

Recent Developments

Legal

IRS centralizes information for taxpayers' power of attorney

The IRS has developed a central electronic database for taxpayers' power of attorney information. The centralized database is expected to speed up IRS responses to taxpayers and to reduce the number of contacts with the IRS. Previously a taxpayer or his representative had to mail or fax the power of attorney forms to the service center where the taxpayer filed his return. IRS employees at other locations did not have access to the information. The central database allows taxpayers to file their power of attorney forms at any service center handling their tax matters, and it allows IRS employees instant access to the data regardless of where they are located. The central database eliminates the need to ship documents from one location to another.

Source: News Release, IR-1999-48. IRS Code Section 7521.

Submitted by: Carol A. Schwab, Family Resource Management Specialist.

Commonly asked questions when IRS determines your work status is "employee."

The IRS has provided answers to commonly asked questions when a worker is reclassified from self-employed to employee status. Of note, the IRS includes an explanation of how the reclassification is likely to increase the taxpayer's taxable income and income tax, in spite of the refund or credit the taxpayer is entitled to receive for the self-employment tax he paid. The employee business expense deductions claimed on Schedule C by a taxpayer who is classified as self-employed are generally fully deductible. As an employee, these expenses are now shown on Schedule A of the amended return, and the deduction is limited to 2% of Adjusted Gross Income. This may increase the reclassified taxpayer's taxable income and income tax. Also, as an employee, the taxpayer is not able to claim certain self-employment expenses. Thus, a taxpayer reclassified from self-employed to employee status is likely to owe additional tax.

Source: IRS Notice 989.

Submitted by: Carol A. Schwab, Family Resource Management Specialist.

Evaluating disabilities under the Americans with Disabilities Act

Twin sisters applied for jobs as pilots for a commercial airline. They both suffered from severe myopia, but with corrective lenses could function as individuals without a similar impairment. They were rejected by the airline because they did not meet the airline's minimum requirement of uncorrected visual acuity. They filed suit under the Americans with Disabilities Act of 1990 (ADA), which prohibits covered employers from discriminating against individuals on the basis of their disabilities. The United States Supreme Court upheld a judgment in favor of the airline because under the ADA, a disability exists only where an impairment "substantially limits" a major life activity -- not where it "might," "could," or "would" limit a major life activity without corrective measures. The Court found that because the petitioners had 20/20 vision or better with corrective lenses, they were not disabled under the ADA, and therefore not entitled to the statute's protection.

Source: [Sutton v. United Air Lines, Inc.](#), 97-1943, *affirming* 130 F.2d 893.

For other highlights of the [United States Supreme Court 1998-99 Term](#), see Cornell Law School's Legal Information Institute wrap-up of important issues the Court ruled on this past term. The summaries link to the decisions and reference provisions of the U.S. Code and Constitution. Patience is needed as the long list of summaries downloads -- but it's worth the wait. This is an excellent resource for people interested in recent rulings of the Supreme Court.

Submitted by: Carol A. Schwab, Family Resource Management Specialist.

General Assembly passes bill to protect elderly in North Carolina

The North Carolina General Assembly has passed Senate Bill 10, which improves training, monitoring, and enforcement in adult care homes (often called "rest homes" or "retirement homes").

Source: [Press release](#), North Carolina Department of Health and Human Services, July 21, 1999.

Submitted by: Carol A. Schwab, Family Resource Management Specialist.

North Carolina starts new Medicaid fraud and abuse detection system

A new automated fraud and detection system for Medicaid is now online that uses technology to search for patterns that may indicate abuse and fraud. Work that used to take six to nine months in the past will now take only six to nine minutes. Information from the system will also be made available to the Attorney General's Medicaid Investigation Unit, which will result in faster

prosecution of the fraudulent providers. The new system went online August 1, 1999, and is expected to be totally operational within six months.

Source: [Press release](#), North Carolina Department of Health and Human Services, June 29, 1999.

Submitted by: Carol A. Schwab, Family Resource Management Specialist.

Food and Nutrition

Obesity can play a role in the development of Type 2 Diabetes

Diabetes is a metabolic disorder in which the ability to use the blood sugar, glucose, is more or less compromised or lost because of a lack of available insulin in the body. Insulin is produced by the Beta cells in the pancreas. Diabetes has long been associated with heredity and weight.

Type 2 Diabetes is generally called "Adult-Onset Diabetes." Sixteen million Americans have Type 2 Diabetes and 35% to 40% of them don't know they have the disease. Today more than \$92 billion is spent each year on this disorder and its ravages on body tissues. The disorder is on the rise worldwide, as well as in the United States.

A recent satellite broadcast, "Diabetes in the New Millennium," presented by the Endocrine Society and the American Association of Diabetes Educators discussed current information about the pathophysiology behind obesity as one of the major underlying risk factors leading to onset of Type 2 Diabetes. Being overweight or obese is associated with insulin resistance (inability of the body to use insulin appropriately) which, apparently, for 20% of overweight individuals can, over time, lead to loss of the Beta cells in the pancreas. The pathophysiology behind this loss is that protein is aggregated (clumped) and deposited in the Beta cells. These protein "clumps" act as a detergent on the Beta cell membranes, basically dissolving them. Once 50% or more have been dissolved (destroyed), the amount of insulin produced is decreased to a point of not being able to manage the blood glucose levels, and this is diagnosed as Type 2 Diabetes.

Genetics plays an important role in whether obesity, associated with insulin resistance, leads to the development of Type 2 Diabetes or not. Apparently, in 80% of people with insulin resistance, the body will compensate by increasing the production of Beta cells. Identification of the genetically susceptible individuals is not yet a possibility. Therefore, it is important that people adopt a healthy diet and exercise program leading to a healthy body weight.

Source: A satellite broadcast, "Diabetes in the New Millennium," presented by the Endocrine Society and the American Association of Diabetes Educators

Submitted by: Jackie McClelland, Food and Nutrition Specialist.

Housing

Fair Housing Act

The current issue of *Cityscape* commemorates the 30th anniversary of the Fair Housing Act. The issue consists of a collection of articles that focus on the history of and future challenges to the Fair Housing Act. Articles discuss the nation's problems and concerns with housing segregation and discrimination. The Amendments to the act are discussed, as well as enforcement of the act. This exploration of Fair Housing can be found

at <http://www.huduser.org/periodicals/cityscpe/vol4num3/current.html>

Source: *Cityscape: A Journal of Policy Development and Research*, 4(3).

Submitted by: Sarah Kirby, Housing Specialist.

Human Development

Grade retention: What the literature says

The most frequently repeated grades in school are kindergarten, first, and second grades. Children aged 5 to 7 often are retained once or sometimes twice due to factors affecting their ability to learn or achieve at the same level and rate as their peers. Factors that contribute to difficulty in learning include limited parental involvement in early development, few education readiness experiences, and poverty.

Evidence shows that retention harms students' achievement, attendance, personal adjustment in school, and attitudes toward school. In studies comparing retained low achievers with promoted low achievers, those promoted to the next grade exhibited higher levels of achievement one and two years later. Other evidence shows that if a child is retained once, he is 20% to 30% more likely to drop out of school; if retained twice, he is almost 100% likely to drop out. Males and minorities are disproportionately retained and disproportionately drop out.

The complete study is located at: <http://www.successforall.net>; Click on Research. Several other interesting reports are listed in this site as well.

Source: Blount, J. E. & Day, S. L. 1999. Children - Ready For School. *Georgia Academy Journal*, 6 (4).

Submitted by: Karen DeBord, Child Development Specialist.

Parental involvement in children's education

Thirty years of research has shown that parental involvement in children's education increases student achievement, enhances self-esteem, improves behavior, and promotes attendance rates. Parents and teachers, however, speak different languages when they discuss school and students. Parents are concerned with micro-issues -- their individual child's successes. Teachers tend to speak more globally and address the system or the community.

The most obvious and measurable factors reported in the literature are academic achievement and higher standardized test scores and college entrance exam scores. Paralleling the attention given to academic achievement over the past several years has been the emphasis placed upon positive self-esteem of the student. As more adults are directly and positively involved in the education of a child, behavior improves and referrals to discipline personnel are reduced.

What can schools do? To assure healthy school involvement, every parent or guardian must feel welcome and that he or she belongs. Each, regardless of socio-economic status, must be valued and appreciated. School personnel must seek and welcome inquiries. When parents call the school with a question or concern, they deserve a prompt and respectful reply.

One strategy to encourage parental participation is for school principals to write letters of thanks to employers of parents for allowing parents time away from their jobs to attend to school matters. Another strategy that can improve substantially the number of parents attending or participating is providing sibling care during conferences or events. In addition, car pools, ride-sharing, and other creative solutions can measurably increase participation in school events. Planning activities at various times of day can be a positive step.

In many successful schools, administrators provide space for a Parenting Resource Center. Within these centers, parents meet and receive uniform volunteer training on how to effectively and safely help within the school.

What can parents do? Parents need to take advantage of the myriad ways they can become involved in their child's school. Assisting with classroom parenting, phone tree calling, attendance monitoring, absentee calling, reading to classes, making costumes for drama or musical presentations, sharing experiences from a career, and helping students learn computer skills and about the Internet are but a few valuable venues of participation. Also as schools

become increasingly diverse, a natural opportunity in parental sharing includes information about different cultures.

Mentoring and tutoring needs grow daily in student bodies. As society places more and increasingly difficult challenges before today's youth, the need to guide, counsel, and mentor young boys and girls mounts.

A climate within the community of openness, welcoming participation, setting parents at ease, and encouragement to participate in the greater educational picture can set the tone. Communities must commit themselves to help youth develop into strong, capable leaders by investing in the schools.

Source: Chelf, H. W. & Ruley, C. 1999. Involving Parents in their Children's Education. *Georgia Academy Journal*. 6(4).

Submitted by: Karen DeBord, Child Development Specialist.