Lessons Learned from State Policy Campaigns

Indiana’s Earned Income Tax Credit

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August 5, 2010
Snapshot of Indiana’s Tax System and Revenue

- Indiana is a donor state
- Indiana has a regressive tax system
- Indiana has a flat rate income tax, 3.4%
- Indiana has a low tax threshold, $10,000
- Increased sales tax by 1 cent last year, now 7%
- Revenues from income tax, sales tax, and property taxes are down
- Facing a situational deficit of $1 billion for the SFY 2010 and 2011
- In December, Gov. Daniels cut $767 million in state budget cuts
History of Indiana’s EITC

- EITC first passed in Indiana in 1999 - was not based on federal EITC and was not refundable.
- In 2002, state EITC was restructured and based on federal EITC and was set at 6% - however sunset every two years with state budget cycles.
- In 2005, these sunset provision was extended until Dec. 31, 2007.
- In 2008, the EITC was made permanent and was increased to 9% of the federal EITC.
Indiana General Assembly

- When passed in 1999 the House and Gov. were controlled by Democrats and Senate was controlled by Republicans
- In 2008, House was controlled by Democrats by 2 seats and Gov. and Senate were controlled by Republicans
- This is important to keep in mind as we discuss legislative support.
Advocacy Efforts related to State EITC

- 1998-1999 efforts organized efforts through organizational membership and Indiana Coalition for Human Services (ICHS)
- 2002 worked in partnership with ICHS and wrapped into bigger budget cuts campaign known as Save Our Services
- 2005 continued to work with ICHS but was put into a messaging campaign called Invest in Hoosiers
- 2008 did not work with ICHS. ICHS members were pushing for increase while we were working on permanency issues covertly
Advocacy Approaches

- **1998-1999** – More overt, very vocal, and very informational in nature.

- **2002** – Utilized media more and focused not just on tax restructuring but also on budget cuts. Highlighted client stories and impact programs and services had on Hoosier families.

- **2005** – Decided messaging needed to be broader and people needed to understand how services impacted all Hoosiers not just those receiving services.

- **2008** – ICHS overtly advocated for increase in EITC to 10%. Institute choose to focus on permanency issue “behind closed doors”.


Messaging and Scope of Campaigns

- *Save Our Services – 2002 Campaign*

**Message:** People not politics

- Intent was to be a statewide campaign but never got any further than Central Indiana
- Included education materials including how many people were impacted by cut in services and client stories.
- Also had strong media component. Had a press conference at statehouse with clients and informational materials, which some legislators attended as well.
Messaging and Scope of Campaigns

- *Invest in Hoosiers* – 2005 campaign

Message: The foundation for Indiana’s successful economic recovery rests on the State’s investments in **ALL Hoosiers** through adequate funding of education, training programs, health and human services. Only through these Investments can we create a stronger State and brighter future for all Indiana citizens.
What Is Invest In Hoosiers?

- Invest in Hoosiers is a statewide advocacy campaign that addresses national, state, and local legislation, budgets, and policies that impact low-income workers and their families.
- The campaign was co-founded by the Indiana Institute for Working Families and the Indiana Coalition for Human Services.
- Approximately sixty state and local organizations and coalitions joined the campaign over three month period.
Invest In Hoosiers Endorsing Organizations

- AARP Indiana
- AFSCME, Council 62
- A.L.S.C. Clemente Center
- The Arc of Indiana
- Arc of Northwest Indiana, Inc.
- Campaign for Hoosier Families
- Carmelite Home for Girls
- Children’s Bureau Inc.
- Community Action of Northeast Indiana
- Community Education Department, Riley Hospital for Children
- Community Harvest Food Bank of Northeast Indiana
- Covering Kids and Families of Indiana
- Family Service Council of Indiana
- Fort Wayne Women’s Bureau
- Gary Community Improvement Association, Education and Community Development
- Gary Neighborhood Services, Inc.
- Goodwill Industries of Michiana
- Haven House Services, Inc.
- Health, Access, and Privacy Alliance
- IARCCA, An Association of Children and Family Services
- I.B.E.W. Local 21
- Indiana Association for Child Care Resource and Referral
- Indiana Association for Homes and Hospice Care
- Indiana Association of Area Agencies on Aging
- Indiana Association of United Ways
- Indiana Community Action Association
- Indiana Institute for Working Families, ICHHI
- Indianapolis Jewish Community Relations Council
- Lafayette Urban Ministry, Campaign for Hoosier Families
- Lake Area United Way
- Lake County Integrated Services Delivery Board
- Mental Health Association in Indiana
- Mental Health Association in Lake County
- National Association of Social Workers, Indiana Chapter
- Northwest Indiana Quality of Life Council
- Park Center
- Planned Parenthood of Indiana
- Prevent Child Abuse Indiana
- Race Relations Council of Northwest Indiana
- Robertson Child Development Center
- Salvation Army Harbor Light
- Scott County Partnership
- Serenity House of Gary, Inc.
- Shalom Community Center
- South Central Community Action Program
- St. Joseph County Project, Labor Community Coalition
- St. Jude House
- 21st Century Scholars, Western Lake-Newton Region
- Vincent House
- YWCA of Gary

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Indiana Coalition for Human Services
- Indiana Coalition on Housing and Homeless Issues (ICHHI)
Invest In Hoosiers Campaign
Objectives

- Prevent further budget cuts to education, training programs, health and human services in the state budget.
- Invest in human capital as part of the State’s economic development plan through adequate funding of education, training programs, health and human services.
- Leverage more federal dollars where able and prudent.
How Does The Campaign Address These Issues?

- Statewide Partnerships
- Media Campaign
- Letter Writing Campaign
- Sending out Action Alerts
- Meetings with Legislators
- Educational Forums
- Technical Assistance
How much did we spend?

- For all of these efforts we spent a minimal amount of funding for printing of materials.
- Most expensive items was staff time to prepare materials and do education forums, however, this was subsidized with grant funds.
- Most people volunteered their time to efforts, as well as printing or space to have meetings.
- Utilized as many free resources as possible such as CBPP, Citizen's for Tax Justice, and ideas from other state groups campaigns such as Virginia and Alabama.
- Also utilized organizations lobbyists too.
Legislative Support for EITC

- 1999 legislation introduced by Rep. John Day (D – Indianapolis) – not much bi-partisan support. Also state financial status was very bad.
- 2005 actual had a Republican sponsor Rep. Mike Murphy (Indianapolis)
- 2009 bill had a lot of bi-partisan report including Rep. Murphy and Day as well as three co-authors Rep. Cindy Noe (R) and Shelia Klinker (D). Also support in the Senate including Sen. Tim Lanane (D- Anderson) and some member of Tax and Fiscal Policy Committee
Reason for Change in Strategy in 2008

- Revenue shortfalls
- Property tax restructuring took center stage
- New Colts stadium financing was also big issue
- Other tax credits were being made permanent
For More Information

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