

More than 130,000 women, or about 8.4% of Coloradans, get health insurance through the individual market. Of the 9 companies that offer health insurance in Colorado's individual market, only one offers full maternity coverage. One offers a separate "rider" for limited coverage. Four will cover only emergencies and complications during pregnancy.

These changes are required by the current health care reform legislation at a federal level, but such measures are not required until 2014.

Such coverage would likely require some increase in rates, spread among all policyholders. We believe that is the nature of insurance. A family's ability to have coverage for this basic medical service should not be based on the marketplace through which the health insurance plan is sold.

## **SB 66 – Reporting of Child Abuse or Neglect**

**Senator Hudak**

This bill was developed by the Colorado Coalition Against Sexual Assault in response to member concerns about the vagueness of reporting requirements for counselors in the following situations:

People who have experienced childhood sexual abuse frequently repress those memories. Only years later in adulthood do many recall and start to get counseling for what happened to them as a child. Most counselors and other professionals take the law to mean such child abuse would not fall under mandatory reporting because the individual is now an adult. But the way the law is worded-- if a professional "*who has reasonable cause to know or suspect that a child has been subjected to abuse or neglect...shall immediately upon receiving such information report or cause a report to be made to be made of such fact to the county department or local law enforcement agency*"-- it is open to interpretation.

It is possible that someone who abused a child years ago could still be a perpetrator, and a thorough investigation might reveal that. But given the shortage of staff and resources to investigate child abuse, resources should focus on those who are currently children, not those recollecting earlier abuse.