



Earned Income Tax Credit (EITC) Strategies for West Virginia

Final Report

Charleston, West Virginia

January 20–21, 2005



Welfare Peer Technical Assistance Network

EARNED INCOME TAX CREDIT (EITC) STRATEGIES FOR WEST VIRGINIA

Final Report of Peer TA Activity

**Conducted for the West Virginia Department of Health and Human Resources
Charleston, West Virginia
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This report describes the Administration for Children and Families (ACF) Office of Family Assistance (OFA) Welfare Peer Technical Assistance Network event entitled *EITC Strategies for West Virginia* that took place in Charleston, WV, January 20-21, 2005. The Agenda from the event is provided in Appendix A. Appendix B lists the event participants, and an Evaluation Summary is provided in Appendix C.

The report is available for download at: <http://peerta.acf.hhs.gov/taevents/chron.htm>.

I. EVENT OVERVIEW

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The Welfare Peer Technical Assistance (TA) Network is a Federally-funded initiative sponsored by the Administration for Children and Families (ACF) Office of Family Assistance (OFA) within the U.S. Department of Health and Human Services. The purpose of Welfare Peer TA is to provide peer-to-peer technical assistance to public agencies and private organizations operating the Temporary Assistance to Needy Families (TANF) program. Welfare Peer TA facilitates the sharing of information between and among States and localities to establish linkages between organizations serving the needs of welfare recipients.

In response to a request for technical assistance from the West Virginia Department of Health and Human Resources (DHHR) Division of Family Assistance, Welfare Peer TA sponsored a statewide Roundtable event in Charleston, WV January 20-21, 2005. Welfare Peer TA Roundtables are designed to bring together a group of professionals working in similar or complimentary disciplines in a workshop setting to foster peer-to-peer learning through interactive sessions. This Roundtable brought together Federal, State, and local staff to discuss the enhancement and delivery of a coordinated statewide EITC outreach campaign. The event was designed to help build the capacity for West Virginia communities to organize local EITC initiatives and develop collaborative partnerships related to the EITC.

Federal staff in attendance included representatives from the Internal Revenue Service (IRS) and the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance (OFA). The West Virginia Department of Health and Human Resources (DHHR) sent high-level staff. Also, local Community Action Agencies (CAAs) were represented, as was the West Virginia University Extension Service. Representatives from the West Virginia Welfare Reform Coalition who were responsible for the State's EITC efforts since 2000 were in also attendance. Lastly, local representatives from the service regions throughout West Virginia were present, including staff from community-based organizations, faith-based organizations, foundations, and local businesses. The Roundtable event focused on discussions about the EITC in general, EITC eligibility, financial literacy, best practices on EITC outreach and free tax preparation from around the country, helpful tips and tools for launching an EITC outreach initiative, and developing local action plans for EITC and volunteer tax preparation initiatives.

As a result of this Roundtable, participants gained the following:

- An increased appreciation for the EITC and the impact it can have on the economy of local communities
- A heightened awareness of the amount of unclaimed EITC dollars in West Virginia

- An increased awareness about the need to target TANF and former TANF participants who studies show do not know or have not claimed the EITC even though they are eligible
- A richer understanding of the tools that are currently available to assist in EITC outreach and volunteer tax preparation, such as toolkits, Web sites, training materials, and outreach material
- An ability to use TaxWise, the tax preparation software of the IRS
- An increased recognition of the importance of financial literacy and the tools that are currently available to support the advancement of financial literacy
- Examples from model programs, EITC initiatives, and volunteer tax preparation initiatives currently occurring around the country
- The opportunity to collaborate with local stakeholders and formulate local action plans for each of the service regions in West Virginia.

II. ROUNDTABLE BACKGROUND

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In recent years large numbers of TANF clients have entered the workforce and moved off of welfare. However, securing employment does not always equate to getting out of poverty. Many former TANF recipients earn annualized wages that still leave them below the poverty line. Many of these current and former TANF clients are eligible for the Earned Income Tax Credit (EITC).¹ Several studies, however, have revealed that, although they are eligible, many of these welfare recipients are not claiming the EITC for a variety of reasons.²

The EITC has been instrumental in closing the poverty gap for many of the nation's working poor. Enacted by Congress in 1975, the Federal EITC is a refundable tax credit that increases the income of low-and moderate-income working families by providing tax reductions and cash supplements. As a federally-funded anti-poverty initiative, the primary purpose of the EITC is to help employed low wage earners maintain their financial self-sufficiency by offsetting taxes, supplementing wages, and making work more attractive than welfare. Despite the success of the program, research reveals that perhaps as many as "15%–20% of tax filers eligible for the credit fail to claim it."³ Unclaimed EITC dollars in 2003 totaled more than \$7 billion nationwide.

Widely praised for its success in supporting work and reducing poverty, the EITC has grown to be one of the most successful provisions of U.S. domestic policy. In fact, several expansions in the late 1980s and early 1990s turned the EITC into the largest Federal aid program targeted to the working poor. The EITC provides some \$37 billion worth of assistance to almost 21 million low-income working families and is credited for lifting 5 million people out of poverty,⁴ including 2.7 million children of low-income workers living above the Federal poverty line.⁵ Research also indicates that the EITC has had a powerful effect on increasing the proportion of single parents who are working.⁶ By providing an additional income boost through a tax refund, the EITC truly supplements wages. These and other outcomes indicate that the

¹ Studies show that TANF recipients who find jobs typically earn \$8,000–\$12,000 per year, well below the poverty line for a family of three. Johnson, N., Llobrera, J., and Zahradnik, B. (2003) "A hand up: How State earned income tax credits help working families escape poverty in 2003". <http://www.cbpp.org/3-3-03sfp.htm>

² Phillips, K.R. "Who Knows about the Earned Income Tax Credit." The Urban Institute, January 2001. P.2, <http://www.urban.org>

³ Berube, A & Tiffany, T. The "State Of Low –Wage Workers: How the EITC Benefits Urban and Rural Communities in the 50 States." The Brookings Institute, February 2004. P.3. <http://www.brookings.edu/eitcseries>

⁴ The National EITC Outreach Partnership, "The Earned Income Tax Credit –A Fact Sheet" July 2004 www.centeronbudget.org/eitc-partnership/eitcfactsheet.htm

⁵ Berube, A. (June 21, 2004) "Background on EITC Campaigns". Presentation: EITC Funder's Meeting. Brookings Institute. <http://www.brookings.edu/metropolitanpolicyprogram>.

⁶ According to the National Bureau of Economic Research, the percentage of single mothers who work rose from 73% in 1984 to approximately 82% in 1996, and that EITC expansions had a stronger effect in increasing workforce participation than welfare policy changes.

EITC is one of the country's most powerful income enhancements and effective work incentives for families with children. Numerous States and communities across the nation have undertaken initiatives to expand awareness of, and claims for, the EITC.

To expand TANF client and community awareness and participation in federal tax credit programs such as the EITC, the State of West Virginia requested technical assistance from the Welfare Peer Technical Assistance Network. In November 2004, West Virginia's Department of Health and Human Resources (DHHR) contacted Welfare Peer TA regarding the delivery of a coordinated Statewide EITC initiative. The DHHR sought to bring in outside resources to continue West Virginia's efforts to educate community partners regarding the benefits of the EITC for West Virginia's working poor and to continue to increase the effectiveness of the existing State EITC campaign.

In response to the TA request from West Virginia, the Welfare Peer TA Network planned, designed, and implemented a Roundtable event that was held on January 20–21, 2005 in Charleston, WV. Approximately 80 individuals representing a wide variety of Federal, State, and local agencies and organizations attended the Roundtable. The event was designed to impart knowledge about the EITC, foster peer-to-peer learning, highlight best practices on EITC outreach and free tax preparation from around the country, provide helpful tools for launching an EITC campaign, and facilitate the development of local and regional action plans for immediate implementation.

The following report describes the Roundtable event that was designed to meet the needs articulated in West Virginia's request for technical assistance.

III. ROUNDTABLE SESSIONS

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The Welfare Peer TA Roundtable event entitled “EITC Strategies for West Virginia” took place in Charleston, West Virginia over two intensive days of workshop sessions, interactive discussions, breakout groups, and presentations. The following sections of this report summarize the content of the event sessions.

1. WELCOME AND INTRODUCTIONS

During this brief introductory session, five speakers each welcomed the Roundtable participants and offered their initial thoughts on the purpose, goals, and anticipated outcomes of the event. John Horejsi, the Federal Project Officer of the Welfare Peer Technical Assistance Network, opened the event and discussed the purpose and mission of Welfare Peer TA. He highlighted how the EITC does great things as a powerful strategy to help TANF families move one step closer to self-sufficiency because it is based on work, not welfare. Various benefits and assets of the EITC include that it is proven and effective, it rewards work, it is pro-business, it strengthens families, it supplements wages, it creates no new bureaucracy, and it poses no administrative or economic costs to employers. Mr. Horejsi also directly thanked all those responsible for putting together and delivering this Roundtable event, and introduced each of the following speakers during the session.

Margaret Waybright, the Commissioner of the West Virginia DHHR, encouraged participants to take full advantage of the resources and knowledge that would result from this event. She stressed that everyone in the room demonstrates on a daily basis how they care for children and families, and how we all want to do everything we can to enhance the lives of families in West Virginia. Because West Virginia is not a wealthy State and faces consistent resource shortages, the EITC is a great opportunity for West Virginia to fully utilize one resource that is available. For Ms. Waybright, the EITC fits squarely into the mission of the DHHR, which generally-stated, is to assist families and help them become as self-sufficient as possible, and to help children grow and develop safely into productive adults. Ms. Waybright encouraged working together, networking, and the formation of partnerships at this event. She ended her remarks by stating her hope that all participants leave this event much richer in their knowledge about the EITC, their awareness of resources available to them, and the relationships that they have formed.

Charles R. Young, II, Assistant Commissioner of the West Virginia DHHR, discussed child welfare and adult programs in West Virginia and how the EITC as a great resource for citizens. He expressed his deep appreciation for the work of the West Virginia Welfare Reform Coalition, which has been leading the State’s EITC campaign since 2000. Mr. Young also used his opening remarks as an opportunity to cite two studies of TANF recipients in West Virginia

and their awareness and utilization of the EITC. Although recent progress is heartening, the challenge facing the State is that close to half of those eligible are still not claiming the EITC. Mr. Young stated that close to \$74 million in EITC refunds remain unclaimed in West Virginia, which represents millions of dollars that could bolster local economies. He called for significant increases in outreach and awareness, especially to Food Stamp, TANF, and Medicaid recipients, as well as to case managers and economic service workers.

Next, Dr. Kenneth Martin, a rural sociologist with the West Virginia University Extension Service, brought greetings on behalf of the Extension Director Dr. Larry Cote. Dr. Martin focused the majority of his opening comments on EITC outreach and how the Extension Service could assist with outreach efforts. The University Extension has volunteer networks in communities across the State that could be galvanized to assist with EITC outreach. As an example, Dr. Martin mentioned a group called the Community Education Outreach Service, formerly known as the Homemakers Volunteers, which could be utilized to market the EITC. West Virginia State University, a land grant partner, also has extension programs that go into communities and neighborhoods throughout the State targeting youth and underserved audiences. These programs could be easily adapted to include EITC outreach as well. Dr. Martin ended his comments by stating the desire of the Extension Service to establish new partnerships and identify new opportunities to play an increased role in the coordinated Statewide effort to increase EITC claims.

Larry Beckett, the President of the West Virginia Welfare Reform Coalition, closed out the welcoming session with a brief description of the coalition's background and the EITC efforts currently underway in the State. The West Virginia Welfare Reform Coalition was founded in 1996 subsequent to the passage of welfare reform. Individuals and organizations came together to form the coalition with the intent of helping to make welfare reform as humane, user-friendly, and efficient as possible. The coalition has been working closely with West Virginia's DHHR to accomplish that mission over the past nine years. Activities of the coalition include research, advocacy, and education, all of which apply to the EITC.

Since 2000, the West Virginia Welfare Reform Coalition has been the lead agency spearheading a Statewide EITC campaign. Some of the partners of the campaign include: the American Friends Service Committee, the Annie E. Casey Foundation, the Claude Worthington Benedum Foundation, the Internal Revenue Service (IRS), local businesses, the Office of the Governor, Sisters of Saint Joseph Charitable Fund, and the West Virginia Department of Revenue (DOR). The campaign is credited with having steadily increased EITC filings in West Virginia by 20 percent statewide each year since 2000 resulting in a combined \$239 million of individual tax refunds for West Virginia citizens in 2003 alone. As part of the campaign, the

Welfare Reform Coalition coordinates all partners, applies for funding, and supplies technical assistance materials such as outreach brochures, a Web site, and a toll free hotline.

2. A SHARED VISION FOR COMMUNITY ECONOMIC EMPOWERMENT

Mr. David Lett, Regional Administrator for ACF Region III, opened this session with words of encouragement for participants, his remarks about an EITC campaign in West Virginia, and an introduction of David Cunningham, the morning's keynote speaker. Mr. Lett expressed his excitement that the EITC campaign in West Virginia would receive such supplemental knowledge, materials, and resources as a result of this Roundtable. He believes that with a new Governor and the current partners working together, the time is right to make a big difference on EITC claims in the State. Mr. Lett also offered his views on the benefits of the EITC, echoing many of the sentiments that other presenters also highlighted throughout the Roundtable.

The EITC provides more support to low-income families nationwide than TANF and Food Stamps combined. As the largest and perhaps the most effective anti-poverty program nationwide, the EITC offers an extraordinary opportunity to low-income families to supplement wages on the road to self-sufficiency and financial independence. Mr. Lett stressed the amount of unclaimed EITC dollars left on the table each year and mentioned that although they are eligible, one out of every two TANF clients do not take advantage of the EITC. He also discussed eligibility requirements, the national average of \$1700 for EITC refunds, how the EITC can function as a stimulus for local economies, and how the EITC is a work incentive and a means to increase the minimum wage. For Community Action Agencies and others interested in community development, the EITC can also serve as an economic development tool for low-income neighborhoods. Even with the proven impact of the EITC, Mr. Lett stated that it is "surprisingly underutilized."

Mr. Lett also cited various studies that explored EITC awareness and utilization rates. In Virginia, a 2003 study of a random sample of low-income workers whose income was 130 percent of the Federal poverty level, found that 41 percent did apply for the EITC although they were eligible. Reasons for not filing included lack of awareness of the existence of the EITC, an incorrect understanding of their own eligibility, a lack of knowledge of how to or where to apply. Additionally, 60 percent of the workers in the study used paid tax preparers to help prepare and submit their income taxes. It is estimated nationwide that millions of taxpayers spend over \$2 billion each year from their tax refunds on interest rates and fees of commercial paid tax preparers.

Mr. Lett ended his introductory comments with an outline of a four-pronged approach to EITC promotion in West Virginia:

- 1) **Awareness**—inform ourselves, our staff, and our caseworkers as well as help low-income families and workers to learn about the EITC.
- 2) **Tax Preparation**—link low-income families to avoid paid tax preparers and predatory lenders by providing free or low-income tax preparation through IRS Volunteer Income Tax Assistance (VITA) sites.
- 3) **Financial Literacy**—help families to receive an economic education so they can become financially literate and smarter about handling money and building assets.
- 4) **Connect Families with Resources**—help low-income families get connected to resources such as a financial home at a bank, a credit union, or a savings and loan institution.

2.1 Building Foundations for Family Financial Self-sufficiency: Why TANF is the Right Place to Target an EITC Initiative

During this session, Mr. David Cunningham, a consultant for EITC and Self-Sufficiency Initiatives for OFA, gave an extensive presentation on the benefits of targeting TANF recipients as part of a Statewide EITC initiative.

Mr. Cunningham reviewed the current Administration’s plan to strengthen welfare reform, listed a wide array of reasons why the EITC specifically benefits TANF recipients, illustrated past examples of successful EITC initiatives that targeted TANF recipients such as Benton Harbor, MI, and offered local data from the most recent tax season on EITC claims in West Virginia. Mr. Cunningham stated that the EITC is part of the President’s plan to strengthen welfare reform.

Mr. Cunningham framed the context of the discussion with some relevant background information about welfare reform and TANF. He reiterated that the TANF program is administered by OFA and is the cash assistance program for the country, implemented through annual block grants to the States. Mr. Cunningham outlined the four main purposes of the TANF program, reminding participants that TANF seeks to achieve broader goals than solely to provide economic assistance to families. TANF also aims to prevent out-of-wedlock pregnancies and to encourage the formation and maintenance of two-parent families.

Mr. Cunningham then described the many components of the current Administration’s TANF reauthorization proposal being considered by Congress. These components include: strengthening Federal and State partnerships, maximizing work activities, improving program

performance, facilitating program and service integration, enhancing child support enforcement, and encouraging abstinence and teen pregnancy prevention, all within the over-arching purpose of promoting the well-being of children and families. The reauthorization proposal commits to \$16.5 billion in funding for the States. It also increases the incentives for States to pass through more child support monies, authorizes \$74 million for abstinence and teen pregnancy prevention programming, and increases the flexibility for States to be more targeted and integrated in their service delivery systems.

The central message of Mr. Cunningham's morning presentation focused on creating EITC initiatives with TANF as the driving engine. Because the goal of TANF is not only to move individuals from welfare to work but also to move families out of poverty, the EITC is a great tool to accomplish the very goals of welfare reform. Mr. Cunningham outlined a host of compelling reasons why TANF recipients are the right place to target an EITC initiative:

- **Children qualify a family for a larger EITC and Child Tax Credit (CTC)**—The population of families with a parent and two children qualifies for the largest amount of the tax credit. For a family earning an annual income of \$10,000 a year, the EITC can increase their annual income by up to 40 percent. For those who are the poorest of the poor, the EITC may make the difference between remaining in the depth of poverty and moving out of poverty on the road to financial independence.
- **Nearly 100 percent of employed TANF clients are eligible for the EITC**—If an individual is employed and meets the eligibility criteria, they can receive increased amounts of Federal tax returns due to the EITC, whether they have children or not. A significant portion of these dollars go unclaimed because eligible participants do not file or are not aware of the EITC.
- **Nearly 67 percent of a State's participation is achieved due to employment**—Of those TANF recipients that count towards the Federal participation rate, two thirds of them will also most likely be eligible for the EITC.
- **Most TANF recipients do not know about or have not claimed the EITC**—These findings are based on research conducted by Maximus that indicated that more than 50 percent of TANF recipients included in the study did not know about the EITC and had not claimed it, even though they were eligible.
- **Minorities such as Hispanics, Native Americans, and African Americans are less likely to have heard of or claimed the EITC**—In many instances, these populations can benefit greatly from EITC claims.
- **Individuals who have dropped out of high school, low-wage workers, and part-time workers are also less likely to have heard of or claimed the EITC**—In many instances, these populations can benefit greatly from EITC claims as well.

- **Many individuals who earn low annualized wages do not file for the EITC**—These individuals may assume that they are not eligible for the EITC due to their low wage totals.
- **Many individuals with employment, such as TANF leavers in some instances, are still below the poverty level and qualify for the EITC**—To be eligible, families must earn less than \$15,260, which is the breakeven point for a family of three.
- **Some TANF recipients may be able to retroactively claim up to three years worth of the EITC**—For those individuals who were eligible, but failed to file for the EITC in previous years, they can receive retroactive EITC returns for up to three years.
- **Targeting TANF for an EITC initiative in West Virginia can generate increased income for families and children**—When families claim the EITC, they may not necessarily move out of poverty, but they certainly move one step closer to self-sufficiency.

In addition, Mr. Cunningham also reviewed some national statistics about EITC claims. Eighty-seven percent of families that claimed the EITC had at least one child. Also, an estimated \$36 billion dollars was generated across all States by the EITC in 2003. Unfortunately, an estimated \$7.6 billion dollars remained unclaimed in 2003 by eligible families. Roughly 4.3 million families who qualified for the EITC did not claim it in 2003, all of whom could be positively affected by the receipt of EITC returns.

Benton Harbor, MI is a great example of the benefits to a community when TANF recipients are targeted for EITC outreach. In Benton Harbor, the Michigan Family Independence Agency (FIA) conducted EITC outreach to all current and former TANF recipients. The objectives of the Benton Harbor EITC pilot included:

- Increase utilization of EITC among current and former employed TANF clients for tax year 2003
- Conduct an aggressive door-to-door outreach campaign
- Provide free tax preparation services, as needed
- Verify method of filing
- Record results and process for possible replication.

In Benton Harbor, they engaged in various strategies to realize their goal. One strategy was to work with the Department of Social Services (DSS) to send a letter to all current and former TANF recipients who had jobs. The local Black Ministerial Alliance also mobilized a cadre of

volunteers to go door-to-door and inform community-members about the EITC. Faith-based organizations (FBOs) donated vans to go out and pick up clients and drive them to VITA sites. FBOs also provided child care. Lastly, a variety of local free tax preparation sites were offered, and the local newspaper conducted special advertising. Mr. Cunningham reminded the audience that when targeting TANF recipients, it is most effective to target the types of media that reaches TANF clients. It is a common mistake when campaigns advertise to the wrong audience. At the current time, no other program has occurred that is similar in scope to what was done in Benton Harbor with EITC and TANF.

Highlighted outcomes of the Benton Harbor pilot include:

- 98 percent (628) of the 640 families were reached
- 85 percent of those reached (545) filed EITC claims, including both Federal and State taxes
- Average EITC claim was estimated at \$1339.50, yielding an average Federal refund of \$1,523 and an average State refund of \$193
- Estimated total EITC credit brought \$730,028 into the community
- Estimated total refunds at \$935,220.

The success of the Benton Harbor pilot suggests that a community can make a huge difference with strategic outreach to TANF recipients. In total, West Virginia could gain up to \$74 million in EITC refunds with an effective campaign that reduces the amount of unclaimed dollars each year. Mr. Cunningham also listed a variety of action steps that the State of West Virginia could implement to improve EITC outcomes.

- **Secure high level commitment to action**—This commitment to action can include the Governor’s Office, the State legislature, and State Cabinet-level departments. The proclamation of an EITC Awareness Month is also a suggested endeavor.
- **Do not attempt to work alone**—It is critically important to form partnerships and work as a coalition to implement an EITC campaign. Every new partner brings additional resources to the table.
- **Plan for a 100 percent uptake goal for tax year 2004**—With efficient and successful mapping through State New Hire data, planners can determine what TANF recipients are eligible, what TANF leavers are eligible, where they are located, and when they left the caseload.

- **Implement a year long strategy**—Start sooner than January of the current tax year to focus on the EITC. Some campaigns start planning the following year’s EITC campaign as early as June of the previous year.
- **Leverage program requirements and interactions**—Because welfare recipients are required to work, local employers are a great place to start EITC outreach, even from the first moment of a new hire’s employment. Case diversions and case closures are also both good windows of opportunity to inform TANF customers about the EITC.
- **Get them as early as January with W-2s’ in hand**—The main emphasis of this action item is to reach TANF recipients early and to go far beyond “envelope stuffing” and simple outreach.
- **Utilize the “seven points of contact” marketing strategy**—This commonly-held marketing theory asserts that individuals must hear a message seven times before the message becomes internalized and actively elicits a response. With this message in mind, Mr. Cunningham encouraged the Roundtable participants to brainstorm ways that the message about the EITC can reach their community residents seven different times. These outreach strategies must include more than one flyer or one poster. However, when flyers, posters, brochures, waiting room videos, announcements on grocery store bags, billboards, press releases, and public service announcements are combined, they increase the likelihood that a given citizen will learn about and internalize the message enough to take action to apply for the EITC.

2.2 Questions and Answers

Q: How rural is Benton Harbor and what are its demographics?

Mr. Cunningham: Benton Harbor is fairly rural. It is located in the southwestern portion of Michigan. Whirlpool is the largest corporation in the area, although they outsource many jobs overseas. There is also a large agri-business industry near there. Benton Harbor has aspects that feel like an urban center, but in its entirety, it feels fairly rural. In Benton Harbor city, the demographics are 92 percent African American, 5 percent Caucasian, 3 percent Asian, Native American, and Other. In Benton Harbor township, 52 percent African-American, 44 percent Caucasian, 4 percent Asian, Native American, and Other. Combined, 10 percent of the population were receiving TANF benefits. More than half of the citizens were working yet still below the poverty level, and most had at least one child.

Q: What outreach media finally reached the TANF audience?

Mr. Cunningham: Even though the newspaper ran great stories, we learned that many of the TANF clients were not reading the newspaper frequently. Instead, we targeted ads on a local hip hop radio station, and it was the medium that reached a majority of our target audience. We had

spots on radio talk shows and ran public service announcements (PSAs) from the IRS. Preachers also talked about the EITC from the pulpit on Sundays.

Q: Can you discuss VITA sites in more detail?

Mr. Cunningham: It is important to note that people must be made aware when and where VITA sites operate. Also, VITA sites must operate at a time and place that is convenient for your target audience. Late nights and weekends tend to work well. Lastly, while at an appointment at a VITA site, it is a great opportunity to share more resources about financial literacy and education. Scheduling individuals for specific times to avoid long waiting lines and address child care concerns is another suggested strategy.

Q: In Benton Harbor, how were banks involved in the campaign?

Mr. Cunningham: In this pilot, 25 percent of the TANF clients were not banked. These are the individuals who often need their tax refund money right away, but they do not have a bank to go to. We actually partnered with a local bank that set up a bank account for those TANF individuals, so they could get their money 3-7 days later. Unfortunately, when these individuals are not banked, they succumb to refund anticipation loans (RALs) and lose money due to high interest rates. When you partner with local banks, you help to ensure that low-income individuals get all of their tax return and do not lose any money to predatory lenders or check cashers.

Q: Can you elaborate some details about the unclaimed amount of dollars related to the EITC?

Mr. Cunningham: The total of unclaimed dollars that I cited is calculated by tallying the number of participants who are eligible for the EITC and computing the total dollars that they would have received had they filed for it. In addition to conducting that analysis on a national scale, I also conducted a specific analysis for the State of West Virginia. In West Virginia, \$74 million was left on the table in unclaimed EITC dollars in last year's tax season. Effective outreach and free tax preparation services are the way to increase the amount of EITC dollars that are claimed.

Q: Do you have any data about the return on investment (ROI) of an EITC initiative?

Mr. Cunningham: Yes, certainly. In Benton Harbor, they returned 9 dollars to the community for every dollar that they put into their EITC initiative. It was a 9-fold return. When you see it all come together, it's a beautiful partnership. You start with TANF recipients as the engine, you draw on the experience and access of the Community Action Agencies, and you draw on the free

tax prep and Volunteer Income Tax Assistance (VITA) sites of the IRS. With those components, you can create a very successful and beneficial EITC initiative.

3. COST-TO-IMPACT: TOOLS FOR TRACKING AND ANALYZING THE IMPACT OF EITC INITIATIVES

Dr. Susan Cocciarelli of the Michigan State University Extension discussed the Michigan statewide EITC Financial Education and Financial Services Learning Demonstration Initiative. She also highlighted the Cost to Impact analysis tools designed for the project. Dr. Cocciarelli asserted that quality data collection is critical to ascertaining the true impact of a community-based EITC initiative. Data collection and evaluation provide hard numbers, benchmarks, and facilitate the process of sharing concrete results for marketing purposes.

Dr. Cocciarelli started in the field of researching financial assistance and self-sufficiency initiatives with an initial project that looked at three Michigan communities: United Way in Saginaw, the University Extension in Sheboygan, and a credit union in Skeegan. Using IRS TaxWise software to run reports and show household income, she and her colleagues began to run data on income as it relates to filing for the EITC. During the pilot project, they created a template for cost analysis, which they were able to use to run cost effectiveness and return on investment (ROI) analyses on EITC campaigns.

After the initial pilot project, Dr. Cocciarelli was funded for a two-year contract to conduct a Statewide learning demonstration initiative. In the fall of 2003, the Michigan Family Independence Agency (FIA) in partnership with the Governor's Public Policy Division funded the Michigan State University Extension to lead a statewide EITC initiative. The goals of the project were two-fold:

- To improve access to the EITC among eligible households throughout Michigan
- To increase the amount of EITC funds coming into the State

As part of the contract, Dr. Cocciarelli promoted a coalition model where the administrative and staffing costs were less than 1 FTE. They also set up mini-grants to each of the communities.

The target populations for the Statewide initiative were those that typically do not file taxes, those that file taxes but have not filed for the EITC, and those who are employed who do not have health insurance. Objectives of the initiative were to establish four pilot sites, provide free tax assistance for EITC eligible households, and utilize a Statewide advisory committee structure to explore methods for expanding EITC outreach throughout the State. Strategies of the initiative included creating an on-line toolkit, building a Statewide EITC coalition, providing

financial and technical support to four targeted community coalitions, and conducting both a process and an outcome evaluation.

In addition to the statewide coalition, local coalitions were created in each of the four pilot communities that represented a cross-section of individuals and organizations with the greatest propensity to reach EITC-eligible workers. Examples of entities in the local coalitions included: school districts, vocational centers, employers, universities, financial institutions, utility companies, neighborhood organizations, tax providers, human service agencies, AARP, community colleges, volunteer centers, Community Action Agencies (CAAs), the United Way, Federal partners, and Community Development Corporations (CDCs).

Research, evaluation, and obtaining data were all critical components of the Michigan Statewide EITC Initiative. Major research questions and objectives focused on:

- Assessing the value of a coalition-based approach to creating free tax preparation services at the local level;
- Examining the cost, efficiency, and effectiveness of the coalition approach to offering free tax preparation services;
- Determining the impact in the number of EITC eligible households claiming the EITC refund, and the impact within the community.

To conduct the evaluation of the initiative, Dr. Cocciarelli formed a partnership with Public Policy Associates, Inc. This partnership also studied EITC access and usage to determine the potential for longer-term saving behavior among the working poor in two Michigan communities. Evaluation data were gathered through focus groups, TaxWise software reports, a calculated Cost to Impact (CTI) ratio for each site, and intercept interviews/surveys at tax preparation sites.

Major findings from the Michigan EITC initiative include:

- **The coalition model was effective in capturing all available tax returns**—The Michigan EITC campaign generated a total financial impact of \$7,504,800 across the four pilot communities. Over \$3 million was saved by taxpayers in filing taxes for free.
- **The coalition model was cost effective**—In assessing the CTI ratio of each pilot community, Dr. Cocciarelli found CTI ranges from 1:9 to 1:29. For every dollar spent on the EITC campaign, a significant multiplier amount was brought back to the community. State dollars spent leveraged a financial impact of a 1:51.

- **EITC tax refunds have an impact on household income and the community**—These impacts were assessed using the data collection methods described above. Just with the EITC, household incomes were impacted positively by an average of 14 to 17 percent.
- **The majority of tax filers in this income range spend money locally**—Up to 74 percent of tax refunds were spent on rent, utilities, bills, groceries, and household items. These findings highlight the impact that EITC refunds can have on local economies.

Goals for next year's continuation of the statewide initiative include:

- Goal #1: Strengthen access to affordable, ethical tax preparation services for the working poor
- Goal #2: Maximize the value of income supports for working households
- Goal #3: Interface EITC with developmental efforts that stimulate community economic development
- Goal #4: Advocate for and take legislative action regarding policy that advances the working poor toward financial security.

For more information about Michigan's EITC campaign, please visit www.michiganeic.org

3.1 Questions and Answers

Q: What percentage of those that claimed the EITC fell prey to refund anticipation loans (RALs)?

Dr. Cocciarelli: None at our tax sites, but in Detroit, 52 percent use RALs.

Q: How does an individual determine how much EITC they are eligible for based on their income and number of children?

Dr. Cocciarelli: The IRS has charts that calculate the EITC for you on their Web site, www.irs.gov

Q: What is the advance EITC and how does information for the advance EITC get transferred to the employer?

Dr. Cocciarelli: One half of your total EITC refund is provided in an individual's monthly paycheck, paced throughout the year. Information is transferred through an individual filling out a W-2 form.

Q: Has there been any dialogue with paid tax preparers or predatory lenders?

Dr. Cocciarelli: In Michigan, we have not opened that dialogue as of yet. We have not engaged them or spoken with them. However, I do believe that the National Tax Coalition has began a negotiation with H&R Block. We're still trying to conceptually decide if we're trying to go head-to-head with paid preparers or just circumvent them.

Q: How did you get money from the Governor's Office and did you conduct a good amount of legislative advocacy?

Dr. Cocciarelli: We were fortunate to have a Governor who took such an interest in investing in the EITC and its potential impact in the community. We also had a great deal of support from legislators. Also, yes, we definitely conducted legislative advocacy. We spent much time lobbying the legislators, but I feel that it's an easy sell once they see how much money is going unclaimed and being left on the table.

Mr. Cunningham: It is true that some States are using part of the TANF dollars to fund their EITC projects. Illinois uses Maintenance of Effort (MOE) resources up to \$300,000 for EITC outreach. Louisiana allocated \$200,000 for mini-grants to local organizations to do EITC outreach campaigns.

4. TAX ASSISTANCE PARTNERSHIPS AND VOLUNTEER INCOME TAX ASSISTANCE (VITA) SITES PROGRAMS IN WEST VIRGINIA

This session of the Roundtable featured a presentation by Sandra Trigg, the Territory Manager for Ohio and West Virginia within the SPEC division of the IRS, on community-based coalitions and partnerships surrounding the EITC. Ms. Trigg began her presentation by stressing that the common interest that binds all of the individuals doing this work is a desire to help the working poor along the road to economic success and self-sufficiency.

Ms. Trigg started her presentation by commenting on the IRS's role in community partnerships. The IRS strongly believes in the power and strength of community-based coalitions and seeks to support these coalitions with resources, materials, and technical assistance. The goal of the IRS is to ensure that taxpayers both pay and receive the correct amount of tax that they owe or are eligible to receive as a refund. The Stakeholder Partnerships, Education and Communication (SPEC) office of the IRS shares a mission with many other organizations within community coalitions because it seeks to inform, educate, and communicate with the working poor.

Ms. Trigg emphasized the power that results when EITC awareness and education are combined with free tax preparation and asset-building activities. Community-based coalitions built for the purposes of fostering financial self-sufficiency should engage in all three of these activities to achieve the highest degree of impact. For Ms. Trigg, these coalitions help not only individual families but entire communities by multiplying the effects of the combined services. The remainder of her presentation focused on laying out a three-pronged formula for coalitions to follow to promote financial self-sufficiency in their communities.

Community-based coalitions related to financial self-sufficiency often begin with a focus on attracting money back into the local economy. Commonly, a starting point for these coalitions is to engage in education and public awareness activities on the EITC. Ms. Trigg defined numerous terms and eligibility thresholds related to the EITC, and she also discussed the meaning of a refundable credit. The EITC is a refundable credit, which means that even if a taxpayer does not owe any tax, he or she may still receive cash back if they are eligible for the EITC and they claim it. Ms. Trigg also outlined some of the underlying causes of the need for EITC outreach and why community-based coalitions are particularly suited to fulfill this need. EITC outreach is needed for the following reasons:

- In many cases, the working poor still remain in poverty despite having a full-time job and are in great need for additional income supplements.
- Many taxpayers (estimates of 25 percent) who qualify for the EITC are not claiming it.
- A disproportionate number of those who do not claim the EITC or are unfamiliar with the tax system are limited in education, in financial skills, and in English-speaking capabilities.
- Billions of dollars nationally go unclaimed each year from the EITC, and these dollars go could into the hands of those that need it the most with increased EITC claims. The EITC provides more than 20 million families and children with average EITC refunds of \$1,782.
- Accumulation of assets leads to a greater stake in the economy and people taking ownership of tax responsibilities through asset-building activities such as home ownership.

For EITC outreach to be most effective, partnerships need community organizations that are trusted and that interact with the working poor on a daily basis.

During the outreach and awareness portion of her presentation, Mr. Trigg also discussed the Child Tax Credit (CTC), a partially refundable tax credit that started in 2001. The CTC

provides families \$1000 for each qualifying child. Also, working families can receive both the EITC and CTC in the same year, although if their income level is too high to be eligible for the EITC, they may still be able to claim the CTC. Additionally, some immigrant families may also claim the CTC even if they cannot claim the EITC.

After community-based coalitions conduct extensive outreach around the EITC and CTC, these coalitions are also particularly helpful in the provision of free tax preparation services. Organizations in communities can work together to offer free tax return preparation assistance, which ensures that all people who are due tax credits receive them. Some actions that coalitions can do related to free tax preparation include:

- Sponsor a VITA site
- Recruit volunteers to serve at tax assistance sites
- Train volunteers to prepare tax returns
- Manage VITA sites in local neighborhoods.

The final portion of Ms. Trigg's presentation focused on asset-building activities as the third prong of the three-pronged formula. Ms. Trigg stated that the pathway out of poverty is not through consumption but through savings and the accumulation of assets. When people begin to accumulate assets, their thinking and behavior changes. Examples of these attitudinal and behavioral changes include increasing savings, increasing interaction with banks, and increasing civic and community involvement. Assets also provide greater household stability, increase the combined wealth of communities, and enhance the well-being of the next generation. Currently, more than 10 million families are unbanked in the United States, and 33 percent of families have either no financial assets or no retirement savings at all.

Ms. Trigg ended her presentation with a list of next steps that West Virginia organizations could do to promote this three-pronged approach:

- Create and join community coalitions. These coalitions should involve government, business, and community leaders. Coalitions should also have a formal name.
- Develop an action plan, which includes goals for the first year and subsequent years of work.
- Distribute EITC outreach materials.
- Sponsor and coordinate VITA tax sites.

4.1 New Resources for Rural Communities

Subsequent to Ms. Trigg's presentation, Mr. Michael McBride, the coordinator of the IRS's national rural initiative, gave a presentation on the IRS's current attention given to rural areas. Mr. McBride colloquially refers to the IRS rural initiative as "SPEC on the ROAD," which stands for the Rural Outreach and Assistance Demonstration (ROAD). The goal for the ROAD initiative is to develop outreach, free or low cost tax return preparation, and financial literacy pilot models that provide these essential services to the SPEC population living in rural America. Information gathered from the 2005 pilots will be used to develop a coordinated national rural strategy for FY 2006. For the majority of his presentation, Mr. McBride discussed various aspects of the national rural strategy, including the unique characteristics of and challenges posed by rural areas, the targeted strategies of the initiative, and the measures of success.

Rural areas are particularly in need of attention from the IRS due to their high levels of poverty, their diffuse populations, and their historic lack of services as compared to urban areas. Of the 500 poorest counties in the United States, 459 of them are rural. Rural areas can stand to uniquely benefit from EITC outreach and free tax preparation services, even though the longer distances that characterize rural areas can make it more difficult to deliver services. The ROAD initiative defines rural areas as "places outside of urban areas." Urban areas are characterized as cities with a population of more than 50,000 people.

Mr. McBride outlined five major pilot areas or targeted areas of poverty where the IRS ROAD initiative will focus. These five areas include:

- The Old Plantation Belt—down the Eastern seaboard and along the Gulf of Mexico
- The Mid-South Delta—including the Mississippi Delta
- Appalachia—including the rural areas in Kentucky and West Virginia
- Indian Country—primarily the Indian reservations in the Northwest
- Southwest—including the rural areas of the Southwestern States.

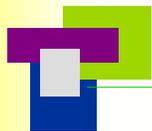
For each pilot area, Mr. McBride and the ROAD initiative will work to identify key partners in the localities with a stake in improving the rural communities, engage civic leadership, obtain funding, and generate a broad coalition of partners through education, communication, and outreach.

The success of the ROAD initiative will be measured by the extent of change in the following factors:

- Improving quality of life for rural America
- Fostering self-sustaining partnerships
- Creating sites that continue to expand in the future
- Creating collaborations that grow through outreach
- Increasing tax benefits through collaborations
- Utilizing lessons learned to formulate FY 2006 rural initiatives.

These factors will be measured in a variety of ways such as an increase in eligible EITC claims, an increase in e-filed tax returns, survey results demonstrating an increase in customer and partner satisfaction levels, and increases in the number of taxpayers receiving financial literacy training and opening Individual Development Accounts (IDAs).

To end his presentation, Mr. McBride described his goals for the West Virginia Roundtable participants. First, he hopes that by the end of the Roundtable, West Virginia will have an EITC rural strategy action plan in place. He also encouraged West Virginia to work to become one of the first State pilots for FY 2006 as part of the IRS national rural strategy. Lastly, Mr. McBride gave a detailed description of examples of tasks that he will undertake to achieve the four main strategies of the ROAD initiative. These examples of activities are displayed in the four slides contained within the following exhibit.

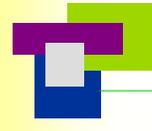


Strategy 1

Indirect outreach via rural groups

Examples of Activities

- Identify self-sufficient partners
- Consult rural Americans and organizations on best actions
- Pilot with DOJ Weed & Seed locations
- Pilot with USDA/HUD local offices
- Pilot with DOL One-Stop Centers
- Pilot with a western RCAP state
- Identify additional partner organizations for FY 06

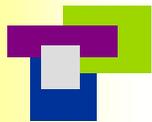


Strategy 2

Partner to establish self-sufficient VITA

Examples of Activities

- Pilot VITA/Coalition site with Empowerment Zone/Corporations
- Louisiana, HHS, and New Orleans Territory to conduct three-pronged campaign
- AARP to collaborate on select pilots
- Pilot VITA sites with DOJ Weed & Seed locations

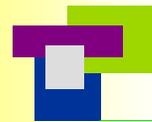


Strategy 3

Engage partners who emphasize financial literacy programs

Examples of Activities

- Partner with NRFC to establish pilot outreach, tax prep, financial literacy program with Native American Tribes in Montana
- Establish pilot VITA site specializing in IDAs with DOJ Weed & Seed and HHS



Strategy 4

MOU with Federal agency

Activities

Develop a Memorandum of Understanding with HHS regarding community-based grantees

4.2 Questions and Answers [for both presenters]

Q: Will IRS be offering any grants in the near future?

Mr. McBride: Instead of offering grants directly, the IRS is partnering with other entities that do offer grants. For example, the IRS is entering into a Memorandum of Understanding (MOU) with the Department of Justice (DOJ) Weed and Seed office, which is funding grants. This partnerships will cover 50 sites in FY 2005 with funding estimated at \$10,000 per site. Other funding for Individual Development Accounts (IDAs) may be available as well through this partnership.

Q: What specific steps does West Virginia need to take to become a State pilot site in FY 2006?

Mr. McBride: This Roundtable is the first step. Learn as much as possible from the Roundtable and incorporate what you've learned into local action plans. Then, work with your local IRS staff such as Ms. Sandra Trigg, Mr. Michael Beulike, and Mr. Ronald Young to discuss next steps for the FY 2006 State pilots.

5. OVERVIEW OF WEST VIRGINIA EITC ACTIVITIES: BEST PRACTICES AND STRATEGIES

During this session of the Roundtable, Elizabeth Damewood Lovas and Devin McGrew of the West Virginia Welfare Reform Coalition (WVWRC) discussed the progress and activities of the WVWRC to date to provide a snapshot of what is being done on the EITC in West Virginia. Because West Virginia is not a wealthy State, maximizing resources becomes increasingly a priority, and the current efforts on the EITC should build off the work already performed by the WVWRC.

Entitled the West Virginia Asset Development Initiative (WVADI), WVWRC's broad campaign to foster financial self-sufficiency is comprised of three parallel efforts: an EITC awareness campaign established in 2000, a pilot IDA program, and a training program called "Making Connections." Since its first year, the campaign is credited with having steadily increased EITC filings in West Virginia by 20% statewide each year resulting in a combined \$239 million of individual tax refunds for West Virginia citizens in 2003 alone. WVWRC has invested considerable resources in building partnerships and collaborations to ensure that the campaign has a broad-base of support. Current partners in the campaign include:

- The Claude Worthington Benedum Foundation
- The Annie E. Casey Foundation

- The Sisters of St. Joseph Charitable Fund
- WV Department of Revenue
- Branch Banking & Trust (BB&T)
- Star USA Federal Credit Union
- American Friends Service Committee
- Internal Revenue Service
- WV Department of Health & Human Resources
- Members of West Virginia's Business Community
- Office of the Governor of West Virginia.

The mission of the WVADI is to comprehensively and collaboratively enable low-income families and individuals to reach a point of self-sufficiency through the knowledge gained from financial literacy and the acquisition of assets.

The broad goals and desired outcomes of the WVADI are as follows:

- To ensure that every qualifying person in the State of West Virginia is filing for and claiming the EITC
- To help every resident of West Virginia access free tax preparation sites
- To pilot an IDA program using a sample of EITC-eligible citizens and providing them with money management training and assistance in developing savings plans
- To build assets among low-income West Virginia families and individuals
- To broaden the State EITC campaign with more partners and more coordination
- To develop and maintain additional IRS VITA sites to provide free tax preparation services to residents of all 55 of West Virginia's counties.

Of the three-pronged strategy, the presenters went into greatest detail on the West Virginia EITC campaign component. The WV EITC campaign is a collaborative network of various state organizations and agencies dedicated to helping spread the word to all of West Virginia's hard working, eligible families about the EITC. Objectives of the campaign include increasing awareness of the EITC, and informing the public about the availability of free tax preparation locations and the high interest rates charged by Refund Anticipation Loans (RALs).

In 2004, the campaign engaged in a wide variety of information dissemination activities and distributed to the public 125,725 brochures, 6,722 fact sheets, 2,600 church bulletins, 3,821 envelope stuffers, and 379 posters. In addition, the WV Chamber of Commerce inserted EITC information into its newsletter, as did the WV CHIP and WIC offices. Sample packets of EITC information also went to every school in WV, as well as over 900 community organizations, the top 100 businesses in the State, all mayors in the State, and State legislators. The campaign also maintains a toll-free EITC hotline, hosts a Web site located online at www.wveitc.com, implements a billboard campaign, and purchases radio spots for public service announcements (PSAs). Continual challenges facing the WV EITC campaign include engaging the business community and gaining the trust and faith of low-income residents who distrust the government.

5.1 Questions and Answers

Q: What curricula currently exist for us to use to teach financial literacy?

Ms. Damewood Lovas: The FDIC Money Smart curriculum is very good for adults. There are also child-specific curricula. We currently partner with the Jumpstart Coalition to train teachers to integrate financial literacy curricula into their classrooms. The advantages of the Money Smart curriculum are that it is free, module-based, and easy to use and to teach. Consumer Credit Counseling also has a curriculum called “Credit When Credit is Due” which is \$25 per participant.

Q: What is your strategy to gain the trust of low-income residents?

Ms. Damewood Lovas: This is something that we feel is best solved at the local level where relationships are already established. We think trust is best built through word of mouth and informal marketing in local churches, neighborhoods, and local communities. It has to be more of a grassroots efforts to gain the trust of the local residents.

6. DEVELOPING LOCAL EITC INITIATIVES: LESSONS LEARNED FROM WACO, TEXAS, AND OPPORTUNITIES AND CHALLENGES FOR WEST VIRGINIA

After a brief introduction by Mr. Michael McBride of the IRS, Ms. Maggie McCarthy presented during this session on the Heart of Texas Financial Literacy Coalition (HOTFLC), which is currently comprised of over 50 partner agencies. Ms. McCarthy is the Executive Director of The Bernard and Audre Rapoport Foundation in Waco, TX, which is the principal sponsor and founder of Waco’s EITC initiative. During this session of the Roundtable, Ms. McCarthy offered a brief description and background of HOTFLC, provided her reflections and

lessons learned about local EITC campaigns, and gave specific attention to innovative media outreach tools that were developed as part of Waco's campaign.

Ms. McCarthy originally learned about the EITC three years ago in 2001 when she discovered that there were approximately \$10 million unclaimed EITC dollars that citizens in her community were eligible for. In addition, the rural six county area surrounding Waco, TX had \$23 million unclaimed. Since then, Ms. McCarthy has worked on building a coalition in Waco comprised of faith-based organizations, local media, local employers, the AARP, and the IRS to promote EITC awareness in her community.

Ms. McCarthy described recruiting partners as her first step in building the Waco coalition. The AARP was one of the first partners she engaged due to the resources they could marshal for tax preparation and their quality control. Housing partners followed, as did social service partners, community organizations, and faith-based organizations. The IRS was also a key partner because of the resources and materials they offered. Ms. McCarthy held community meetings where she informed others about the \$10 million unclaimed dollars and attracted additional partners to the campaign.

As described by Ms. McCarthy, outreach strategies for HOTFLC include:

- A media campaign in both English and Spanish on local radio stations
- The creation of a city hotline for EITC-related calls
- A community-wide press conference to kick off the EITC campaign
- A public service announcement (PSA) featuring the local Congressman
- Engaging the support of the local Mayor and leveraging the press attention that naturally is associated with the Mayor's activities
- Flyers created on a very low budget by students
- Placing flyers in utility bills
- Placing flyers in the backpacks of schoolchildren for them to take home to their parents and care-takers
- Live TV show morning appearances
- Working with employers to get EITC information included in company newsletters
- The creation of tri-fold brochures to put on tables in restaurants, bars, and shops

- Providing boilerplate letters and scripts for pastors to mention from the pulpit at church on Sundays
- Press releases
- A business leader outreach letter.

During her presentation, Ms. McCarthy also reflected on the past three years of working with the HOTFLC campaign and offered some valuable lessons learned about ideas, practices, and perspectives that have been most effective for Waco's EITC campaign. Some of Waco's lessons learned include:

- **A high-budget is not necessary for a successful EITC campaign**—Ms. McCarthy stressed that a successful EITC campaign can be implemented on a very low budget by utilizing existing resources in the community. With enthusiasm, innovative ideas, the free resources already available provided by the IRS and other organizations, and a broad-base of partners, local campaigns have all they need for a successful EITC initiative. Ms. McCarthy also stated her belief that when all partners are working together in a volunteer capacity, there are no negative repercussions of the competition for money.
- **Start small and grow big by forming partnerships**—It is wise to start small with realistic goals and outcomes, and to accomplish those goals by forming partnerships with helpful organizations in the community.
- **The best strategy for attracting new partner organizations is to ask them how they'd best like to help**—Ms. McCarthy has found that in terms of coalition-building, it is better to ask other organizations "how can you help us?" and let the organization decide for themselves how they can help. For a successful EITC campaign, other organizations are essential because no one agency can run a successful campaign alone. Ms. McCarthy stated a memorable phrase that summed up this concept with "If you want to sell, ask, don't tell."
- **Engage the organizations that have trusted relationships in the community and can help truly get to the grassroots**—Local churches, local community action agencies, and local neighborhood organizations oftentimes have the best and most trusted relationships with the individuals that are most-likely to qualify for a large EITC refund.
- **Conduct outreach in many strategies at once**—Similar to Mr. Cunningham's point about the "seven points of contact," Ms. McCarthy echoes the importance of numerous coordinated and simultaneous outreach strategies.
- **Engage the involvement of the Mayor and county officials**—The activities of Mayors and county officials naturally attract press attention, so securing their involvement is a good way to leverage free media.

- **Self-interested businesses have the incentive to get involved because the EITC contributes to employee retention and morale at work**—Ms. McCarthy reiterated the message that she has heard from numerous local businesses, which states that when employees feel pleased with and engaged by their employer, they increase their loyalty to their employer. If a local business helps its employees to learn about the EITC, those employees are likely to be impressed with and more satisfied with their working experience with that business.
- **Don't underestimate the power of personal stories and anecdotes**—While hard data is extremely important to attract the allegiance of certain organizations or to provide legitimacy to the success of your campaign, anecdotal success stories are also quite helpful too. A local citizen talking about putting a down-payment on a home for the first time as the result of her EITC refund is a very powerful and persuasive message. Those who receive the EITC benefits can often sell the program the most.

To end her presentation, Ms. McCarthy showed numerous examples of some of the outreach materials that were developed by HOTFLC. She played a video for the Roundtable participants which included the rap, sample PSAs, sample flyers, and sample audio PSAs that were aired on the local radio stations.

6.1 Questions and Answers

Q: Can you give an example of how local businesses became involved?

Ms. McCarthy: During one of our community meetings, we introduced the EITC to the CEO of one of our local hospitals. When he learned about the income eligibility requirements for the EITC, he became curious about how many of the employees of his hospital qualified for the EITC. Immediately after our community meeting, that CEO asked his Human Resources (HR) department to run numbers about salary ranges at the hospital. He learned that of the 1800 employees at the hospital, over 1000 of them qualified for the EITC. That hospital then set up numerous workshops, brown bag lunch sessions, and donut and coffee sessions to inform employees about their eligibility to claim the EITC.

Q: How did you engage Hispanic leaders?

Ms. McCarthy: We held a focus group with over 20 Hispanic community leaders to discuss the EITC. During that focus group, they gave us advice about how to best reach the Hispanic population. As a result of that meeting, they all also volunteered to help with the campaign. Some of our best volunteers came from that meeting. We've learned that engaging people and saying "we'd like your input on this" is a big gesture that means a lot.

Q: How have you dealt with Refund Anticipation Loan (RAL) competitors in your area?

Ms. McCarthy: We had a study done and learned that over \$900,000 was going to RALs in interest rates every year. As soon as we obtained that statistic and made others aware of it, it became a powerful marketing tool.

7. STRATEGIES FOR BUILDING EITC COMMUNITY COALITIONS: LESSONS LEARNED FROM JACKSONVILLE, FLORIDA

During this session of the Roundtable, Mr. David Cunningham gave a presentation on behalf of Kaye Schmitz, the Executive Director of the Real Sense Prosperity Campaign, an EITC campaign currently underway in Jacksonville, FL. The Real Sense Prosperity Campaign, “Real Dollars for Real People,” is supported by a broad-based coalition of community-wide partnerships between city officials, the IRS, community organizations, and area business leaders. Launched in October 2003, the campaign defines itself as “a coalition of companies and organizations from all sectors that have come together to improve the prosperity of the community by improving the prosperity of each of its citizens.” The two lead partners in the initiative are the United Way of Northeast Florida and the Human Services Council.

At the beginning of the presentation, Mr. Cunningham outlined the various reasons why the Jacksonville, FL, campaign was initiated, such as:

- The need to bring additional Federal dollars into the community
- The scattered focus and duplication of efforts by grassroots organizations at the time
- Restrictions placed on the IRS for EITC outreach
- The lack of a community champion for EITC awareness
- The thousands of dollars annually lost to taxpayers through predatory interest rates on refund anticipation loans
- The millions of dollars left unclaimed by EITC-eligible residents in Duval County, especially in rural areas.

To provide a roadmap for future EITC campaigns in other local areas, Mr. Cunningham retraced the steps describing how the Real Sense Prosperity Campaign in Jacksonville, FL began. First, lead partners were identified and the United Way of Northeast Florida made a commitment to lead. Second, the lead partners initiated a significant coalition-building effort and approached other community organizations and key stakeholders about joining the campaign. Mr. Cunningham noted that soon, organizations began approaching them to ask to be included and

the initiative “took on a life of its own.” Due to their extensive outreach efforts, the coalition in Jacksonville currently includes more than 80 partner organizations. Examples of these organizations include Catholic Charities, Headstart, the Mayor’s Office of Jacksonville, Sun Trust Bank, Bank of America, the Jacksonville Housing Authority, the University of North Florida, Publix Supermarkets, the Jacksonville Chamber of Commerce, and many others. The third step to launch the campaign involved securing funding. Seed funding for the campaign was initially supplied by the Jessie Ball DuPont Fund. Next, with the lead partners, the coalition, and funding in place, the campaign hired a Project Coordinator and established a management structure including committees for oversight, steering, VITA sites, financial literacy, and marketing. The coalition leaders recognized at that time that the initiative could not sustain itself solely on volunteer efforts. Also during the planning phase, the campaign set ambitious goals and high expectations for success.

The two overall purposes of the Real Sense Prosperity Campaign are:

- To launch a proactive campaign that will assist low-income residents and the working poor to lift themselves out of poverty
- To bring millions of new dollars into the Jacksonville and Northeast Florida economic base.

Goals of the campaign are to:

- Secure the involvement of the Mayor of Jacksonville
- Increase the number of VITA sites in the area by 50 percent, including the addition of at least two rural VITA sites
- Increase the number of VITA volunteers by 50 percent
- Increase the number of tax returns prepared by 25 percent
- Increase the number of tax files receiving the EITC credit by 10 percent
- Train 50 people to teach financial literacy
- “Graduate” 20 low-income individuals from the first five modules of the Money Smart financial literacy course
- Hold two large media events
- Engage four local businesses in the outreach plan
- Conduct one direct mailing.

Methods used to accomplish these overall project goals and purposes involved many of the same combinations of effort as other EITC pilots throughout the country, including conducting targeted EITC outreach, providing free tax preparation services, increasing the number of EITC claims, and offering free financial literacy training. In addition, the Real Sense Prosperity Campaign was launched with the support of numerous “community champions” such as the Mayor of Jacksonville. Events held as part of the campaign included kickoff events in the community, a volunteer recognition event at the close of tax season 2004 that included over 120 volunteers, and specific targeted outreach events. When describing the project to potential partners, funders, civic leaders, and community members, the campaign highlighted the direct and indirect benefits of the EITC for both recipients and the community. For recipients, the EITC provides extra cash to meet living expenses, assists with the establishment of a good credit rating, moves recipients one step closer to home ownership, offers the potential to establish a small business, and makes working more attractive than welfare. At the community level, the EITC stimulates the local economy through an infusion of new money for consumption and investment and also reduces the tax burden to support welfare programs.

Mr. Cunningham ended his presentation with a number of constructive reflections about lessons learned from Jacksonville and also a listing of positive outcomes that were generated as a result of the Jacksonville initiative.

Lessons learned include:

- In the early stages of a campaign, it may feel like “herding cats” to form a cohesive coalition. Many organizations may have differing expectations and viewpoints.
- Sometimes a pure decentralized coalition is difficult to manage. A Project Coordinator is an extremely helpful position to spearhead recruiting efforts, to maintain a constant focus, to solicit assistance from key stakeholders, and to keep all partners on the same page.
- Launching the initiative with the support of community champions is a significant boost to the success of the campaign.
- Conduct outreach year-round and start early.
- Appeal to the business community to embrace the concept of EITC outreach and free tax preparation services.
- Do not only conduct outreach in one large phase of intense effort. Do more outreach than just early phase efforts. A second and third push for outreach during March and April of the tax season is also effective.

- Leverage outreach vehicles such as PSAs.
- Add a banking and Individual Development Account (IDA) element to VITA sites.

Outcomes from year one of the Real Sense Prosperity Campaign are as follows:

- A 58 percent increase in total tax returns filed from 1500 to 2500
- A 187 percent increase in EITC returns filed
- A 147 percent increase in total tax refunds brought back to the community to almost \$3.7 million
- A 225 percent increase in total EITC refunds brought back to the community
- An increase in EITC refunds as a percentage of total refunds to 43 percent
- An overall increase of \$1.1 million new Federal dollars brought back to the community from the previous year
- A return of \$25.64 to the community for every dollar spent on the campaign.
- Securing a commitment from the local City Council to fund the EITC campaign at \$70,000 a year for the next five years.

Additional outcomes included 36 graduates from the Money Smart curriculum, more than 6000 volunteer hours recorded, and more than 2600 calls related to tax preparation answered by United Way 2-1-1.

7.1 Questions and Answers

Q: Is there a way that we can determine that number of EITC-eligible individuals in our county and our local area?

Mr. Cunningham: Yes. There is data available about unclaimed estimates. The Census Bureau can do a projected amount of income in your area, based upon income status. Also, the Web site of the Brookings Institution at www.brookings.edu offers a tool where you enter your zip code and it provides statistics about the percentage of claimed EITC.

Q: How is the number of unclaimed dollars calculated?

Mr. Cunningham: You can make estimates of how many are eligible based on income. Then you track the exact number of EITC claims and refunds provided, and you can assess the difference between the initial estimate and the actual claims.

Q: Does the IRS send out a notice to families that are potentially eligible for the EITC that encourages them to claim it?

Mr. Cunningham: Low-income individuals often display a general mistrust of the Federal government, and especially of the IRS. If they received a letter directly from the IRS, the chance of them opening it may be low. For this reason, the IRS needs trusted partners.

Mr. McBride: To answer your question, yes, in the past, the IRS has sent out notices like that. However, we've found that strategy to not be very useful. Sometimes it is good for local coalitions to obtain the IRS resources, brand it with their own marketing materials, and then send it to citizens, so it does not appear to be coming directly from the IRS.

Q: I'm looking at numbers for West Virginia, and it seems like on average, about 70 percent of those eligible for the EITC are claiming it. As a State, it seems that about 30 percent of eligible individuals are not claiming it.

Mr. Cunningham: Yes, but I'm confident that with an effective EITC campaign, West Virginia can increase the 70 percent average to an even higher percentage of EITC claims.

Q: Where is a listing of all the VITA sites in West Virginia?

Ms. McGrew: A listing of West Virginia VITA sites will soon be on the WVWRC Web site, listed by county.

Q: Does a veteran's benefit qualify for the EITC?

Mr. Cunningham: No. To receive the EITC, you must be in the workforce. However, with a part time job, some one could still be eligible for the EITC. The money that anyone earns in the workforce counts towards qualifying for the EITC. The IRS Web site has a useful EITC calculator that helps to answer many questions about eligibility.

8. DEVELOPING AN IRS VOLUNTEER INCOME TAX ASSISTANCE (VITA) SITE

This session of the Roundtable reviewed the IRS training resources available to operate a VITA site, including online support resources. A presentation was provided by Michael Beulike, a Senior Tax Specialist with the IRS. Mr. Beulike is one of the IRS representatives based in West Virginia working as part of the SPEC division. His presentation covered background information, tools necessary, resources, and the training required to operate a VITA site. VITA sites are often included as part of an EITC campaign because they provide free tax preparation

services for low-income individuals and offer a positive alternative to predatory lenders and paid tax preparers.

The VITA program of the IRS originated in 1969 as a result of an increased emphasis on taxpayer education programs due to the Tax Reform Act of 1969. Currently, there are over 5000 VITA sites operating nationwide. The current emphasis of the IRS is to increase VITA sites in rural areas. VITA sites offer free tax preparation services aimed at the IRS goal of helping low-income families to receive 100 percent of the refundable money for which they are eligible. VITA sites offer low-income families a positive alternative to paid tax preparation services. The sister program of VITA is called Tax Counseling for the Elderly (TCE), which provides free income tax assistance to the elderly, individuals with handicaps, and English as a Second Language (ESL) speakers. In West Virginia alone, there are 150 VITA/TCE sites, which were responsible for preparing 13,000 tax returns in the 2004 tax season. Nationally, there are over 14,000 locations which utilize the resources of over 70,000 volunteers to prepare over two million returns.

Mr. Beulike elaborated how planning and developing a VITA site requires a site coordinator, a site location, resources and materials, and a volunteer base. The site coordinator is a very critical position that is responsible for planning, organizing, supervising, and promoting all aspects of the VITA program. Certain aspects of the volunteer group are also critical, such as the volunteers' availability, time, and desire to prepare tax forms, the volunteering spirit, organizational skills, and a certain level of computer literacy.

The majority of Mr. Beulike's presentation focused on providing Roundtable participants with a roadmap of how to develop and operate a VITA site. He discussed the various details and requirements associated with a VITA site, including intake sheets, and quality review checklists. When going through the process of selecting and developing a VITA site, Mr. Beulike offered numerous factors that organizations and communities should consider:

- **Location**—The location of the site needs to have adequate space, appropriate facilities, and furniture, including handicap-accessible public restrooms. A safe and secure location is a must.
- **Equipment**—The equipment at the site needs to be able to support a computer lab and numerous computers, loaded with the TaxWise software. Other equipment needs include Internet access and a laser printer.
- **Supplies**—Each VITA site needs to have stocks of certain supplies such as printing paper, pencils, pens, and other office supplies.

- **Volunteers**—Organizations considering becoming VITA sites need to be able to recruit volunteers who meet the requisite minimum skill requirements. Young professionals and college students are often helpful volunteers, and volunteers with a background in finance and taxes are also a plus.
- **Training**—Organizations considering becoming VITA sites need to be able to support numerous IRS trainings, including C-VITA and Link and Learn. Training that the IRS provides covers forms and publications, and resources on how to use the TaxWise software.

Common locations of VITA sites include libraries, schools, businesses, senior centers, or city halls. Community organizations are also eligible to become VITA sites. VITA sites operate with IRS-provided TaxWise software. This software is provided at no cost to each VITA site, although the IRS sets the eligibility criteria for the software at a minimum of 35 returns per year.

Mr. Beulike ended his presentation by offering details about training resources available through the IRS, such as the IRS Link and Learn online interactive training. For IRS SPEC and partners, he listed numerous benefits of using Link and Learn, such as reducing time spent in classes and associated travel expenses, providing consistent messages and opportunities for standardized delivery, saving money for updates to training materials, and the ability to offer the training anywhere and at anytime with a computer. For volunteers, the benefits of using the on-line Link and Learn training include easy access, the ability to work at one's own pace, and immediate self-assessment feedback from periodic tests and quizzes. Other available training materials include a Volunteer Administrator's Guide and a Volunteer Resource Guide.

8.1 Questions and Answers

Q: What should a volunteer do if they are not comfortable doing a return?

Mr. Beulike: If a volunteer does not feel comfortable, they should send the person to another volunteer or to a site manager. The IRS does not ask any volunteer to complete returns that they do not feel comfortable or qualified to complete.

Q: Do VITA sites serve only low-income individuals or do they serve the entire population, regardless of your income status?

Mr. Beulike: VITA sites exist to provide free tax preparation services to individuals. However, it is left up to the individual site to decide who they will and/or will not serve. The upper limit that many sites will serve is the upper limit of EITC eligibility, but other sites will go above that. It is more subjective.

Q: Do TCE centers offer similar EITC services as VITA sites?

Mr. Beulike: Yes. In West Virginia, there is a distinction between the two names, but in practice, most all the sites perform the same activities. It is best to think of the sites as a blend.

9. WORKING IN PARTNERSHIP WITH THE BUSINESS COMMUNITY

Lynn Mitchell, the Policy Director for Corporate Voices for Working Families, used this session to highlight successful strategies for partnering with employers on EITC outreach initiatives. Corporate Voices for Working Families is a non-partisan, nonprofit corporate membership organization created to bring the private sector voice into the public dialogue on issues affecting working families. The organization currently has 47 partner companies that employ more than 4 million individuals throughout all 50 States and generate annual net revenues of more than \$800 billion. Examples of corporations that are members include Accenture, Allstate, Baxter, CVS, Kodak, Goldman Sachs, IBM, Kinko's, Marriot, and TimeWarner.

Corporate Voices has developed an EITC toolkit for working with employers. The toolkit covers the following themes:

- **The EITC is important for business**—because it demonstrates that employers are concerned about the financial well-being of their employees and willing to facilitate alternative means of income other than wages. Such efforts lead to increases in employee loyalty and assist with job retention rates. Businesses are obviously interested in employee retention because of the high costs of training and hiring new employees.
- **EITC eligibility criteria**—statistics broken down by income level, marriage, and number of children. For example, a single parent, with one child, earning \$30,338 or less is eligible for the EITC.
- **Engaging and educating employers about the EITC**—Corporate Voices has developed outreach materials for organizations to use when interacting with employers about the EITC. These materials include posters, flyers, and a CD-ROM that employers can tailor and brand with their unique logo.
- **The advance EITC**—Corporate Voices encourages employers to give a W-5 form to all interested and eligible employees and to include W-5 forms in hiring and benefits packages for new employees.
- **Avoiding quick refunds**—by deterring employees from utilizing for-profit tax preparers and encouraging employees to visit VITA sites. Quick Refund Anticipation Loans (RALs) are often offered by check cashers, payday lenders, paid tax preparers such as H&R Block, and even used car dealers.

- **Free tax preparation help from the IRS**—through local VITA sites. This year, Corporate Voices entered into a remarkable partnership with the IRS on EITC outreach.
- **Examples of corporate best practices around the EITC**—including CVS’s work with Community Action Agencies and local One-stop centers, Marriot’s 1-800 toll-free hotline for employees to call and learn about the EITC, and TJX’s large direct mailing to over 1300 retail stores.

Also part of the Corporate Voices EITC toolkit, Ms. Mitchell described a small “EITC At-a-Glance” sheet for employers to carry that will help when responding to questions about the EITC. This “cheat sheet” includes a calendar, prepared scripts to address frequently asked questions, and other general information about the EITC.

9.1 Questions and Answers [for both presenters]

Q: Can you briefly elaborate about the total membership of Corporate Voices and some of the characteristics of your members?

Ms. Mitchell: There are 47 employers who are part of Corporate Voices. We receive funding from Hitachi, Ford, and the Annie E. Casey Foundation.

Q: Often times, it is hard to determine the proper person to contact within a large corporation. What advice do you give to those who are trying to identify a certain contact to help them avoid being referred numerous times?

Ms. Mitchell: There’s no easy answer to that question, especially because of the wide variety of organizational types of many corporations. In some companies, the best person to speak too about EITC information might be the Director of Human Resources. In others, it may be a Work/Life Director. In others, a Director of Community Initiatives or Community Services might be most appropriate. At Corporate Voices, we leave it at the discretion of each member company to decide who their primary point of contact will be.

Q: Some States have their own EITC, correct?

Ms. Mitchell: Yes, correct. 18 States have a State EITC.

Q: How would you suggest that we approach the Marriot Corporation? Is it best to work through Corporate Voices or to contact them ourselves?

Ms. Mitchell: Corporations often are defensive and wary of blind calls from the outside public. If you go through the mechanism of Corporate Voices, not only does it save time, but we also have trusted relationships with these businesses.

Q: What about Wal-Mart?

Ms. Mitchell: Engaging Wal-Mart in Corporate Voices has long been a dream of mine. In fact, in just the last two weeks, Wal-Mart launched a huge campaign to improve their image. Also, there are many Wal-Mart employees who are definitely eligible for the EITC. The best way to approach Wal-Mart is through their corporate headquarters in Bentonville, AK. If you can get buy-in from the top executives, it will then permeate more readily throughout the other franchises.

Q: What about the fast food industry?

Ms. Mitchell: We're currently engaged in discussions with McDonald's and Wendy's. In fact, McDonald's trays in Delaware have printed information about the EITC in the past.

Q: How do you measure success? Do corporations measure the correlation between EITC outreach and employee retention? How do corporations measure employee satisfaction as a result of their EITC efforts?

Ms. Mitchell: Corporations definitely measure satisfaction and turnover. Almost every single corporation will have low-level staff that qualify for the EITC, so the EITC is important to all organizations. And even if the corporation does not have EITC eligible staff, they often have contracted staff, and the contractors do have EITC eligible employees.

10. EMPOWERMENT THROUGH FINANCIAL LITERACY

Ms. Marlo Scruggs, the Community Relations Manager for Branch Banking & Trust as well as a Committee Member of the West Virginia Welfare Reform Coalition (WVWRC), opened this Roundtable session with a discussion about why banks have an interest in financial literacy. Put simply, people who have money often deposit money, and banks thrive off deposits because deposits provide the capital to make loans and investments. Educating individuals to make sound financial decisions is very important to the banking sector. For Ms. Scruggs, the EITC is a perfect vehicle to help low-income individuals get on the road to asset-building, developing a relationship with a bank, and ultimately, financial self-sufficiency. Through a complimentary blend of services, the EITC helps to provide an additional injection of discretionary income for low-income families, while financial literacy training teaches those

families how to manage, preserve, invest, and save that money. Ms. Scruggs also provided an introduction of John Meeks with the Federal Deposit Insurance Corporation (FDIC).

10.1 Developing Financial Literacy: Federal Deposit Insurance Corporation (FDIC) Money Smart Program

Mr. John Meeks, a Community Action Affairs Specialist with the FDIC, provided an introductory overview of the FDIC Money Smart program and focused on strategies for empowering individuals and families to take financial control over their lives through financial literacy. Before elaborating on the Money Smart program, Mr. Meeks offered his opening remarks about the FDIC.

Started in 1933, the FDIC is an independent agency of the Federal government created in response to the thousands of bank failures that occurred in the 1920s and early 1930s and caused the Great Depression. The purpose of the FDIC is to promote public confidence in the banking system of the United States by insuring deposits in banks. Mr. Meeks pointed out that the FDIC insures deposits up to \$100,000. He also stated that the FDIC promotes the soundness of financial institutions, regulates financial institutions for compliance with consumer laws, and facilitates community development efforts. Since the provision of the first FDIC insurances on January 1, 1934, no depositor has lost a single cent of insured funds as a result of a bank failure.

As outlined by Mr. Meeks, the FDIC is currently involved in aspects of financial literacy and education for three purposes:

- To help fight predatory lending
- To encourage financial institutions to identify untapped markets
- To assist consumers in shaping their financial future.

To fight predatory lending, it is necessary to empower low-income individuals through education, information dissemination, and training. Predatory lenders often prey on vulnerable populations such as the elderly or those with a less-sophisticated understanding of financial institutions. Currently, 25 million consumers in the United States do not have a relationship with a bank. It is these individuals who may be particularly vulnerable to the high interest rates charged by predatory lenders and who are in particular need of financial literacy training.

Mr. Meeks described financial education as the essential building block that provides a solid foundation to assist consumers in shaping their financial future. Common activities such as opening a checking account, buying a home, making investments, and managing money all can benefit from the sound principles of financial education.

FDIC created the Money Smart curriculum to help encourage the millions of unbanked American families to join the financial mainstream by providing information about basic financial services and money management skills. The ultimate goal of the FDIC's Money Smart initiative is to help low and moderate-income families make informed decisions about their financial futures through financial training. Money Smart can be linked to other asset-building strategies such as home ownership, educational development, investment, and starting a small business. Mr. Meeks described Money Smart as "a widely applicable turnkey method of teaching financial literacy."

Mr. Meeks focused the remainder of his presentation on the content of the Money Smart curriculum itself. He described the curriculum as covering all financial topics "from A to Z." Divided into ten instructor-led training modules, covering basic financial issues, and written at a 6th-8th grade reading level, the subject matter of Money Smart includes:

- **Module 1: Bank On It**—Focuses on teaching participants how to recognize major types of insured financial institutions, defines banking terms, lists differences between banks and check-cashing services, and outlines the types of accounts and banking services.
- **Module 2: Borrowing Basics**—Explains the value of credit and the different types of loans.
- **Module 3: Check It Out**—Outlines the benefits of using a bank versus check-cashing services, describes types of checking accounts and fees, and provides instructions on how to open and maintain a checking account, how to write checks, how to use ATM and debit cards, and how to reconcile a checking account.
- **Module 4: Money Matters**—Describes the concept of budgeting and how to recognize the benefits of a budget.
- **Module 5: Pay Yourself First**—Identifies ways to save and describes how money grows when you save. Participants are taught to understand the various types of savings and investment accounts.
- **Module 6: Keep It Safe**—Elaborates the various consumer protection laws and provides safeguards such as how to avoid scams and how to protect identity.
- **Module 7: To Your Credit**—Describes how to order, read, and use a credit report. This module also discusses ways to repair credit.
- **Module 8: Charge It Right**—Lists the characteristics of credit cards, such as costs, interest, credit ratings, and other credit-related topics.

- **Module 9: Loan To Own**—Describes the different types of consumer installment loans and how to determine the right type of loan for different situations.
- **Module 10: Your Own Home**—Compares the benefits and pitfalls of renting versus owning a home and outlines how to determine readiness to buy a home, including definitions of basic terms used in a mortgage transaction.

Each training module, which often can be taught in 60 minutes or less, includes a comprehensive guide for instructors and a take-home booklet containing summaries and additional resource material for class participants. Also as part of the Money Smart curriculum, participants have to create a livable budget that includes short-term, intermediate, and long-term financial goals.

Mr. Meeks also listed ten reasons why the FDIC Money Smart curriculum is unique. These reasons include that it is easy to teach, easy to learn, flexible, targeted to consumers, and comes at no cost. Other benefits include its universal appeal, the multiple types of media it utilizes, that it has been translated for multiple languages (e.g., English, Spanish, Korean, Vietnamese, and Chinese), and that it comes with the legitimacy afforded by the FDIC seal of approval. Lastly, the FDIC comes with no copyright restrictions. Organizations teaching the curriculum are free to make as many copies as they wish.

The Money Smart curriculum is being delivered through many mechanisms throughout the United States. Many small organizations have incorporated it into the services that they offer. In addition, the FDIC and the U.S. Department of Labor (DOL) have joined forces to offer the Money Smart curriculum through DOL One-Stop Centers. In Arkansas, the Money Smart curriculum is even taught in public schools. Banks, colleges, universities, faith- and community-based organizations, and credit unions are all additional examples of places where the Money Smart curriculum is being taught. Mr. Meeks also offered tips on how to increase attendance where Money Smart is being delivered, such as offering “door prizes,” providing refreshments, issuing “certificates of completion,” or tying the curriculum to other existing services.

Mr. Meeks ended his presentation with a few remarks about the FDIC’s Money Smart Alliance. Essentially a marketing and rollout strategy, the Alliance is a joint effort between the FDIC and others designed to promote and enhance the implementation of financial education using Money Smart. Examples of Alliance members include government agencies, community-based organizations, financial institutions, faith-based groups, private sector businesses, educational service providers, and employment/training service providers. By the end of 2007, the goal of the FDIC is to populate the Alliance with over 1000 member organizations. In the future, the FDIC would like to expand Alliance membership to national consumer organizations, bank trade associations, credit bureaus, U.S. Consulates, corporations, and Federal home loan

banks. Also, the FDIC hopes to offer a full, interactive, Web-based version of Money Smart in the near future.

11. ORGANIZING REGIONAL COMMUNITY PARTNERSHIPS: URBAN/RURAL BREAKOUT SESSION

This session of the Roundtable was designed to facilitate local action planning through breakout groups. Participants were encouraged to consider the rich information they had gained from previous presentations, and then to apply that information in the formulation of local action plans. Participants divided into two breakout groups assigned based on community size: urban areas and rural communities. Each planning group was supported by Federal and State staff to guide discussions, answer questions, and offer ideas. Mr. Cunningham, the facilitator of the session, emphasized that this session was the participants' first chance to think aloud, think outside the box, and grapple with some of the questions posed in earlier sessions. Mr. Cunningham also offered broad cross-cutting themes that the three breakout groups were to pay specific attention to in their discussions, including community strengths, community challenges, community resources, building programs, conducting outreach, developing VITA sites, contacting media, and coalition-building. Lastly, each group assigned a team leader and a recorder for facilitation and documentation purposes.

11.1 Rural Breakout Report

Challenges and solutions highlighted by the rural breakout group include:

- Local coordination—Although there is much activity and interest in the EITC, a lack of resources and time, as well as a lack of coordination of efforts remain a challenge. The solution is to create points of contact (POCs) and a collaborative structure.
- Lack of equipment—Rural areas often face a lack of equipment, including computers, printers, and other office supplies. The solution is to explore innovative ways to receive donated computers from industries, corporations, the military, or the government.
- Rural distances and transportation—West Virginia faces examples of citizens that would have to drive over two highs to reach the nearest VITA site. A potential solution is to leverage the University Extension service, to learn about mobile rural VITA sites, and to hold meetings EITC regionally so that people can drive shorter distances.
- Lack of VITA sites in rural areas—Many rural areas of West Virginia lack a nearby VITA site. The solution is to focus on VITA site expansion, engage new partners, and brainstorm innovative locations for new VITA sites throughout the State.

11.2 Urban Breakout Report

Challenges and solutions highlighted by the urban breakout group include:

- Finding volunteers—Identifying and recruiting volunteers is a challenge, but with dedication, engaging new partners, and innovative outreach ideas, we’re confident that we can recruit.
- A lack of employer engagement—Urban areas would like to see more business involvement in EITC campaigns, and Corporate Voices can most likely help with this challenge.
- Lack of equipment—These areas cite a lack of equipment, including computers, printers, and other office supplies. Their solution is to explore innovative ways to receive donated computers from industries, corporations, the military (e.g. Navy), or the government.
- Attitudinal biases and distrust—Urban areas have encountered the attitudinal bias that the “EITC is welfare.” Their solution to combat this distrust is to conduct a targeted educational campaign which will build awareness about what the EITC is, why it exists, and how it is only available to working families. Highlighting anecdotal success stories are also a suggested solution to be part of the educational campaign.
- Losing industry in certain areas—Urban areas cite the concern that businesses and employers such as local steel mills are shutting down. A solution to this concern is to conduct educational outreach to those businesses and inform them that they can still do EITC activities as they phase out.
- Seasonal employment is a challenge to reach workers—The solution to this challenge is potentially to engage rapid response teams or to appeal to the employers of seasonal workers to increase their education about the EITC.

12. BUILDING LOCAL INITIATIVES: COMMUNITY PROJECT PLANNING

During this session, Mr. Cunningham posed a variety of questions to the Roundtable participants aimed at stimulating thinking before participants engaged in local action planning. Mr. Cunningham organized his questions around various themes, such as outreach, engaging employers, organizational structure, and coalition-building. Mr. Cunningham also offered a model outline of Action Steps for the regions to follow, which is pasted below.

Action Steps for Local EITC Planning:

- Establish a project planning committee—these are often the people in your community who can make things happen.

- Identify a project coordinator—a key to success.
- Develop a steering committee—a group of individuals who will make day to day decisions for your initiative.
- Identify community resources—like the United Way, Rotary Club, or your local Chamber of Commerce. Members of the Chamber of Commerce are business leaders who can provide resources as well as open doors.
- Formulate an outreach and marketing plan.
- Establish targeted and realistic goals—such as increasing EITC uptake by 5 percent in the first year.
- Document ongoing progress—by collecting data.
- Establish a standardized reporting process—identify a standardized methodology for tracking information and share that information statewide.
- Share your successes—with audiences such as local officials, State officials, and State legislators.
- Wrap-up Year One and initiative planning for the next year—In wrap-up activities, be sure to thank those that were involved in the process. Start volunteer recruitment for year two yearly on, as well as earlier outreach and earlier training.

A sample of questions that Mr. Cunningham posed to the audience is also included below:

- 1) Who will be your community champion?
 - a. Is your Mayor on board?
 - b. What influential civic leaders exist in your community and how can you access them and involve them?
 - c. Do you have local celebrities?
- 2) What amount of money is left unclaimed in your community?
- 3) What amount of money is being lost to RALs?
- 4) What are the largest employers in your locality, and what percentage of employees there may qualify for the EITC?
- 5) What are your goals and outcome measures?
- 6) Who will be the lead organization? Will you have a Project Coordinator? Will you have a committee structure – what structure will your model take?
- 7) Is your Governor on board? Are State legislators? Have you approached them?
- 8) Do you have specific minority communities that you need to target? If so, what media reach them the best?
- 9) What financial literacy curriculum will you use?

- 10) Who will be your free tax prep volunteers?
- 11) What banks can you engage in your community?
- 12) How will you launch your campaign? Will you have an EITC week? Month?
Kickoff event?
- 13) Where will your VITA sites be? Where are gaps in VITA availability?

Participants used these actions steps and questions as points of guidance during Day Two of the Roundtable when they divided into six service regions and delved into the process of local action planning.

13. OVERVIEW OF THE TAXWISE SOFTWARE SYSTEM

This Roundtable session introduced participants to the IRS TaxWise software system and the online income tax filing process. Presented by Ronald E. Young, a Senior Tax Specialist with IRS SPEC, the presentation discussed the usage of training modules and familiarized participants with the various functions, features, and benefits of the software. Topics covered included installation, software updates, common commands, the “toggle tree,” fields that fill in automatically, exceptions and exemptions, icons, various color-coded features, and explaining acronyms. Additionally, Mr. Young outlined the various identification numbers that are required for online tax filing, including an electronic filing identification number (EFIN), a preparation tax identification number (PTIN), a site identification number (SIDN), and a declaration control number (DCR).

During his presentation, Mr. Young also discussed the IRS goal of creating a training network throughout the State of West Virginia to increase the number of individuals trained on how to use TaxWise. This model would utilize a train the trainer approach, which would be spearheaded by Mr. Young and Mr. Michael Beulike of the IRS. Reasons for a ramp up in training relate to the IRS goal of 80 percent of VITA sites e-filing across the United States by 2007. Currently, West Virginia has 70 percent of VITA sites implementing online filing.

Using static screen shots, Mr. Young used the remainder of his presentation to walk-through the process of filing an online return. The walk-through covered all the appropriate forms and fields such as the required information from the W-2 and 1040. Mr. Young also touched on the administrative reports that the software can run, which aggregate statistics on the filing population at a given VITA site. He also suggested hard copy filing protocols, including what signatures need to be kept on file and adherence to certain privacy and confidentiality provisions.

14. DEVELOPING A MOBILE MULTI-COMMUNITY EITC AND CTC OUTREACH PROJECT FOR RURAL AREAS

Conducting EITC outreach, providing free tax preparation services, and offering financial literacy training can be especially difficult in rural areas with long distances. Particularly in States such as West Virginia, the challenges posed by rural areas must be addressed in the formulation of an effective statewide EITC initiative. During this session of the Roundtable, participants learned of a best practice from another area of the country on the topic of mobile tax preparation. Ms. Diana Behm of the Northeast Oklahoma Community Action Agency made a presentation entitled “Strategies for Developing Mobile Tax Preparation Services.”

Ms. Behm began her presentation by describing some background on the rural area of Oklahoma that she serves. In the far corner of Northeast Oklahoma, Jay, OK is a small town that borders other States such as Arkansas, Kansas, and Missouri. Sometimes, residents must travel up to 60 or 70 miles to reach the nearest Head Start center. Ms. Behm also briefly covered some of the basics about her program, which is in its fourth year as a VITA site. Ms. Behm provides mobile tax preparation services through the vehicle of various Head Start centers in northeastern Oklahoma. She conducts outreach at Head Start teacher in-service trainings in the summer before each tax year. This early contact enables her to build rapport with the teachers and staff that she will be working closely with in January. In addition to outreach with the teachers, Ms. Behm also conducts extensive outreach at Head Start parent meetings. She stated that Head Start centers have strong parent involvement and a considerable family partnership component, which both are positive factors to assist effective outreach. Local fairs, public events, and engaging the United Way campaigns of local employers are other methods of outreach.

The mission of Ms. Behm’s program is to assist families earning less than \$35,000 with free mobile income tax preparation and to empower families with information to promote financial self-sufficiency through the EITC, home ownership, and financial literacy classes. In addition to outreach, Ms. Behm’s program provides tax and financial literacy programs to all Head Start parents in the fall of each year to promote the free tax preparation that is offered at Head Start centers in January of each year. E-filing commences on the first day that citizens can e-file their taxes. Then, the program operates in full gear from the last week of January through the last week of February during tax season. During this time, Ms. Behm, her staff, and volunteers work long hours to provide free tax preparation services at all the local Head Start centers by traveling to each at pre-determined times.

Ms. Behm stated that she is pleased with the outcomes that her program has been able to foster in the first three years of operation. In year 1, her CAA completed 140 tax returns and brought in \$240,000 in refunds back to the local economy. In year 2, the agency completed 188

returns and brought back approximately \$300,000 in refunds to the economy. Year 3 of the program experienced significant growth as the agency completed 350 returns and brought \$500,000 back to the rural local economy. Also in year 3, 20 Head Start volunteers trained for tax preparation and one family was able to buy a home with the financial boost from their EITC return. In year 4, Ms. Behm's goal is to triple her numbers.

Drawing on her experience providing mobile tax preparation services to rural areas for over three years, Ms. Behm focused the rest of her presentation on offering tips and lessons learned for participants interested in creating similar programs. Relating to outreach, Ms. Behm encouraged participants to begin early, to promote the EITC at every possible opportunity, and to repeat the message early and often. She listed potential outreach opportunities to include United Way campaigns, resource fairs, Head Start parent meetings, Head Start in-service trainings, newspapers, radio, television, newsletters, the public schools, laundromats, and restaurants.

She also listed 12 "must have" items for a mobile tax preparation site. These items are:

- Laptop computers loaded with TaxWise software (5 per site)
- Laser printer with extra print cartridge
- Reams of printing paper
- VITA envelopes for returns
- File folders
- Extension cords and power strips
- Computer disks
- Intake forms
- C-VITA flip charts
- IRS Publication 17
- Volunteers and staff
- Smiles and patience.

A mobile tax preparation site must also pre-designate all the locations it will visit at pre-determined times. In this way, the mobile tax preparers have a roadmap of where they will be going and when. In this vein, Ms. Behm reminded Roundtable participants to set appointment times in advance, create and send "appointment cards" with a list of needed documents to file taxes to each site, confirm locations one-week prior to each filing session, and build extra time into the schedule for potential walk-ins or for late arrivals. During tax preparation at a site, each return should take no more than 20-30 minutes. Also, it is recommended to find activities, books, or games for children to play while their parents are preparing tax returns.

During each tax preparation session, a site coordinator should be responsible for organizing and managing the entire staff and schedule. In her experience, this site coordinator is usually a lead Head Start teacher. It is recommended that specific volunteers be assigned to

specific computers, and that each site designates a “greeter” who is responsible for organizing all paperwork and intake forms. A “rover” is also recommended that can go around, answer questions, and troubleshoot. The file for each customer after their tax return is complete should include: two signed 8453 forms, signed State returns for each State they have filed in, W-2 forms, 1099 forms, an intake form, and a backup disk. The IRS Volunteer handbook is an exceptional resource that outlines the roles and responsibilities of each of these positions.

When developing a plan for a moving tax site, Ms. Behm offered the following recommendations:

- Set realistic goals for the number of returns you can expect to do
- Do not over extend what staff can do
- Plan ahead
- Market your success and share your outcomes with your community.

14.1 Questions and Answers

Q: Do you have a wireless transmission computer at your sites and how do you channel all the returns from five computers to one printer? Do you route all returns to one computer, and then only link that one computer to the printer?

Ms. Behm: We do not have wireless transmission. We use a phone line transmission linked to our home headquarters in Jay, OK. This process seemed to work well for us. In regards to routing and linking computers, we rely heavily on disks. We use 3.5 inch disks and print using those. On average, we go through about 300 disks in a day while at a site. These disks help us to stay organized. One disk per computer is a good rule of thumb.

Q: Have you thought about using a wireless printer?

Ms. Behm: These are things we’d love to do, but we don’t have the resources or technical knowledge to support such things at this time. We only just started using DSL recently. Wireless isn’t quite on the horizon yet for us.

Q: How do you handle rejected returns?

Ms. Behm: We look closely at the return and especially look back at the intake sheet. A lot of times, rejected returns have to do with an account and a debt indicator. In our presentations before tax season, we talk extensively about the importance of paying back-logged child support or taking care of bad student loans.

Q: What do you do when one of your filers has to sign an additional form after you've left the site and moved on to another site?

Ms. Behm: That's the beauty of using the Head Start centers. They are in the field all the time, and they have close relationships with the parents. We'll send those documents to be signed in a confidential envelope. The center knows to expect it. This is one example why using an existing network, such as the Head Start centers, is so important to us. If we were to prepare taxes at a school or at a Lowe's, we'd have to be much more creative in devising strategies to help individuals to sign additional forms. We'd essentially have to set up meeting times to meet them at Lowe's again.

Q: Do you have any thoughts about working with the Native American population?

Ms. Behm: In my experience, it's very important for me to know who they are when I go to their site. It's also important to go very slowly and carefully and explain things fully. In some cases, they may be more reluctant to share information.

Q: Is EITC outreach your only job or do you have to fit it in among other responsibilities?

Ms. Behm: This is the first year that this is my only responsibility for two months of the year. During the other 10 months, I work on fund-raising and the Home Buyers program.

Q: How do you stay on top of your other job responsibilities and still do this?

Ms. Behm: It is extremely important to plan far ahead, to stay organized, and to have a manager that supports you. As early as September, I try to develop a calendar four months in advance that tells my manager where I will be.

Q: How many staff does your agency have?

Ms. Behm: Our core CAP staff is 7 paid individuals.

Q: In your first year, how many returns did you have to personally complete yourself?

Ms. Behm: In our first year, we did 140 returns, and I think I completed about 80 of those.

Q: When you set up appointments, how much time do you allocate for each appointment? Do you actually compute the tax return right there in front of them? When scheduling, do you allow for cushion time between appointments?

Ms. Behm: Each appointment takes approximately 30 minutes, and with a computer right there, we not only do the tax return right there together, but they can also sign up for a bank account

right there as well. We aim to have our volunteers be able to complete a return in 15 minutes. We do not schedule any cushion time. It has been our experience that folks tend to show up early.

Q: How do you handle a situation when a person does not bring all the papers and forms that they need for their tax prep appointment?

Ms. Behm: Early education is very important to ensure that people bring all the forms that they need. I go to every Head Start parent meeting and really repeat the message about what they have to bring. In general, by the time they come to their appointment, they know what to bring.

Q: How do you handle eavesdropping and creating private spaces at your tax prep site?

Ms. Behm: We try, but it is difficult. The sites tend to be loud. We even have one site that feels like a party atmosphere. We do try to keep it private by using hallways, or private rooms, or sitting in a parked car, but sometimes the atmosphere gets festive because for these folks, it might be the most money they're seeing all year at one time.

Q: What is the gender breakdown of the population that you serve?

Ms. Behm: There is a high divorce rate, and the majority of individuals that we serve are female heads of household.

Q: You mentioned getting local businesses. How did you approach Lowe's?

Ms. Behm: In our community, I'm also the United Way campaign person, so I was in Lowe's doing their United Way campaign anyway, and I mentioned the EITC and that I could help do tax returns as well. They agreed, and that first year, we did tax returns for 80 of their 100 employees. This year, they've already called me to ask when I'm coming back, and I've now set up four separate workshops with them where I'll be at Lowe's doing taxes. The reason that they like to be a tax preparation site is because customers can roam around their store and shop while they wait to have their taxes filed.

15. EITC WEST VIRGINIA RESOURCES TO SUPPORT LOCAL COMMUNITY OUTREACH STRATEGIES

During this session, Kay Tilton, Bill Heubner, and Pam Mills, all representatives from the West Virginia Department of Health and Human Resources (WVDHHR) shared their existing EITC and CTC community initiative strategy by breaking the strategy down as it relates to child care, Head Start, and TANF. The initiative is designed to help West Virginia's most vulnerable families (TANF clients, Head Start families, and Food Stamps recipients) to access EITC

benefits. The project also encourages local communities to undertake educational initiatives on the EITC and CTC and includes additional tax credits as employer incentives

WVDHHR engages in a number of outreach activities for the EITC. Relating to child care, in the last few years, the WVDHHR has worked with WWRC to send out pamphlets and letters to child care providers about the EITC. Similar flyers and letters were also sent directly to all 11,000 WVDHHR clients. WVDHHR is also interested in exploring strategies to link a mobile VITA unit and a child care center. Quarterly newsletters from the WVDHHR also go out to all providers, and EITC information can be included in the newsletter articles. EITC awareness raising is also conducted during intake interviews when customers first come in to apply for WVDHHR services.

In terms of Head Start, WVDHHR has been involved in the implementation of strategies at the local level for EITC outreach. Three Head Start grantees currently participate as VITA sites. EITC information is also provided at Head Start parent meetings, as well as Head Start newsletters. Additionally, WVDHHR provides employer incentive programs such as the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WTWTC). These credits are available through December 2005. The WOTC is an incentive for employers to hire WV Works (TANF) participants, Food Stamps participants, and SSI recipients. The credit reduces the tax liability of employers by up to \$2400 per eligible employee. WTWTC is an incentive to hire long-term TANF recipients. To educate employers, WVDHHR provides outreach materials regarding all available tax programs and credits.

Turning toward the future, WVDHHR also has numerous goals related to EITC awareness that they would like to accomplish in the coming months and years. Some of these goals include:

- Include EITC information in new worker training modules and continuing education training for existing employees
- Add EITC information to the West Virginia Works orientation process and exit interviews
- Incorporate elements of financial literacy into income maintenance policy
- Improve training to workers
- Improve training to customer service center employees
- Establish tax information centers in all WVDHHR local offices.

15.1 Questions and Answers

Q: WVVRC has resources and materials, such as a flyer that warns against RALs. If we provided those to you, could you print them in house?

Ms. Mills: If our offices have access, yes, we could print.

Q: I'm concerned about adding more information to the orientation process, which is already long and a lot of information to absorb at once.

Ms. Mills: That is a good point. We need to look at the orientation process to see if we can streamline or condense any of the information that is provided.

Q: I've found that worker turnover erodes trust. What is your experience with trust between clients and caseworkers?

Ms. Mills: Turnover and adjusting to a new worker certainly erodes trust. Longevity and building a personal relationship increases trust.

Q: Do volunteer tax preparers have immunity from liability if they make a mistake?

Mr. Beulike: Yes, according to the Volunteer Protection Act of 1997. However, we strongly encourage volunteers to not try to do a return if they feel in any way uncomfortable. If they make a mistake, volunteers are not liable.

Q: If someone realizes they are eligible for the EITC but did not claim it when they filed their returns by April 15, can they go back after April 15 and amend their return?

Mr. McBride: Yes, you can amend returns and file for the EITC as late as October 15. Most VITA sites do not operate after April 15, but there is no law that they cannot back file or amend returns. If you could work with a local VITA site to recruit volunteers to help prepare amended taxes after April 15, that is an option.

16. ACTION PLANNING AND BUILDING THE LOCAL CAMPAIGN

During numerous sessions of the Roundtable, participants were given time to breakout into working groups based on service region and work in small teams on their local action plans. This section of the report presents the synthesized products of all of the local planning teams. Report-outs were not all standardized, but general topics addressed include lists of potential partners, lists of action steps, and lists of challenges.

16.1 Region 1 and Region 2 (combined)

Potential partners for a local EITC initiative:

- Mountain Heart
- CAA's
- CASE
- Community Action of Southwestern WV
- Showshoe Employers
- Wal-Mart
- Sam's
- Lowe's
- B.F. Goodrich
- The Greenbriar
- Interstate Hardwood
- Sporting club
- Local banks.

Action plans:

- Contact a project coordinator
- Recruit United Way, Greenbriar, Interstate Hardwoods, Mountain Heart, and Chambers of Commerce for members of steering committee
- Use WVU as a resource and partner, as well as IRS of WV
- Secure county and regional commitments
- Grow more VITA sites, and do more financial literacy
- Set June 2005 as a timeline for all these activities.

16.2 Region 3 and Region 4

Potential partners for a local EITC initiative:

- Family Resource Networks (FRNs)
- VITA volunteers
- CEOs of local businesses
- DHHR
- Committee on Aging
- Chambers of Commerce
- Civic Organizations
- Ministerial Association
- Local banks
- 4-H Leaders
- Champions
- Mayors
- Workforce Investment Boards (WIB)
- State employees and governmental employees
- Council of Churches
- United Way
- WVU Extension
- Connoca Child Care Resource and Referral (CCR)
- DHHR Offices
- WV State University.

Action plans:

- Establish county collaborations

- Identify a project coordinator
- Develop goals
- Develop action steps
- Recruit champions—Family Resource Networks, local businesses, DHHR, Committee on Aging
- Implement
- Evaluate
- Review/restructure.

16.3 Region 5

Potential partners for a local EITC Initiative:

- WVU
- DHHR
- Schools
- Head Start
- Starting Point Centers
- Churches
- Low wage employers
- Unemployment offices—displaced workers
- Workforce Investment Board
- Chamber of Commerce
- Senior Programs
- Community colleges
- WVU Extensions
- Colleges
- Political leaders

- Health Department
- Hospitals
- Banks
- Media
- Civic clubs
- Library and literature groups
- Volunteer fire departments.

Action plans:

- Conduct an EITC awareness campaign with all partners
- Determine avenues to get materials into the hands of needy families
- Identify marketing avenues, including media and county government
- Identify other organizations involved in EITC/VITA to tap into and build off of resources that already exist
- Recruit volunteers.

16.4 Region 6

Potential partners for a local EITC initiative:

- Family Resource Network (FRN)
- County Commissioner
- Extension
- Senior Centers
- Schools
- Head Start
- Legislators—delegates and senators
- Foundations

- Grant writers
- Mountain Heart
- Chamber of Commerce
- City
- Media—Elkins radio
- Media—charter
- Media—Parson Advocate
- Media—WDTV - North Central Noon show
- Businesses—Kingsford
- Davis and Elkins
- Banks
- Resorts—Timberline, Canaan
- Timeshare companies—Chamber
- National Guard
- Camp Dawson
- Armory
- Reserve
- Challenge
- Penny Saver—free newspaper
- Radio—WCLG, WAJR, WISMM, WFSP, WVAQ
- Arthurdale Heritage
- Alpine
- HeartHand
- Olympic Center
- Hopemont

- Taylor
- CAAs
- Mountain Statesman—weekly
- Taylor Times—FREE
- Catholic Community Services.

Project Coordinators and Community Champions by county:

Marion

- Project Coordinator—Michelle Nesselroad, Family Resource Network; Jennifer Weese—One-Stop
- Champion—Mike Caputo; Robin Smith—United Way; Nick Fantasia; Tim Manchin

Preston

- Project Coordinator—Barb Morne, Family Resource Network; Stacey Norton
- Champions—Cathy Cassidy; Larry Williamson; Tom Villalobos

Randolph

- Project Coordinator—Jimmy Hammon, Sherry Straley
- Champion—Jim Purnell; Mike Ross; Bill Proudfoot

Upshur

- Project Coordinator—Kelly; Tara Roxroad; Patricia Lake
- Champion—Lisa Turner; St. Joseph hospital's marketing person

Taylor

- Project Coordinator—Community Action's Darleta Chambers
- Champions—Paul Elder - Head of Rotary; Sally Thayer

Barbour

- Project Coordinator—Jean Johnson; Bonnie

- Champion—Linda Watson, Family Resource Network; Brenda Watson—Senior Center; Ed Canterbury—Chamber

Tucker

- Project Coordinator—Amy Owens; Barbara Simmons; Debbie Stevens
- Champions—Sam Eichelberger; George Samuels.

Action plans:

- Check welfare reform sites for VITA site locations
- Contact local media
- Set up posters by January 30
- Track and report numbers
- Identify and recruit Project Coordinators and Champions by March 15
- By April 30, hold a regional meeting
- Barbara Fleischauer will lead the regional coalition.

16.5 Statewide Planning Committee

Action plans:

- Build a Statewide steering committee
- Involve all partners
- Devin McGrew of the WVWRC will be the Project Coordinator
- Approach the Governor and solicit a personalized letter to go out to all partners
- Obtain the Governor's buy-in as one of his new initiatives
- Schedule initial partners meeting for May 2005 (David Cunningham to attend)
- Identify and recruit personal testimonials of success stories for marketing
- Develop a FY 2006 plan
- Identify and assign a project coordinator for each of the 7 regions

- The seven regional coordinators will work with the local initiatives in their region
- Start a listserv as a communication mechanism for all partners
- Aggressively pursue a State EITC through lobbying
- Engage in a media campaign.

17. CLOSING REMARKS

During this final session presenters and Federal sponsors offered closing remarks and appealed to the participants to take the lessons learned at the Roundtable and act as catalysts for change in service improvement in their local communities. Federal Project Officer John Horejsi specifically thanked the participants for their contributions and energy. Mr. Horejsi encouraged the participants to build on the information presented at the meeting to improve services to customers in their home regions, to maintain a dialogue with one another and with their peers in other States, and to continue to use the Welfare Peer TA Network as a tool and asset in this important work.

Other resources made available to participants moving forward with the EITC include:

The Center for Budget and Policy Priorities:
<http://www.cbpp.org>

Internal Revenue Service:
<http://www.irs.gov/>

National League of Cities:
<http://www.nlc.org/home/>

IRS Link & Learn training:
<http://www.irs.gov/app/vita/index.jsp>

Center for Economic Progress:
<http://www.centerforprogress.org/>

Welfare Peer Technical Assistance Network:
<http://peerta.acf.hhs.gov/>

The National Community Tax Coalition:
<http://www.tax-coalition.org/>

FDIC Money Smart curriculum:
<http://www.fdic.gov/consumers/consumer/moneysmart/>

Corporate Voices:
<http://www.cvworkingfamilies.org/>

The Welfare Peer TA Network was excited to have hosted this successful event and looks forward to future collaboration opportunities with TANF professionals in West Virginia. Others interested in further materials related to the EITC, free tax preparation services, and low-income families are encouraged to visit the Welfare Peer TA Network Web site, located at <http://peerta.acf.hhs.gov/>.

APPENDIX A:
AGENDA



Welfare Peer Technical Assistance Network

Earned Income Tax Credit (EITC) Strategies for West Virginia



Charleston, West Virginia • January 20–21, 2005

Agenda

Day One: January 20, 2005

8:30 a.m.- 9:30 a.m.	Registration
9:00 a.m.-9:30 a.m.	<p>Welcome and Introductions <i>Charles R. Young, II, Assistant Commissioner, West Virginia Department of Health and Human Resources</i> <i>Kenneth Martin, Ph.D., West Virginia University Extension Service</i> <i>Larry Beckett, President, West Virginia Welfare Reform Coalition</i> <i>John Horejsi, Federal Project Officer, Welfare Peer TA Network, Office of Family Assistance, Administration for Children and Families</i></p> <p>This is West Virginia’s first statewide workshop on the Earned Income Tax Credit (EITC). This workshop will help build the capacity for communities to organize local initiatives and develop collaborative partnerships with public officials, civic and social service providers, employers, etc., to promote greater awareness of the Federal EITC and Child Tax Credits (CTC). These local efforts will enable low-income families to become financially independent and self-sufficient. These efforts will also significantly enhance the economy of local communities and promote the development of a stronger work force.</p>
9:30 a.m. - 10:15 a.m.	<p>A Shared Vision for Community Economic Empowerment <i>David J. Lett, Regional Administrator, Administration for Children and Families, Philadelphia (Region III)</i></p> <p>Building Foundations for Family Financial Self-sufficiency. Why TANF is the Right Place to Target an EITC Initiative <i>David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families</i></p> <p>Participation of former Temporary Assistance for Needy Families (TANF) clients in the EITC and CTC programs are important elements for building financial self-sufficiency. However, research reveals that current and former TANF clients are less likely to participate in these programs. The studies also report that minorities are less likely to receive these program benefits. This presentation will highlight several successful HHS pilot projects and targeted outreach strategies that have enhanced the participation of TANF clients and minority communities in the tax credit programs. These innovative outreach strategies will enable communities to bring millions of dollars in unclaimed earned benefits into the local economy. A question and answer session will follow the presentation.</p>
10:15 a.m. – 10:30 a.m.	Break

10:30 a.m. – 11:00 a.m.

Workshop: Developing Community Partnerships

Facilitator: Allison Nichols, D.Ed, West Virginia University Extension Service

Cost-To-Impact: Tools for Tracking and Analyzing the Impact of EITC Initiatives

Susan Cocciarelli, Michigan State University Extension

Quality data collection is critical to ascertaining the true impact of community based EITC initiatives. This session will share highlights from the first year of the Michigan statewide EITC initiative and provide an overview of the Cost-To-Impact (CTI) analysis tools designed for the project. The CTI analysis tools have been adopted as a model for EITC outreach by the National League of Cities. A question and answer session will follow the presentation.

11:00 a.m. – 11:45 p.m.

Tax Assistance Partnerships and Volunteer Tax Assistance Site (VITA) Programs in West Virginia

Facilitator: John Horejsi, Federal Project Officer, Welfare Peer TA Network, Office of Family Assistance, Administration for Children and Families

Partnerships in Outreach and Collaboration on the EITC

Sandra Trigg, Internal Revenue Service (IRS) Territory Manager, Ohio and West Virginia

The power of coalitions is a driving force in all communities. The IRS Territory Office, through the Stakeholder, Partnerships, Education, and Communication (SPEC) organization, provides critical support to communities engaged in EITC outreach initiatives. SPEC partners with communities and businesses in developing and implementing community-based partnerships to promote education, and awareness of Federal tax credits, free tax preparation services, and asset building opportunities. This session will share highlights on the program's mission, goals and operational support for local initiatives in West Virginia.

New Resources for Rural Communities

Michael McBride, Chief, Educational Institutions and Government Partnerships, IRS

The IRS' SPEC FY 05 Rural Outreach, Tax Return Preparation, and Financial Literacy Strategy outlines a plan of action that involves SPEC Offices and various partners utilizing rural pilots and models to deliver services to selected areas of low-income rural America. Information gathered from the FY 05 pilots is to be used to develop a national Rural Strategy for FY 06. Key to this strategy is the fact that it will utilize identification of, collaborate, and build alliances with groups that have extensive pre-existing rural infrastructures as a means of reaching even the most rural population. Equally important is the fact that partner organizations have extensive knowledge of other rural organizations. West Virginia is considered to be strategic partner in the IRS FY 05 Rural Strategy. A question and answer session will follow formal remarks from the two panelists.

11:45 p.m. – 12:15 p.m.

Overview of West Virginia EITC Activities: Best Practices and Strategies

Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families

Elizabeth Damewood Lovas, West Virginia Welfare Reform Coalition

Devin McGrew, West Virginia Welfare Reform Coalition

12:15 p.m. – 1:30p.m.

(Working session)

New Opportunities for Developing Collaborative Partnerships on the EITC and CTC

Facilitator: Honorable Barbara Fleischauer, Former Delegate, Morgantown West Virginia

Working in Partnership with the Business Community

Lynn Mitchell, Policy Director, Corporate Voices for Working Families

Businesses have a vested interest in supporting community EITC outreach initiatives and helping their employees learn about tax credits they are eligible to receive. Corporate Voices for Working Families has successfully developed EITC outreach partnerships with major business leaders to promote family stability and self-sufficiency. This session will highlight successful strategies for partnering with employers on EITC outreach initiatives. Corporate Voices for Working Families will also make the EITC Toolkit available for the business community. A question and answer session will follow the presentation.

1:30 p.m. – 1:40 p.m.

Break

1:40 p.m. – 2:20 p.m.

Strategies for Building EITC Community Coalitions

Facilitator: Devin McGrew, West Virginia Welfare Reform Coalition

David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families

Sharing innovative strategies for building local coalitions to promote EITC participation. Program models will reflect strategies from successful community outreach campaigns with detailed focus on the Jacksonville FL., Real Sense Prosperity Campaign, funded by United Way of North Florida. The Jacksonville project developed a broad-based, community-wide partnership between city officials, IRS, community organizations, and area business leaders. The coalition also secured the participation of faith-based leaders and the Hispanic community. The project included both an urban center and two rural communities. In the first year of operation, in 2004, The Real Sense Prosperity Campaign returned positive earnings (a ratio of 17:1) for net investment made on EITC outreach. A question and answer session will follow the presentation.

2:20 p.m. – 3:00 p.m.

Workshop: Developing a Volunteer Income Tax Assistance (VITA) Site

Facilitator: Robin Taylor, IRS Senior Tax Specialist, Atlanta, Georgia

Mike Beulike, IRS Senior Tax Specialist, West Virginia

There are varied strategies to promote the availability of the EITC and CTC. Developing a VITA program is a resource available in some communities. Tools, resources and training modules facilitate the development and maintenance of a VITA program site. This session will review the IRS training resources to operate a VITA program, including online support resources. A question and answer session will follow the presentation.

3:00 p.m. – 3:10 p.m.

Break

3:10 p.m. – 3:40 p.m.

Empowerment Through Financial Literacy

Facilitator: Marlo Scruggs, Community Relations Manager, Branch Banking & Trust, Committee Member, West Virginia Welfare Reform Coalition

Developing Financial Literacy: Federal Deposit Insurance Corporation (FDIC) Money Smart Program

John Meeks, Community Affairs Specialist, FDIC

An introductory overview of the FDIC Money Smart Program, this session will focus on strategies for helping families to develop an understanding and vision for the future, empowering individuals and families to take financial control of their lives through financial literacy.

3:40 p.m. – 4:10 p.m.

Resources for Developing Community Initiatives

Facilitator: Michael McBride, IRS SPEC, Manager Rural Strategy

Developing Local EITC Initiatives: Opportunities and Challenges for West Virginia

Maggie McCarthy, Executive Director, The Bernard and Audre Rapoport Foundation, Waco, Texas

The Rapoport Foundation is a principal sponsor of the Heart of Texas Financial Literacy Coalition (HOTFLC). Ms. McCarthy, in collaboration with local faith-based organizations established the HOTFLC. This presentation will feature highlights of the HOTFLC media outreach strategy and will also include a review of training resources and toolkits available to assist communities organizing local outreach initiatives. A question and answer session will follow the presentation.

4:10 p.m. – 5:00 p.m.

Organizing Regional Community Partnerships: Urban/Rural Breakout Session

Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families

Session Resource Team

Michael McBride, IRS SPEC, Manager Rural Strategy

Robin Taylor, IRS Senior Tax Specialist, Atlanta, GA

Diana Behm, Special Projects Manager, Northeast Oklahoma Community Action Agency

Small groups will work in teams based on urban vs. rural locations. Participants will self-select into the team most relevant to their work

5:00 p.m. – 5:45 p.m.

Organizing Regional Community Partnerships: Regional Breakout Session

Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families

Session Resource Team

Michael McBride, IRS SPEC, Manager Rural Strategy

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Small groups will work in teams by region to develop local community outreach strategies. Teams will build on their own expertise to begin formulating strategies for an EITC initiative that is locally based, but scaleable to the State. Brainstorming and planning materials will be provided. Community project planning models, best practices and developing new ideas will be incorporated into the local area planning session.

5:45 p.m.

Day 1 Adjournment

6:00 p.m. – 8:00 p.m.

Networking Session

Host: West Virginia University Extension Service. More details will be provided at the conclusion of the Day 1 session.

Day Two: January 21, 2004

8:00 a.m. – 8:20 a.m.	<p>Building Local Initiatives: Community Project Planning <i>David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families</i></p>
	<p>This session will focus on strategies for meeting the needs of diverse stakeholders in order to support long-term partnerships. Included will be a discussion on ways to maximize local community resources, utilize guerilla marketing, and the Seven Points of Contact strategies. This session will also include the opportunity to ask questions about EITC outreach and project planning.</p>
8:20 a.m. – 9:45 a.m.	<p>Developing Local EITC Initiatives: Action Planning <i>Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families</i></p>
	<p>Session Resource Team <i>Maggie McCarthy, Executive Director, The Bernard and Audre Rapoport Foundation, Waco, Texas</i> <i>Michael McBride, IRS SPEC, Manager Rural Strategy</i> <i>Robin Taylor, IRS Senior Tax Specialist, Atlanta, Georgia</i> <i>Diana Behm, Special Projects Manager, Northeast Oklahoma Community Action Agency</i></p>
	<p>Roundtable Planning Session: Regional teams will use their work from the previous day to refine and develop a local EITC and CTC outreach initiative. Teams will be supported by workshop faculty.</p>
9:45 a.m. – 10:30 a.m.	<p>Concurrent Workshop Sessions (All participants will have the opportunity to attend each of the two workshops. Workshop assignments will be recorded on participant's badges.)</p>
Blue Group	<p>Workshop I: Overview of the Tax Wise Software System <i>Facilitator: Robin Taylor, IRS Senior Tax Specialist, Atlanta, Georgia</i> <i>Ronald E. Young, IRS SPEC</i></p>
	<p>This session will include an introduction to the IRS Tax Wise software and online income tax filing process. It will include the usage of training modules.</p>
Green Group	<p>Workshop II: Developing A Mobile Multi-Community Outreach Project <i>Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance</i> <i>Diana Behm, Special Projects Manager, Northeast Oklahoma Community Action Agency</i></p>
	<p>Providing tax assistance to rural communities can be a challenge. This workshop will share information on strategies for developing and managing a Mobile Multi-Community Tax Filing Assistance Program. A question and answer session will follow the presentation.</p>
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 11:30 a.m.	Concurrent Workshops
Green Group	<p>Workshop III: Overview of the Tax Wise Software System <i>Facilitator: Robin Taylor, IRS Senior Tax Specialist, Atlanta, Georgia</i> <i>Ronald E. Young, IRS SPEC</i></p>
	<p>This session will include an introduction to the IRS Tax Wise software and online income tax filing process. It will also include computer-training modules. A question and answer session will follow the presentation.</p>

<p>Blue Group</p>	<p>Workshop IV: Developing A Mobile Multi-Community EITC and CTC Outreach Project <i>Facilitator: Pam Mills, West Virginia Department of Health and Human Resources</i></p> <p><i>Diana Behm, Special Projects Manager, Northeast Oklahoma Community Action Agency</i></p> <p>Providing tax assistance to rural communities can be a challenge. This workshop will share information on strategies for developing and managing a Mobile Multi-Community Tax Filing Assistance Program. A question and answer session will follow the presentation.</p>
<p>11:30 a.m. – 12:30 p.m.</p> <p>(Working session)</p>	<p>EITC West Virginia Resources to Support Local Community Outreach Strategies <i>Facilitator: Michael McBride, IRS SPEC, Manager Rural Strategy</i></p> <p><i>Kay Tilton, Director, Division of Early Care and Education, West Virginia Department of Health and Human Resources</i> <i>Bill Heubner, Director, Office of Head Start State Collaboration, Bureau for Children and Families</i> <i>Pam Mills, West Virginia Department of Health and Human Resources</i></p> <p>The WVDHHR will share their EITC and CTC community initiative strategy. The initiative is designed to enhance the ability of West Virginia's most vulnerable families (TANF clients, Head Start families, and Food Stamp recipients) to access EITC benefits. The project also promotes local communities to undertake educational initiatives on the EITC and CTC. A question and answer session will follow the presentation.</p>
<p>12:30 p.m. – 1:10 p.m.</p>	<p>Working Roundtable: Building the Local Campaign <i>Facilitator: David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families</i></p> <p>Participants will collaborate on the development of their regional community strategies to promote the EITC and CTC. A question and answer session will follow the presentation.</p>
<p>1:10 p.m. – 2:10 p.m.</p>	<p>Review of the Developing New Community Initiatives <i>Facilitator: Kenneth Martin, Ph.D., West Virginia University Extension Service</i></p> <p>Regional planning teams will share strategies for enhancing and/or developing local community EITC and CTC initiatives. A question and answer session will follow the presentation.</p>
<p>2:10 p.m. -- 2:40 p.m.</p>	<p>Next Steps: <i>Facilitator: Mike McBride, IRS SPEC, Manager Rural Strategy</i></p> <p><i>Elizabeth Damewood Lovas, West Virginia Welfare Reform Coalition</i> <i>Devin McGrew, West Virginia Welfare Reform Coalition</i></p> <p>Strategies for ongoing communication and technical assistance. Schedule future meetings and project year-end review session.</p>
<p>2:40 p.m.</p>	<p>Closing Remarks, Evaluation</p> <p><i>Larry Beckett, President, West Virginia Welfare Reform Coalition</i> <i>Charles R. Young, II, Assistant Commissioner, West Virginia Department of Health and Human Resources</i> <i>David Cunningham, Consultant, EITC and Self-Sufficiency Initiatives, Office of Family Assistance, Administration for Children and Families</i></p>
<p>3:00 p.m.</p>	<p>Adjourn</p>

**APPENDIX B:
PARTICIPANT LIST**



Welfare Peer Technical Assistance Network

Earned Income Tax Credit (EITC) Strategies for West Virginia



Charleston, West Virginia • January 20–21, 2005

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Welfare Peer Technical Assistance Network

Earned Income Tax Credit (EITC) Strategies for West Virginia



Charleston, West Virginia • January 20–21, 2005

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**APPENDIX C:
EVALUATION SUMMARY**

APPENDIX C:
WELFARE PEER TA NETWORK
EITC STRATEGIES FOR WEST VIRGINIA
EVALUATION SUMMARY

At the conclusion of the Roundtable, participants were asked to evaluate how well the Welfare Peer TA event met their expectations and needs. The double-sided evaluation form asked participants first to rate the extent to which they agreed with a series of five general statements about the Roundtable on a 5-point scale, where 1 = Strongly Disagree and 5 = Strongly Agree. Each of the five statements and associated average scores are presented in the below chart.

Statement	Average Score
Conference planners adequately prepared me for the meeting by providing clear written and verbal communication regarding the meeting's purpose and expected outcomes.	3.9
Conference planners handled the preparation, arrangements, and scheduling of the event in a timely, courteous, and competent manner.	3.9
The speakers were thorough in the subject areas presented.	4.5
The speakers engaged the audience and facilitated interactive discussions.	4.1
The information will be useful to me/my staff in developing new approaches to addressing the problem.	4.6

Additionally, participants were asked three open-ended questions about their reflections on the Roundtable and their future technical assistance needs. These questions and representative responses received are presented below:

What did you find most useful about attending this Roundtable (i.e., any immediate or long-term benefits to you/your staff that you anticipate as a result of attending this Roundtable)?

- Engaging in local action planning with all partners involved
- Agreements and solid partnerships with organizational committees were reached early on in the process
- Programs existing elsewhere and resources available
- Learning how other States have implemented EITC initiatives

- Networking with other agencies
- Ideas about building a local collaboration.

What issues would you have liked to have had more discussion about at the Roundtable?

- The rural strategy of the IRS
- Financial literacy training for low-income families
- Setting up a VITA center and training staff
- Existing programs and EITC efforts in West Virginia.

In which areas, of those covered, would like to receive additional technical assistance?

- Resources on how to run a VITA site
- Funding opportunities
- Other examples of successful programs
- Continued assistance with the Statewide steering committee
- Financial literacy
- Tax law classes.



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