

Hennepin County  
Working Families  
Tax Credit  
Partnership

# Secure Buy In From The Top

- Hennepin County Board of Commissioners passed a resolution supporting efforts to increase utilization of EITC and other federal and state working family tax credits in 2003.
- Authorized County Human Services Staff to initiate actions to accomplish this goal.

# Identify and Recruit Partners

- Hennepin County invited the following organizations or entities to our initial meeting:

AccountAbility MN, Children's Defense Fund, City of Minneapolis, IRS, Legal Aid Society, MN Dept. of Human Services, MN Department of Revenue, and Ramsey County.

# Set Goals for Partnership

**Develop initiatives designed to increase:**

- Awareness of State and Federal Tax Credits.
- Participation rates of working families who are eligible for these tax credits.
- Awareness of Free Tax Assistance.
- Awareness of pitfalls like RALS.

# Develop an Outreach Campaign

- Develop fliers and posters for targeted populations.
- Use print, radio, television, etc. via news conferences/media events, PSAs.
- Encouraged nonprofit and public agencies to communicate directly with their clients using free materials we provided.
- Direct mail, Web and e-mail promotion.

# Provide training to county and partner agency staff.

- Conducted training sessions for 250 TANF case managers.
- Promoted these training sessions to other nonprofit community agencies.
- Modified TANF orientation and case management procedures to communicate to all clients the importance of utilizing available credits to minimize county or other agency financial support.

# Other Outreach Activities

- Provided fliers and posters to Public Library system, Public Housing and Faith Community.
- Staffed booths at Job Fairs, MN Association of Counties convention.
- Presentations to Association of Counties Board of Directors.
- Presentations to 9 Metro Area County Human Service Directors.

# Statewide Data Sharing Initiative

- Hennepin County staff negotiated an agreement with MN Departments of Human Services and Revenue to identify all clients who were eligible but did not claim state Working Family, Child Care, Education and Rent credits. DHS & DOR data files were matched to County TANF client files to identify current eligible clients.



# Data Sharing Initiative Continued

- This match was done for the most recent 3 tax years and resulted in identifying over 4,000 clients.
- An electronic letter was generated for TANF case managers to use in communicating the potential credits to claim.
- Free summer tax clinics were funded by Hennepin to facilitate preparation of amended returns for these clients.
- This program was offered to all 87 counties in Minnesota. It is estimated that Hennepin County clients claimed about 3 million in credits.

# Partnership Results

- In the three tax years prior to Hennepin's partnership ( '99-'01) the average of annual EITC credits claimed was \$63,415,554.
- The average in each of five years since forming the partnership ('02-'06) of EITC credits claimed is \$85,531,214.
- The total additional credits claimed in Hennepin County for the period ('02- '06) is \$110,578,301.

# Ongoing Initiatives

- We have continued to add partners like AARP, The Greater Twin Cities United Way, University of Minnesota, Federal Reserve Bank of Minneapolis, and others.
- We have annually worked to improve and standardize fliers, posters, and other communication materials for use in MN.
- We have funded free tax assistance sites focused toward recent immigrants and other disadvantaged groups.
- We continuously look for new ways to promote tax credits and free tax assistance, etc.

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# Building a Coalition

*Engaging Local Government,  
Business, and Social Service  
Providers in EITC Outreach*

Laura Lester  
Eric Blanchette



Atlanta  
Prosperity  
Campaign

# What is EITC?

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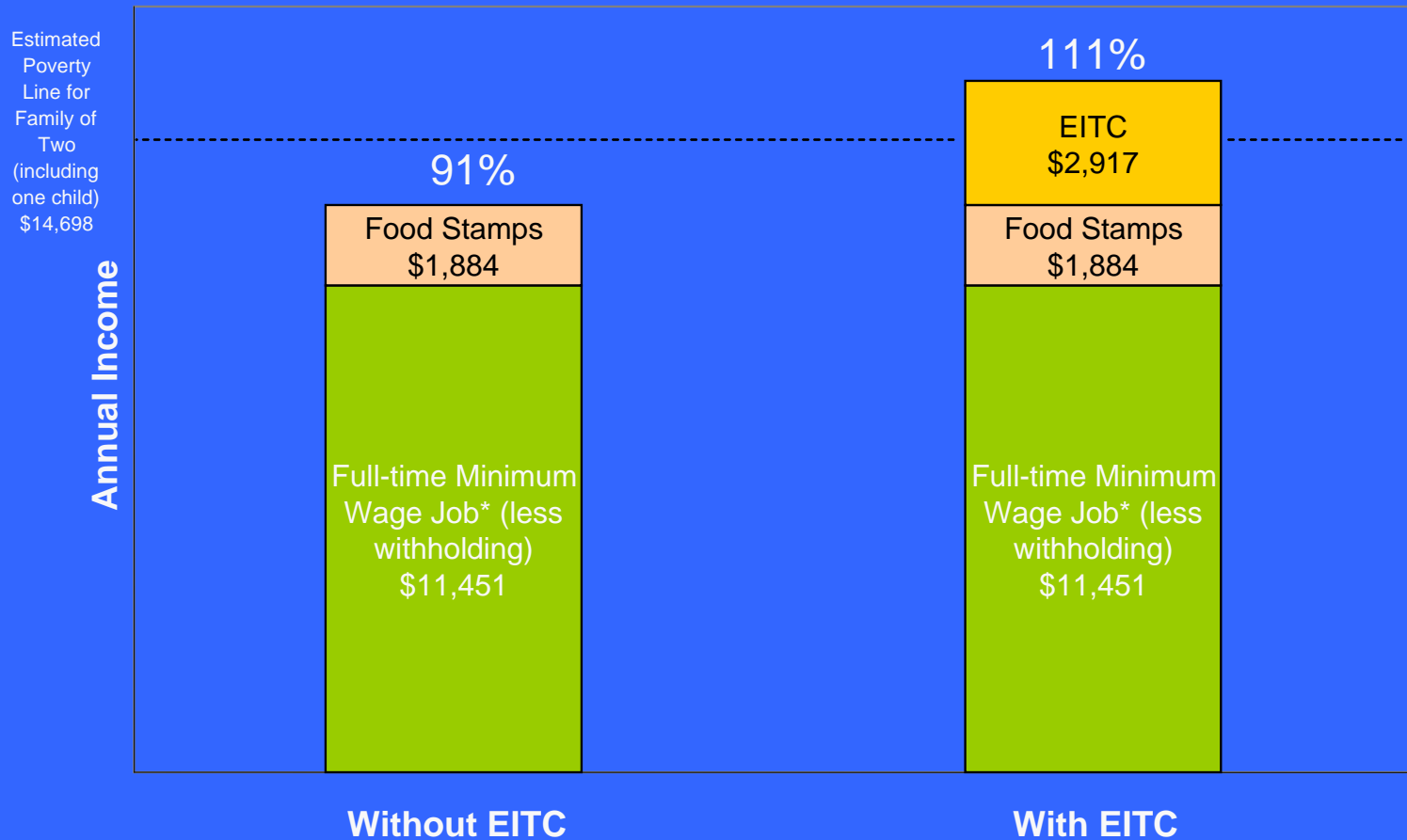
- A refundable tax credit for individuals earning moderate to low incomes.
- A client may qualify for the Earned Income Tax Credit, or EITC, if they worked last year, but did not earn a lot of money.
- The amount of the EITC will depend on whether the client has children, the number of children, and the amount of your wages and income last year.



# EITC

## Making a Difference

### Helping Working Families Out of Poverty, 2008



Source: Center for Budget and Policy Priorities



# EITC

## Impact in Georgia

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For Tax Year 2005:

- \$1.85 billion - total EITC received by Georgia taxpayers
- \$2,096 – average amount of EITC per return

Source: IRS data



# Who Are We Missing?

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The IRS estimates that 20 to 25% of qualifying workers fail to claim their EITC

This includes workers who are:

- Living in rural areas
  - Self-employed
  - Disabled
  - Childless
  - Not proficient in English
  - Older (grandparents)
  - Recently divorced, unemployed, or experienced other changes to their marital, financial, or parental status
- Based on IRS estimates, between \$392 million and \$516 million in EITC dollars are unclaimed**







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What can be done to reach these  
EITC-eligible households?



Atlanta  
Prosperity  
Campaign

# Atlanta Prosperity Campaign

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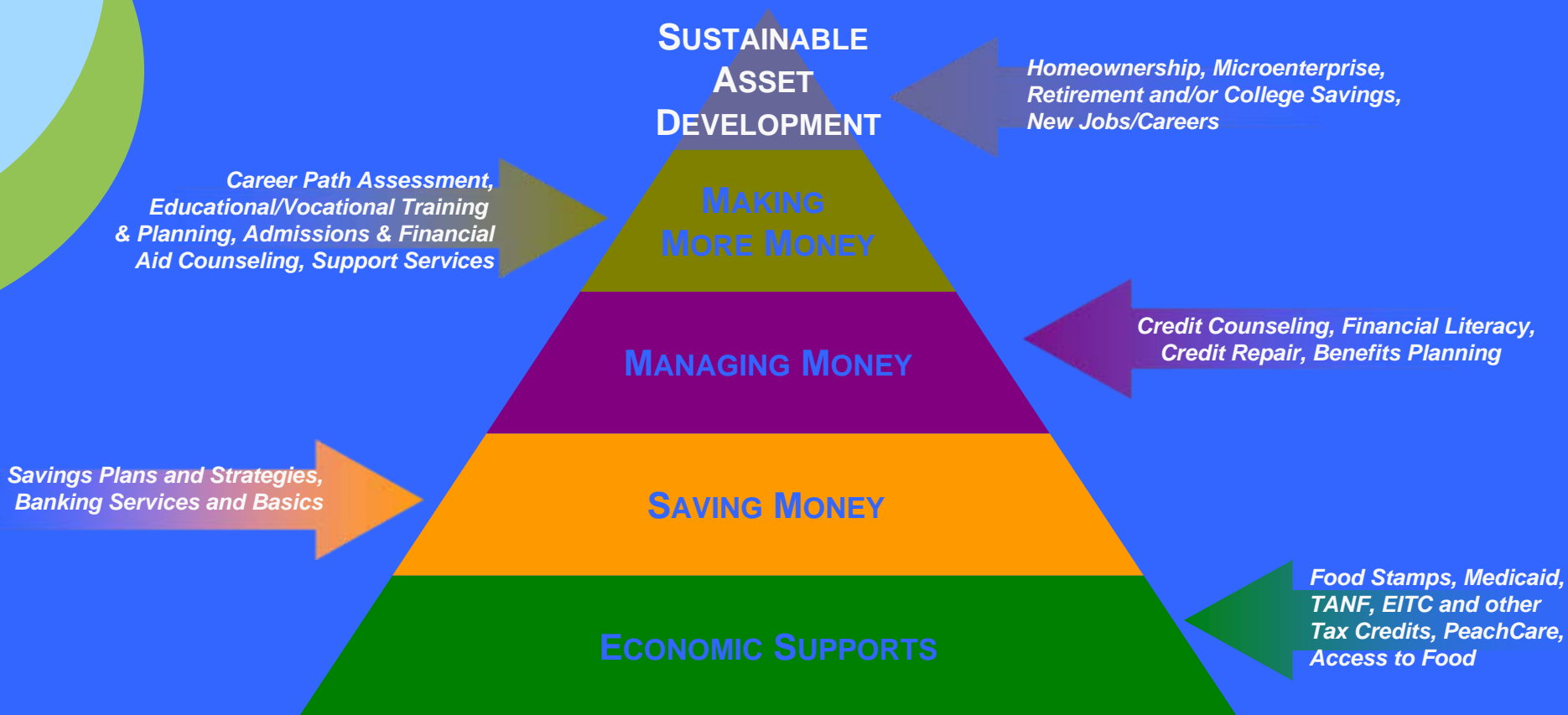
## Objectives

- Connect working families to the economic supports to which they are eligible (EITC, Child Tax Credits, food stamps, PeachCare, energy assistance, etc.).
- Link working families to asset-building programs.
- To promote greater collaboration among social service providers, government agencies, and the business community.



# Prosperity Path

Financial Stability with a Pathway to Sustainable Asset Development



# Atlanta Prosperity Campaign

## Reaching the Population

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### Volunteer Income Tax Assistance (VITA) Program

- VITA becomes the **portal** to help low-income families access economic supports (EITC, food stamps, etc.) and financial services.

### Benefits Outreach Program

- Access to economic supports (public benefits), including food stamps, Medicaid, Medicare, PeachCare, energy assistance etc.

### Atlanta-area EITC Coalition

### Statewide EITC Coalition



# Atlanta Prosperity Campaign

## Atlanta EITC Coalition

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- Started with a single focus – promoting access to EITC and food stamps
- Expanded into asset-development and financial stability
- Members include government agencies, social service organizations, businesses, financial institutions, and universities
- Over 100 entities are members of the Coalition
- Quarterly meetings are a forum for members to learn about other community services



# Atlanta Prosperity Campaign

## Building a Coalition

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### Critical Factors:

- Identify the goal(s) of the Coalition
- Identify a lead organization for the Coalition – someone who has name-recognition in the community
- Build relationships with entities that share the vision – “What is in it for them”
- Create a positive/transparent environment for the members



## More Critical Factors:

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- Trust among members
- Identify roles and responsibilities for Coalition members (act as VITA site, promote EITC, provide financial services, etc.)
- Engage the members – workgroups
- Get members to take ownership



# Atlanta Prosperity Campaign

## Building a Coalition

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### Year One

- Develop goal(s)
- Build a good base of partners
- Build trust among partners
- Bring in speakers

### Year Two

- Strategic format
- Workgroups

### Year Three (currently underway)

- Develop state coalition
- Develop advocacy goals





# Statewide Coalition

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- Bringing together entities from across the state of Georgia – business, social service organizations, United Ways, governmental agencies, financial institutions
- Goals
  - Increase access to EITC
  - Reach rural counties and communities
  - Share best practices
  - Advocacy at state level



# Creation of Statewide Coalition

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## Initial Meeting – October 2009.

- Determined there is a desire between the partners to form a coalition.
- Established priorities for what the coalition would like to accomplish.
- Requested that the ACF Welfare Peer TA Network assist the coalition on a larger conference to be held in June 2010.

<http://peerta.acf.hhs.gov/>



# State Coalition

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- Established four subcommittees to start the process.
- Contacted existing Statewide coalitions in other states to determine how their coalitions operate.
- Planning committee working with ACF Welfare Peer TA Network team to develop conference agenda.
- Developed coalition Web sites, contact lists, and list serves.
- Learning series on best practices allows coalition members to share ideas.



# Atlanta Prosperity Campaign

## Advantages of Coalitions

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- Share information and improve services for clients
- Cross-promote services
- Entities better see the “big” picture
- Long-term – advocacy – single voice on EITC and asset-building in your community
- Increase resources into the community (i.e., VITA grant)
- Connect entities that historically have not worked together



# Thank You

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**Laying the Groundwork  
for EITC & VITA Coalitions**

**Welfare Peer TA Network**

**January 06, 2010**

# Our Public Purpose

The Department of Community Initiatives (DCI) serves as the human services branch for the City of San Antonio. Our mission is to strengthen the community through human services investments, resources, and partnerships that benefit everyone.



# Partners

- **San Antonio Coalition for Family Economic Progress (SACFEP) was a public-private partnership developed in 2001**
  - Coalition evolved out of Annie E. Casey Foundation's work and IRS transition to community leadership
  - Initial focus centered on the Earned Income Tax Credit Campaign and VITA
  - Expanded to include asset building
- **SACFEP merged with Alamo City Coalition for Economic Self Sufficiency (ACCESS) in August 2008**
  - Now more than 80 members
    - Includes City, County, local businesses, non-profit organizations, universities, financial institutions
  - Goals and objectives remain the same



# Roles and Partner Responsibilities

- **City of San Antonio**
  - influence partnership building.
  - provide VITA training and technical assistance.
  - actual operation of 22 VITA sites during the filing season.
  - resources contributed include equipment, staffing, and funding.
- **United Way of San Antonio and Bexar County**
  - responsible for outreach and funding.
  - resources include use of UW's 211 Help Line and volunteer web site, and provides funding for volunteer recruitment.
- **Catholic Charities, Archdiocese of San Antonio**
  - responsible for volunteer recruitment, retention, and outreach.
  - additional resources include use of space for training.
- **Internal Revenue Service SPEC**
  - responsible for training, technical assistance.
  - resources include Taxwise software and loan of equipment such as IRS laptop computers and printers.

# Roles and Partner Responsibilities

- Other coalition partners provide support in that they operate VITA sites, provide facilities, or funding.
- Additional partners include:

AARP	Alamo Area Council of Gov'ts	Antioch Community Transitional Network	Alamo City Chamber of Commerce
Alamo Community College District	Bank of America	Broadway National Bank	Capital One
CITI Texas	Bexar County	CPS Energy	Federal Reserve Bank of Dallas
Frost Bank	Goodwill Industries	Greater San Antonio Chamber	Guadalupe Community Center
JP Morgan Chase	LME Making Connections	Our Lady of the Lake University	Presa Community Center
Project Quest	Enterprise Rent-A-Car	St. Mary's University	San Antonio Hispanic Chamber
San Antonio National Bank	Southwest Research Institute	Wachovia	Workforce Solutions Alamo

# Example of Local Community Business Partnerships

## - H-E-B

- Largest supermarket chain in Texas
- 5 VITA Sites
- 7,500 tax returns
- Removed paid tax preparers in the five VITA locations
- Pledged to increase delivery of social service programs through retail outlets



# Credit Union Partnership

## Alternative Refund Anticipation Loan



- Paid preparers who offer RALs usually charge ~ \$350, including tax return
- Partnership with generations Federal Credit Union

### *Refund Express (Alt. Refund Anticip. Loan)*

- 0% interest loan
- \$5 initial deposit for new accounts
- 2,368 *Refund Express* ARALs in 2009
- More than \$6 million in total loans
- Generations opened 1,542 new accounts because of ARAL alone

# Credit Union Partnership

## Individual Development Accounts



- **New Partnership between City of San Antonio and Security Service Federal Credit Union.**
- **Innovative program to provide direct Asset building at VITA site.**
  - Establish IDA account during tax preparation process.
  - Utilize the City of San Antonio's 4 to 1 Match Savings Program.
  - Client may save up to \$1,000 and combine the IDA match to put \$5,000 towards first time homeownership or education.

# VITA Results

## 2006 - 2009 Tax Filing Seasons

	2006	2007	2008	2009
<b>Coalition Results</b>				
# of Coalition Sites	26	27	31	30
Total # of Returns	30,240	34,483	43,440	38,772
Total \$ Returned	\$47 mil	\$54 mil	\$61 mil	\$70.5
<b>COSA DCI Results</b>				
# of DCI Sites	20	20	27	25
# of Returns	24,905	25,443	40,947	36,545
\$ Returned	\$39 mil	\$39.6 mil	\$56 mil	\$65.8 mil

# San Antonio Operating Costs for a VITA site

30 hours of operation a week for 14 weeks

<b>1 Week of Paid Training</b>	\$600.00 \$978.24	( 12.50 per hour X 48 hours X 1 <b>Site Coordinator</b> ) ( 10.19 per hour X 3 <b>paid filers</b> )
<b>Operations</b>	\$5,600 \$12,839.40	(12.50 P/H X 32 hrs a week X 14 weeks X 1 <b>Site Coordinator</b> ) (10.19 P/H X 30 hours a week X 14 wks X 3 <b>filers</b> )
<b>Supply Costs</b>  (Toner, Paper, Folders, Pens, etc)	\$1664.00	( 2520 Returns X \$0.66 <b>per return</b> )
<b>Total Cost</b>	\$21,681.64	

\* Above cost are for paid site personnel to ensure continued operations, and supplies. Volunteer filers and intake personnel fill around the above listed staff.

# Lessons Learned

- Engage partners with capacity, mission and will
- Clarify purpose of partnership
- Define expectations of partners
- Reach common ground with strategic partners currently serving targeted population
  - Discuss "What's In It For Me" and how each group will benefit from partnership
- Start small, build foundation, add new members who strengthen the partnership



# Influencing Public Policy

- Produce quantifiable results
  - Early, collective successes build public will
  - Use return on investment studies to make a business case for these ventures
  - Demonstrate to local political and community leaders how their constituents financial well-being can be improved



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