



Assessment of the State Fiscal Analysis Initiative

**Case Study for:
The Center for Public Policy Priorities
Austin, TX**



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

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case study

*This case study of The Center for Public Policy Priorities in Texas 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 Texas' 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.

The Center for Public Policy Priorities Austin, TX

TONI VAN BUREN IS THE PUBLIC POLICY DIRECTOR FOR THE United Way of San Antonio, and a strong partner of the Center for Public Policy Priorities (CPPP). She sits in between her board composed of Texas-style businessmen and the many social services agencies of San Antonio. During the summer of 1998, CPPP began releasing a series of policy pieces, which highlighted the issues concerning the number of kids in Texas without health insurance and the cost to the system of their treatment without insurance, and included proposals for a children's health insurance program and how to pay for the required federal match using tobacco settlement money. The analysis also covered the cost of health insurance in relation to average wages, and its most controversial recommendation was that those earning up to 200 percent of the poverty level be eligible for the program. When Van Buren presented her analysis of the issue to the executive committee of her board, she drew heavily on the factual research of CPPP. The group strongly rejected the conclusions, the most vociferous member calling the proposed insurance plan "socialized medicine"—but a seed had been planted.

This executive went back to his own firm, and asked his human resource person for facts about his own employees. He learned that 45 percent of them were not purchasing family coverage health insurance simply because the cost was too high. He learned that 80 percent of his employees earned 200 percent of the poverty level or less. He learned how frequently his own employees called in sick because their children were sick. In his own way, and in his immediate world, he was checking the facts that CPPP had marshaled and confirming their truth. In future board meetings, he detailed the conversion of his own heart and mind on the children's health insurance issue, and led the board's support for the initiative. He called his own business lobbyist, made sure the program, including eligibility up to 200 percent of poverty, was on his list, and encouraged other board members to do the same.

It was a microcosm of what was happening throughout the state. CPPP played a leadership role in an ever-growing coalition, presenting and speaking at local forums throughout the state, giving media interviews, and meeting with legislative committees both individually and together with coalition members. When the bill passed in the Spring of 1999, not only were all the social advocacy groups behind it, but also many business lobbyists were saying they wanted to see it pass, and with eligibility up to 200 percent of poverty.

The program that CPPP proposed had other innovative features as well, such as a short and simple application form, and no requirement for face-to-face meetings with caseworkers. The workability and cost-effectiveness of this approach paved the way in the next session for CPPP to contrast the program's ease and simplicity with the expensive complexity of determining Medicaid eligibility. CPPP became part of a team that proposed simplified forms and processes for Medicaid based on the suc-

CPPP at a Glance

Year started: 1985

Current budget: \$1.2 million (2002)

Main sources of support:
Foundations provide CPPP's primary funding

Total staff: 14 (2002)

Main areas of focus: State tax and budget, welfare reform, child care, workforce and economic development, health policy, food and nutrition, child well-being, and program access, administration, and delivery.

Recent products: Medicaid and State Budgets: A Case Study of Texas; Making It: What It Really Takes to Live in Texas; Texas Budget and Tax Primer; Local Workforce Development Boards and Young Fathers; Poverty 101: A Texas Overview.

cessful children's health insurance program. After passing the legislature, the new system took effect January 2002.

CPPP's Origins and Policy Context

CPPP was founded in 1985 as the Austin office of the Benedictine Resource Center. CPPP's initial focus was access to health care for low-income Texans. In 1991, Dianne Stewart came to CPPP and began an 11-year stay as executive director. Her previous job in Washington, D.C., had exposed her to the Center on Budget and Policy Priorities (CBPP), and she had been greatly impressed by the outsized policy accomplishments of the then relatively small organization that produced high-quality, easy-to-understand research on fiscal and budget matters and their impacts on lower-income and working families. She came to CPPP with a vision of creating a state-level version of CBPP.

As a division of a larger organization, CPPP did not have its own board, and its sole funder was the health care conversion foundation controlled by the Benedictine sisters. Staff in this period consisted of Stewart and an intern, and the annual budget was about \$150,000. Patrick Bresette, who eventually became associate director, joined the organization later in 1991.

Stewart describes that first budget analysis of Texas's 1991 biennial budget as primitive, but by 1993 CPPP was ready for action. She notes that the lieutenant governor had begun limiting publicly available budget information two years earlier, so when a budget crisis developed in 1993, there was a vacuum of good information. Budget cuts were on the table that would take a significant bite out of human services for low-income families. CPPP prepared an analysis of the proposed cuts that was provided to members of the legislature, to the media, and to members of a statewide People First! coalition that CPPP participated in. The purpose of the coalition was to prevent a divide-and-conquer strategy from pitting different parts of the human services community against each other. In part because the lieutenant governor had shut off information, "people were thirsting for it," says Stewart. "The media was hungry for it." Thousands of people had information, and the service providers had the same information as the members of the legislature.

CPPP's Mission and Focus

The Center is a nonpartisan, nonprofit policy research organization seeking sound solutions to the challenges faced by low- and moderate-income Texans.

The Center is committed to improving public policies and private practices that influence the economic and social conditions and prospects of individuals, families, and communities.

The Center pursues this goal through independent research, analysis, policy development, advocacy, public education, technical assistance, and building collaborative partnerships.

An important part of the analysis was to show the impact of the proposed cuts by legislative district. This allowed people to frame the conversation in terms of the impact on a particular member's district, making it a bread and butter issue. At one point, the chairman of the House Appropriations Committee called Stewart and told her, "You get these people to stop calling." Finally, at a conference of 200 social welfare advocates, the lieutenant governor, who had been invited to speak but declined, called to say he wanted to address the group. He came and announced that the budget committee would not be making the cuts.

Joining the SFAI Network

It was also in 1993 that CPPP was invited to apply for a planning grant for the State Fiscal Analysis Initiative (SFAI). "It was tailor-made for us," says Stewart. CPPP found tremendous value in the planning process, and was greatly helped by consultant David Olson, a Ford Foundation-funded consultant hired to assist all initial SFAI sites. The advisory group formed to assist in that planning later became the core of the CPPP board when the organization became independent. The process focused and matured the organization, and helped its staff think through fundamental issues such as how they would create standing for CPPP, and what networks they needed to join or form. CPPP planned to use SFAI to deepen its budget work, and to begin working the tax side of the Texas fiscal environment.

The first two hires using SFAI funds, Anne Dunkelberg and Dick Lavine, are still with CPPP. With Dunkelberg's extensive knowledge of health and human services and Lavine's expertise in school finance, CPPP suddenly had the capacity to understand and analyze the two largest parts of the budget, both areas of primary concern to low-income families. In addition, Lavine's tax background formed the basis for CPPP's entry into tax policy.

The organization already had established a reputation for budget analysis, but had some questions on how to begin addressing tax policy. It decided to begin as it had done with the spending side, by offering an analysis of the impact of proposed legislation on Texas families. Lavine's first testimony on a tax issue concerned a decision on whether to continue a tax break for the gas drilling industry. The industry claimed the break had a huge positive economic development impact. Lavine's analysis

showed that the per capita benefit they claimed was due to the break was impossible, since it was larger than the actual median income of the people supposedly benefiting. "The legislators loved it," says Stewart. "They wanted to hear the other side, as did the media." Industry lobbyists were much less enthusiastic.

The Policy Context

The task of influencing policy in Texas is shaped by a number of contextual factors. Perhaps most salient are those relating directly to politics. Texas is a conservative state. As a legislative staffer told us, "Even the middle is pretty conservative." Like other southern states, the Democratic party includes a great many quite conservative members. The legislature is regularly in session for only five months every two years, which has many impacts. "We have part-time, citizen legislators," says Dunkelberg. Low pay for legislators combined with an attractive retirement package leads to a fair amount of turnover. There is also little depth in the legislative staff, especially in the House, where each legislative session ushers in a new crop of young aides.

According to CPPP staff, much of the political process is behind the scenes, where three or four leaders make the key decisions. Information provided by state agencies is passed through a political filter before being released. Legislative research committees face political limits on how much truth they can tell. There's much they can't or don't say. Fiscal notes, supposedly independent estimates of the cost of a bill, are often the result of political negotiation. As a result, even committee members sometimes need help getting accurate information about the bills on which they must vote.

Add to this the fact that Texas is a huge state. It's expensive to bring people together, which makes it hard to stay connected. Recent demographic information shows that the state's population is aging and becoming more Latino. Social conditions are far below the national average, as are state expenditures to address them. CPPP staff love to use state rankings in their materials because "Texas is always 49th or 50th, whatever the measure," as one told us.

At one time, Texas contained many corporations that had grown up there, and were led by executives with Texas roots and had a civic commitment to Texas as a place. Today, as in many states, mergers, takeovers, and globalization have resulted in fewer and fewer such corporations. Texas just isn't that important to corporations operating in many parts of the world. As a result, the corporate sector provides limited civic leadership on issues important to CPPP, while its successful lobbying efforts on the tax side exacerbate the structural deficit.

Because of limited philanthropic resources, Texas has a rather underdeveloped nonprofit sector for its size. As a result, CPPP has been unable to focus solely on analysis, but has had to take on significant coalition building and advocacy roles. Just recently, however, the Children's Defense Fund reopened an office in Texas, and a new coalition of progressive organizations – ProTex –emerged, offering CPPP a new opportunity to join forces with other organizations known for their skill in political advocacy.

CPPP's Approach

As a mature organization, CPPP has well-developed, deeply held, and institutionalized ideas about how it can be most effective. The principles on which CBPP operates and those that are stressed within SFAI have served as the foundation for CPPP's approach to improving the lives of low-income families in Texas. These principles have been deepened and extended, but there has been no dramatic shift or change in direction since the organization began shaping its approach in 1991.

CPPP's way of working begins with the organization's mission, summed up by Dunkelberg as, "Improving the circumstances of low-income Texans." CPPP does not do analysis for its own sake, or merely to improve the quality of civic debate, but to make a difference for an underserved and underrepresented constituency. Mission influences both what the organization works on and how it does its work.

The second core principle articulated by CPPP is expertise in discrete areas of the budget. "Most advocates shy away from state budget policy," says Stewart. "But at the national level CBPP had a huge impact by focusing on budget issues, by having expertise in discrete areas, and by talking about fiscal implementation of those areas in an informed, reliable way." CPPP explicitly modeled itself on CBPP, even taking field trips there before SFAI was launched to learn everything from how it did analysis to the tone of its communications. "We want to know the numbers first," says Bresette. That discipline is what led CPPP to be the first in Texas to identify and quantify the availability of surplus TANF funds in 1997, which earned it public credit from legislative leaders and a seat at the table where decisions about how the funds would be allocated were made.

From the beginning, CPPP's modeling of itself on CBPP meant that there would not be budget experts on one side of the organization and policy area specialists on the other. "It is part of every person's work to have real knowledge of the budget in their area," says Bresette. "All our policy work is grounded in budget and tax realities."

Principles Borrowed from SFAI

The guiding principles that have been reinforced within SFAI are now deeply embedded within CPPP. The principles work because, although they have been taken 100 percent from CBPP and SFAI, CPPP staff have made them 100 percent their own. In that way, CPPP staff have given themselves permission to deepen and elaborate the principles in their own way. Staff trace five core operating principles back to the SFAI program.

Timely. "Timely means staying ahead of the political curve," says Communications Director Chris Pieper. "People trust that we are watching: 'The Center will cover it.' And we really are mounting stuff on the website on a daily basis." While the legislature is in session, "timely" means performing and distributing analyses in real time so as to be relevant to the legislative process. In between sessions, it means understanding fundamentals like the structural deficit and the root causes of poverty. This allows staff to make educated guesses about issues likely to emerge, decide what policies CPPP would ideally like to see

implemented, and be ready to move quickly if the opportunity presents itself.

Accessible. Accessibility has two dimensions. First, it means responsiveness. According to Pieper, responsiveness to legislators' requests for information is everyone's first responsibility. A legislative staffer described a typical CPPP response to a data request, "I haven't looked at it, but I'll get it to you by five." Responsiveness also means being responsive to communities. "We'll drive 300 miles to give a 40-minute speech," says Pieper. The other side of accessibility pertains to how the analysis is communicated. For example, the paltry size of the state's rainy day fund became understandable when CPPP calculated the fund balance would keep the government running until 11 a.m. on the first day of the fiscal year.

Credible. "People have to believe your numbers," says Bresette. That means no distortion, no deception, and never telling just part of the story. According to legislative staffers, CPPP also gains credibility inside the capitol because it is the only group with no financial stake or vested interest in any program or state dollars. "When it comes from the Center, you trust it," said one. Credibility also comes from consistency across issue areas. A legislative staffer told us, "Often groups get crossways with different issues. CPPP is consistent across all their policy areas. They reconcile things internally. I'm impressed by that." CPPP also works hard to make credibility an institutional characteristic rather than one tied to individuals. A legislative staffer said, "They must do a good job of training. Even the new people are respected. It's gone beyond a personal level."

Building relationships. CPPP works hard to build and maintain strong working relationships with legislators and their staff on both sides of the aisle, and agency staff at all levels. According to Stewart, it begins with basic assumptions about human motivation. "We come to people with the presumption of good will," she says. "We presume all people are good people who want to do the right thing." Bresette adds a number of principles that guide behavior. "We always praise what's good in a bill, we don't just complain about what's bad," he says. "We never criticize a bill or policy proposal without offering an alternative. People in that environment are all looking for a solution, a compromise. We show up with practical, fact-based ideas. We don't blast legislators at press conferences. We tell legislators ahead of time if we are going to offer evidence that does not support their legislation." Another principle is to criticize policy, not people. Pieper gives an example: "Cuts in eligibility determination workers had led to poor customer service. The agencies were taking the heat for the decisions of the last legislature. While we were very concerned about clients being treated poorly, we sent a clear message that the root of the problem was lack of resources. Many advocates didn't understand why we weren't simply beating up on the agencies."

Changing the terms of the debate.

According to Lavine, "The most rewarding part of this work is when you hear your own words coming back to you, and the person on the podium doesn't know they came from you." To illustrate Texas's flawed tax structure, for example, Lavine introduced the metaphor of a three-legged stool, where sales, proper-

ty, and income taxes are each a leg. Texas, lacking an income tax, is a fundamentally unstable two-legged stool. Today, any number of people in the legislature, media, and advocacy community are talking about three-legged stools. Now that the debate has been framed in these terms, the goal of the tax fairness coalition that has been created around Lavine's work is to create an income tax in Texas in the next decade. Another example is tax regressivity. It was an issue no one cared about when Lavine introduced it, but is now a well-accepted principle. There is now an official, biennial State Comptroller's study of tax incidence, a major focus of which is to detail the regressivity of Texas taxes. Today, no one talks about changing taxes in Texas without addressing the impact on regressivity.

In addition to the principles they borrowed from SFAI, CPPP found significant value in being part of the SFAI network. "In the beginning of SFAI, we jumpstarted our credibility by using whatever resources were available," says Stewart. "Reports from CBPP, Citizens for Tax Justice, the Center for Law and Social Policy—we used them all." That has continued over time and been supplemented by the value of contact with SFAI peer organizations. For example, Dick Lavine mentioned that the Minnesota tax incidence law was a helpful model in getting the Texas incidence law passed.

Other "Homegrown" Principles

While CPPP staff are quick to acknowledge their debt to SFAI, they also talk about important principles they have come to rely on that are not so readily traced back to SFAI. A key principle is the balance needed between insider and outsider status and roles. "We walk a fine line between insider and outside," says Stewart. "We want to be inside enough to have influence on the policy process, but we have to remain outside enough to avoid being co-opted." When CPPP was invited to sit at the table in 1997 to discuss how the TANF surplus would be spent, some legislators were outraged when CPPP criticized part of the resulting decision. "We were very clear about what we supported and what we did not," Bresette explains. "But some members treated it like we had broken the rules." Bresette notes that on some issues, it's more important to work outside, while others are best worked inside. "Inside what's important is standing and arcane expertise, being the 'go to' people. Outside, it's more about accessibility. Translating it for people around the state," he says. Budget and Policy Analyst Eva de Luna Castro notes, "You have to have worked inside to know what information the agencies and legislators have that they're not volunteering." It has been helpful to CPPP to have a number of staff with state agency and legislative experience.

CPPP also has had to strike a balance between providing education and outreach to advocates and maintaining a degree of neutrality. "We consciously develop relationships with a lot of people who use our work, so others can speak out," says Bresette. "Success on difficult issues wouldn't happen without hundreds of phone calls. A challenge is to create the understanding of why they have to care about budget and tax issues." But things have changed a bit since 1993, when CPPP played a central role in organizing the People First! coalition to fight budget cuts. According to Stewart, "We've made an explicit decision not to be as directly engaged in working with the advocates. It takes a

lot of resources, and it changes your appearance, and how the analysis is viewed. We still do some, but we're more cautious. We want to support that capacity outside the Center. We want to provide the data, the information, the message. While the Center does take positions on issues, using a less confrontational political strategy is part of the balancing act.

If balance is an important principle, momentum may be even more vital. CPPP staff articulate a path to change along which each success makes the next one easier. The path to change begins with general descriptive analysis. This factual analysis must be presented in ways that change the terms of the debate. Done well, this results in changed hearts and minds among the public, media, and legislature. Only then is the system open to the kinds of proposals for structural change that improve the lives of low-income Texans. The kinds of proposals that are especially valuable are those that make the future work of the Center easier. Strategies include identifying policies that incorporate automatic features that continue to yield benefits in the future, or that institutionalize an improvement in practice, or that establish a principle that can be adhered to in future work. An example would be the routine addition of sunset clauses to all legislation creating tax breaks. As Lavine says, "The goal is systemic change. But you can't accomplish that unless you do the work that first helps to change the terms of the debate. You want to reframe the issue, and you do that by reflecting back reality. Then when it comes to policy proposals, I try to think of ways that change the structure of things so lots of good benefits will follow. I try to focus on changes today that make tomorrow's changes easier or automatic."

As CPPP has established itself as the preeminent source of budget and tax policy information and has created an audience for its work, its very success has led the organization to reduce the breadth of its work. "We were broader at first," says Stewart. "Over time, we've become more specific and deep in particular areas. At the same time, our standards have gone up. We wouldn't be satisfied now with what we used to do." Of necessity, certain areas of the budget don't get the same scrutiny as others. And while it emphasizes the quality of its work, CPPP doesn't hold an inflated view of it. Stewart notes, "Budget analysis is arcane, but it's not rocket science. What's important is trudging through it, knowing who to call for answers, and finding ways to make it meaningful and understandable."

Underlying all of CPPP's work is a pragmatism about getting results. And that underlying pragmatism can become explicit as well. "We are pragmatic not ideological," says Stewart. "We offer reality-based solutions, grounded in an understanding of the policy and funding context." Bresette adds, "We are realistic on costs, and recognize that there are always tradeoffs. We'll be back again with fresh analysis when the next opportunity opens."

Organizational Structure, Staff, and Funding

Although it began as part of a larger organization, since 1999 CPPP has been an independent, nonpartisan 501(c)(3) nonprofit. It is governed by a board of 16 who share a commitment to the

Center's mission, but are drawn from a variety of backgrounds, including community activists, former state officials, academics, and colleague organizations from around the state.

At the beginning of SFAI, CPPP was already a designated KIDS COUNT grantee and had a staff of four and a budget of \$250,000. SFAI funds enabled the organization to hire two budget and tax policy experts. The next jump in size occurred in 1998, with the addition of several new policy areas and a communications director. Currently, 14 people work at CPPP, and the annual budget is \$1.2 million.

Eight of the organization's staff work directly on things core to SFAI. CPPP's staff engaged in fiscal and budget work are profiled in the box at right. The organization is rounded out by administrative and development staff, and by other program staff involved in KIDS COUNT and the Texas Fragile Families Initiative.

Choosing the right people has been an important part of CPPP's success. The organization's desire to be expert in a number of policy areas has led them to hire people with strong technical expertise. For example, when CPPP's Senior Fiscal Analyst Dick Lavine was being considered for the position, Stewart asked her SFAI advisory committee which of the two finalists they thought would be best. Bill Allaway, head of a business-financed tax organization, said of Lavine, "He's the one that would worry me." That helped seal the offer for Lavine.

CPPP's wish to work effectively with those directly involved in making policy has led them to hire people with deep connections to state government. And their philosophy of assuming legislators across the political spectrum want to do the right thing has led them to hire people who hold this belief. In fact, Bresette says this is the most important factor.

Many of the policy staff have long tenures with the Center. In fact the first major staff transition in years occurred in 2002 with the departure of their longtime director, Dianne Stewart. After stewarding the development and expansion of the Center's considerable presence in state policymaking, she has decided to pursue other interests. In September 2002, the CPPP Board of Directors named Judge F. Scott McCown as the new executive director. McCown brings two decades of experience in public service to CPPP, including extensive work on children's issues and school finance.

Activities and Products

The organization's work breaks down into a number of areas:

CPPP's Funding

CPPP is primarily funded by foundations. The Center's remaining funding comes from subscriptions, publication sales, and an increasing number of individual donors and charitable organizations that wish to support its work.

CPPP's SFAI-Related Staff in 2002

F. Scott McCown, Executive Director. Joined the Center in September 2002. McCown has been involved in public policy for over twenty years. Before coming to the Center, he was a state district judge for fourteen years. He presided over some of the state's most difficult cases, including the public school finance cases. McCown is an expert in child welfare, having presided over a child-abuse docket for a decade and having served as a juvenile judge and on the Travis County Juvenile Board. He earned a Bachelor of Science, cum laude, in 1976 from Texas Christian University, and a Doctor of Jurisprudence, with Honors, in 1979 from the University of Texas School of Law.

Patrick Bresette, Associate Director. Joined CPPP in 1991 and has grown with it. Bresette worked as a legislative aide for a Texas State Representative after finishing a master's degree at the LBJ School of Public Affairs at the University of Texas at Austin. In addition to supervising the policy and research staff and helping with general management, he serves as the Center's welfare policy expert.

Anne Dunkelberg, Senior Policy Analyst. Came to CPPP at the beginning of SFAI from the Texas Medicaid Director's Office. Prior to that, Dunkelberg spent six years at the Texas Research League tracking state health and human service policy and spending. She holds an MPA from the LBJ School of Public Affairs at the University of Texas at Austin. Dunkelberg spearheads the Center's policy work relating to health care and human services, and the impact of welfare reform on immigrants.

Dick Lavine, Senior Fiscal Analyst. Joined CPPP at the beginning of SFAI. Lavine came to the Center from the House Research Organization of the Texas House of Representatives, where over the course of ten years he analyzed policy in a wide variety of areas and became a recognized expert in school finance. Lavine holds a law degree from the University of Pennsylvania. He leads the Center's tax and revenue policy area.

Eva de Luna Castro, Budget and Policy Analyst. Came to CPPP in 1998 from the research division of the State Comptroller. Castro holds an MPA from the LBJ School of Public Affairs at the University of Texas at Austin. In addition to taking the lead on policy related to economic development, she handles child protective services, foster care, and the overall budget issues that don't fall into particular policy specialties.

Celia Hagert, Nutrition Policy Analyst. Came to the Center in 1998 from the Texas Department of Human Services. Hagert holds a masters degree in Latin American Studies from the University of Texas at Austin. She is also an expert on Food Stamps and other federal nutrition programs.

Jason Sabo, Workforce and Economic Development Policy Analyst. Recently joined the Center. Sabo has been a teacher, and administered dropout prevention and literacy projects. He holds a masters degree in history from Indiana University.

Chris Pieper, Communications Director. Pieper has worked in journalism and holds a graduate degree in journalism from the University of Texas at Austin. He is responsible for the website, publications, and media relations.

Research and analysis. Research and analysis is the foundation of CPPP's credibility and role in the policy process. This work includes everything from a quick investigation of the facts in relation to a question raised by a legislator to an in-depth investigation of an issue affecting low-income families, and how its impacts are felt by different communities in Texas. An example would be the recent study, TANF and Immigrants in Texas: Lessons for Reauthorization, intended to help shape debate about how immigrants will be treated in welfare reauthorization discussions.

"It is part of every person's work to have real knowledge of the budget in their area. All our policy work is grounded in budget and tax realities."

- Patrick Bresette
Associate Director

Policy development. Using the results of its research and analysis, CPPP is well positioned to generate innovative and practical policy proposals for improving state policy and programs, such as making suggestions about the benefits of adding sunset provisions to corporate tax breaks, or simplifying Medicaid eligibility forms and procedures. In addition, staff expertise and credibility within the legislature provide multiple opportunities to suggest small but important improvements in the law, such as one that resulted in changing a program's fixed dollar amount of benefits to an allocation tied to the federal poverty level.

Providing technical support to legislators. CPPP staff work hard to support the work of Texas legislators, spending much time providing technical assistance to legislators and their staffers—helping them to understand the likely effects of a bill on voters in their districts, and on their other policy priorities. "We have part-time, citizen legislators," says Dunkelberg. "And we help educate them, for example, on the realities of health insurance: what it costs, how that matches up with income, and how it affects family economic security." As a result of this investment, CPPP is respected on both sides of the aisle. The same kind of support is offered to agency staff, an investment that sometimes leads to administrative improvements in programs that don't require new laws.

Testimony. CPPP staff are regularly invited to testify at legislative and state agency hearings. In fact, this occurs frequently, which is very unusual in Texas. Such invitations are particularly likely to happen during the very early hearings on an issue, when the legislature is trying to gather facts and scope out an issue, or in other words, at the point when the terms of the debate are being framed. CPPP staff recently testified concerning immigrant access to public benefits and the proposed budget requested by the Texas Workforce Commission.

Coalition building. CPPP invests in developing audiences for its work and for policy issues important to low-income people. It has been instrumental in forming broad-based coalitions in areas including hunger, child care, tax reform, and welfare reform. Such coalitions have been important in broadening participation in policy debate and creating a more unified voice on issues affecting low-income Texans.

Education. CPPP staff routinely visit communities throughout the state to meet with groups or give presentations where they can share the results of their work in an understandable way, while staying connected to the broad constituency they serve. Welfare reauthorization has been the subject of a series of such meetings around the state, where CPPP staff bring briefing

information, and in turn learn directly about the issues of concern to low-income Texans.

Media relations. CPPP staff are quoted in the media hundreds of times every year, and provide background and contacts for hundreds of other stories as well. Dick Lavine credits a high point in the media spotlight to then-Governor George Bush: "As governor, he thought he needed a tax cut to run for president," says Lavine. "The newspapers needed to write balanced stories, and I was the only one on the other side. Suddenly media all over the state wanted to hear what I had to say about the structure of the Texas tax system. We could never have put our perspective on tax issues out so effectively without him."

Website. CPPP's website and e-mail are the major ways it distributes information. The website receives 200,000 hits per month, 7,000 of which represent unique visitors. Tracking capabilities built into the site show that state agencies are among the biggest website customers. The e-mail distribution list includes 4,000 people across the state, many of whom further distribute CPPP's materials to their own lists.

Building Coalitions and Leveraging Key Relationships

Relationships are vital to accomplishing the work, and CPPP invests a lot of effort in building and maintaining quality relationships. CPPP's most important relationships can be categorized into three groups: government officials, media representatives, and coalition members.

Government officials. CPPP staff have strong relationships of respect with legislators and staffers on both sides of the aisle, as well as with executive branch officials. These relationships depend on CPPP's willingness to respond to queries and provide technical advice on matters of interest to individual legislators. A legislative staffer told us, "Patrick has great rapport with lawmakers that represent very different points of view. He works hard to find solutions and compromises that will appeal to the greatest number. This earns broad respect for the Center's work." Relationships with agency staff are just as important. As Pieper told us, "Many state agency people care a lot about the same issues we care about. They will sometimes pick up the phone and say, 'You need to keep an eye on this.'" According to Pieper, trust is key in these situations. "After some years," he says, "many state agencies have come to realize we are an ally and can often say things they can't."

Media representatives. A capitol reporter describes CPPP as one of his three or four best sources. He called CPPP his second day on the job, after his editor told him how valuable the Center would be to him. CPPP staff know how to work effectively with the media. De Luna told of a call with a reporter where she detailed an anticipated budget shortfall. After half an hour of details on the shortfall, he asked, "So, how serious is it?" She answered, "It's time to look for loose change in the sofa cushions," which was highlighted in large type in the next day's paper, and prompted calls from several other media outlets that suddenly found the story newsworthy. One of those asked her, "Is this a crisis or not?" "How do you define crisis?" she asked.

“State employees laid off by the thousands, and people going without services,” he answered. “Well, both of those things have been happening for three years,” she noted.

Coalition members. CPPP has developed partnerships with many organizations. Toni Van Buren of the United Way has been working with the Center for the last twelve years. “I love them,” she says of CPPP. “They do great work and are incredibly professional. I call them all the time. Their analysis of the budget is awesome. Their Family Security Index will be the centerpiece of my public policy agenda.” But the relationship is a two-way street. Van Buren adds, “I never feel preached to. It’s always a partnership. And sometimes we help them. If they need a face and a story to personalize an issue, we can help. For example, we connected them with a family in San Antonio that had enrolled in CHIP.” Sandy Anderson, director of the Texas Association of Child Care Resource and Referral Agencies, also values her relationship with CPPP. Anderson is co-chairing the Coalition for Child Care in Texas with Jason Sabo of CPPP. “Jason’s group can be far more assertive,” she notes. “We can’t cross over that line because we receive state funds. We use each other’s strengths and connections.” Although the coalition is fairly new, “CPPP has always been a partner,” she says, and adds, “I expect that their work will be in the forefront of my policy generation.”

Accomplishments

Over the years, CPPP has compiled an impressive set of accomplishments. Given their mission to make life better for low-income Texans, it is not surprising that many of these are legislative victories that have yielded direct payoffs for Texans on the lower end of the income scale. At the same time, CPPP has been focused on structural issues that will make future changes automatic, or at least make them easier.

Direct Economic Benefits for Low-Income Families

In this first category of accomplishments, CPPP staff point with pride to the following victories that have helped to better the lives of thousands of lower income families throughout the state.

Stopping cuts to human services in 1993. Through leadership of the People First! coalition, proposed cuts in human services were prevented from taking place.

Allocation of the TANF surplus in 1997. CPPP staff were the first to understand that there would be a \$400 million surplus of TANF money, and they created a complete, 15-page proposal on how to use that money. The House Appropriations Chair gave them credit publicly for identifying the opportunity and put them on the internal subcommittee working on how the money would be spent. CPPP staff were the only non-legislative staff there. Not even the governor, let alone other groups, had a proposal on how to use the money. CPPP did not get everything it proposed. However, it felt good to be invited so deeply inside the process and to have proposed innovative policies relating to employee retention and advancement, local innovation grants, and a “self-sufficiency” training fund that were included in the final proposal.

Children’s Health Insurance in 1999. Although made possible by an enabling federal law, the S-CHIP program would not exist as it does now in Texas if CPPP staff had not determined to make it an issue, and educated both legislators and people throughout the state about it. In addition, Dunkelberg is particularly proud of the simple enrollment form they helped design and the fact that families can enroll without a face-to-face meeting with a caseworker. Coverage for children of legal immigrants also passed as part of the program, which was not originally on anyone’s agenda. It was CPPP’s analysis and proposal that ultimately led the legislature to provide coverage for a group with little political power.

Medicaid simplification. CPPP treated the new children’s health insurance program as if it had established the principle of simplification, and set its sights on showing how Medicaid could be simplified in the next session. To make its case in an understandable way, CPPP contrasted families earning \$17,500 and \$18,500 annually, highlighting the vastly different processes they had to go through to get health insurance. In this way, it generated support among the public and policymakers for simplifying the Medicaid procedure. Subsequently, CPPP offered concrete proposals to the legislature, which it passed. These took effect January 2002.

Child Hunger Identification Project. CPPP released the findings of its Texas Childhood Hunger Identification Project in 1995, detailing the results of a major statewide survey conducted by the Center that documented the extent and nature of childhood hunger in Texas. At the same time, CPPP lent its support to the Texas Anti-Hunger Network, a statewide coalition that helped to ensure the enactment of numerous improvements to state and federal food programs. CPPP built on this work in 1999 and 2001 by offering proposals to streamline access to the food stamp program, some of which became law.

Structural Changes with Potential Longer-Term Benefits for Low-Income Families

CPPP has also achieved structural changes that often have less immediate cash value, but may be more important in the long term. Those noted by staff include the following:

Tax incidence. Largely as a result of CPPP’s analysis and arguments, every tax bill in Texas now must have a tax incidence note, detailing how the bill would affect the way tax burdens in Texas fall. Also, the comptroller must prepare a tax incidence study every two years detailing how the state tax burden falls on different groups. According to Lavine, “The tax incidence stuff I did in 1997 was my best work. Through the SFAI network I learned about the concept. I got to see an example of how they did it in Minnesota. Then we began to draft a proposal showing how it could work in Texas. The comptroller’s data has since been an important source of evidence in subsequent tax policy analysis and advocacy work.

Sunset provisions in tax law. While sunset provisions were common in certain areas of Texas law, CPPP was the first to prepare research showing that sunset was a fundamental principle of good government that ought to be applied to tax law. This principle helps ensure that various tax breaks created for busi-

ness do not automatically become permanent revenue losses for the state. Although there is no constitutional requirement for them, tax bills in Texas now routinely contain sunset clauses. The continuance of tax breaks thus requires explicit votes by the legislature on a regular basis.

Pegging cash assistance to the poverty level. The level of cash assistance under TANF had been written into law as a fixed dollar amount, hadn't been raised in 15 years, and had experienced the worst loss of buying power in the country. One year, when there was a small amount of extra TANF money, some legislators asked CPPP for ideas. Rather than simply raising the amount, Bresette suggested tying the TANF benefit to the federal poverty level and calculated that the money available would permit an amount pegged at 17 percent of poverty. It was a tiny increase over the previous level, but in a small way it was system change, because it changed a fixed amount into one that will rise automatically with inflation in the future. Staff offered this not as a major accomplishment, but as a good example of the multitude of tiny changes they are able to achieve because of their standing with the legislature.

Establishing equity as a principle. Lavine notes that when a pay raise for teachers was being negotiated, he had to work against legislative leadership to ensure that school funding equity was protected as part of the pay raise formula. Later, when a proposal for teacher's health insurance emerged, the same concern about the effect of the proposal on equity was automatically raised by others.

Unified economic development budget. The unified economic development budget is a report that pulls together items from across all areas of the budget and tax code to highlight how much money the state devotes overall to economic development. CPPP got the idea from an SFAI workshop on the topic, and provided the analysis that was helpful in getting new legislation passed that required this type of unified report to be prepared. When the agency assigned the task said it couldn't be done, De Luna provide the technical help needed to show how the analysis could be done using codes already in the agency's computerized budget system. The report makes it easier for citizens to assess the scale and value of the state's economic development efforts.

Challenges and Issues

The success CPPP has achieved is impressive, but even more so is the attitude of the staff toward the barriers they have overcome along the way. When many would have considered the closed, insider politics of Texas a serious obstacle, CPPP staff found ways to become something of insiders themselves. When the large size of Texas made it difficult to bring people together, CPPP invested heavily in website technology to help bridge long distances. Instead of complaining about how conservative most Texas politicians are, staff worked to find out what was important to individual legislators, and figure out where there might be some common ground.

Given the pervasiveness of their can-do, problem-solving attitude CPPP staff prefer to think of challenges not as obstacles but as uncertainties about the future.

Confronting editorial policies that sometimes limit CPPP's visibility. Editors criticize reporters if they always use the same sources. Because CPPP is such an important and unique source, and there are few other "think tanks" in Texas, it suffers from this practice. This means that often, the Center can provide only background, so that it does not appear too regularly in the stories. Staff expressed a frustration with this practice but quickly noted that there are times when it is in fact better politically that their material is used by reporters without a direct quote.

Preparing for new competition. The recently created Texas Public Policy Foundation is expected to aggressively push a policy agenda not likely to benefit lower-income people. It's too early to say how the new organization will affect CPPP, or how CPPP should respond. CPPP's initial thinking is to simply keep doing what it has been doing while monitoring the work of this new organization and responding directly if necessary.

Bracing for an expected shift to the right. As a result of redistricting based on the 2000 Census, CPPP expects that the political climate will become less supportive of policies and budget decisions benefiting lower-income Texans. While CPPP's principles and methods of working with legislators of every political persuasion will not change, CPPP may find itself spending more time presenting information and analysis that defend against policy proposals that are not in the interest of the constituencies it is trying to serve.

Adjusting to a more partisan legislature. Because the differences between the political parties in Texas have tended not to be very dramatic, politics have not been as partisan as in other states. For example, it has not been unusual to have legislative committee chairs drawn from both parties. CPPP believes that this distinctive characteristic of Texas politics may be changing. A few high-profile, highly ideological groups have recently become active in state politics, and rhetoric has become more polarizing as a result. CPPP anticipates having to work harder to maintain its nonpartisan profile while seeking out working relationships with emerging political leaders.

Getting ready for another budget crunch. The structural deficit combined with a downturn in the economy makes it predictable that a major budget crunch is on the way. Because the health and human services that are so important to low-income families make up a large portion of the state budget, they are routinely targeted to be cut in such situations. CPPP has already begun to undertake the analytic work needed to help defend against such cuts, and is hard at work with the tax coalition on identifying more permanent revenue-based solutions.

By hiring the right people, and sticking to a set of sound principles, CPPP has succeeded in establishing itself as an indispensable part of the policy process in Texas. With the assistance of resources and ideas from SFAI, CPPP has already left its mark

on the laws and administrative practices of Texas as they affect low-income families. In addition, they have built relationships and achieved structural changes that leave them well positioned to take on these and other challenges and to achieve even more in the years ahead.