



2018 EITC Rapid Response Fund Award Summary

Background

Established in 2012, the Earned Income Tax Credit (EITC) Rapid Response Fund (RRF) was developed as a rapid response mechanism to facilitate the quick dissemination of targeted funds to state groups with emergent state EITC policy, research, and communications needs. Awards are made on a rolling basis and range from \$15,000-\$30,000. 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.

2018 Rapid Response Fund Activities

Currently, the RRF 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

Since 2012, the Fund has awarded 38 rapid response contracts to state networks in 20 states for a total of \$984,000 of support.

Award Year	Number of Awards	Total Award Amount	States Awarded Funds
2012	4	\$67,000	Kansas, Michigan, Oklahoma, Washington
2013	7	\$112,000	Colorado, Kansas, Michigan, North Carolina, Oregon, Utah, Vermont
2014	10	\$250,000	Colorado, Illinois, Kentucky, Maine, New Mexico, North Carolina, Rhode Island, Utah*, Virginia
2015	5	\$150,000	Illinois, Kansas, Maryland, Michigan, Montana
2016	5	\$180,000	Hawaii, Kansas, Maryland, Missouri*
2017	3	\$105,000	Hawaii, Michigan, Montana
2018	4	\$120,000	Maine, Massachusetts, Montana, Utah

*Awarded two contracts in same year

Technical Assistance from National Partners

To help shape the work of the RRF and deliver technical assistance to state groups, the Fund also 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 that the RRF could work to address. National field partners provide direct technical assistance to RRF awardees and share learnings with the field.

2018 Rapid Response Fund State Contract Overview

In 2018, the EITC Rapid Response Fund supported three organizations – Maine Center for Economic Policy, Children’s HealthWatch (Massachusetts), and Voices for Utah Children. In both Maine and Massachusetts, the goal was to expand state EITCs to 15 and 50 percent, respectively. In Utah, the goal was to create a new state EITC. While each organization saw success, the only increase was in Massachusetts, from 23% of the federal credit to 30%. The Maine Center for Economic Policy and Voices for Utah Children both feel better prepared to continue advocating for state EITCs in the next legislative session.

State	Organization	Contract Amount	Date of Award	Strategy	Outcome/Status
Maine	Maine Center for Economic Policy	\$30,000	3/2018	Expand	State EITC remains at 5% and refundable, but secured an increase in the property tax credit
Massachusetts	Children’s HealthWatch	\$30,000	4/2018	Expand	Massachusetts state EITC increased to 30% from 23%
Utah	Voices for Utah Children	\$30,000	2/2018	Create	Despite establishing bipartisan support, the bill did not pass this session

Maine

Following passage of the Trump Administration tax reform law, Maine state legislators proposed a tax conformity package. Debate ensued over whether to enact similar changes as those in the federal package or to craft a tax bill that would balance some of the effects of the federal bill by increasing the

EITC and providing property tax relief for working families. The RRF award to the Maine Center for Economic Policy (MECEP) supported efforts to raise awareness of the importance of tripling the state EITC from 5% to 15% of the federal credit as part of the tax conformity package.

In a very short period of time (the month of April), MECEP produced and distributed a policy brief that compared two potential tax conformity packages and their effects on working families. This analysis included district-level information on Maine families that would be impacted by an increase in the state EITC. MECEP worked with a broad coalition of partners on tax messages, meeting weekly to discuss communications strategies. At the heart of the discussion was a one week letter and call campaign to help educate key opinion leaders. Over the course of the week, MECEP produced 124 letters and 950 calls, with each legislator receiving at least 10 calls per day.

While an expanded EITC did appear in the tax conformity package being negotiated by Maine lawmakers, in the end, lawmakers opted instead to address growing concerns about rising property taxes with a 25% increase in the state's refundable property tax fairness credit. This increase means that a family under age 65 is now eligible for a maximum benefit of \$750, while residents age 65 and over receive a maximum credit of \$1,200. In the last six years, MECEP has succeeded in securing up to \$1,400 in refundable tax credits for working families, including a refundable EITC in 2015. These changes have helped lift thousands of families out of poverty in recent years. MECEP's work on the EITC in 2018 has laid the groundwork for further improvements to this and other tax credits for working families in 2019.

Massachusetts

The RRF award to Children's HealthWatch in Massachusetts supported advocacy to increase the state EITC from 23% of the federal credit to 50%. The state legislature did pass an increase – to 30%. The funds were used to develop an interactive infographic detailing district-level EITC data and district EITC summaries, to coordinate social media messaging with the Healthy Families EITC Coalition, and to hold two advocacy events. The first event corresponded to a critical moment in the budget process during the Senate Ways and Means drafting process and included presentations from EITC filers, direct service providers, researchers, and state legislators. The second event was a celebration of the increase to encourage state legislators to continue supporting and increasing the state EITC.

Going into the legislative session, the Governor and House of Representatives were suggesting an increase to 30%. While funds were used to raise awareness of where and how EITC funds were used and their impact on families, they were unable to increase the state EITC beyond 30%. The key legislative champions in the state House and Senate have committed to continue working toward increasing the state EITC to 50% in 2019.

Utah

This year, Voices for Utah Children and its partners raised awareness of the importance of creating the first state EITC in Utah. While the measure had some support and a bill passed in both the House and the Senate, it was not included in the final tax package passed on the last day of the legislative session.

Voices for Utah Children placed ads in the state's most widely-read newspapers sharing stories of families that received the federal EITC. They also ran online and Facebook ads. These ads raised awareness of the potential of a state EITC and engaged some nontraditional partners, including the Chamber of Commerce.

Voices for Utah Children believes the bill did not pass due to a lack of support among House leadership. There is bipartisan support for the bill, which was sponsored by members of the majority party, but additional influence at the leadership level is necessary. To prepare for next year, Voices for Utah Children is cultivating new sponsors and champions in the state House at the leadership level.

Lessons Learned

Preparing and educating leaders ahead of the legislative session can help an issue progress. Voices for Utah Children is already planning for the next legislative session by meeting with new leaders in the state House and Senate and lining up high-level sponsors for a state EITC bill. They felt they would have been more successful this year if they had secured this support from high-level leadership earlier in the process. In Maine, the EITC campaign started late in the tax conformity discussion, leaving MECEP to fight against political lines instead of making an economic argument. While the Maine legislature did not pass a tax conformity bill this session, MECEP's analysis and outreach has laid the groundwork for passage of a tax bill friendly to working families next year.

There are several helpful ways to communicate about the EITC. In Maine, the most successful message was to emphasize the impact of the state EITC on local communities – that supporting local families in turn strengthens the local economy. Another message that worked in Maine was prioritizing working families in the tax plan over powerful individuals and organizations. Meanwhile, Children's HealthWatch in Massachusetts touted the health and developmental advantages of poverty relief for children. The most successful messages in Utah raised up voices of working families who shared their personal experiences with the federal EITC.

Examples of Impactful Communications Work

Maine:

- [The State of the Districts](#), March 19, 2018
- Policy brief: [Comparing Maine's Democratic and Republican Tax Bills](#), April 2018
- Digital Campaign, infographic, social media posts:
 - [Tell your Maine legislators to pass a tax plan that puts working families first!](#), April 2018
 - [Maine: The Way Life Should be](#), April 2018
- *Bangor Daily News* editorial: [Maine tax changes should target those largely left out of the Republican tax cuts](#), April 12, 2018 (MECEP provided background)
- MECEP Op-Ed: Garrett Martin, *Portland Press Herald*, [Commentary: More important for Maine to do tax conformity well than to do it quickly](#), May 2, 2018

Massachusetts:

- [An ad](#) in the Boston Metro newspaper, which enjoys a readership of about one million, about the July 24 event that ran for 4 days.
- [The EITC one-pager](#)
- The Action Alert on Twitter and Facebook to contact representatives and senators to support the EITC increase.
- Presenting an [infographic](#) around the benefits of an EITC increase to policymakers.

Utah:

- Targeted website -- www.UtahFamilyTaxCredits.org
- Select media coverage
 - SL Tribune editorial: [Two \(small\) ways to fight poverty in Utah](https://www.sltrib.com/opinion/editorial/2018/01/26/tribune-editorial-two-small-ways-to-fight-poverty-in-utah)
<https://www.sltrib.com/opinion/editorial/2018/01/26/tribune-editorial-two-small-ways-to-fight-poverty-in-utah>
 - EITC bill sponsor Sen. Evan Vickers on KSL Radio Doug Wright Show 2/27/18
<https://www.ksl.com/?nid=1388&a=22420&showid=2016&n=The>
 - Friday March 2nd press conference with EITC recipients sharing their stories:
 - AP story: http://www.cachevalleydaily.com/news/article_e980b485-2202-5897-998a-b7ee0669b1b3.html
 - Deseret News: <https://www.deseretnews.com/article/900011896/low-income-utahns-should-share-in-tax-windfall-advocates-say.html>