



Welfare Peer TA Webinar Series: The Earned Income Tax Credit: A Safety Net for Low-Income Families

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2:00 pm EST

David Camporeale: Hello everyone and welcome to the Welfare Peer TA Network's webinar, "Laying the Groundwork for an Earned Income Tax Coalition." My name is David Camporeale. I'm the Federal Project Officer for the Welfare Peer TA Network, which as most of you know is part of the Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services.

I'm really looking forward to today's webinar. EITC is a hugely important topic. Due to the potential impact of EITC to support families in poverty, the Welfare Peer TA Network will be conducting a two-part webinar series on EITC: this one today, and another, a week from now, on helping agencies form coalitions and educate their populations about this issue.

For tax year 2008, EITC funded over \$49 *billion*, which is three times as large as the TANF Block Grant, by the way, to almost 24 million workers. But many workers who are eligible for EITC have not taken advantage of it for a variety of reasons, and States and localities have formed coalitions to reach out to them.

During this first webinar, participants will learn strategies from speakers who are performing successful regional or State EITC coalitions. First, we'll discuss the learning objectives for today's webinar and then go through a couple of logistical matters.

In front of you, you can see the learning objective. The main objective is for participants to gain a perspective on setting up local, regional, and EITC State

coalitions, and for participants to gain knowledge of EITC in the upcoming year.

Our first speaker is Mr. Jeff Hardin, who will be speaking on Hennepin County, Minnesota's, Working Families Tax Credit Partnership. Mr. Hardin has been a consultant to Hennepin County's Human Services and Public Health Department since 1993. He organizes and coordinates initiatives and supports TANF Food Stamp programs, including job fairs, trainings, events, tax credits, and transportation partnerships.

During this call, everyone will be muted. If you want to ask a question, hit the Q&A button and type in your question. Other people won't receive your question. Since we have many participants today, we will hold all of the questions until the end, and then we'll do our best to get through them all.

It's also important to note that today's call is being recorded and will be posted along with all of the presentations on the Welfare Peer TA Network site, probably this week. I encourage you to go to the site if you want any of the presentations.

I think that's everything. So, without further ado: Mr. Jeff Hardin.

Jeff Hardin: Thank you David, and hello to my fellow speakers and the attendees. I wanted to start out by giving you a little bit of background about how we got into this EITC tax credit partnership effort. We were a part of a program called Academy Two. Planning for this program began in early 2003. About 10 major metropolitan areas around the country were part of that academy, which was sponsored by the Office of the Secretary for Planning and Evaluation and Department of Health and Human Services Administration for Children and Families.

In talking to various people involved in some of the metropolitan area operations, we learned about the extent to which these credits were going unclaimed, and we thought it was something we should look into. One of the first things we did was to take this to our Hennepin County Board of Commissioners. I should point out that Hennepin County is the largest county, in terms of population, in Minnesota. The city of Minneapolis within Hennepin County's border.

In addition to being the most populous county in the state of Minnesota, we also have the distinction of having the largest span of case load—food stamps, and all of those kinds of programs, and we're the largest entity in the State of Minnesota.

So we thought EITC was definitely something that would have an impact in our county. Our Board of Commissioners passed a resolution stating that we should try to work on this issue. More importantly, the Board of Commissioners authorized the County Human Services staff to initiate action, and approved spending money in order to pursue this.

The first thing we did was to start contacting some organizations that we had learned about who had been involved in this activity for several years before we became directly involved. One of the main organizations that we joined up with was Accountability Minnesota, a nonprofit that does free tax preparation. Also important was our work with the IRS, our State Department of Revenue, and the Legal Aid Society.

We brought in some partners, in terms of representatives from the City of Minneapolis. Since we are half of the twin cities, we brought in people from Ramsey County, which includes our sister city, St. Paul. Between the two

counties, we typically represent about 60% of all of the cases and concerns and so on and so forth, of the population I mentioned earlier.

We had some great discussions with these organizations. Many of these people brought substantial experience and knowledge in their specific areas and as a result, we ended up developing some goals for our particular effort. We focused on some initiatives designed to increase the awareness of State and Federal tax credits, participation rates of working families, who are eligible for these tax credits, and awareness of the free tax assistance that was available.

We ran into some pitfalls, such as refund anticipation loans, and so we began having regular meetings. We set it up as a working group, and began to look at what was available to conduct outreach. In all honesty, we didn't feel that a lot of the information we found that was available through the IRS or our State Department of Revenue was well suited to be able to communicate with many of the constituents that we thought we should focus on within the borders of our county.

So we worked pretty hard developing materials we could use to communicate with those constituencies. Early on, we also had some media events—we used print, radio, and television—and we also held some news conferences. Probably, more importantly, in Hennepin County we are set up to work with our TANF clients through 18 nonprofit community organizations that provide things such as employment and training counseling.

When we started, we probably had about 16,000–17,000 TANF clients and 300 or so counselors working in our system. One of the things we decided fairly early on was that it was important to communicate directly with our

clients through the medium of caseworkers in various programs, who would have direct contact.

We also used things such as direct mail and e-mail. But I think we've learned and continued to realize the importance of face-to-face communication and the influence it has on the potential audience we're trying to target.

One thing we did to try to do was educate all of our case managers by getting them some basic training about the various credits. In Minnesota, in addition to the Federal Earned Income Tax Credit, and Child Care Credit, we have a companion State Working Family Credit, which also would be the same as EITC and child care as well. So our situation might be slightly different from other States, and it creates additional incentive and an importance for communicating these messages.

We've also tried to make our communication effort a regular part of the orientation and communication process, and working with each individual. Today, and actually for quite a few years now, this information has been a part of case files with our clients. Basically, the philosophy has been that we try to take advantage of all of the funds that are available to minimize any county outlays in the process of trying to serve our clients.

Some of our other activities include reaching out to the community by providing flyers and posters to the public library system, the public housing system, and the faith community. We've also organized job fairs and training events—events as a means to contact people who attend and communicate this message to them.

We have worked within the State of Minnesota trying to get this message out to other counties. Minnesota has 87 counties, and we've attended their annual

conventions and made presentations to the Association of Counties' Board of Directors. We've also reached out to other metro area human service directors and tried to work with them in sharing the knowledge that we've received and tried to increase the overall effectiveness beyond Hennepin County.

One thing we ran into, which turned out to be very valuable, was that in talking to the IRS we learned they have a lot of data about potential EITC recipients—folks who perhaps have W2 earnings, but don't actually file an EITC claim.

When I learned about this, I asked if there was a way we could contact these individuals. It was explained to me that it would be very difficult due to privacy reasons.

However, as I mentioned, the State of Minnesota has a companion credit. As a result, there's a sharing arrangement between the IRS and the State of Minnesota Department of Revenue. This gave us an opening to work through the State Department of Revenue. And, here in Minnesota, a law was actually passed that allows sharing of information between our State Department of Human Services and other agencies, including county organizations.

The upshot of all this was that we found out we could actually identify those TANF clients within Hennepin County, or any of the other 86 counties, who had W2 earnings in a given year but had not filed an EITC claim, according to our State Department of Revenue record. So, a data match was done between all of the TANF clients in the State and the Department of Revenue records. Then, each county had to sign up, agreeing to the privacy rules that were part of the law.

This allowed them to get a list of their TANF clients to contact. Our initial run was for a three-year period and resulted in about \$3 million in EITC credits claimed, some of which were near the statute of limitations and were going to run out. We did this one other time, and we're trying to stay on top of any individuals who have not filed these claims.

Another thing we've done to support this effort is to provide funding to Accountability Minnesota to do off-season pre-tax preparation, because most of the free tax providers will not work on prior year returns during the current tax season.

The results of our efforts? In the three years before getting involved in 2003, the average amount of EITC credits claimed, according to the Brookings Institution Web site was \$63,415 million in Hennepin County. In each of the five years since forming the partnership, the credits claimed have averaged \$85,531 million. That's a total additional amount of credit of \$110,578 million.

As you can see, that has been a tremendous economic development for Hennepin County. What we find is that the individuals who get these credits spend the money. It makes a huge difference in terms of housing and transportation in some areas that are very hard to provide funding for with many of our clients.

As far as our ongoing efforts, we continue to try to add additional partners to the effort. We're continuously working every year to try and improve our communication efforts.

Some of the things we've done the last couple of years include focusing on funding of free tax assistance for recent immigrants. We have a large East

African population, Somali immigrants who have come to the Twin Cities area in the last several years. This is one groups we are focusing on, as well as Spanish-speaking individuals.

That pretty much summarizes what has been going on in Hennepin County, Minnesota.

David Camporeale: Thank you so much, Jeff. That was a great presentation and it's truly appreciated. I think it's clear how much money a good EITC effort can bring to a community.

Just a reminder to everyone—if you have questions, type it into the Q&A box and we will do our best to answer it all after our presenters have had a chance to speak.

Our next speakers are Ms. Laura Lester and Mr. Eric Blanchette. Ms. Lester is an advocacy and education director for the Atlanta Community Food Bank. She also oversees the Atlanta Prosperity Campaign, which among other things manages the VITA program for Atlanta, and coordinates the Atlanta EITC coalition.

Mr. Blanchette is a TANF Program Specialist with the Department of Health and Human Services, Administration for Children and Family in ACF Georgia, our regional office down South. In his role, he provides oversight and guidance to the TANF program's rate States in the Southeast region. In addition, he is a member of Atlanta for Prosperity Campaign and Jordans for Prosperity Campaign, which promotes utilizing EITC and other programs to assist families to help obtain self sufficiency.

So without further ado, here are Laura and Eric.

Eric Blanchette: Since we weren't quite sure what the target group was, we decided to begin with a basic overview of EITC. For those of you who don't know, EITC is a refundable tax credit for individuals. If it's for modular income, the threshold is about \$49,000 this year. Anybody who's earning less than that qualifies to apply for the EITC. The amount varies, and we will discuss that later. The average amount nationwide, I believe, is about a \$2,900 refund.

We tend to use this slide when we go out marketing because it demonstrates the great impact of the EITC. It actually has a greater impact annually than the Food Stamp program and it helps poor families to pull themselves up from the poverty level.

In Georgia, the average is a little less than the national average. We average about \$2,100. In tax year 2005, Georgia had a total of \$1.85 billion that was received for the EITC. I believe that is the most current data we have.

The IRS currently estimates that 20 to 25 percent of people who qualify for EITC do not claim it. Our group, and the statewide coalition, has identified these people as living in rural areas, are self employed, or disabled. People without any children don't realize they can qualify for the EITC.

People who are not proficient in English also don't know they qualify. In some cases, for instance, where the grandparent may have a child in the house, and the mother and father aren't there, the grandparent doesn't know they qualify. Also, people who are recently divorced, unemployed or experience other life changes may qualify.

As you can see from this slide, a large amount of money is unclaimed. That's how we try to sell our coalition. We tell cities and States, "You're missing this

much money that could be brought into your economy.” That’s one way we sell our coalition.

Laura is going to take over and talk about what can be done to reach these households. We are working on two coalitions. Laura will discuss the Atlanta Prosperity Campaign and then I will talk about how we’re developing a statewide coalition.

Laura Lester: In Atlanta, we have the Atlanta Prosperity Campaign, which is an initiative of the Atlanta Community Food Bank. Obviously, there are groups like this and campaigns like this all over the country, and I know they’re housed in many different organizations, often in local United Way organizations. But in Atlanta, it’s part of the Atlanta Community Food Bank.

We began three years ago with three primary objectives:

1. The first is to connect working families to economic supports they’re eligible for—EITC, Child Tax Credit, and Food Stamps, for example.
2. Our second objective is to take this one step further and help link working families to asset building programs—whether it’s getting them banked for the first time, or getting them back into a financial institution after being out for a little while, or it’s home ownership, for example.
3. Our third objective—and what we’re going to primarily talk about today—is to promote greater collaboration among the community, people who care about working families in Atlanta and want to help them.

Here’s our triangle we like to put out there; it’s the Prosperity Path. First, we connect folks to economic support—Food Stamps, Medicaid, etc. Secondly, once they’ve have accessed that money, we try to help them save it—again,

getting them into a bank, opening up checking and savings accounts. Thirdly, we help them manage their money through things such as consumer credit counseling and financial literacy, as well as making more money, assessing their career path, and then having them ultimately reach the top of the pyramid with sustainable asset development.

How do we reach our goals in the Atlanta Prosperity Campaign? The first way is through the VITA program. We've already heard a bit about that today in terms of the volunteer income tax assistance program, which is free tax preparation for families making less than \$49,000 a year, staffed primarily by trained and IRS-certified volunteers.

We have approximately 50 sites, including our mobile site, in the metro Atlanta area. We view the VITA program as a portal to getting low-income families in the door. People come in wanting to save money. They don't want to pay fees to get their taxes done, and they want to be sure they get all the credits for which they're eligible.

So they come to the VITA site, and as I mentioned, they're eligible for a large chunk of money, which we use to start the conversation: "What are you going to do with this money?" Again, the next piece of this is the benefits outreach program.

This is a year-round program and we like to connect them to different economic supports. Mobile benefit screeners are part of our program. They are located in our VITA site, but they also go out to businesses and agencies. This way, when people are waiting to get their taxes done, maybe we can help them apply for Food Stamps at the same time.

The third thing we focus on is our Atlanta area EITC coalition, as well as our new state EITC coalition that we've just started working on this year.

The Atlanta EITC coalition actually came before the official launching of our prosperity campaign. The Executive Director of the Food Bank, Bill Bowling, wanted to really see what kind of interest there was in the community. Before we went out to funders and told them, "We're ready to start this campaign," we wanted to be able to demonstrate that we already had an initiative underway.

A little more than three years ago, we began having meetings at the Food Bank. We pulled people together originally around a single focus—promoting EITC and Food Stamps. These were small meetings where people came together with many questions about our goals and what we wanted to accomplish.

There was often a lot of silence in the room, with people trying to figure out what we wanted to do. Fortunately, this group continued to grow, and we were able to expand into asset development and financial aid. Our members included government agencies, social service organizations, businesses, financial institutions, and universities, which helped us with the research component of our work.

At this point, more than 100 organizations are part of the coalition. We have quarterly meetings and it's really an opportunity for members to learn about other community services.

Before the prosperity campaign and the coalition came along, a number of independent VITA sites operated around the city, but they weren't very

familiar with each other or knew very much about what was going on in the community.

There also happened to be a tax clinic at Georgia State University School of Law, which helps people who might owe back taxes, or are getting letters from the IRS, or having other problems. None of the VITA sites knew about the clinic and always wondered why it was getting referrals. So we use the coalition as a way to bring all these groups together and help them learn about each other.

So what I would say, in building a local coalition is that you want to identify what the goals are—the coalition. Another important thing is that those goals will change. And they have changed for us; it's something we're continually reassessing.

You want to identify a lead organization for the coalition, somebody who has name recognition in the community. Again, in our case, it's the Food Bank, but it can be any group in any community that wants to step up and do this.

When we invite people to the meetings, one of the first things we want to say to them is, “Why should you come, what's in this for you?” People are busy, so there really needs to be a reason for them come to these meetings. So what we do is make sure they understand that this is about learning from each other, it's about helping their clients, it's about networking, and it's about them learning what is available.

We consider one of the greatest successes of our prosperity campaign is not only how much we've increased the number of VITA returns and EITC dollars coming into Atlanta, which has been huge, but it's also the fact that the

coalition meetings continue to grow and get bigger. I really think that's an amazing demonstration of what we've been able to do.

We also want to create a positive transparent environment for the members. We have our own Web site—atlantaprosperty.org—where we share all types of information. There's information for partners, and information for clients on EITC, VITA, and asset building in the Atlanta area.

Other critical factors include trust among members, identifying roles and responsibilities, and engaging members in workgroups to create a sense of ownership.

That's how we went about it in Atlanta. Again, year one, we developed our goals. We got together a good group of people and created trust, and we started bringing in speakers.

It was in year two that I think we really felt like everything was coming together. At the end of our second VITA season, with the campaign and the coalition in existence, we pulled everybody together in the room and said, 'Let's talk about what our strategic plan is. Let's talk about success for the next year, success for the next five years.'

Four workgroups came out of this effort. These workgroups are really important to the coalition, and they demonstrate, once again, the strength of everyone working together. We have a VITA Site Management workgroup, a Marketing workgroup, an Asset Development workgroup, and a State coalition workgroup, which Eric will be talking about in a few minutes.

The State coalition workgroup, as we often talk about, was one of the hardest sells. There was a lot of discussion in the room about whether or not we were

ready to go statewide. We ultimately decided we were. Again, we were amazed at how much we were able to accomplish in the first year. It has been great so I'm glad this is something we decided to pursue.

Year three, which is where we are right now, is developing the State coalition and starting to look at whether or not we have advocacy or policy goals. It's something we haven't really looked at up to this point. But I think having the strength of the State behind us, rather than just being from the Atlanta area, is going to really help us in that area.

Now I'm going to turn it back over to Eric, who's going to talk a little bit about what it has been like bringing together the statewide coalition.

Eric Blanchette: When we first started to look at trying to form a State coalition, the hardest part was trying to figure out where all the agencies and VITA sites were located in the State of Georgia.

We have, I believe, 10 or 12 (IRISPEC) agents. And each one has its own area of the state it handles. At first, we had to try to pull that information, and we discovered that we were actually finding out things the IRS wasn't even aware of. In the City of Chattanooga, for example, there's already a coalition serving three or four counties in Georgia. I don't think the IRS even knew they were covering those people. So we were trying to figure out whom to invite, and who should be part of the coalition.

One of the things we wanted to try to do was increase access to the EITC. An example of how that works—and we're not even talking about rural areas—but in Georgia, there are about 50 counties that comprise metro Atlanta.

In Gwinnett County we had one site; in Cobb County we had another one. Now, these are huge populations, so we wanted to figure out who would cover this territory. Gwinnett is on the border of Atlanta, and it's also on the border of Hall County. Well, we also have a coalition in Hall County.

So we wanted to figure out how we were going to divide it up. Furthermore, if we were divide it up, how could we improve services to those people? We wanted to reach rural area communities.

Georgia has 159 counties. Of those, about 120 to 130 are considered rural. Basically, it's farmland. There are pecan trees or peach trees and there is no real coverage.

What we try to do is bring those partners into the coalition. We're reaching out to the community action agencies. They generally have a local site in each area. We're reaching out to our Head Start grantees, trying to bring them in, because those people also have centers at each of these areas. So we're trying to bring in the partners that service these organizations that we haven't actually reached before.

We wanted to share best practices, and I'm going to talk about some of that later. But we have a number of organizations. For example, we use mobile sites to reach out to the hotels in the area. Our hotel population was one that wasn't being reached.

That's something that maybe Savannah can use since it's a huge tourist center. That's an idea we can share with them. Everybody had different ideas of how they were doing things, and we've been trying to bring that together in a series of trainings where we share ideas and discuss that among the group, and we develop those five plans.

We also wanted advocacy at the State level. This is in relation to two things. When the TANF-R funds came out, it was easier for a State coalition to reach out to the Department of Human Services and say, “We’re a state coalition, we service this many people statewide,” as opposed to the food bank going over and saying, “We'd like some money to service clients in Atlanta.” You have a bigger group and you're going to get more respect at the State level.

We also have some people in the organization (we don’t have what they call State EITC). A number of people want us to look at that. Right now that's kind of on the back burner for us because we're still trying to get our footing to move forward, and try to actually form the State coalition in the beginning.

So how did we do this? Well, we had a couple of phone calls, and we brought in the Welfare Peer Network. And what we decided we needed to do is have a face-to-face meeting, and we decided to have it in Macon. We brought all the partners together—the IRS agents, people from OFA, and people from USDA.

I would strongly encourage you that if you’re starting a coalition, reach out to your Federal and State partners. There are people out there they don’t even think about—USDA Food Stamps for one. Bring in people from the Food and Nutrition section.

We got together and decided we needed to talk about what our priorities were. Basically, each person in the group has their own goals. Some are there because they want to get more funds. Some are there because they want to service more people. And the way we decided how to determine what we do is we put the list up on a board and decided what the priorities were, and then we multi-voted and tried to focus on three or four items.

In order for this to work, we decided we were going to need a better and bigger conference. So, we're in the planning stages with the Welfare Peer Network to try to host the conference in June 2010, which is going to be held in Savannah. It will reach out to people currently in the coalition, and also reach out to organizations that might be interested in joining, as well as business communities, city government, and State partners.

I gave you the link here for the Welfare Peer Network. I think most people probably know it, but I wanted you to be able to see it. The results of our Macon meeting are currently posted on that Web site.

What did we do? We established four sub-committees. Those sub-committees include a Steering Committee, which is going to direct what we do for the next year until we can get a determination of how we want to set this up. Do we want to have officers? Who's going to serve and who's going to be the lead for that?

We have an outreach committee. This committee was very instrumental in starting the initial contact with us. We had four training sessions where we focused on best practices on issues such as marketing; what are you doing for outreach in your area, and how are you handling mobile sites. We did that kind of thing with the group. Those were some very good trainings sessions.

We developed a Planning Committee, which is working to develop the meeting in June. The Planning Committee probably meets with Welfare Peer Network probably every two weeks—we talk to them and they talk to us. We also have many meetings, and back and forth emails.

So, we're in the process right now of trying to tailor who we're going to invite to this meeting, where we're going to have it, and what our agenda will be. We have a basic agenda and a generally a good idea of who will be invited.

The other committee is our IT section. We have developed Web pages. The best way to get a hold of everybody is on list-serve we developed that the Georgia Legal Board runs. We also have Facebook pages.

I would suggest to everyone who has a coalition to start a Facebook page. I found more information about EITC on Facebook than I found on Google or Yahoo or anywhere.

We contacted existing State coalitions. There are many State coalitions already out there; Michigan has a very good coalition; Tennessee, Carolinas, Virginia, just to name a few, because there are so many out there. We basically have contact with them, and we're going to ask the Peer Network to bring in three or four of those speakers to talk to us to tell us what they did.

The Planning Committee is currently working with the Welfare Peer Network to develop a conference. We're developing the coalition Web sites as we speak. We also had the learning series I already mentioned.

Some of the advantages we've found so far is that we share information and improve services for clients. Before we didn't even know who each other were. Now I have no problem picking up the phone and calling United Way of Macon. I have no problem calling the Macon volunteers; we're basically a cohesive group and we share back and forth.

We can also cross promote services. One of the things we want to do is create a PSA. Our focus this year was on John Lewis, and we're going to try to do that next year where we might develop a State PSA.

They can better see the big picture. One of the first things we did is bring in a big map of Georgia and say, "Well okay, we're serving clients here, here, and here. But look at where all these empty spaces are on the map." So that put into focus where we needed to improve.

Long-term advocacy, single voice on EITC, basically you're better off if you go and say, "We're a state coalition," or, "We're an Atlanta coalition," than you say, "I'm the First Baptist VITA site," you're going to get more money and more funding that way. You're also going to get more attention.

Every year in January, we have a meeting on EITC day. We usually have community leaders—we had Mayor Franklin one year. We had the City Council President, and last year we had John Lewis. What we did was get press out of that. It was covered by at least three or four TV stations and that gets us in the news.

We have a person who talks at the meeting to tell how it helped them. We've had people come in and talk about how they got the EITC and it allowed them to buy a home. It has a big impact when you get a person on the dais that says what it has done for them.

We're actually increasing resources in the community. A number of our coalition members have received IRS grants to help run their coalition. And we connect entities that historically have not worked together. I can tell you that in my job at Federal agencies, I don't usually talk to somebody at other agencies.

But now, we have USDA in the room, we have FDIC in the room, we have the Federal Reserve in the room, and we just got the Department of Labor to agree to talk about their EIT- ETA programs, and they're probably going to participate in our summer conference. So it's a huge advantage.

That's the end of our presentation. We're giving you our phone numbers and our e-mails. Please don't hesitate to call, and please e-mail.

David Camporeale: Well, thank you so much Eric and Laura. I think your presentation really succinctly shows how quickly local organizations can have a huge impact on their community, and how these organizations don't need to be an official IRS-funded organization—they come from the strangest places. Furthermore, getting these coalitions together has a tremendous benefit for everyone involved.

Again, if anyone has any questions, I encourage you to put it into the Q&A text box. And if you want a specific presenter to answer at the end, please address them to Laura, Eric, Jeff, or Richard specifically, or by their last names. At the end of the meeting, we will do our best to answer all of your questions.

Our next presenter is Mr. Richard Keith. Mr. Keith manages the Office of Financial Empowerment located in the San Antonio Department of Community Initiatives. He oversees the city's Community Action Agency, VITA free tax preparation program, the Fair Housing and Foreclosure Prevention Counseling programs, and the city's asset building programs, which includes financial literacy, the Cribs to College Savings Account, the San Antonio Bank on Initiative, and the IBA Match Savings Accounts for college tuition, home ownership, and vehicle purchase.

Wow, Richard you are very busy.

Richard Keith: That was kind of a mouthful wasn't it?

David Camporeale: It is. I wish I had as many responsibilities. Mr. Keith has more than 10 years of experience coordinating these activities, working in community development, affordable housing, and social services in the United States and Mexico. So, now I'll turn it over to Mr. Keith.

Richard Keith: Thanks very much David. I have to reiterate what David said about how impressive it is that Atlanta and the State of Georgia have been able to do what they've done in such a short time—in just a couple of years. It's very impressive to see what you've done. I also really enjoyed Jeff Hardin's presentation. It was very impressive.

David Camporeale: And I've seen your presentation already too, so I know there's more impressiveness to come.

Richard Keith: So just maybe a few words about us, so that you can understand where we are coming to in this work. This is something I think that is really helpful because each of the presenters' organizations comes at it from a slightly different place. That's one of the interesting things about EITC and VITA –it can manifest itself in so many different ways, with so many different drivers.

The City of San Antonio's Department of Community Initiatives is really the social service providing department of our city government. We operate many social services in our community, including the community's Head Start program, Childcare Subsidy Delivery System, CS - Community Services Block grant, and Community Action Agency, which is a little bit unusual. In

most areas, this is a nonprofit organization. In our case, it's the Department of Community Initiatives.

We have Senior Services, Homeless Services, and then my little area, which we talked about briefly at the beginning, VITA, Fair Housing and Foreclosure Prevention, Asset Building, and the Community Action Agency.

We began in an organized way back in 2001. Prior to 2001, we were doing free taxes for people, but in a much less organized way. We decided—with the city as kind of an instigator—to create a community-wide coalition from the beginning.

And our effort was to bring together different groups. We had the backing of the Casey Foundation, which really helped. The IRS was interested in working with us in our community since we're one of the top 10 cities, in terms of population, in the country. They recognize, I think, the market of people who qualified for, but were not receiving the EITC, as I think Jeff mentioned earlier.

Our focus in the beginning really was on just doing as many free tax returns as possible. Now when we talk about EITC coalitions and VITA coalitions, I think I'll just make a clarification here and say the way I see EITC would be like a campaign that promotes the EITC credit. So an EITC campaign would be one that tries to get everyone aware of the credit so they can claim it if they're eligible for it.

A VITA coalition would go the next step and actually do free taxes for people, using as its key engine, volunteer tax preparers. This VITA coalition model is one that many of you may be familiar with and is always in partnership with the IRS.

In 2008, we decided to build up our coalition and rebrand it, restructure it a little bit. So we created what we call the Alamo City Coalition for Economic Self Sufficiency, or ACCESS. We now have more than 80 different organizational members, including the city, our county, local businesses, nonprofit organizations, the United Way, our State's largest supermarket chain (HEB), and universities. We have many different kinds of entities that have their own reasons for being interested in the EITC and free tax preparation.

But the goals have remained the same. From the beginning, those goals were to increase awareness of the EITC credit because there are certainly many people, as the other speakers have mentioned, who are eligible and haven't been receiving the credit.

A second goal was to make free tax preparation an option for people at low- and moderate-income levels. In our particular case, up until last year, anyone under \$45,000, regardless of family size, could get their taxes done for free. This year we're going to boost it up to \$55,000 as the maximum threshold.

Now, having said that, I will say that our average income is about \$19,000, so we're certainly not doing most of our taxes for people in the 40s and 50s.

But we do have it up there because some very large families are still eligible for EITC and may be making a little bit more money, but spreading it out more thinly across their family expenses. We want to make sure those folks have an opportunity to get their taxes done for free.

This is also a way for us to help steer people away from paid tax preparers as well, and especially refund anticipation loans. Several years ago, we began to offer an alternative product to the refund anticipation loan, which as you may

know is something that paid tax preparers offer people who want their return right away.

They say, “Okay, well we'll give you a loan against the return that you will be receiving in 10 or 14 business days. We'll give you that money now, but you will have to pay a relatively high fee—really a very high fee—and a high interest rate.” We wanted to keep people out of the hands of what we see as predatory lenders. This feeds into our broader goals of financial literacy and consumer protection. So we created a product that competes with them, and I'll talk a little bit more about that in a few minutes.

When we first started in an organized way in 2001, we did about 4,000 tax returns. We were very pleased with that result. In the last year, we did nearly 39,000 tax returns, returning more than \$70 million back to area residents, of which about \$20 million was in that EITC credit.

So if you're not convinced yet—and I hope that you are—an EITC coalition and a VITA coalition or campaign, are very effective ways of bringing money into your community. It's something you can sell to your council as an economic development necessity. That kind of strategy has worked very well for us and has earned us continued support by our elected officials as well as the business community.

As I mentioned, we have a number of different partners. Four of the principle partners are the City of San Antonio, the United Way, an organization called Catholic Charities, and the IRS. I am not going to focus too much on them, but it's there in the presentation if you want to look at it afterwards.

Here is a list of all of our coalition members. I included this slide so that those of you who are thinking about starting a coalition can just see some of the

different kinds of organizations that may very well have a vested interest. It may be broader than you think—banks, for example, or credit unions, Goodwill, and the AARP in our area. There are really diverse organizations involved.

An example of an excellent community and important community partnership here in San Antonio is our relationship with the HEB supermarket chain. HEB is the largest supermarket chain in Texas. It is actually so large and so strong in our State, that it has a larger supermarket footprint than Wal-Mart does in the State of Texas.

HEB has provided us with VITA site locations in five of their major supermarkets in our city, which has been an excellent place to do taxes for people. You want to go where the people are, so we try to put our sites in places such as libraries, supermarkets, and community centers because these are high traffic areas and you'll be able to serve more people.

We did 7,500 tax returns at the five VITA sites in the last year. HEB also agreed to remove paid tax preparers who were renting space from them in the supermarket in order to accommodate us in those locations. That was a real triumph for us.

HEB also provided some financial support. In addition, this year, we are just about to open a VITA site at HEB's manufacturing plant. HEB manufactures a large line of consumer products, food products, and they are mostly manufactured in the City of San Antonio.

We are going to set up a VITA site at an HEB plant to cater to its 800 employees. HEB employees will become the volunteer tax preparers. It's a a

peer-to-peer assistance program—HEB employees helping HEB employees, so we're very excited about that.

A second partnership I'd like to highlight because I think it's a really useful one for those of you who either have a VITA coalition or are thinking about creating one, is our partnership one of our credit unions, the Generation Federal Credit Union. In this collaboration, we created together the Refund Express, which is a refund anticipation loan alternative.

It's a free, zero percent interest loan, which has brought back more than \$6 million in loans for area residents. That's \$6 million that did not go through traditional refund anticipation loan providers, and we're happy about that. The collaboration resulted in about 1,500 new accounts.

Just to underscore that importance of an alternative to the refund anticipation loan, the Brookings Institution did a study in which they determined that the average amount nationally that someone will pay when they get their taxes prepared by a paid preparer, and getting a refund anticipation loans, is about \$350. Three hundred and fifty dollars is a lot of money for somebody who's earning \$20,000 or less and has a family to feed.

We're now starting to offer asset building opportunities at the VITA site. We'll be offering the IDA matched savings account option to people. That's a federally funded program in which, in our case, for every dollar somebody saves, we match it with \$4. This can be used toward the purchase of a home or continuing education. We're really excited to be able to do this. It's in partnership with the security service, Federal credit unions, and other credit unions in our area.

Just another word about the numbers. We began with 4,000 tax returns, as I mentioned, and last year we did almost 39,000 tax returns. So, we've grown tremendously in the last few years through this coalition model. Here is a sample budget for a site.

We actually have a mixture of paid staff and volunteer staff. We try to have at least one person paid at every site. We have about 30 sites in our city in order to keep things running smoothly. It's certainly not something you need to do though, as you get started. It has just been something we've been able to do as our program has matured.

In talking about lessons learned, I think it's really important to engage partners with the mission and make sure their expectations are laid out very clearly. People need to be on the same page about this.

I want to echo what Laura mentioned: "What's in it for me?" Make sure that you recognize and are very clear about what motivates people to potentially join the group, because they have different reasons for joining.

Then, start small. Build the foundation and add new members who strengthen the partnership; not just any member, but a member who brings something tangible to the partnership.

I would also say additionally that if you can—and I think this is something really important—seek out your local Community Action Agency, probably a nonprofit in most areas, which receives community services block grants for transitioning people out of poverty and maximizing people income capacity. You might be able to convince them to provide money for a VITA coalition.

This is very important, it's something that we've been able to do here, and it's something I think is somewhat unusual among CSBG recipients, otherwise known as community action agencies. Almost every community has a Community Action Agency, so if you don't know who yours is, go find out who they are and start talking to them.

For anyone who would like to talk to us about how to approach their Community Action Agency, and how to make the pitch, we would be more than happy to do that because we really believe in it. It meets their goal and it can help you meet your goal. So that's very important.

The other thing I would like to say is that asset building as a value-added and benefit eligibility screening are extra activities at the VITA sites, and they're great.

It's very helpful when you have people coming in who may be eligible for other programs. It's helpful to have that information there. But I would say that it's not easy to integrate the VITA program with those other programs.

Everyone in our community—and I think in many communities—all of the nonprofit services providers really want to have their services screened at the VITA site. This is something we've really noticed, and it's very, very difficult to do when your VITA staff is focused primarily on keeping the accuracy rate up, and making sure that people are being well served, just with their taxes.

So that's definitely a challenge for us. I think we've been able to expand our ability to do it over time, but it hasn't come quickly. I would warn people against rapid growth in that area. There's nothing wrong with the very wonderful service of just preparing taxes for people for free.

And then lastly, the importance of media and creating a strong kick-off event at the beginning of the season and maybe a closeout event on April 15.

Anything you can do to get your local media to pay attention is very important. I'm going to skip the Public Policy slides in the interest of time, and encourage anyone who wants to talk further to contact me. I would be happy to talk more about our experience and how to approach your community leaders on building a VITA coalition.

David Camporeale: Thank you so much, Richard. I know for a fact that you're doing tremendous work down there. It was really a helpful presentation with a lot of great information, sort of a roadmap, which, when put together with the other presentations, is a really great How-to of how States and localities can help improve EITC, and more importantly, I think, help build asset building coalitions and responsible saving and large asset building initiatives statewide and locally.

We're now going to open up to questions. I have a list of questions that people have been helpfully typing in throughout the presentation, which I will turn over to the presenters and any of them can volunteer to answer them, unless they're specifically addressed to one of the presenters. After we're done going through these, if we have the time, we'll open it up to any additional ones on the phone as well. Then, after the questions and answers, there's a very, very brief satisfaction survey where you tell me how great a facilitator I am, and how wonderful all our presenters are, which is true.

So the first question is, "Do you think it's legal to give employers a stuffer to put in the W-2 envelopes, marketing a VITA site and free tax preparation?"

Richard Keith: Well this is Richard in San Antonio. So the question is, "Is it legal to give employers a stuffer to put in W-2 envelopes marketing the VITA site?"

Absolutely. It's a federally sanctioned program that is clearly in the interest of low- and moderate-income residents. There's nothing wrong with it. In fact, we've done it with some success, and we're looking to do it with HEB next year.

David Camporeale: Thank you so much.

((Crosstalk))

David Camporeale: Go ahead.

(Woman): We actually use staffers around the city as well through our connection with the hospitality industry. Many of our hotels put them in for their employees.

David Camporeale: So it is clearly legal, at least in those two states, and I think it is nationwide as well. Next question is for Jeff. "Could you give an example of your partners' role in your project? For instance, do they appear in United Way?" I think Laura and Eric and Richard talked about their partners, but I don't think you talked about yours a great deal. Did you want to speak about that briefly?

Jeff Hardin: Sure. We probably have over 50 partners that meet about four times a year. Then we have smaller groups, such as a working group that meets monthly regarding specific initiatives that we have going on as far as our communication efforts.

One of the other speakers talked about focusing some on advocacy, taking issues to our State legislature and communicating with our Federal legislators. That's something we're looking at more and more.

Somebody asked about AARP. They're primarily a VITA sites operator and have been doing that for a long time before we became involved in working on trying to bring together a coalition. Their focus is more on senior citizens and I guess many of the other partners, community organizations, are service provider organizations.

We have 18 of those that actually contract with Hennepin County, and some of those organizations had their own VITA sites for quite a few years before we even got involved. But what we've been doing is trying to get everyone together and work, pushing in the same direction, and standardizing the communication that's going on.

One of the big things that has happened in the last three years is the involvement of our Greater Twin Cities United Way organizations. They obviously have excellent mechanisms for communication and long-standing relationships with the business community, as well as nonprofits, government, etc. So, they've been a big benefit to the overall effort, particularly from the communications standpoint.

David Camporeale: The next two questions are for you as well, Jeff, and they both deal with data, so I'll combine them. The overall question is, in general, is that several people want to know exactly how you do your data and your matching and, essentially, have you considered expanding it?

Jeff Hardin: We work directly with our State Department of Revenue that receives W-2 data on anybody working in the State of Minnesota. So, we were able to have our Department of Human Services match their data files with our Department of Revenue database, and then that can be broken down by county.

We did, in fact, and I didn't mention this, match cash food, TANF clients, etc., and not just TANF clients. However, what we've discovered is that as far as our ability to make direct contact with clients, we have a much stronger relationship, an on-going relationship with our TANF clients, versus Food Stamps, for example.

Food Stamp clients have much less contact with county representatives. Therefore, our ability to communicate in effective ways and have influence, and perhaps some level of control and behavior, is much less in Food Stamps.

Not to say that we aren't making efforts there. We are, but those efforts are much more akin to our general communications where, annually, we drop about 120,000 flyers promoting our annual campaign on doorsteps in the low-income zip code areas of Hennepin County.

Our communication through the libraries and other places is important, but we have much more influence and impact and communication with our TANF clients, who have requirements to come in and work, be looking for work, and working with their employment service counselor on a regular basis. That's why that's been one of the more important elements of the Data Match program.

David Camporeale: To summarize, essentially, the data is gained through partnerships and you really do, I think, do an amazing job of matching across various different databases.

Jeff Hardin: Thanks.

((Crosstalk))

Jeff Hardin: There might be a point of confusion for people on why we're working through our State's Department of Revenue, but it has the same exact eligibility requirements as the Federal EITC. We had this connection, this ability to tap into the State's database, whereas the privacy barriers to do this directly with the IRS were perhaps not insurmountable, but pretty difficult.

Therefore, we're using the State's Working Family credit here in Minnesota as the proxy for Federal EITCs, making the assumption that anybody who's eligible for that State credit would also be eligible for the Federal credit.

David Camporeale: Thank you so much. Our next question is for Mr. Keith. "At the \$55,000 income level of service, are volunteers certified at the intermediate flash advance level?" I think the overall thrust of the question is that if you are servicing some people who are middle class as opposed to the working poor, are your volunteers trained to deal with the more complicated returns and issues they might be dealing with? Or has that not been an issue for you?

Richard Keith: Our volunteers are certified at the intermediate or advanced level. The VITA program has some restrictions, however, on how complex a tax return can be. I think they won't do a Schedule C, although a Schedule C-EZ is acceptable.

I am not in the weeds on the implementation, so I won't speak with too much more detail than that, other than to say we do even more complicated returns than the IRS will allow us to do within the VITA program, but we don't do it in the context of the VITA program. We're still offering, for example, small business returns for micro businesses, such as law care providers, in home health providers, small day care operators, etc. We do business returns for them as well, and other kinds of complicated returns for free, but we're not doing them within the context of the VITA program.

David Camporeale: Okay. Here's another question for you, "Regarding the ARAL in San Antonio, does the credit union charge any fee to process the loan?"

Richard Keith: That's a very good question because it has been very difficult for coalitions around the country to form this kind of a partnership that we've been able to form. And the answer is no, they don't charge anything to do this. And here's how they look at it—It's a credit union interested in developing a relationship with people who use the loan product.

So they want to get to them immediately, and try to get them into financial literacy or education classes, or coaching. Eventually, they want to be able to offer them other products that they have to offer their clients in general. And build a banking relationship. Although, I say banking and it's a credit union. That's how they are able to justify doing this for free.

It hasn't been easy for them, but over the course of a couple of years, and some hard pain on their part and eating quite a bit of staff time cost, they say it's paying off, it's worth doing.

Laura Lester: This is Laura. May I can jump in?

David Camporeale: Please do.

Laura Lester: We actually offered an ARAL program for the first time last year, and it's so interesting to hear you talk about it because we work with a local credit union as well to do it. But our credit union does charge a fee. It's a no interest loan, but the average of the fee, depending on the size of the loan I think comes out to about \$30. Which is, still, of course, 100 times better than it would be somewhere else. But I think it's fantastic that you were able to convince them to not have the fee at all. We weren't as successful.

Man: I don't think it's such a terrible thing to have a nominal fee that allows them to actually do it and make it more sustainable, right?

Laura Lester: Right.

Man: Anybody could probably do something for free for a year, and then at the end of the year say, "You know what? We lost so much money that there's no way we can do this." I would like to see sustainability in the program. If that helps them to be sustainable in doing it, then I think it's successful.

David Camporeale: Well, this is a really interesting debate. We have a couple of questions on the specifics of EITC and how it works. Specifically, what exactly do I need to do to qualify and what not. But I'm going to defer those questions until next week's webinar. We will be holding another webinar next week on the EITC and I'll be sure to open it with another sort of overview.

I'd also like to say that a great deal of information can be found about the EITC at the various websites of our presenters and at peerta.acf.hhs.gov, or if you just Google, there's a lot of information on the exact schedule. I won't try to explain it because it depends on the number of children you have and your income thresholds—there are many things, certain benefits, which do and do not count. So I won't try and go through that right now, although I will briefly at next week's meeting.

I'd also like to say that all these presentations and the recording of today's presentation will be available on Peer TA Network by next week. Furthermore, the presenters and I are fully available to answer any questions, help with the specifics, or provide technical assistance, if you're interested in either improving your local coalition, or in starting a new one.

Louisa: David?

David Camporeale: Go ahead.

Louisa: If I can just interrupt.

David Camporeale: Please do.

Louisa: The next seminar is January 27.

David Camporeale: Oh, thank you.

Louisa: It's in two weeks and it's on Outreach Strategies.

David Camporeale: In two weeks, not one week. I apologize.

David Camporeale: I currently don't see any other question on the list, so I think we're going to move straight into the polling questions, for how happy everyone was with today's webinar.

Operator: Thank you. Ladies and gentlemen, if you would like to register a question, please press the 1 followed by the 4 on your telephone. You will hear a three tone prompt to acknowledge your request.

If your question has been answered and you would like to withdraw your registration, please press the 1 followed by the 3. If you are using a speakerphone, please lift your handset before entering your request. One moment please for the first question.

And there are no audio questions at this time.

David Camporeale: So why don't we move into our Satisfaction Survey? The first question is, "The speakers had valuable information to share?" So please click on your answer.

Our next question: "The logistics of the webinar ran smoothly?"

Next question: "I better understand the earned income tax credit?"

Next question: "I am more informed about strategies for setting up EITC coalitions, and how they can positively impact low-income residents?"

And our final question: "I learned strategies that I can use for forming my own EITC coalition?"

Again, I would like to thank all of our presenters for their excellent presentations. On behalf of the Federal Office of Family Assistance I would like to thank you all for participating in today's webinar and to encourage everyone again, to sign up for the webinar in two weeks on Outreach Strategies, and for further education about EITC.

And if anyone has any questions, feel free to contact our presenters, or contact me. I can be reached at david.C-A-M-P-O-R-E-A-L-E, david.camporeale@acf.hhs.gov, or you can reach me through Peer TA, or you can make a request through Peer TA. Thank you so much everyone and have a great evening. Bye.

Woman: Thank you.

Operator: Ladies and gentlemen that does conclude the conference call for today. We thank you for your participation and ask that you please disconnect your line.

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