



2018 EITC Campaign Fund Award Summary

Background

Established in 2017, the Earned Income Tax Credit (EITC) Campaign Fund was developed to provide year-long support to state-based policy and advocacy efforts to raise awareness of the importance of strong state EITCs. Awards are made on a rolling basis and range from \$30,000-\$50,000. The Fund is administered by Economic Opportunity Funders (EOF) and the EITC Funders Network in partnership with the Center on Budget and Policy Priorities (CBPP) and The Hatcher Group. EOF and the EITC Funders Network support a virtual fund structure – a table around which multiple funders can align support for key ideas and grantees. Sometimes, these funds are pooled in a centrally administered fund while other funders work collaboratively but deploy their own funds directly.

Why the EITC

Millions of people are working hard and still struggle to make ends meet. Working families living in poverty need both immediate relief and support that will help increase their children's chances to move out of poverty in the future. The EITC puts money back into the pockets of working families to help them reduce the impact of poverty today so they are able to buy groceries, pay utility bills, and buy school supplies. It also helps them begin to break the cycle of poverty for future generations by getting better transportation and additional education and training and saving for their children's education. The EITC is one of the nation's most powerful tools for reducing poverty. In 2017, 27 million workers and families received the EITC, lifting 9.4 million people out of poverty, including 5 million children. In addition to the federal EITC, 25 states, the District of Columbia, and New York City now have state and local EITC policies that build on the impact of the federal policy.

2017-2018 Campaign Fund Activities

The Campaign Fund supports two kinds of activities: program contracts to support the work of state groups and technical assistance provided by national partners.

Program Contracts to State Groups

The Campaign Fund was established in 2017 and has awarded three campaign contracts to state networks in three states for a total of \$150,000 of support.

Technical Assistance from National Partners

To help shape the work of the Campaign Fund and deliver technical assistance to state groups, the Fund provides support to two national field partners – CBPP and The Hatcher Group. Each year, these two national partners work collaboratively to prepare a scan of the state EITC policy field and identify opportunities and challenges the Campaign Fun could work to address. National field partners provide direct technical assistance to Campaign Fund awardees and share learnings with the field.

2018 Campaign Fund State Contract Overview

In 2018, the EITC Campaign Fund supported three organizations – Missouri Budget Project, Oklahoma Policy Institute, and Washington State Budget and Policy Center. In Missouri, the goal was to create a state EITC, in Oklahoma to make it refundable, and in Washington to fund and potentially expand the Working Families Tax Rebate. While none of the efforts met their goal, active and powerful coalitions were built in Missouri and Washington paving the way for action in 2019. Oklahoma is also poised to reach their goal soon, but was stymied by an unexpected shift in budgeting priorities due to teacher strikes.

State	Organization	Contract Amount	Date of Award	Strategy	Outcome/Status
Missouri	Missouri Budget Project	\$50,000	10/2107	Create	Successful building of a diverse coalition and bipartisan support
Oklahoma	Oklahoma Policy Institute	\$50,000	10/2017	Expand	State budget discussions did not include EITC expansion
Washington	Washington State Budget & Policy Center	\$50,000	10/2017	Create	Successful development of a broad coalition ready to push for change in 2019

Missouri

In 2018, the Missouri Budget Project (MBP) aimed to build significant support for the creation of a Missouri State EITC among business and civic leaders and elected officials. MBP successfully developed a diverse and active coalition in support of the state EITC. There is also significant bipartisan support, with a state EITC bill approved by the Missouri House. Both the Governor and the Legislature’s Commission on State Tax Policy endorsed the state EITC this year. However, the Missouri Senate failed to pass the bill. It was held up by one State Senator who intends to use the issue in 2019 to pass additional tax code changes. This was unexpected and disheartening for MBP who believes the state EITC is on the verge of becoming law.

MBP’s primary activities were research, outreach, and strategic communications. They developed an interactive infographic detailing federal EITC use by county, which they used to target lawmakers. MBP also built a Budget & Tax Policy Primer for their coalition, which included tips on how to effectively talk

about the state EITC with lawmakers and the public. MBP has an online home for all their EITC-related research, which includes additional infographics and resources.

Over the course of the year, MBP strengthened its Campaign for Tax Fairness coalition to include 144 partner organizations, including business leaders, child advocates, faith leaders, nonprofit leaders, and more. This coalition convened several times over the year to share research and discuss outreach. In addition, MBP offered weekly calls during the legislative session. This coalition broadly shared MBP's research and met frequently with lawmakers. Finally, MBP used a variety of communications methods to raise awareness of the potential impact of a state EITC, including 171 media hits in print and broadcast outlets, 8 editorial columns, social media posts, and weekly video commentaries broadcast throughout the state during the legislative session. In addition, MBP used patch-through calls to target lawmakers in 11 districts.

Oklahoma

In 2016, the Oklahoma state budget included legislation making the state EITC no longer refundable. The Oklahoma Policy Institute's (OK Policy) EITC Campaign Fund award goal was to make the state EITC refundable again. Unfortunately, budget priorities this session focused on increasing revenues, education funding, and teacher and state employee pay. Oklahoma teachers went on a ten day walkout, forcing a crisis during the budget process. However, there is bipartisan interest in a refundable state EITC. Both the House and Senate passed bills reinstating the refundable state EITC, but neither bill was considered in the opposite chamber. The EITC was also discussed during the special budget session in March. In addition, Democrats announced that the refundable EITC will be a top priority issue in 2019. In hindsight, OK Policy would have worked more closely with Democratic lawmakers to make the refundable EITC a core issue in budget negotiations, even in times of crisis.

OK Policy produced several articles expounding the need for a refundable state EITC and a tax code that supports working families. Their new Communications Associate wrote several blog and social media posts and advocacy alerts on the refundable state EITC that were shared widely. The advocacy alerts seemed to be particularly effective, reaching over 8,000 people. In addition, OK Policy distributed candidate questionnaires to over 800 people running in state-level elections. Included is a question addressing the candidate's views on a refundable state EITC. A coalition of over 40 business and nonprofits proposed a Step Up Plan for the state budget that would increase revenues and teacher pay. OK Policy was successful in getting the refundable state EITC into the Step Up plan.

Washington

In 2008, Washington passed the Working Families Tax Rebate (WFTR), but due to budget constraints during the recession, it was never funded. The current award to the Washington State Budget & Policy Center aimed to raise awareness of the need to fund the current and potentially expand the WFTR. The 2018 legislative session was a short, non-budget session. At the beginning of the session, the Budget & Policy Center targeted three opportunities to raise awareness of WFTR funding – paired with a carbon tax legislation, packaged in a property tax overhaul, or introduced by the Governor's Poverty Reduction Work Group. Unfortunately, none of these worked out, but the Budget & Policy Center was able to build

a strong coalition and raise awareness of the WFTR in preparation for the 2019 legislative session or a potential 2020 ballot initiative.

In 2018, the Budget & Policy Center met with legislators, the budget director, and chief of staff for the Governor; partnered with the Governor's Poverty Reduction Work Group; and drafted plans with the Employment Security Department and the Department of Revenue to clarify how the WFTR would be administered. In addition, the Budget & Policy Center conducted polling to gauge support for pairing capital gains taxes with the WFTR. They have been expanding their coalition and now work closely with the Statewide Poverty Action Network, large private sector unions, immigrants' rights advocates, child advocates, anti-poverty groups, and the All in for Washington Campaign, a coalition focused on progressive tax reform and race equity. The Budget & Policy Center convenes this coalition monthly. They are particularly proud of the cross-issue support they have built for the WFTR this year.

There are very specific reasons why none of the three options identified at the beginning of the session worked. First, the carbon tax bill did not advance in the legislature and its financing mechanisms shifted from taxes to fees such that the WFTR rebate would be excluded based on legal grounds. The legislature was not open to broad approaches to property tax reform and worked narrowly on that issue. Finally, the Taskforce took longer than anticipated to make formal recommendations. With hindsight, the Budget & Policy Center would have convened their coalition much earlier in the year to prepare for 2018.

Lessons Learned

Coalitions and partnerships are critical to building support. This year, MBP doubled the size of its coalition to over 144 partner organizations. These organizations shared research, data, and outreach to raise awareness of tax fairness issues across the state. OK Policy partnered with the Step Up coalition to introduce budget changes, including the state EITC, to the legislature. While the Step Up plan eventually failed, having over 40 organizations backing it strengthened discussions in the legislature around the budget reforms raised in the plan. The Budget & Policy Center in Washington works closely with the Statewide Poverty Action Network and the All in for Washington campaign. The coalition is just beginning to meet regularly, and the Budget & Policy Center foresees this as a turning point for success in getting the state EITC funded. They are particularly pleased with the diversity of their coalition, with organizations specializing in progressive tax reform, economic justice, and anti-poverty efforts.

Specific targeting of opinion leaders can help an issue progress. MBP's online graphic made local data accessible to lawmakers and they were successful in getting the state EITC added to lobby day agendas, but a single lawmaker held up passage of the bill in order to leverage its popularity to pass additional tax reforms next year. This type of opposition is incredibly difficult to predict, but MBP believes that efforts to target specific lawmakers could have prevented the hold up. Meanwhile, in Oklahoma, the legislature was forced to focus on raising revenue and teacher pay, but OK Policy notes that Democrats may have been able to push the EITC despite the crisis. Additional focus on these legislators had the potential to push a bipartisan issue through the legislature. In Washington, the Budget & Policy Center found that

outreach to legislators from rural areas whose constituents are more likely to benefit from the state EITC has been particularly fruitful.

Communicating about the EITC is difficult. Both OK Policy and the Budget & Policy Center struggled to tell effective stories about the importance and meaning of the EITC. In the past, storytelling worked well for OK Policy, but it was difficult to find individuals who could share the impact of losing the state EITC's refundability. In Washington, the Budget & Policy Center needed to carefully craft messages to keep the state EITC from being pitted against labor rights, especially the minimum wage. They clearly articulated that the state EITC is no substitute for labor standards after getting negative feedback after first framing the state EITC as a way to raise wages for low-income workers.

Impactful Communications Examples

Missouri:

- An [Editorial](#) in support of the EITC from the Springfield News Leader is attached
- The EITC Interactive Graphic is available at the following link: <http://www.mobudget.org/eitc-by-county/>
- MBP's fact sheet on the sales tax on groceries and the importance of a refundable EITC is available at the following link: [Sales Taxes on Groceries & the Importance of a Refundable EITC](#)

Oklahoma:

- [Blog Post](#): Step Up Oklahoma plan adds to the consensus that new revenues are essential
- [Statement](#): Statement: Changes to step up income tax plan will bolster working families
- [Infographic](#): Advocacy Alert for HB 1037

Washington:

- [One-pager](#) developed by B&PC and Statewide Poverty Action Network for use during 2018 state legislative session
- [One-pager](#) developed for conversations with members of Governor's Poverty Reduction Work Group
- [B&PC one pager](#) with racial equity focus