



## **Assessment of the State Fiscal Analysis Initiative**

**Case Study for:  
Voices for Illinois Children  
Chicago, IL**



Prepared for the  
Ford Foundation  
by the OMG Center  
for Collaborative Learning

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# case study

*This case study of Voices for Illinois Children in Illinois is one of ten individual case descriptions prepared as part of an assessment of the State Fiscal Analysis Initiative (SFAI), conducted by the OMG Center for Collaborative Learning with support from the Ford Foundation. SFAI is a national collaborative effort that began in 1991 to strengthen capacity among state-level non-governmental organizations to undertake credible, timely, and understandable analysis of critical tax and budget questions. The Initiative is funded by several national foundations and receives staffing and technical support from the Center on Budget and Policy Priorities (CBPP), a Washington, DC-based nonprofit that has been conducting national policy research since 1981 and that expanded its role to include analysis of state fiscal policies also in 1992. The entire assessment report, **A Cross-Site Synthesis of Findings, Conclusions and Recommendations**, is available from the Ford Foundation or the OMG Center for Collaborative Learning.<sup>1</sup>*

*This and the other case studies prepared as part of the assessment describe a broad array of activities undertaken by the state-level fiscal policy organizations with support received not only from the Ford Foundation and other SFAI funders, but also from other local and national sources. From the Initiative's inception, the Ford Foundation has required that its funding provided through SFAI be used entirely for the support of research education, organizing, and other non-legislative activities. Although the report covers the full range of strategies employed by SFAI groups to enable a full picture of their work and impact to emerge, the activities detailed here are not a direct by-product of Ford funding.*

*This case provides an overview of how one "veteran" state-level policy organization evolved over a period of several years within its own unique state policy setting. The cases provide much of the empirical basis for the larger assessment report, by bringing to light the different circumstances and approaches that shaped the accomplishments of individual grantees and by documenting the different types of impacts that the SFAI grantees have*

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*had within varied local fiscal policy environments.<sup>2</sup>*

*Much of the case study fieldwork was conducted during the last half of 2002, although further telephone follow-up occurred throughout 2003 and into 2004. The fieldwork approach was primarily qualitative and relied mainly on site visits to each of the grantee sites. Site visits were generally made by two or more members of the assessment team and included meetings with representatives of the grantee organizations and a variety of other local actors with knowledge of the grantee organizations and the state-level policy setting in which they operate. Phone and email communications provided an opportunity for rounding out the details of each case. The draft profiles were shared with the grantee organizations two or more times as they were being developed, and each site was given an opportunity to review final versions of their profile before they were finalized. Most of the factual information about the grantee organizations is for the year 2002, although in a few instances fiscal or budget changes and other policy accomplishments that occurred in 2003 are noted if they were the result of efforts in prior years.*

*The case study starts with an account of how the organization began and then offers an account of Illinois' social and political context. Next it introduces the particular focus and approach that the SFAI grantee organization has taken to improve knowledge locally about tax and budget issues and contribute to the quality of local fiscal policy debates. Woven into the case are overviews of the grantee organization's size, staff structure and funding base; examples of typical products and activities; and descriptions of its major accomplishments.*

*The SFAI assessment was directed by Tom Burns. The following current and former staff of the OMG Center for Collaborative Learning also participated in the assessment – Bonita Stowell, Kennard Wing, Sheetal Matani, Lee Alford, Amanda Bergson-Shilcock, and Margaret Berkey.*

<sup>2</sup> The ten veteran states selected for the case studies include: Alabama, Arizona, California, Illinois, Maine, Massachusetts, Michigan, New York, North Carolina and Texas.

## Voices for Illinois Children Chicago, IL

THE VIDEO OPENS WITH LINDA CARTER, A HOME CARE WORKER, making a visit to one of her elderly patients. We learn that Carter is a success story who left welfare just one year ago. Her success, however, is precarious. Her job pays only \$5.80 per hour, on which she must support herself and four children. We follow her through the supermarket, and watch as she passes by the breakfast cereal because she cannot afford the milk. We see her weigh the broccoli and take some out of the bag because it will put her over budget.

Then Jerry Stermer, president of Voices for Illinois Children (VIC), comes on the screen to tell us how many children in Illinois live in poverty, even though at least one parent is working. He's followed by Dr. James Nowlan of the University of Illinois, Dr. Bruce Meyer of Northwestern University, and Democratic State Senator Barack Obama, who tell us how effective the federal Earned Income Tax Credit (EITC) has been in encouraging work and lifting families out of poverty. We see presidents Reagan and Clinton praising it.

Next we learn that Illinois is out of step with its neighbor states. The threshold at which people begin paying state income tax is by far the lowest of a half-dozen neighbor states, and we hear praise for Wisconsin's state EITC from the head of that state's revenue department.

Back in Illinois, we hear support for a state EITC from Taxpayers Federation CEO Tim Bramlett and Republican State Representative Patricia Lindner. Linda Carter tells us an extra \$300 per year from a state EITC would buy shoes for winter and maybe coats as well. Then it's back to the experts to address objections that a state EITC would be too costly, complicate the tax form too much, or would result in poor people not paying their fair share of taxes. The video ends with an uplifting message reminding us that people want to work, and that government should help them succeed at it. Instead of credits, we get a scrolling list of the many organizations belonging to the EITC coalition.

This is the Fall of 1998 and the powerful video described above is effective in framing the issue of how to help keep the Linda Carters of Illinois working. It lays out a state EITC as a feasible solution with support on both sides of the aisle, a broad consensus among advocacy groups not often found on the same side of tax issues, and strong evidence from academic research that the EITC is effective at encouraging work and lifting families out of poverty. The video was prepared at the beginning of a lengthy process of making the case before the Illinois legislature and others. On May 11, 2000, Governor George Ryan signed a state EITC into law. In its first year, 542,551 low-income Illinois families received tax credits totaling \$39 million that help them make ends meet and reward their work.

In fact, the story of how the EITC became law began a decade earlier, in 1988 when VIC first proposed a state EITC. "A lot of our early constituents didn't know what that was, or why we

### Voices for Illinois Children at a Glance

**Year started:** 1987

**Current budget:** \$3.1 million (2002)

**Main sources of support:** Foundations provide 80 percent of the total

**Total staff:** 17 (5 work mostly on SFAl-related issues)

**Main areas of focus:** State tax and budget, early childhood, community collaboration.

**Recent products:** The Human Costs of Cuts to the Illinois Budget; State Law That Supports Working Families Will Expire in 2003; Illinois Spending in Perspective: The Challenge of Meeting Needs in a

Low-Tax State; Welfare Spending in Illinois: Creating a Foundation for Poverty Reduction; The Governor's FY 2003 Budget Proposal: Facing the Challenge of Insufficient Revenue; A Universal Good: Expanding Voluntary Early Learning Opportunities for Illinois' Young Children; Community Schools in Illinois: Partnerships Promoting Academic Excellence and Lifelong Development.

**Notable Accomplishments:** Research leading to the creation of supportive welfare policies and informing legislation on children's health insurance; analysis on decoupling bonus depreciation.

were involved in it," says Stermer. "They didn't understand why we didn't just focus on services for children." Before such a video could be made, years of education and consensus building were needed to help people see how a state EITC would benefit children and families. Before broad-based support could be shown on screen, it had to be created on the ground.

The video intentionally underplays the role of Voices in the EITC campaign. Instead of featuring Voices' own policy analyst, the video shows us a brace of academic experts. While Stermer appears a couple of times, his role is less prominent than State Senator Obama or Tax Federation CEO Bramlett. When the credits roll, Voices' name is far down the alphabetized list of coalition members, giving no sense of the important role that Voices played in making the case and helping to shape the coalition, or in producing the video itself.

As we shall see, this video embodies a set of core beliefs that has emerged over time about how best to effect Illinois fiscal and other public policies on behalf of children and families.

### Origins and Policy Context

Voices for Illinois Children was created in 1987 in response to concern among civic leaders about conditions for children growing up in Illinois. The Chapin Hall Center for Children at the University of Chicago had published several State of the Child reports over a period of years that showed conditions for children worsening. A group of civic, business, community, academic, and philanthropic leaders came together to form the Plan of Action for Children task force. The report of that task force recommended a comprehensive package of policy and program reforms for children. Task force members also established Voices for Illinois Children to implement the Plan of Action for Children. That plan became the founding strategic plan for Voices. Jerry Stermer was hired as the first president. "Six Chicago foundations had put up enough money to keep us going for three years," he says. "So I felt we had a real shot at becoming a visible player. I was able to hire a policy expert

### Voices' Mission and Focus

Voices for Illinois Children champions the full development of every child in Illinois to assure the future well-being of the people of the state. It works with families, communities, and policymakers to ensure that all children grow up healthy, nurtured, safe, and well educated.

Voices measures the needs of children and provides reliable analysis of conditions that impact those needs; monitors government and community actions that affect children; and mobilizes citizen support for key children's initiatives. Voices seeks to create a constituency for children with an emphasis on promoting preventive strategies, building community resources, and advancing public-private cooperation.

and a communications person, and have some infrastructure right from the beginning.”

The first year, Voices published a “Children’s Agenda,” helped organize a Maternal and Child Health coalition, and launched a newsletter. Over the next few years, Voices continued its policy analysis work and added projects involving direct outreach to educate communities and parents.

The organization’s first major growth opportunity occurred in 1992 when it was selected to assemble and publish the Illinois KIDS COUNT with a grant from the Annie E. Casey Foundation. Then, in 1993 Stermer was invited to a meeting to discuss the State Fiscal Analysis Initiative (SFAI), and the organization was invited to apply for a planning grant.

In 1994, Voices published *A New Paradigm*, which focused on the fragmentation of human services and called for a more integrated approach. This led to a series of town hall meetings around the state in 1995, jointly convened by Voices and state government officials, called the Campaign for Illinois Communities. This meeting process, focused at that time on restructuring human services, represented the beginning of Voices’ Community Collaboration project, which continues to organize statewide community dialogues, facilitate local community building efforts, strengthen relationships between communities and elected officials, and encourage residents to speak up for children. While the human service reform process was under way, Congress passed welfare reform. Voices was ideally positioned to help influence the design of Illinois’s welfare approach and, as a result, Illinois has perhaps the most family-friendly and work-supporting welfare system in the nation.

The most recent major growth at Voices has been the parental education and outreach program called Start Early, first funded significantly in 1997. Through Start Early, Voices aims to increase public awareness of the crucial learning that occurs in a child’s life from birth to age three, and to educate young parents about the important development that occurs in a baby’s brain during the first years of life. Related to Start Early, Voices also works each year to improve state policies relating to early childhood care and education.

### The Broader Policy Setting

Illinois has a large number of organizations and coalitions engaged in policy work. As a result, Voices invests a great deal

of effort in consensus building among the various groups. At the same time, there are many issues relevant to its children/family constituency that it does not have to take on itself. Because other organizations exist to work on other issues, Voices can focus on what it views as closest to its core mission.

Although Illinois has one of the lowest ratios of state and local taxes to personal income of any state, the typical media spin is that state government spends like a “drunken sailor,” and that this is the key problem to be addressed. The level of respect accorded state government was also weakened by a cloud of scandal and corruption within the state’s former administration – with some forty members of that administration indicted – and many pleading guilty – to charges of bribery and other offenses. Although the former governor did not run for reelection, the prevailing climate of distrust made it difficult to make the case that state government should be more involved in helping low-income families.

The phenomenon is hardly unique to Illinois state government. But legislators’ lack of courage is a source of significant frustration for Voices’ staff, who report that the legislature frequently avoids difficult issues if it can, supports policies because they are politically safe rather than because they are just or effective, and favors temporary fixes to fundamental reform. “You can do all the policy work you want,” says Stermer. “But you need leadership in the legislature to make significant change.”

### Voices for Children’s Approach

Over time, Voices has developed a well-articulated approach to effective policy advocacy. Some of the principles were present at the beginning, and others have been the result of hard-won experience.

“One of the lessons I brought to Voices is that you actually win more in the public policy arena by getting broad consensus and agreement before approaching the legislature,” says Stermer. Many times he has seen advocates testify in front of the legislature without having done this preliminary work. Usually the chair will ask if others want to comment, and may even call upon people. When they respond that they haven’t seen the proposal or that they have concerns about it, there is no inclination to take even the best idea forward. This is especially true if those responding would normally be expected to be supporters. “The legislature is not going to pick a fight among like-minded individuals,” he says.

The first major lesson after the founding of Voices related to KIDS COUNT. “When we first did KIDS COUNT, we knew we couldn’t just produce a report for legislators,” says Stermer.

*“You actually win more in public policy by getting consensus and agreement among non-legislators before you go to the legislature.”*

- Jerry Stermer  
President

“It had to be visible. We hired a media consultant who told us, ‘You need a news hook.’ So we did a report card—D minus for this, F for that, and so on—and I did media interviews where I held up the report card and said ‘This report card stinks to high heaven.’ We got coverage all over the state.” However, the governor felt attacked and began to question Voices’ non-partisan stance.

As a result, Voices’ leadership began to have many discussions about whether to continue the report card approach. At the same time, it had achieved the visibility and buzz that had been the rationale for the campaign. The next year, Voices did another failing report card. “This time, the lieutenant governor, who was a friend, wrote us a letter, the gist of which was that if we continued to focus on saying how bad things were and give letter grades, he believed most of our audience would conclude that government social programs don’t work, and that more money for them would only be a waste,” says Stermer. “This had a powerful impact on our approach. Our goal is to improve policies on behalf of children and families. We can’t achieve that without public support. The letter helped us realize we were undermining our own purpose.” That was the last year for the report card. The group learned that “visibility” and “buzz” are not ends in themselves. Voices also learned that in the Illinois environment, it had to be an advocate for the effectiveness and value of state government.

Another major lesson came from a coalition formed around the state’s tax structure. The League of Women Voters and American Federation of State, County and Municipal Employees (AFSCME) were the initial organizers of what came to be called Progress Illinois. VIC was invited to join and initially went to the meetings. The group formed around the concept that to have adequate revenue, the state constitution had to be changed to permit a graduated income tax. “I realized that this was a group of devoted, passionate ideologues with little or no chance to have a conversation with people on the other side,” says Stermer. “Nor did I see any possibility such a constitutional change would occur. I decided we would not join Progress Illinois. But,” Stermer added, “At the same time, we had the possibility of a state EITC, which would make the tax structure more progressive.” This whole episode clarified for Voices that it was focused on politically feasible solutions, and that incremental but real improvements were preferable to ideological purity. “I want enough of a mainstream edge to be taken seriously,” says Stermer. “My strategy is to push the envelope as far as I can without being thrown in the waste can.”

The EITC illustrates another key strategy. “We choose how to frame the issue based on the audience,” says Stermer. The EITC video, for example, emphasizes that an EITC creates an incentive to work, a more persuasive argument for many than an alternative tax justice argument.

Another core principle at Voices is to focus on a limited number of issues likely to have the greatest impact on the greatest number of children and families. “When you have a name like Voices for Illinois Children, people think you should be involved in every issue,” says Stermer. “‘Why don’t you do anything about kids who are being beaten up by their mothers?’

Well, most kids are not being beaten up by their mothers. Most kids who are in trouble are there because society is beating up their mothers. We think economic security for families is the core, fundamental issue.” It also helps that there are other coalitions and advocacy groups for issues not central to Voices’ mission.

The story of Voices’ role in welfare reform is a good illustration of the core principles at work in the organization. The story begins in 1994, when it published *A New Paradigm*, which highlighted the fragmentation of human services, the difficulties this caused for needy families forced to deal with multiple agencies and programs, and the wasteful administrative duplication within the system. A board member of the Annie E. Casey Foundation, who was a friend of then Governor Jim Edgar, encouraged him to broaden public discussion of the issue.

The vehicle for doing that was called the Campaign for Illinois Communities. With support from the Casey Foundation and the Kraft Company, representatives from state government and Voices staff convened a series of town hall meetings in twelve communities around the state to talk to people about restructuring human services in Illinois. Just as a consensus was emerging around a plan to create a super agency, Congress passed welfare reform.

“So we asked, what will be the components of welfare?” says Stermer. “Then we went back to the communities to help answer the question.” Together with state government and the Work, Welfare, and Families Coalition, Voices cosponsored a series of half-day hearings around the state. Residents of a Chicago neighborhood called Uptown were disappointed that no hearing had been scheduled there, so an additional one was set up. Uptown is home to immigrants from many different lands, and the room was filled with banners from upwards of 40 countries. “One-by-one, people came up and spoke about their experience as an immigrant in this country,” Stermer says. “Over the course of three hours, we heard powerful information about how people want to work, but need support.” Part of this hearing was shown nationally on the *Lehrer News Hour*, and Stermer believes it was instrumental in eliminating some of the most punitive aspects of the final federal law.

After the federal hearings were over, Voices encouraged a number of meetings between legislators and coalition members. It was at these meetings that innovative aspects of Illinois’s program were crafted, such as stopping the clock when people get jobs or enter training, making work pay by not having benefits go down dollar-for-dollar with earnings, and creating work supports for child care and transportation. Stermer says, “I believe Illinois made some of the best choices in the entire country. We have the most supportive welfare reform policy of any state.”

Stermer then highlights the core principles embedded in the story: “We get advocates together around the same set of positions; we help build strong respectful relationships between advocates and state government, and we help gather sufficient community support for high quality proposals that are concrete

and well fleshed out, and we work to explain them to everyone.” He also echoes the principles expressed by SFAI: timely, credible, accessible. “These are principles we think just work,” he says.

In the Fall of 2001, with the 5-year TANF deadline looming for the first cohort, Voices returned to its constituents with a town hall meeting process in conjunction with state welfare officials. Two things came out of it, according to Andrea Ingram, Voices’ director of the Budget and Tax Policy Initiative: “The Department of Human Services confirmed that this program is about poverty reduction and family support for self-sufficiency, not caseload reduction. Also, new stop-the-clock extensions were created to help families with medical barriers.” As a result, only eight families statewide had benefits cut off when the 5-year deadline arrived.

### Organizational Structure, Staff, and Funding

Voices is a nonprofit, nonpartisan organization governed by a board of 31 drawn from all urbanized areas of the state. It is solely supported by private donations from individuals, corporations, and foundations.

Of its staff of 17, five work closely on budget and tax policy. Other program staff include a two-person communications department, three people assigned to the Start Early project, and a director of the Community Collaboration project. In addition to program staff, Voices has a three-person development department and three fiscal and administrative staff. There also are a half-dozen interns, volunteers, and consultants. Those staff engaged in fiscal analysis and budget work are highlighted in the box at right.

Voices’ 2001 budget is \$3.1 million. Foundations provided 82 percent of Voices’ funding. Other sources of contributed income—including corporations, other grants, individuals, Voices’ Directors, and special events—account for almost all of the rest. A small amount is investment income.

### Activities and Projects

Achieving policy change requires work on a range of related activities. On a day-to-day basis, Voices’ staff find themselves engaged in the following:

**Policy analysis.** Through KIDS COUNT and other means, Voices keeps track of the needs of children and conditions that affect their well-being. Staff also monitor government actions and analyze the effects of those that concern children. Finally, it develops concrete, feasible alternatives that improve condi-

#### Voices’ Funding

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#### Voice’s SFAI-Related Staff in 2002

**Jerry Stermer, President.** In this position since its founding. Stermer came to the organization with a strong advocacy background and deep experience and relationships within state government. He began his career in state government, including positions in both the executive and legislative branches. Immediately before coming to Voices, Stermer was involved in litigation, administrative and legislative advocacy, and coalition building at the Legal Assistance Foundation of Chicago. He had been working on state welfare reform and was intimately familiar with the budgets for Medicaid, AFDC, and child support.

**Andrea Ingram, Budget and Tax Policy Initiative Project Director.** Joined Voices in Spring 2001. Prior to taking the position, Ingram was a partner in a law firm involved in corporate and bankruptcy work. She claims her experience in front of juries prepared her to communicate highly technical issues to ordinary people, and that her legal background has come in handy in formulating legislative proposals.

**Emily Mondschein, Budget and Tax Policy Initiative Program Associate.** Has been in this position since joining Voices after graduating from the University of Chicago’s Harris School in 2000. She served Voices as an intern while still in school, and is described by Stermer as “the most sought after public policy graduate of her class.” Mondschein chose Voices over several higher-paying offers.

**Gaylord Gieseke, Vice President.** A former corporate comptroller, has been at Voices for 14 years. Gieseke has worked on everything from the original EITC proposal to the Community Collaboration project that resulted in Illinois’s supportive welfare policy.

**Sean Noble, Senior Policy Associate.** Joined in 2000. Noble works on early childhood as well as budget and tax issues. Before that he was a reporter for eleven years.

tions for children over the status quo, and develops the case for these ideas.

**Publications.** To get its policy analysis to a variety of different audiences, Voices prepares a number of publications. Fact Sheets summarize a single issue, such as casino licensing reform, and offer a variety of concrete, feasible alternatives that help children. Reports are longer pieces providing deeper background and rationale. A report called *The Human Cost of Cuts to the Illinois Budget*, for example, became the basis for a series of ten press conferences around the state dramatizing the impact of proposed budget cuts. Regular bulletins keep hundreds of advocates, local leaders, policymakers, and parents current on issues concerning children and families through regular fax or e-mail updates. Finally, Voices publishes a Budget and Tax Initiative newsletter covering all the different issues and activities it is working on in the fiscal area.

**Coalition building.** The goal of creating a constituency for children has been central to Voices’ long-term approach. In addition to lending its support to coalitions formed around a particular proposal such as the EITC, or to fight particular budget cuts, like the Emergency Campaign for a Fair Budget, Voices coalition building efforts seek to build a base of support for policy improvement over the long term. In differing cases, Voices may take the lead in organizing a coalition, join one organized by others, or provide staff support. Whatever role it takes, Voices emphasizes policy approaches based on promoting prevention, building community resources, and enhancing public-private cooperation.

**Community collaboration.** Coalition building is focused on linking Voices as an organization to other organizations. Through its Community Collaboration project, Voices also seeks to link directly to families and communities, and to enhance their ability to speak out on behalf of children. The project has organized statewide community dialogues, facilitated local community building, helped communities to communicate effectively with elected officials, and encouraged parents to become directly involved in policy advocacy for children.

**Public awareness.** Voices runs a public service advertising campaign as part of its Start Early project that helps the general public to understand the important stake that all have in the full and healthy development of children, particularly from birth to age three.

**Parent outreach and education.** Voices also reaches out to parents directly with information aimed at helping them to be better parents. Part of the Start Early project, this information is also focused on the critical years from birth to age three.

**Advocacy.** Voices staff enjoy the respect of elected officials and staff in both the legislative and executive branches. Voices is regularly called upon during legislative sessions, and Voices' staff have been deeply involved in the policy process at various times. More important in their own view is their ability to inform the public and mobilize citizen support for key children's initiatives. Voices has found that such support is more persuasive to the average legislator than the most eloquent analysis or staff member.

**Website.** Voices maintains a comprehensive website through which anyone can obtain copies of all its reports, fact sheets, action alerts, and newsletters. In addition, the site contains a feature allowing people to enter their zip code and click on a "Write Your Legislators" button, which helps them send e-mail to their elected officials. This portion of the site also assists in sending letters to media outlets.

**Video.** Video has been an important part of Voices' advocacy efforts since its first video in 1995, *Learning to Fly*. A medium that is both powerful and accessible, Voices uses video to build momentum for action once an adequate consensus has formed.

## Key Relationships

Given the central role that consensus plays in Voices' approach to its policy education and advocacy work, it's not surprising that its relationships are many, varied, and vital.

Officials inside state government are quick to praise VIC and the work it does. Susan Garrett, the State Representative for the 59th District (Democrat), says Voices is a very effective group. "They're one of the most effective in Springfield," she says. "They are able to work both sides of the aisle, and are willing to spend a lot of time with rank-and-file legislators, not just with leaders. They work with you, and they are willing to make changes. Their issues are strong and they are there as a resource for us all the time. I rely on them a lot."

Unions have been an important part of many coalitions for children. Hank Scheff, director of research and employee benefits for AFSCME Council 31, serves on Voices Tax and Budget Initiative Advisory Committee. "Voices had a very important role to play in the Emergency Campaign for a Fair Budget," he says. "They're nonpartisan, respected on both sides of the aisle—their work really helped keep the coalition together." Together with another state nonprofit, the Center for Tax and Budget Accountability, he says, "They have the ability to set the agenda for what is being talked about." When the coalition decided it needed a policy paper highlighting the human cost of the proposed cuts, VIC staffers Andrea Ingram and Emily Mondschein produced one in ten days. In general, Scheff says, "As a union, we have to be careful what we say publicly. It's important for us to have organizations like Voices to work with."

Members of a focus group drawn from partner organizations offered a variety of perspectives illustrating the value of their relationships with Voices. One is Voices' knowledge of budget and tax issues. "Whatever the coalition is, Voices has been a reliable educational resource for coalition members," says one. "Voices really raised my knowledge quotient," adds another. "We learned, for example that there's been a shift in how much of a particular revenue stream was coming from TANF versus general revenues," says a third. "We wouldn't have noticed, but Andrea Ingram called it to our attention. We met with her to be sure we understood it, and now are meeting with the state to investigate. We depend on Andrea to train our staff on budget and tax issues."

Focus group members also highlighted the organization's responsiveness, staff's understanding of the different needs of different audiences, and its credibility. "Often we'll see two or three drafts of a paper that Voices is working on before they finalize it," says one person. "Voices can also work well with people with varying levels of knowledge," says another. A third adds, "Many members of the legislature know about Voices and its work. You gain credibility when Voices is part of your project."

Strong relationships such as these are no accident, but are the result of 15 years of conscious investment in building the movement.

## Accomplishments

As described earlier, Voices' work has contributed to an exemplary state welfare policy, restructured human services, and a state EITC. Voices' staff are also proud of their role in children's health insurance. "We had done some analytical work on chil-

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President

dren's health insurance, the number of uncovered kids, that sort of thing," says Stermer. "We published a few reports and were starting to build something when Congress passed CHIP." Because Voices was the only organization that had published anything, Stermer was invited to participate on the committee that was helping to shape the legislation. "Of the non-legislators on the committee, we were perceived to be the least partisan," he notes. "Some members of the committee simply wanted to expand Medicaid," Stermer adds, "while others wanted to know why working parents couldn't carry a Blue Cross card instead of a government-issued Medicaid card. Well, if you ask any parent whether they'd rather carry a Blue Cross card or a Medicaid card, you'll hear 'Blue Cross' every time. So we ended up with a mixed system."

Other policy victories for children include the creation of the Healthy Families home visiting program for new parents and the appropriation of new dollars for the Family Care health insurance program and a universal preschool pilot in the face of last year's \$2 billion budget shortfall.

#### Improvements in Tax Policy

Focusing on tax policy, Voices' work has contributed to other wins in addition to the state EITC:

**Personal exemption doubled.** When the Illinois income tax was first passed in 1968, the personal exemption was set at \$1,000. With inflation, it was only worth the equivalent of \$250. When business interests began the push for the single-sales factor tax break, doubling of the personal exemption to \$2,000 was part of the political horse-trading. While all taxpayers benefit from an increase in the personal exemption, it is of the greatest value to low-income taxpayers for whom it represents a larger proportion of income not subject to tax.

**Bonus depreciation decoupled.** When Congress passed an economic stimulus package, it included an accelerated depreciation feature reducing federal corporate income tax. Because Illinois's state corporate income tax allows corporations the same deductions as their federal return, the change was going to cost state government \$225 million in tax revenues, with a total cost of \$450 million statewide if local taxing authorities were considered, according to Voices' analysis. That analysis and the advice that Voices made available to legislators was influential. In the context of a severe state budget shortfall, a bill was passed to prevent this federally enacted tax cut from automatically reducing Illinois reserves. "The background work that Voices did was critical in tilling the soil," says a coalition member.

**Gas tax repeal killed.** In the year 2000, when state revenues were flush and gas prices were spiking, the governor suspended gas taxes for six months. Gasoline retailers were leading an effort to permanently repeal the gas tax. Voices collaborated in the preparation of a cost analysis of the suspension, which provided the legislature with a factual basis for rejecting the permanent repeal.

#### The Emergency Campaign for a Fair Budget

Post 9/11, Illinois confronted revenues that were far below projections as a result of the weaker economy and the loss of some 31,000 jobs. It had to cut hundreds of millions of dollars from the state budget to achieve a constitutionally mandated balanced budget. When lawmakers sat down to create the FY 2003 budget, they were looking at revenue projections under current law that were \$2 billion below those that had informed the original FY 2002 budget. In response, House Democrats and Republicans prepared separate "doomsday" budgets including service cuts of that magnitude.

Soon after, representatives of 35 advocacy groups met and formed a coalition called the Emergency Campaign for a Fair Budget. After a round of press conferences to announce formation of the coalition, the group decided that the pressing need was to dramatize the human impact of the proposed cuts. It planned a second series of ten press conferences around the state. In addition, the group felt it needed some kind of policy report to release, which could be the reason for calling the press conference. Voices, a member of the coalition, agreed to develop a report and delivered *The Human Cost of Cuts to the Illinois Budget* in ten days. At the press conferences, real faces were put on the cuts as day care moms, persons with disabilities, and others detailed the hardships that would result. This second round received good coverage on television and in major newspapers throughout the state.

In addition to delivering the message, "These cuts are harmful," the coalition wanted to convey a second message: "There are revenue alternatives." Voices prepared a series of reports and fact sheets describing Illinois as a low-tax state and proposing revenue-raising alternatives to the cuts. These materials were disseminated broadly throughout the coalition, reaching some 200 different organizations. Among the alternatives proposed were increases in gambling and cigarette taxes, decoupling from federal estate and bonus depreciation tax cuts, raising the income tax, offering tax amnesty, tapping additional federal matching funds, and fixing a flawed rainy day fund. Throughout the campaign, Voices' staff and other coalition members were invited to offer testimony at legislative committees, and held educational sessions with the media, policymakers, and legislative staff.

Issuing new policy analysis and alternatives on a weekly and even daily basis, Voices engaged coalition members in thinking about ideas and examples, and shared alternatives with coalition members ahead of time so that the analysis and proposals prepared under Voices' name would represent positions that coalition members found useful could support. At one point, Voices disseminated research showing that the \$1.3 billion problem they were working on was really a \$2 billion dollar problem. Key media such as the *Daily Herald* and *Capitol Facts* referred to it as a \$2 billion hole from that day forward. Another time, Voices proposed an alternative that included \$1 billion of new revenue. Although not its first choice, Voices argued that such a revenue increase was fair and feasible.

In the end, the budget passed by the legislature reflected \$1 billion in service cuts, \$365 million in new revenues from gambling and cigarettes taxes, and \$635 million in one-time transfers and borrowing. Illinois also chose to decouple from the Federal tax code that provided a cut in bonus depreciation taxes for businesses. On the spending side, the coalition's efforts resulted in budget cuts totaling only half what was originally proposed. In addition, the legislature provided new funding for Family Care, a health insurance program for parents of kids covered by SCHIP, and for a universal preschool pilot program that Voices had previously supported as a beneficial policy change.

## Other Non-Legislative Accomplishments

**Framing the budget shortfall debate.** Not all achievements are legislative. During the most recent legislative session, for example, policymakers and the media began talking about a \$1.2 to \$1.4 billion budget shortfall for 2002 and how it could be filled for 2003. Voices sent a letter to ten top state officials pointing out that \$700 million had been cut from human services, health care, and education earlier in the year, so that the real hole to be filled was \$2 billion. From that day forward, the public policy discussion was about a \$2 billion hole.

## Issues and Challenges

Not surprisingly, Voices' important work is not carried out without some challenges. There are three major ones, the first two of which have been ongoing through the years.

**Staff diversity.** Despite significant recruitment efforts, Voices' leadership considers its staff insufficiently diverse, and not representative of the constituency the organization serves. According to Stermer, the core issue is money. "A qualified person of color can make two to three times as much in the private sector as we can afford to pay," he says. It's an issue that permeates the nonprofit sector nationwide.

**Services, services, services.** Voices' coalition and consensus building efforts have required extra work because many of its potential allies are overly focused on services. For example, Voices has worked hard to try to raise the wages of home health care workers whose pay is set by the state, but who the state refuses to recognize as employees. "Most of these women are heading a household, supporting a family, and making just over minimum wage," says Stermer. "A raise for their mothers is the most important thing we could do for the children in these families." But many advocacy groups can't see beyond services. They wonder why Voices gets involved in issues that "don't have anything to do with children." "It's been important to work to get a variety of coalitions to recognize that it's not just about services," says Stermer. "Some of the most aggressive groups do not always get the importance. We've worked hard to change that."

**Negotiating a relationship with a new budget and tax policy center.** A more recent issue concerns a new state budget and tax policy center in Illinois. A couple of years ago, the Center for Tax and Budget Accountability (CTBA) formed with support from several foundations and unions. Voices' staff find it hard to avoid seeing that as a criticism of the way they have carried out their budget and tax work. "The perception was that Voices was for children and focused on spending," says Stermer. "We didn't break out of that pattern strongly enough." The SFAI director at that time, Brian Matakis, in fact did significant work on tax issues, and that was the period during which the EITC and the gas tax repeal victories occurred. But Matakis's style was to work directly with legislative and executive branch officials, so he was less integrated into Voices' more visible coalition building work. When Andrea Ingram replaced Matakis, she worked hard to strengthen the connection of the

SFAI work with the rest of Voices, and with its partners. Hank Scheff of AFSCME serves on the board of CTBA as well as Voices' SFAI advisory committee. "Fiscal is such an underexamined area," he says. "We feel there's a role for both organizations." But Stermer notes, "We're still trying to get our relationship with CTBA in balance."

Voices for Illinois Children has successfully established itself as a real player in Illinois state policy. While keeping the long view in mind, it works on what is possible today. Voices continually invests in building a movement for children by serving as a valuable resource for state officials, linking up with other organizations, and reaching out directly to parents as individuals and in their communities. By strengthening its "outside game," Voices automatically strengthens its ability to be an effective resource for the "inside game" as well.