



Assessment of the State Fiscal Analysis Initiative

**Case Study for:
Massachusetts Budget and Policy Center
Boston, MA**



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

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case study

*This case study of the Massachusetts Budget and Policy Center 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.¹*

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

had within varied local fiscal policy environments.²

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 Massachusetts' 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.

¹ At OMG, contact Robin Lafty at robin@omgcenter.org or 215-732-2200. Or contact the Ford Foundation at www.fordfound.org.

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

Massachusetts Budget and Policy Center Boston, MA

WHEN MASSACHUSETTS GOVERNOR CELLUCCI PUT A QUESTION on the ballot in the Spring of 2000 asking voters if they would support a tax package that included a \$1.2 billion income tax cut, Jim St. George from the Massachusetts Budget and Policy Center and others around the state who paid attention to the budget knew the tax cut was a bad idea. Although they could demonstrate how this cut would benefit only the wealthiest in the state while leading to service cuts for low- and middle-income people, even the most compelling argument against the cut would likely prove ineffective. The reality was that it is very hard to get people to reject a tax cut. That was especially true in 2000 when it seemed that economic growth would continue for years. So it was not surprising that voters, by a pretty wide margin, supported the bill. But how did a coalition of about six groups get the Legislature to ultimately freeze implementation of the final stage of the tax cut included in the tax package? And how was this coalition able to achieve this over the course of just one year, when a promised gubernatorial veto would require a two-thirds vote in both the House and Senate? The story of this course change reveals much about how the Massachusetts Budget and Policy Center, a small research and policy analysis group based in Boston, operates and how IT has been able to advocate successfully for tax fairness on behalf of low-income communities in Massachusetts.

By mid 2001, it became increasingly clear that the economy was slowing and the “good ol’ days” of large budget surpluses were likely coming to an end. Realizing this, Jim St. George, the Massachusetts Budget and Policy Center’s Executive Director, sat down with colleagues from two grassroots organizing groups, Neighbor-to-Neighbor and the Coalition Against Poverty, to brainstorm possible solutions to Massachusetts’ impending fiscal problems and how they might work together to address them. While they knew Massachusetts was headed into a deep budget deficit, neither they nor anyone else around realized the magnitude of troubles soon to face the state. High on St. George’s priority list was the desire to roll back a big tax loophole for investment income passed during the boom years of the 1990s and to freeze implementation of the income tax cut the Governor had passed the previous year. What would an effort like this take? Obviously, they would need good information to make a compelling argument. But more than this, they would need to reach a large number of people around the state who cared enough to campaign actively for a tax increase. This would take more than simply distributing fact sheets or newsletters on the issue, or just convincing legislators it was the right thing to do.

One thing St. George recognized was that his organization did not have the resources to take on this kind of organizing role. “We needed organizers that could rally enough support to put the tax issue on the legislative agenda. This meant grassroots organizers capable of performing a statewide campaign and experienced in working with low-income neighborhoods,” he explains. The solution, an approach they had had success with

MBPC at a Glance

Year started: 1987

Current budget: \$285,000 (2002)

Main sources of support: The Ford Foundation and The Charles Stewart Mott Foundation, Massachusetts Teachers Association

Total staff: 4 (2002)

Main areas of focus: Tax and budget policy, income, wages, poverty, education, state corporate tax expenditures

Recent products: The State of Working Massachusetts 2002: As Good As It Gets?; Local Aid: Restored; Public School Funding in Massachusetts; “Better Budgeting” or an Unnecessary Straitjacket, Restoring Federal Changes to the Massachusetts Estate Tax, and How Deep Must They Cut

in the past, was to form a partnership with groups that had the manpower, community relationships, and organizing experience to lead the effort. He knew that Neighbor-to-Neighbor, the Coalition Against Poverty, along with groups like Massachusetts Senior Action and ACORN, were the right partners to work with.

Once the coalition came together and landed on what it wanted to accomplish with the wider public, it began to strategize about how it might effectively get inside the state house and deliver the campaign’s message to policy makers. St. George was concerned that it would be inappropriate for the Center to fulfill this role. “We obviously discuss our ideas with legislators and provide them with our research, but we avoid lobbying,” says St. George. “We can explain what the right thing to do is, but it takes others with greater clout to persuade officials to act.” Given this limitation, the coalition instead enlisted the help of three powerful advocacy groups, the AFL-CIO, the Massachusetts Teachers Association, and the Massachusetts Municipal Association. “These groups were three of the heaviest hitters on our side of the policy debate, particularly on these broad issues of spending and taxes,” says St. George.

With both the public education and advocacy roles filled, MBPC was able to concentrate on what it did best, doing the research and analysis needed and then interpreting the information in a way others could easily understand. “We needed more than just research; we had to develop the context-specific message,” explains St. George. MBPC went about this by packaging the campaign’s proposal to the legislature and essentially shaping the campaign’s overall message. Its staff worked closely with those involved in outreach by explaining aspects of the budget to them and by assembling quick and clear responses to the questions they received from the community about taxes. When their opponents went on the attack, St. George and MBPC staff were responsible for justifying the coalition’s position and making sense of the data. With all the necessary elements in place, the coalition forged ahead with their message.

The success of any campaign can often be attributed to one or two pivotal events. For the coalition, this key event happened in 2002. The Speaker of the House came to accept that the state was headed for a fiscal train wreck and that tax increases were likely going to be necessary. However, the coalition was

“Beyond just research, what we had to do was context-specific message development.”

*-Jim St. George
Executive Director
MBPC*

concerned that the Speaker was mainly focused on only regressive tax solutions. “This [shift in his thinking] provided the opening through which the coalition could make a difference,” says St. George.

The Speaker decided to convene three special committees to look at the budget – one for Medicaid, another for local aid, and a third for revenue enhancement. To begin engaging the public in a discussion about possible revenue solutions and gauge the public’s attitude about possible tax increases, the Committee on Revenue Enhancement scheduled three public hearings. One was to be in Boston and two were to be elsewhere in the state. The coalition learned about these hearings only shortly before the first was to take place. There was little time to get organized for the first hearing, but the coalition knew it was important to get several people there. “Although the turnout for the first hearing was small – maybe 30 people – most of the people in the room were advocating for raising taxes. Needless to say, this surprised the committee members,” recounts St. George. “At the second hearing, the members of the commission realized that people were actually organized around this issue. And by the third hearing we’d hit a grand slam homerun. The turnout was so large that they had to move it the largest room in the state house. And again the majority of the people that came were testifying in favor of raising taxes, especially the capital gains tax.” This overwhelming presence and voice of people in favor of a progressive tax increase at the hearings was essential to shifting the dynamics of the debate. From then on, in meetings with the Speaker’s chief of staff the language began to change from “if we increase the capital gains tax” to “let’s just assume a capital gains tax increase”.

The final package that became law exceeded the coalition’s expectations. Not only did it include the exact capital gains provisions the coalition proposed, the Senate added measures that made it an even stronger bill. At the start of the campaign, the coalition had hoped their efforts would yield about \$750 million in tax increases, but surprisingly the legislature ultimately passed a \$1.2 billion tax increase! Although this successful outcome can be attributed to several factors coming together, the coalition’s organizing efforts and its careful articulation of the issues played a significant role in shaping the nature and size of the tax package that was ultimately enacted.

This story is just one example of how the Massachusetts Budget and Policy Center is able to make its own focused research and policy analysis work available to others in a way that informs and ultimately influences fiscal and budget policies in Massachusetts. It also helps to demonstrate how MBPC has

been able to gain status around the state as an influential voice for reform.

The Policy Context and MBPC’s Origins

The Massachusetts Budget and Policy Center’s journey to becoming an influential part of Massachusetts’ policy environment has not been without its challenges. In the early 1990s Massachusetts was slowly recovering from its worst recession since the Great Depression. Unemployment rates, which were as high as 9% during much of 1991 and 1992, had dropped to about 6% and revenues were beginning to rebound. Unfortunately, the economic realities for low-income residents did not reflect this improvement. Nearly half a billion dollars in tax cuts, mainly benefiting the wealthy and large corporations, were enacted. These led to a reduction in almost every program serving the poor. In addition, a new national agenda advocating for smaller government in the early 1990s meant that states were finding themselves increasingly responsible for funding and delivering services that were previously federal responsibilities. However, Massachusetts’ insufficient revenue streams made fulfilling these new obligations unrealistic, and many human services suffered.

As Massachusetts’ economy began to recover in the mid-1990s, policy makers still resisted returning funding for services to low- and middle-income families to the levels they were prior to the recession of the late 1980s. Many around the state resented the perception that Massachusetts taxpayers endured a greater tax burden than those in other states and few were open to the idea of additional taxes. Aware of this sentiment, Governor William Weld campaigned in 1990 to trim back the public sector expanded by his predecessor, Michael Dukakis. In office, Weld made aggressive cuts to the Massachusetts budget. His top priorities were to cut taxes and streamline state government, privatizing wherever possible. Weld felt that tax breaks, not tax increases, were the only effective means of promoting economic growth. “At the time, people responded to Dukakis’ spending by saying we have to do everything we can to avoid repeating his approach,” explains St. George. So, in contrast with the governors of other deficit-plagued northeastern states, Weld did not pump up taxes in response to the recession but instead reduced personal income tax rates and virtually eliminated the state’s capital gains tax. He even repealed a sales-tax-broadening measure signed by Dukakis in his final days.

Massachusetts is well known for having a longstanding liberal political tradition. Although there are urban-rural differences, the state is mostly urbanized. There are several well-organized interest groups that effectively participate in fiscal politics, including strong representation for business entities, health

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Executive Director*

providers, and public educators. Massachusetts also has an initiative-and-referendum process, which allows ordinary citizens and organized interest groups to put proposed bills on the ballot and engage the public in deciding their outcome.

It was within this political climate that TEAM, an advocacy organization focused on tax equity issues, established the Tax Equity Alliance for Massachusetts Education Fund (TEAM Ed Fund) in 1987. TEAM Ed was formed as a research and education organization to counter the actions of Citizens for Limited Taxation, an organization that had won passage of major tax-cutting measures which resulted in the reduction of services to historically underrepresented groups – low-income families, children, elders, and people with disabilities. TEAM and TEAM Ed worked in collaboration with two other organizations: the Massachusetts Law Reform Institute, a legal service organization; and the Massachusetts Human Services Coalition, an organization consisting of over 130 human service provider, consumer and advocacy groups. Prior to SFAI, these four organizations had worked closely together, usually to combat threatening policy proposals. TEAM Ed conducted research and analysis on an "as needed" basis on issues the other three organizations felt required a response.

This reactive way of working made it difficult for the coalition and TEAM Ed in particular to anticipate, conduct research, and educate their constituents and the broader public about prospective policy issues. TEAM Ed recognized the limitations of their structure and during the planning year of SFAI decided to form a working group with membership from the collaborating organizations that would look at its organization and relationship with its parent organization, TEAM. TEAM Ed eventually proposed the creation of a separate entity called the Commonwealth Center for Tax and Budget Policy (later changed to the Commonwealth Center for Fiscal Policy). This Center became the analytic arm of TEAM Ed and took on responsibility for carrying out SFAI in Massachusetts. The TEAM Ed Fund also decided to separate itself from TEAM to ensure that the Center's research was viewed as credible and fair. Finally, in 2001 various local funders shifted their support from TEAM to the TEAM Ed Fund, and in 2002 the TEAM Ed Fund changed its name to the Massachusetts Budget and Policy Center.

Today, MBPC conducts research on many issues affecting low-income and vulnerable populations – such as minimum wage, poverty, health care, education and tax policy. Through its work with SFAI, the Center has been able to find a distinctive niche in a state where there is no legislative research bureau and few nonprofits that do budget and tax policy analysis – and none

that advocate for tax fairness on behalf of lower-income communities. The Massachusetts Taxpayers Foundation (MTF) is the only other nonprofit research organization in the state that conducts tax and budget policy analysis on a statewide level; however, MTF is a business-backed organization that does not pay particular attention to the impacts of these policies on lower and moderate income people.

The Massachusetts Budget and Policy Center's Approach

MBPC believes that a tax system should be: 1) built on a rational foundation reflective of the state's economy; 2) designed to ensure that stable and adequate revenue is raised; and 3) based on ability to pay. They also believe that the public is willing to pay for services – including the needs of the poor – only if the revenues are raised fairly. When the staff, along with its supporters and allies learned about SFAI, they were very enthusiastic about what this opportunity would mean for their policy analysis work. They felt the best way to use the SFAI planning grant would be to first document the human and economic impact of providing services to low- and moderate-income residents. They then began to analyze the structural soundness and equity of the state tax system, and started to consider how best to disseminate the information to a wider and more diverse group of opinion leaders and policy makers.

The Center settled on a primary role of producing and disseminating research on a number of controversial special interest tax breaks. It seeks to refute the belief that tax cuts and breaks for businesses are more beneficial than adequately funding human services. Initially the Center decided to use the SFAI grant to achieve three main objectives by the end of 1994. These were to: 1) establish an advisory network, relying on the abundance of academics and business leaders in the Greater Boston area; 2) conduct research and produce reports on tax and budget issues with a focus on tax equity and low-income services; and 3) create a rapid response network among service providers and legal service offices to help them determine how programs and program cuts are implemented at the local level, thus building an accurate picture of how line item changes actually manifest themselves on the ground. They also intended to create an information distribution system reaching their newly created advisory network and an expanded list of opinion leaders. They decided to expand their tax and budget training sessions to include labor unions, human services organizations, community groups, and elected officials.

During its first two years the Center focused more on federal fiscal issues than they had originally anticipated. Their work concentrated on the balanced budget amendment and proposed federal spending cuts. Consequently they did not focus as much on

MBPC's Mission and Focus

MBPC provides independent research and analysis of state budget and tax policies, as well as economic issues, that affect low- and moderate-income people in Massachusetts.

state fiscal issues. This was not necessarily a bad thing, especially in the Center's early days. It allowed them to have a lower profile on some of the more controversial state fiscal issues while they were still gaining credibility with policy makers. Starting in late 1996, in response to the decreasing threat of major federal spending cuts, the Center turned more of its attention toward state fiscal issues.

Organizational Structure, Staffing and Funding

The Massachusetts Budget and Policy Center is an independent nonprofit with a staff that currently numbers four. Three of the four have deep policy analysis backgrounds. Its twelve-member board includes representation from unions, advocacy groups, academia and the public sector. MBPC's funding comes primarily from foundations; it also receives some union support, notably from the Massachusetts Teachers Association.

At the time of its original SFAI proposal, TEAM and the Ed Fund combined had five full-time and three part-time staff members. However, TEAM went through a change in leadership in 1996 that led to significant changes in its staff size, structure and organizational focus. Jim Braude served as TEAM Ed's Executive Director at the start of the SFAI initiative. Braude, a lawyer by training, was most interested in the advocacy aspects of the Center's work. Although the Center did conduct analysis, much of its focus under Braude emphasized this advocacy role. Some even perceived its activities to be bordering on lobbying. Because of this, some did not see the organization as an independent source of information. "Jim preferred to rouse folks up and he was effective at it. But SFAI is not about lobbying or strict advocacy. The analysis has to be the focus. It has to speak for itself," explains St. George. Ultimately, Braude's more confrontational approach to making change seemed to not fully match the goals and purpose of the organization (and of SFAI), so Braude decided to step down from the TEAM Ed leadership role.

After Jim Braude left the ED position, Jim St. George took over. St. George's perspective and point of view were very compatible with TEAM and with SFAI. He brought with him a strong fiscal and economic policy analysis background and significant experience testifying on state fiscal issues before Congress and state legislatures. St. George had spent three years conducting research and authoring studies while at the Center on Budget and Policy Priorities in Washington D.C., where he was the Assistant Director of the State Fiscal Project and where he had helped to establish the SFAI network.³ He

³ St. George has since returned to CBPP and a new Executive Director, Noah Berger, has been hired to replace him.

MBPC's Funding

Most of the Center's funding comes from foundations, particularly the Ford Foundation and the Charles Stewart Mott Foundation. It also receives support from the Massachusetts Teachers Association.

also served as the Director of the New York State Legislative Tax Study Commission in Albany just before joining TEAM.

As TEAM's new executive director, St. George faced several challenges and opportunities at the beginning of his directorship. For one, St. George was not from Boston. On the one hand, this meant that he did not have relationships and connections in place that would facilitate his transition into Massachusetts' political environment. But on the other hand, he entered the state policy environment with a clean slate. Given that St. George was also faced with the challenge of repairing TEAM's then strained relationships with members of the legislature and other key groups, a clean slate gave him and the organization a fresh start.

Another challenge St. George faced was to refocus the organization while managing staff anxiety about the changes he was making. "Initially, I purposefully did not try to restructure the staff. In hindsight, this may have been a mistake," explains St. George. Despite the fact that his background and experience indicated that he was a great fit for the organization, staff at TEAM had some difficulty adjusting to his leadership and several of them decided to leave. Eventually St. George realized he would have to restructure.

From his years working at CBPP, St. George came to believe deeply in the power of credible, timely and accessible analysis. But to do this required focus and getting this focus meant that the organization would have to change its structure. St. George decided that he would replace the organization's original staff structure consisting of a director, policy analyst, and community organizer with a structure consisting of a director, two policy analysts and an office manager/ outreach coordinator. This seemingly small change in staff was magnified by the emphasis put on research and analytic capacity in the analyst's positions; the original analyst was trained as a journalist whose primary role was in crafting a message. Today, the analysts are trained in quantitative analysis and policy work. Beyond that, the change is the result of a big change in thinking. Instead of trying to take on community outreach and education work directly, the Center decided to partner with other organizations in the community that did this work, allowing it to focus limited staff and resources exclusively on research and policy analysis. "We needed to separate out the community outreach and direct advocacy activities from our analytical work. The trick was to drop it from our organization while still having the ability to draw upon these activities when we saw them as important to effecting policy change," says St. George. MBPC formed a partnership with Neighbor-to-Neighbor, a statewide a social justice organization that uses grassroots organizing, leadership development, voter registration and education, electoral campaigns, and legislative lobbying to build the political influence and power of low-income and working class communities in Massachusetts. "Now we focus on defining ideas, context and concepts, and not on mobilizing people. Our partner organizations take this on."

With these staff changes and new focus in place, the Massachusetts Budget and Policy Center has set out to deliver products that demonstrate its growing sophistication and capacity to conduct credible analysis. The new staff brought strengths to

MBPC's Staff in 2002

Jim St. George, Executive Director. Before serving as the executive director of MBPC, St. George worked on state fiscal and economic policy in Washington D.C. for several years. He authored several studies on state fiscal issues for the Center on Budget and Policy Priorities and published articles in the *Brookings Review*, the *Legal Services Clearinghouse Review* and *State Tax Notes*. St. George also served as the Director of the New York State Legislative Tax Study Commission. St. George recently published *The State of Working Massachusetts 2002: As Good As It Gets*, a study of the economic insecurity that plagues working families in Massachusetts; and *Public School Funding in Massachusetts*, an analysis of how Massachusetts' public schools compare to schools in other states.

Sarah Nolan, Policy Analyst. Works primarily on state budget issues, monitoring the ongoing budget process, analyzing trends in state spending and other state fiscal issues. Nolan is also responsible for writing the *Budget Monitor*, a monthly publication that offers an overview of the on-going state budget process and analyses of relevant spending issues. Nolan joined MBPC in 1998. Prior to that, Nolan served as the Legislative Director to Massachusetts State Senator Warren Tolman.

Jeff McLynch, Policy Analyst. Prior to joining MBPC in 2002, McLynch was a staff member on the Democratic Staff of the U.S. House of Representatives Committee on Ways and Means. There he advised Democratic Members of Congress and their staff on Social Security. Reports include *Measuring Up: Taxes and Spending in Massachusetts*, a report on tax and spending levels in Massachusetts as compared to other states and *Aiming for the Top*, an analysis of the distribution of tax cuts in Massachusetts.

Sarah Osten, Office Manager/Outreach Coordinator. Joined MBPC in 2002. Osten is responsible for managing all office operations and publication production and dissemination.

the organization that allowed them to pursue an agenda richer in policy research and the Center began to create lengthier budget and tax policy analyses than it had done previously. The Center continues to explore ways to build its capacity to deliver quality analysis. Staff expansion plans under consideration in 2002 included the addition of a communications officer and policy analysts with expertise in specific issue areas such as education policy.

MBPC's Main Products

The one characteristic that stands out during a visit to the Massachusetts Budget and Policy Center is the ease with which staff communicates the organization's work. It is easy to understand how an organization with such an open and approachable style can produce publications that explain complex issues in an accessible way. The publications that MBPC produces include in-depth reports in issues, budget monitors, fact sheets, press releases and editorials. These products and the activities that the Center undertakes demonstrate its growing sophistication and capacity to conduct analysis and increasing influence in Massachusetts' fiscal policy debate.

Policy Research and Analysis

Research and analysis is not just something MBPC does, it is who they are. Each member of the staff has a rich background in policy analysis. They all understand that the ability to offer credible, quick, and easily understandable analysis is the niche MBPC fills. This shows in just about everything it does – par-

ticipating in a coalition, orchestrating a policy reform campaign, writing a publication or press releases, or testifying in front of the legislatures. It has built a reputation for delivering the goods whenever legislators, community organizations, or the media call with a policy question. "It is not uncommon for us to get a question from a legislator that we have to turn around and answer either immediately or by the end of the day," says Sarah Nolan, a policy analyst at MBPC.

Policy Development

The Massachusetts Budget and Policy Center is no longer an organization that only jumps into action when a threatening policy is being proposed. It works proactively, anticipating policy issues and developing proposals that address the needs of vulnerable populations in Massachusetts and offer reasonable solutions given Massachusetts' tax and budget realities. "In every campaign we initiate and with every policy we propose, we're not just trying to articulate good policy, but good policy that can survive. That is the goal," explains St. George.

The MBPC Website

The MBPC website, located at www.massbudget.org, is the backbone of their information distribution strategy. Just about everything the organization produces, including their reports, fact sheets, press releases and budget monitors, can be downloaded from their site. The site also provides links to local, state and national organizations that conduct research and analysis, advocacy and grassroots organizing. Looking to the future, MBPC hopes to devote even more energy and resources to the expansion of the site as a vehicle for sharing its work within and beyond Massachusetts.

Building Coalitions and Leveraging Relationships

In order to have impact in a political environment as complex as in Massachusetts, MBPC has relied heavily in recent years on coalitions with organizations that help it broaden its reach. And it has invested heavily in building a network of relationships through which it conveys the results of its policy work and through which it exerts influence on fiscal and budget thinking, debate and ultimately decisions.

Influencing Change through Coalitions and Campaigns

This coalition-building approach, powerfully evident in the

TEAM's Publications and Products

Reports/Studies: In-depth analysis of specific issues affecting Massachusetts budget and tax policy. Reports are available on a variety of issues including income, wages, poverty, state corporate tax expenditures, and tax and budget issues.

Budget Monitors: Timely analysis of spending issues in Massachusetts.

Fact Sheets: Quick references, guides, and overviews to vital Massachusetts budget and policy matters.

Press Releases: Bulletins giving reporters up-to-date information on TEAM's activities and publications.

story earlier of its successful strategy to raise the capital gains tax, has been an important component of the organization's success, allowing its staff of four to have the results of an organization far greater in size. MBPC has employed a similar approach in its support for coalitions and campaigns advocating for increases in the minimum wage, as well as the creation and expansion of the earned income tax credit.

It currently provides support for the Working Family Agenda, a coalition started in 1997 of about 25 progressive organizations and 47 state legislators. The Working Family Agenda submits a collection of bills during each legislative session that address the question: "What does a working family need to make it economically in Massachusetts?" Their agenda has touched on a wide range of issues including jobs and job training, childcare, health care, education, tax fairness, and affordable housing. "The point of the Working Family Agenda is to try to focus attention on the real needs of working and low-income families while remaining pragmatic enough to realize real gains at the end of each legislative session," Harris Gruman, Director, Massachusetts Neighbor-to-Neighbor.

Organizations that have participated in the Working Family Agenda campaigns include statewide activist organizations such as ACORN, locally based groups such as the Coalition Against Poverty, and labor-based organizations such as the Massachusetts AFL-CIO and the Massachusetts Teachers Association. The coalition also receives a fair amount of legislative interest in its campaign. Over 30 legislators have cosponsored at least one Working Family Agenda bill proposed by the coalition. "Every member of the Working Family Agenda makes use of MBPC's research," says Gruman.

Building and Preserving Key Relationships

The more confrontational style of the Center's previous executive director left the organization with some relationship rebuilding work to do when St. George took over. Although repairing these relationships has not always been easy, the organization has been able over the past few years to establish itself as a valuable or even the main source of fiscal and budget information and the impacts budget and tax changes on lower-income and working class households.

Elected Officials. Massachusetts does not have a legislative research bureau, allowing groups like MBPC or the business-

Neighbor-to-Neighbor Massachusetts

A grassroots organization established in 1992, Neighbor-to-Neighbor works to change statewide policies for the benefit of working families in Massachusetts. Neighbor-to-Neighbor focuses on developing the leadership and organizing skills of low-income, working class people and mobilizing a broad coalition of allies in order to build the power to win elections, influence public policy, and hold legislators accountable to the needs of low-income communities. The Working Family Agenda is the cornerstone of Neighbor-to-Neighbor's program.

"At the end of the day you can't dispute that MBPC's analysis is solid. Progressive and conservative legislatures alike find their analysis to be credible. Where conservative legislators differ is in its prescription for the problem."

- Representative Jim Marzilli

backed Massachusetts Taxpayers Foundation the opportunity to have even greater access to legislators and their staff than they would have had one existed. MBPC has built a particularly strong relationship with the Progressive Legislative Group (PLG), a group of about 50 legislators that often align with each other on fiscal and social policy issues. "TEAM has briefed the PLG several times over the past year and a half. Their research helps us flesh out issues, understand options, refine our ideas and get them out so we can raise them in caucus," explains Rep. Jim Marzilli. Both the PLG and MBPC obviously benefit from this relationship. MBPC has a better understanding of what legislators are working on and a venue for sharing its analysis and ideas while the PLG has access to smart, capable analysts willing to provide them with technical assistance in researching issues they care about.

Although MBPC's relationship with other legislators is not as strong as with those who participate in the PLG, the organization has made itself accessible to all in the fiscal policy debate. "Jim's [St. George] voice is not a partisan voice. It's been a voice that can reach across the aisle and engage opponents," describes Representative Jim Marzilli. "And at the end of the day you can't dispute that their analysis is solid. Legislators across the political spectrum find MBPC's analysis to be credible. Where they tend to differ is around MBPC's proposals for addressing policy problems," says Marzilli.

Grassroots Organizers. MBPC's decision to shift its organizational focus away from direct community education and advocacy and to concentrate more on policy analysis meant strengthening its ties to others able to take on the organizing and advocacy role. "The decision to drop organizing from what we do was not because I discount the value of community outreach and education. It's key to our work. This decision simply recognized that there are others that do it much better than we could. This was about working smarter with the resources we had. Neighbor-to-Neighbor was around, was doing this work, shared our positions, and so it just made sense to partner with them," explains St. George. In addition to its partnership with Neighbor-to-Neighbor, MBPC has also worked with ACORN, the Coalition Against Poverty and Massachusetts Senior Action. MBPC is also reaching out more to organizations it believes can help position the Center and broaden its reach. It now has a budding relationship with the Many Voices/One Message Coalition, a newly established group interested in advocating on behalf of communities of color. And, says MBPC's Sarah Nolan, "I'm excited about a new relationship that we are forming with the Women's Education and Industrial Union. This and other new partnerships we're developing is giving us access to more

"MBPC is able to turn complicated issues into useful, straightforward arguments that grassroots folks can use."

-Harris Gruman, Neighbor-to-Neighbor

resources and giving others greater access to our analysis."

Labor Unions. MBPC has also been able to form strong working relationships with the Massachusetts Teachers Association and the state AFL-CIO, both of whom are very involved in Massachusetts politics, along with smaller unions including SEIU, AFSCME, and the Massachusetts Federation of Teachers. A key reason why MBPC has been so successful at building these relationships is because of its executive director's background. "I used to work with a labor union, so I understand and believe in the labor movement. The unions remain key players in Massachusetts' politics. They have a lot of influence. So, of course I wanted to find ways to work with them," says St. George. Both the AFL-CIO and the teachers union have made use of MBPC's analysis and both have thrown their support behind key proposals and policy campaigns initiated by MBPC.

Media. Getting media coverage has not been an easy endeavor for MBPC. "The media doesn't necessarily have an appetite for fiscal research. And when they do, they've relied on Massachusetts Taxpayers Foundation, which has been around a lot longer," explains Sarah Nolan. "Many see MTF as the default spin rather than the spin that business interests would prefer. MBPC is seen as representing the alternative view," she adds. Another issue that MBPC has had to overcome is a difficult history with some key members of the media. Although changing the media's perspective of the Center has been a challenge, MBPC has made progress. The Boston Globe has begun printing op-ed pieces by the Center in its Sunday edition.

Accomplishments

MBPC has come a long way toward establishing itself as a credible source of analysis for legislators, advocacy organizations and other research and policy analysis groups. Its efforts in support of policies that take the needs and issues of vulnerable populations into account has helped add balance to the tax and budget policy debate in Massachusetts and more and more groups around the state look to it for help and information. But what difference has it made in Massachusetts and how have its accomplishments benefited the lives of low-income families?

The "Massachusetts Needs a Raise" Campaign

In 1997, MBPC (then called TEAM Ed) led a campaign involving Neighbor-to-Neighbor, ACORN, and the Massachusetts AFL-CIO to increase the minimum wage and the earned income tax credit in Massachusetts. Their work resulted in a minimum wage increase from \$5.25 to \$6.75 an hour and a change to the earned income tax credit from 10 percent of the federal EITC to 15 percent of the federal EITC. Together these changes are esti-

mated to put some \$3,200 dollars in the pockets of lower-income working families.

This effort was one of the first times that MBPC focused on policy work while working collaboratively with grassroots education and advocacy organizations on a policy campaign. Its success using this approach helped set the stage for how it has chosen to tackle issues and organize campaigns since then.

The "Tax Capital Gains Same As Wages" Victory

When MBPC decided in 2001 to make the argument for rolling back a capital gains tax break that had been passed in 1994, it once again worked with a coalition that brought together grassroots organizers and powerful advocacy organizations. MBPC's analysis refuted the argument that capital gains tax breaks stimulate economic growth. "Bottom line, the data showed that a capital gains tax break does not lead to increased investments and it's the wealthiest in the state that benefit from such a measure. We also showed that the tax break passed in 1994 was not only ineffective at promoting growth, it was unconstitutional as well," describes St. George. This analysis, coupled with the effective organizing and lobbying efforts of other coalition members, played a big part in the legislature's decision in 2002 to pass the capital gains tax increase that was expected to yield \$275 million annually in new revenue for Massachusetts.

Increasing Transparency of the Budget

Less dramatic perhaps than the above accomplishments has been the effort MBPC has devoted over the years toward increasing the transparency of Massachusetts budget. Although change has been slow in coming, some progress has been made. "The budget now includes spending information from previous years," explains Sarah Nolan, and some legislators have become more sensitive to the issue in recent years.

Challenges and Issues for the Future

Looking to the future, three particular challenges loom large for MBPC in its effort to improve the state's fiscal and budgetary decision-making.

A Tough Environment for "Articulating Good Policy That Can Survive"

The State's recent fiscal history has added to the challenges MBPC faces in promoting socially responsible budgeting and tax fairness. Poor spending practices and tax policies of past administrations have left some scars. MBPC has also had to build relationships and increase its influence in a legislature where there is a need for continual reeducation of new legislators on issues it cares about. Furthermore, Massachusetts' initiative-and-referendum process has meant that no victory is completely secure. This knowledge that nothing is guaranteed has helped MBPC maintain a realistic attitude about its work. "Our challenge has been to articulate good policy that can survive. In the early 90s, TEAM was able to get legislation passed that required public disclosure of corporate tax breaks. But despite the fact that this won on the ballot, the legislature repealed it two years later before it started taking effect," says St. George.

Issues that that MBPC is currently working on include going beyond an income tax freeze enacted earlier to this year to actually raise the income tax rate, closing corporate income tax loopholes, and restoring funds for important human service programs cut over the last two years. “We need to make the difficult but accurate case that Massachusetts’ deficit will continue to grow despite an economic recovery, even assuming an economic recovery of 5% growth,” explains St. George. MBPC is also considering broadening the substantive areas it researches to include more analysis of family economics and the effects of budget decision on families.

Building Better Media Relations

Despite some recent gains, MBPC still has some way to go in improving relations with the media. This will take a substantial investment in time and energy. “As MBPC prepares to grows its staff over the next few years, one of the additions that we most need to make is someone who just works on press relations,” says St. George.

Securing Broader Funding Support

To add staff and expand MBPC’s programs will take more money, and there aren’t a lot of organizations that it can look to for funding support. Currently, the bulk of its funding comes from its involvement in SFAI; the rest comes mainly from the Massachusetts Teachers Association. Building a broader and more sustainable base for its work will require MBPC to cultivate additional funding sources that will allow it to continue to conduct independent analysis. Although difficult, MBPC is sure to tackle this challenge with the same creativity and determination it has used in tackling other roadblocks thrown in its path.