



INDIANA INSTITUTE FOR
WORKING FAMILIES

A Program of  INCAASM
INDIANA COMMUNITY
ACTION ASSOCIATION

Lessons Learned from State Policy Campaigns

Indiana's Earned Income Tax Credit

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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 Coalition for Human Services
- ▶ Indiana Coalition on Housing and Homeless Issues (ICHHI)
- 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

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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