




COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Human Service Agency

DATE: January 03, 2007
BOARD MEETING DATE: January 23, 2007
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Board of Supervisors

FROM: Beverly Beasley Johnson, J.D., Director, Human Services Agency
Elsa Dawson, Director, Central Region and Self-Sufficiency 

SUBJECT: Earn It! Keep It! Save It! Earned Income Tax Credit (EITC)

RECOMMENDATION:

Accept this informational memorandum outlining the Earn It! Keep It! Save It! Earned Income Tax Credit (EITC) program efforts.

VISION ALIGNMENT:

The County EITC program will keep the commitment of creating opportunities for every household to participate in our prosperity and goal number 17: All households experience real gains in income.

BACKGROUND:

For the last six years, the County of San Mateo Human Services Agency (HSA) and the Coastside Opportunity Center have provided free tax preparation services to low-income individuals and families. Since 2004, the Human Services Agency has been part of the United Way of the Bay Area Earn It! Keep It! Save It! Coalition of over 200 community-based organizations, government agencies, and financial institutions providing free tax return preparation services to low-income residents in seven Bay Area counties.

Over the years, the Tax Assistance Program has evolved at the Human Services Agency. HSA's tax assistance program was launched in 2001 with a small group of staff volunteers offering to prepare free basic tax returns, specifically helping low-income individuals and families claim EITC and child care credits. Since its inception, the Agency has vastly expanded the Tax Assistance Program into an agency-wide effort. In 2003, the Agency integrated tax preparation services into the job responsibilities of CalWORKs Case Managers. This has been a successful practice that we are continuing. In 2006, HSA had the highest number of staff helping with tax preparation with 25 staff volunteers and 33

case managers, some bilingual, making up the small army of persons dedicated to ensuring working individuals and families claim their EITC and child care tax refund.

DISCUSSION:

San Mateo County recognizes the Earned Income Tax Credit (EITC) tax program as an anti-poverty strategy to assist individuals and families in reaching economic self-sufficiency. The EITC effort is a strategy to showcase the value and rewards of work. With the United Way Coalition, San Mateo County is completing more outreach to inform individuals and families about the EITC tax refund. For tax year 2006, low-income households that earned less than \$38,348 may be eligible to claim almost \$4,600 EITC.

This year, HSA is utilizing a multifaceted outreach approach in an effort to increase the number of taxes prepared for customers who are EITC eligible. From February 1, 2007 through April 6, 2007, along with other EITC tax sites, the Human Services Agency will provide free tax preparation services to customers at PeninsulaWorks and other Human Services Agency offices. In addition, HSA will be using technology to better screen for individuals and families who may be eligible for the Earned Income Tax Credits. The Coastside Opportunity Center, a Core Service Agency, also offers free tax preparation services (and bilingual services with support from HSA) to low-income individuals and families living on the coast. Lastly, HSA will participate in a national EITC campaign kick-off to jump start the tax season in collaboration with the Children's Health Initiative. The national launch will focus on business partnerships, community providers, and outreach to media outlets.

San Mateo County Human Services Agency and Coastside Opportunity Center Data (for previous filing year, e.g.: 2006 numbers are for tax filing year 2005)

HSA and Coastside Opportunity Center	Total 2002	Total 2003	Total 2004	Total 2005	Total 2006	Change From 2005 to 2006
Customers Served	503	597	532	578	806	39.4%
Qualified for Credit	196	265	239	298	483	62.1%
% Qualified	39.0%	44.4%	44.9%	51.6%	59.9%	8.3%
Credit Requested	\$196,336	\$275,871	\$182,134	\$336,342	\$365,010	8.5%
Avg. Credit Requested	\$1,002	\$1,041	\$762	\$1,129	\$1,052	-6.8%

2006 Demographics

- The average applicant earned \$15,188 in 2006.
- Nearly two-thirds (66%) of applicants are single.

With outreach to HSA clients, working with our local partners, and through the United Way's Earn It! Keep It! Save It! Coalition, the Human Services Agency continues to support individuals and families in achieving Self Sufficiency and claiming the EITC tax refund.