CENTER FOR POLICY ALTERNATIVES

1875 Connecticut Avenue NW, Suite 710
Washington, DC 20009
202-387-6030
202-387-8529 Fax
info@cfpa.org
www.stateaction.org

CENTER FOR POLICY ALTERNATIVES

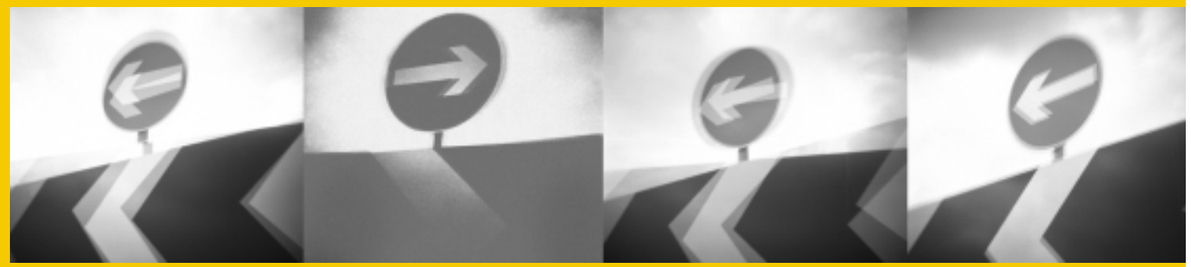
Pointing the Way

in the fifty states

2003 ANNUAL REPORT

Table of Contents

1 Letter from the Executive Director
2 Role of CPA
4 Leadership Development
6 State Action Network
8 Policy & Communications
10 Financial Information
12 Contributors & Board of Directors



The Center for Policy Alternatives (CPA) is the nation's only nonpartisan nonprofit organization working to strengthen the capacity of state legislators to lead and achieve progressive change. Founded in 1975, CPA is a 501(c)(3) nonprofit, supported by foundations, unions, corporations and individuals.

Center for Policy Alternatives
1875 Connecticut Avenue NW, Suite 710
Washington, DC 20009
(202) 387-6030
FAX: (202) 387-8529
info@cfpa.org
www.stateaction.org

Letter from the Executive Director

June 2004

Dear Friends, Partners and Supporters:

I'm delighted to report that 2003 was an excellent year for progressive policy in the states, and the Center for Policy Alternatives (CPA) played an important role in making the year such a success.

State legislators proposed and passed some of the nation's most far-reaching, proactive measures. In fact, we are proud to report that, of the major proactive progressive laws enacted in the states during 2003, more than half resemble solutions featured in CPA's *Progressive Agenda*.

CPA enjoys its policy success largely because one of every six legislators in America takes part in our State Action network. Within the past three years, one of every twelve legislators in America has attended a CPA event or introduced a CPA model bill.

The State Action network, in turn, is invigorated by CPA's prestigious leadership development programs. Over the past ten years, hundreds of state legislators have graduated from CPA's Flemming Institute.

While 2003 was a banner year for CPA programmatically, it was a very difficult year financially. Insufficient funding forced us to cut three staff members and tighten our budget. CPA responded to the challenge by focusing our mission and launching an initiative to become an organization that is representative of, governed by, and directed for state legislators. Already, we have made changes so that current and former state legislators now comprise a majority of our Board of Directors.

It is true that progressive legislators remain overburdened and under-resourced. The right wing continues to wield enormous influence in the States. But together, we are making real progress.

We sincerely thank all of CPA's supporters, allies and collaborators during 2003, and look forward to continued success in 2004 and beyond.

Sincerely,

Tim McFeeley
Executive Director

by strengthening state legislators

With the White House and Congress in the hands of conservatives, there are few opportunities to implement progressive policy ideas at the federal level.

Opportunities exist, however, in the states—where state legislators are leading the fight for progressive policy solutions.

State legislators are proposing the nation's most far-reaching, proactive measures. They are making legislatures a testing ground for the newest political debates. And they are winning progressive victories with cutting-edge policies—creating new healthcare programs, expanding anti-discrimination laws, strengthening the social safety net, developing new consumer protections, defending the environment, and most recently, reforming the tax system.

For progressives, the action is in the states. The federal policies of tomorrow are being enacted in the states today.

While legislators are now the vanguard of the progressive movement, they barely have the time or resources to do their jobs effectively. Forty-one states have part-time legislatures, and in 22 of those states, legislators have no paid staff. Nineteen legislatures meet less than 80 days a year, and six convene only every other year. These same legislatures annually consider 150,000 bills and enact 75 times more laws than the U.S. Congress.

Conservatives recognize the importance of focusing on state legislators. On the national level, business groups and right-wing ideological organizations fund the American Legislative Exchange Council (ALEC) to push their agendas across the states. CPA is the only counterpart to ALEC working directly with legislators in all fifty states to advance proactive, progressive policy solutions.

CPA empowers state legislators by simultaneously working at three levels: (1) providing values-based leadership development programs to make legislators into more effective advocates for progressive policy; (2) developing user-friendly policy summaries and model bills on a wide variety of issues, making it easy for legislators to introduce progressive legislation; and (3) building a strong, coordinated network of legislators across the states, enabling them to support one another as they take on the often-scary and sometimes-lonely job of leading the fight for progressive change.

Since CPA's mission is unique among national organizations, each of CPA's programs is also one-of-a-kind:

CPA's **Flemming Leadership Institute** provides the *only* values-based leadership development program for state legislators. Since the inception of the Flemming Institute in 1994, more than 340 state legislators from 50 states have graduated from CPA development programs.

CPA's ***Progressive Agenda*** is the *only* comprehensive handbook of progressive policy for state legislators. In addition, CPA's website, **www.stateaction.org**, is the *only* online source of easy-to-use state policy toolkits covering a wide range of issues—from corporate accountability to hate crime prevention, from smart growth to prison privatization.

CPA's **State Action Network** is the *largest* national network of progressive state legislators. One of every six legislators in America takes part in the CPA network. One of every twelve legislators in America has attended a CPA event or introduced a CPA model bill within the past three years. In 2003 alone, legislators in the CPA network enacted legislation based on CPA model bills in the areas of racial profiling; sentencing reform; non-discrimination in employment, housing and public accommodations; unemployment insurance; flexible sick leave; equal pay; domestic violence; emergency contraception; prescription drug pricing; and immigrant rights.

by providing leadership development

Divided government is the norm in most states, so progress comes only through consensus. CPA's leadership development programs show state leaders how to convert the policy process from a system that is overly partisan, combative and closed to one that is based on shared values, collaboration, and open procedures.

2003 marked the tenth year of the **Flemming Leadership Institute**, CPA's flagship leadership development program. Since its inception, over 340 state-elected officials from 50 states have graduated from the Institute's Fellowship program. Focusing on emerging leaders with less than six years of seniority, this unique program enables Flemming Fellows to assess their own values, recognize the values they hold in common with others, and understand how these shared values help build policy consensus.

The **Roosevelt Global Leadership Institute** helps senior-level legislators expand their knowledge and perspectives on global issues. In 2003, the Institute Fellowships focused on the environment and the impact of rapid industrial growth in China. Roosevelt Fellows culminated their annual program with a two-week study tour of Shanghai, Xiamen and Guangzhou in China's Eastern Coastal region where they had a unique opportunity to exchange ideas and concerns with representatives of Chinese civil society.

CPA provides the only values-based leadership development programs for state legislators. Since its inception, the Flemming Leadership Institute has become one of the most prestigious fellowship programs for elected officials, graduating more than 340 state legislators since 1994. When requested, CPA also offers tailored Regional and Statewide Leadership Development Programs to assist legislators to enhance leadership skills or expand their understanding of specific issues.

On request, CPA also offers short, tailored, values-based **Regional and Statewide Leadership Development Programs** to state legislators. In January 2003, the Flemming Institute conducted a one-day leadership development program for 30 members of the Montana Senate and House of Representatives. Similar programs are scheduled for 2004.

In June 2003, women leaders from 23 states gathered in Philadelphia for CPA's 6th **Women's Leadership Retreat**. The participants, both state legislators and advocates, shared strategies and resources, and worked to develop a progressive women's agenda for 2004.

CPA also convenes **Grassroots Leadership Retreats**, bringing together hundreds of advocates from state policy organizations to enhance their ability to succeed. Over 40 grassroots leaders participated in our 2003 retreat in Hendersonville, North Carolina.

by building a nationwide state action network

By connecting legislators from one state to another and linking them with innovative policy models, CPA builds the infrastructure needed to successfully promote progressive policy solutions. This unique network of state leaders is CPA's core asset and core constituency.

One of every six legislators in America takes part in the CPA State Action Network. One of every twelve legislators in America has attended a CPA event or introduced a CPA model bill within the past three years. In 2003 alone, legislators in the CPA network enacted legislation based on CPA model bills in the areas of racial profiling; sentencing reform; non-discrimination in employment, housing and public accommodations; unemployment insurance; flexible sick leave; equal pay; domestic violence; emergency contraception; prescription drug pricing; and immigrant rights.

Summit on the States

CPA's Summit on the States has become one of the largest gatherings of progressive state leaders in the country. In December, over 250 legislators and advocates from 44 states attended the Summit—a roll-up-your-sleeves working event with policy and skill-building panels. Prominent progressive leaders, including Congressman Elijah Cummings and former White House Communications Director Ann Lewis, were featured as plenary speakers. Topics covered in the 2003 Summit included: Health Care for All, Closing Corporate Loopholes, Marriage Equality for Same-Sex Couples, Smart Growth & Urban Development, Sentencing Reform, Reproductive Health, Voting Rights Restoration, Minimum Wage, Higher Education Opportunities for Immigrants, and Economic Supports for Survivors of Domestic Violence.

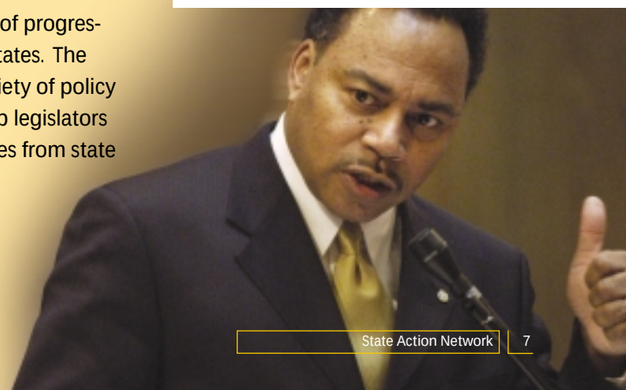
Working in Leadership Circles, legislators who work on similar issues are able to share information and tactics from state to state. In 2003, CPA planned Leadership Circles to support progressive action on workforce investments, reproductive health, and criminal justice reform.

STATE ISSUES FORUM

CPA also plays a key networking role in Washington, DC, as founder and chair of the State Issues Forum (SIF), an official arm of the National Conference of State Legislatures (NCSL). CPA convenes meetings and staffs the Forum, which brings together progressive advocacy groups, research organizations, and unions to coordinate intelligence gathering and policy campaigns across the states. It also makes CPA the only nonprofit organization that has a (non-voting) seat on the NCSL Executive Board, and the only nonprofit that sponsors panel discussions on the official agenda of NCSL's annual convention. In July 2003, those panel discussions were: *Promoting Women's Reproductive Health*, *States as Laboratories for Health Care Reform*, and *From Poverty to Self Sufficiency: Preserving Postsecondary Education for Low-Income Women*.

NETWORK BUILDING

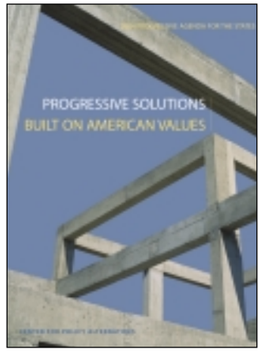
CPA's State Action network is the *largest* national network of progressive state legislators, linking together leaders from all 50 states. The annual Summit on the States conference offers a wide variety of policy and skill-building workshops. CPA's Leadership Circles help legislators who work on similar issues share information and strategies from state to state.



by empowering state leaders with policy tools

Working with its network of policymakers and partners in the states, CPA identifies and develops policy innovations on a wide range of issues. In collaboration with other national policy organizations, CPA creates high-quality, highly practical and accessible policy briefs, model legislation, best practices, messaging strategies, talking points, and resource lists.

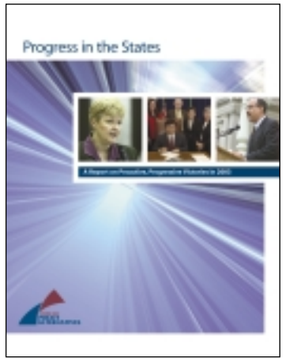
CPA's policy tools are disseminated through a variety of means:



The *Progressive Agenda* is CPA's annual compilation of policy toolkits, distributed to more than 3,000 legislators and leaders. Written in 2003 in collaboration with 20 national and state partner organizations, the *2004 Progressive Agenda* covers 50 topics and includes 60 model bills, laying out the most innovative progressive solutions being debated and enacted in the states. The response to the *Progressive Agenda* from the states has been simply overwhelming—legislators and activists have called it the single most useful tool they have ever received from a national organization.

CPA's website, www.stateaction.org, is the only online source of easy-to-use state policy toolkits covering a wide range of issues—from corporate accountability to hate crime prevention, from smart growth to prison privatization. And CPA doesn't shy away from controversial issues, addressing reproductive health, gun control, the death penalty, medical marijuana, and same-sex marriage. The website also features a searchable directory of more than 800 progressive organizations in the states, links to state legislative resource sites, and an archive of CPA newsletters and releases.

CPA's monthly electronic newsletter reaches more than 1,500 state legislators. It delivers the latest developments in progressive state policy, highlights practical policy tools from CPA and other organizations, and promotes CPA events and activities.



In July, CPA released a study, *Progress in the States: A Report on Proactive, Progressive Victories in 2003*. This study found that the progressive movement was alive and well in state legislatures, with states enacting over 150 major progressive measures on civil rights, criminal justice, health, environment, consumer protections, and employee wages and benefits. Significantly, over half of the new measures were similar to CPA-recommended legislation.

As a result of its more high-profile policy work, CPA was cited in dozens of news stories in 2003. Among others, CPA was quoted on National Public Radio, in the *New York Times*, *Los Angeles Times*, *Chicago Tribune*, *USA Today*, and *The Nation*. CPA was also cited in a book on the pharmaceutical industry called *The Big Fix*.

POLICY TOOLS

CPA provides user-friendly talking points, policy summaries, model bills, and resource lists designed specifically for state legislators. The *Progressive Agenda* is the only comprehensive handbook of progressive policy for legislators. CPA's website, www.stateaction.org, is the only online source of progressive policy tools covering a wide range of state issues. And CPA's monthly online newsletter reports the latest progressive victories in the states.

Financial Information

Stuart A. Stahler, Chartered
Certified Public Accountant
2613 Beechmont Lane, Silver Spring, MD 20906
(301) 460-6622 FAX (301) 460-6623

June 5, 2004

Board of Directors
Center for Policy Alternatives, Inc.
1875 Connecticut Avenue NW, #710
Washington, DC 20009

Members of the Board:

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Center for Policy Alternatives, Inc. as of December 31, 2003 and the related statements of activities, functional expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Policy Alternatives, Inc. as of December 31, 2003 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Stuart A. Stahler, Chartered
Certified Public Accountant

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2003

ASSETS

CURRENT ASSETS	
Bank Funds and Investments	$ 315,380
Petty Cash	189
Accounts Receivable	9,933
Unconditional Promises to Give	575,000
Prepaid Expenses	46,603
Total Current Assets	$947,105
PROPERTY AND EQUIPMENT	
Furniture and Equipment	$278,744
Leasehold Improvements	31,366
Total Property and Equipment	$ 310,110
Less: Accumulated Depreciation	(287,631)
Net Property and Equipment	$22,479
OTHER ASSETS	
Deposits	$26,426
Total Other Assets	$26,426
TOTAL ASSETS	$996,010

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$57,802
Accrued Vacation Payable	37,611
Deposits	8,709
Note Payable	6,354
Total Current Liabilities	$110,476
LONG TERM LIABILITIES	
Note Payable	$34,509
TOTAL LIABILITIES	$144,985

NET ASSETS

Unrestricted	($85,666)
Temporarily Restricted	936,691
TOTAL NET ASSETS	$851,025
TOTAL LIABILITIES AND NET ASSETS	$996,010

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2003

PUBLIC SUPPORT AND REVENUES	Unrestricted	Temporarily Restricted	Total
Grants and Contributions	$ 1,003,619	$ 657,500	$ 1,661,119
Publications and Newsletters	75	-0-	75
Miscellaneous	10,176	-0-	10,176
Special Events	119,390	-0-	119,390
Interest Income	1,998	-0-	1,998
Change in Investments	11,523	-0-	11,523
Other Income	-0-	-0-	-0-
Net Assets Released from Restrictions			
Expiration of Time Restrictions	1,330,435	(1,330,435)	-0-
TOTAL PUBLIC SUPPORT AND REVENUES	$ 2,477,216	($ 672,935)	$ 1,804,281
EXPENDITURES			
PROGRAM AND SUPPORT SERVICES			
State Leadership Networks	$ 668,375	-0-	$ 668,375
Leadership Initiatives	879,394	-0-	879,394
Policy	477,828	-0-	477,828
Administration	62,165	-0-	62,165
Development	171,285	-0-	171,285
Communications	154,512	-0-	154,512
TOTAL PROGRAM AND SUPPORT SERVICES	$ 2,413,559	-0-	$ 2,413,559
CHANGES IN NET ASSETS	$ 63,657	($ 672,935)	($ 609,278)
NET ASSETS – JANUARY 1, 2003	($ 149,323)	$ 1,609,626	$ 1,460,303
NET ASSETS – DECEMBER 31, 2003	($ 85,666)	$ 936,691	$ 851,025

Contributors

CPA gratefully acknowledges the following supporters for their generous contributions during 2003.

$500,000 +

Ford Foundation
W.K. Kellogg Foundation

$100,000 +

ANONYMOUS
JEHT Foundation
Open Society Institute
Rockefeller Brothers Fund
Rockefeller Foundation

$50,000 +

Educational Foundation of America
Fannie Mae Foundation
Microsoft Corporation
David and Lucile Packard Foundation
Rockefeller Family Fund
Turner Foundation, Inc.

$10,000 +

American Federation of Labor—Congress of Industrial Organizations
Coca-Cola Corporation
Gill Foundation
Houston Endowment, Inc.
International Brotherhood of Teamsters
Robert Wood Johnson Foundation
Levi Strauss & Co.
National Education Association
Z. Smith Reynolds Foundation
SBC Foundation
Scherman Foundation, Inc.
Shared Earth Foundation
Tides Foundation

$5,000 +

America Online
Laura Chasin/ Rockefeller Philanthropy Advisors
Jesse Crawford/ Crawford Communications
Ellen Malcolm/ Windom Fund
Marnell Corrao Associates
MBNA America, NA
NAACP
Prudential Financial
Service Employees International Union

$1,000 +

American Federation of State, County and Municipal Employees
Alliant Energy
American Airlines
Janet Edwards Anti
California Teachers Association
Donna Callejon/ D-Squared Foundation
Representative Garnet Coleman
Communication Workers of America
Continental Airlines
Education Minnesota
Senator Rodney Ellis
Hampers Family Trust
Human Rights Campaign
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
Representative Phyllis Gutierrez Kenney
Alfie Kohn
Representative Marilyn Lee
Marsh Affinity Group Services
Midwest Express Airlines, Inc.
Stewart R. Mott Charitable Trust
NEA Member Benefits
Representative Nan Grogan Orrock
Racy Associates
Antonio Riley
SBC Communications, Inc.
Juan Sepulveda
VERITAS Software Foundation
Wells Fargo Bank Arizona
Wells Fargo Home Mortgage
Youth Empowered for Success

UP TO $1,000

Representative Sheryl Allen
Mark Blade
Representative Donna Boe
Representative Alice Borodkin
Josh Cazares
Maxine Champion
Representative Duane Cheney
Citizens' Commission on Civil Rights
Senator G. Spencer Coggs
Communications Plus
Connecticut Education Association
Copper State Consulting
Criminal Justice Reform Education Fund
Representative Mary Lou Dickerson
Stephen Doherty
Representative Chris Donovan
Representative Dawnna Dukes
Delegate Addie Eckhardt
Senator James Elliott
Representative Andrew Fleischmann
Representative Stephen Fontana
Stephenie Foster
Kim Gandy
Gregory Gray
Representative Julie Hamos
Hartford Distributors
Spencer Hathaway
Representative Kathy Hawken
Isaacson and Duffy, PC
Representative Wendy Jaquet
Tom Jones
Ed King
Senator Jeanne Kohl-Welles
Nancy Kruse and Partners
Mary Jo Larson
Representative Alexander Lipsey
Delegate Salima Siler Marriott
Stephen Martin
Massachusetts AFL-CIO
Tim McFeeley
Representative Denise Merrill
Minnesota Life Insurance Company
Representative Hermina Morita
National Coalition on Black Civic Participation
National Employment Law Project
National Organization for Women
National Senior Citizens Law Center
North Carolina AFL-CIO
Office and Professional Employees International Union
Representative Dora Olivo
Terry O'Neill
Representative Blake Oshiro
Donna Parson
Chellie Pingree
Pinnacle West PAC
Pride at Work
Progressive Majority
Robert Raben/ The Raben Group
Miles Rapoport
Realtors of Arizona PAC
Delba Riddick
Chris Rutledge
Representative Scott Saiki
Representative Shay Schual-Berke
Representative Frank Smizik
Jonathan Starr Foundation
Representative Roy Takumi
Ambassador Linda Tarr-Whelan
Representative Thomas Trail
Senator Sharon Treat
Richard Walsh
WAND Education Fund/ Women Legislators' Lobby
Washington Area Women's Foundation
Senator Royce West
White House Project
Representative Roberta Willis
Rip Wilson
Assemblyman John S. Wisniewski

Center for Policy Alternatives Board of Directors — July 1, 2004

Ms. Donna Callejon
Independent Consultant
Board Co-Chair

Senator Rodney Ellis
Texas State Senate
Board Co-Chair

Mr. Miles Rapoport
Demos
Board Secretary

Mr. Antonio Riley
Wisconsin Housing & Economic Development Authority
Board Treasurer

Senator G. Spencer Coggs
Wisconsin State Senate

Senator D. Scott Dibble
Minnesota State Senate

Representative Jessica Farrar
Texas House of Representatives

Representative Phyllis Gutierrez Kenney
Washington House of Representatives

Mr. Spencer Hathaway
Hathaway & Associates

Mr. William Lucy
AFSCME
Designate: Mr. Vernon Watkins

Congressman Kendrick Meek
U.S. House of Representatives

Representative Nan Grogan Orrock
Georgia House of Representatives
Executive Committee Member

Ms. Donna Parson
Consultant

Ms. Chellie Pingree
Common Cause

Ms. Delba Riddick
Eureka Communities

Mr. Juan Sepulveda
The Common Enterprise
Executive Committee Member

Mr. John Sweeney
AFL-CIO
Designate: Richard Walsh

Representative Dale Swenson
Kansas House of Representatives

Representative Roy Takumi
Hawaii House of Representatives

Mr. Reg Weaver
National Education Association
Designate: Mr. Peter Arum