



2019 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 awardees. Sometimes, these funds are pooled in a centrally administered fund while other funders work collaboratively but deploy their own funds directly.

Why the EITC

The Earned Income Tax Credit (EITC) puts money back into the pockets of working families struggling to make ends meet. It helps provide immediate relief— so that they are able to buy groceries, pay utility bills, and buy school supplies—and helps them begin to break the cycle of poverty for future generations by getting additional education and training, better transportation, and saving for their children’s education. The EITC lifts more than 6 million Americans, including 3 million children out of poverty each year, making it one of the nation’s largest and most successful anti-poverty programs. In addition to the federal EITC, 29 states and the District of Columbia have established state EITCs.

2019 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 48 rapid response contracts to state networks in 23 states for a total of \$1,228,500 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
2019	10	\$244,500	California, Hawaii, Maine, Missouri, New Mexico, New York, Rhode Island, Utah, Washington, Wisconsin

*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.

2019 Rapid Response Fund State Contract Overview

In 2019, the EITC Rapid Response Fund supported seven organizations in their efforts to expand state EITCs:

- California Budget & Policy Center
- Hawaii Appleseed
- Maine Center for Economic Policy
- New Mexico Voices for Children
- Fiscal Policy Institute (New York)
- Economic Progress Institute (Rhode Island)
- Kids Forward (Wisconsin)

The Fund also supported three organizations hoping to create new state EITCs:

- Missouri Budget Project
- Voices for Utah Children
- Washington State Budget & Policy Center

Expansion Awards

California

California's state EITC, CalEITC, is fairly robust compared with other states at 85% of the federal credit for very low-income filers and has been recently expanded to include self-employed workers and to begin to keep up with changing minimum wage laws. In 2019, the California Budget & Policy Center aimed to continue expanding CalEITC to completely align with the state's minimum wage expansion, increase the credit for those receiving smaller amounts (single adults and those phasing out), extend the credit to caregivers and students whose work precludes them from formal employment, and broaden eligibility to include immigrant families.

With RRF funds, the California Budget & Policy Center was able to lead the CalEITC coalition, a group of over 30 organizations. The Center also put together a chartbook on expansion options that explained how the EITC works and who it benefits. This chartbook was distributed to every state legislator and the California Budget & Policy Center's social media subscribers. The Center also provided a webinar briefing for state legislators and their staff at the beginning of the legislative session; participated in a briefing with the Governor, EITC recipients, and other key stakeholders; and provided district-level data on the potential recipients of the proposed expansion of the EITC by race/ethnicity, gender, age (adult/child), and occupation.

CalEITC was broadly expanded in 2019. It was fully updated to keep up with new minimum wage laws so recipients wouldn't phase out unduly. The credit was expanded for single adults and those in the phase out range. In addition, a new Young Child Tax Credit was created that provides \$1,000 credit to all families with a child under six years old. This new credit includes caregivers as recipients by lowering the income eligibility for the Young Child Tax Credit to \$1. In addition, the expanded credit closes tax loopholes to ensure that CalEITC is fully funded. After the 2019 package was passed, three million households (seven million people) in California are now eligible for receiving CalEITC, up from two million previously. The only expansion sought that was not included was for immigrant families. This was a political tradeoff between funding the CalEITC and including immigrant families as eligible recipients. The California Budget & Policy Center will work with the CalEITC coalition to continue expanding the CalEITC to all immigrant families. In addition, the Center will work toward expansion of the Young Child Tax Credit by increasing the age limit and size of the credit, expanding the CalEITC to caregivers and low-income students, and increasing the overall size of the credit for those receiving smaller credits.

Hawaii

Hawaii's working families face the highest child care costs in the nation and the second highest tax burden on the poor. Its state non-refundable EITC passed in 2017, providing 20% of the federal EITC amount. While there were not strong opportunities for EITC expansion in 2019, there were openings to pursue an increase to the Child and Dependent Care Tax Credit, which was set as a lackluster \$600 maximum per child.. In 2019, bills were introduced in both houses of the legislature seeking to expand the credit to more than ten times its present amount – as much as \$6,500. With RRF funds, Hawaii

Appleseed successfully developed messaging focused on alleviating the economic burden faced by families. Together with its partner, Hawaii Children's Action Network (HCAN), Hawaii Appleseed engaged more than 5,000 advocates. They partnered on a new app for people to learn ways to get engaged and joined a new coalition – Hawaii Early Childhood Advocacy Alliance – comprised of 75 members. The credit was one of the coalition's top policy priorities for 2019. Advocacy events included submitting testimony, calling legislators, and visiting the Capitol for Early Childhood Lobby Day.

The expansion bills progressed through committees in both the House and Senate and advanced to a conference committee. Unfortunately, the bill was not signed into law. While Appleseed successfully built messaging around the bills to engage support outside the legislature, they did not develop enough champions inside the legislature. Prioritizing efforts on meeting earlier and more often with legislators may have helped the bills get passed.

Maine

Going into 2019, Maine's state EITC was set at 5% of the federal credit, refundable. There were several recommended changes to the state EITC that the Maine Center for Economic Policy (MECEP) was advocating for, including increasing the credit to 30%, making young workers eligible, increasing the credit for childless adults, broadening the definition of work to make students and caregivers eligible, and consolidating the EITC with other family work credits in one payment. With RRF funds, they successfully raised awareness of the importance of enhancing the EITC and legislators increased the rate to 12%, added young workers, and increased the credit for childless adults to 25%.

MECEP blitzed targeted key opinion leaders with communication. Their advocacy prompted over 2,639 calls to key opinion leaders and 330 calls to the governor. Another successful strategy was engaging a broad coalition of advocates, especially communities of color. MECEP worked with a coalition of advocates, including social, racial, and economic justice advocates, workers' rights organizations, food banks, and tax preparation and financial counseling organizations to promote the EITC tax changes. They also supported a separate coalition focused specifically on issues of tax fairness. They also held an EITC Awareness Day at the State House. Key to the success in expanding Maine's EITC was MECEP's ability to find a source of funding to pay for it. Policymakers embraced MECEP's idea to close a corporate tax loophole that provided new tax revenue to fund the cost of the expansion.

New Mexico

Going into 2019, New Mexico's state EITC was set at 10% of the federal credit. With RRF funds, New Mexico Voices for Children (NM Voices) successfully increased the state EITC to 17%. Strategies used included research, publishing reports and factsheets, traditional and digital media efforts, and working closely with legislators and the governor to build understanding of and support for the EITC. Successful messaging focused on the KIDS COUNT ranking of 50th in the nation and the role of the EITC in building a more equitable and healthy state. Reaching out to health advocates was critical. NM Voices also convened an active coalition of over 30 organizations focused on tax policy to write legislation, develop effective messaging, build legislative champions, and testify.

New York

In New York, the state EITC is set at 30% of the federal credit and does not cover young or childless adults. In addition, the Empire State Child Credit (ESCC) does not provide benefits for children under the age of four. The goals for this year's legislative session were to cover all children with the ESCC and to expand the EITC to young and childless adults. With RRF funds, the Fiscal Policy Institute (FPI) partnered with the Schuyler Center for Analysis and Advocacy and The Children's Agenda to lead a coalition of over 30 organizations focused on expanding these two tax credits. The coalition developed a very detailed report of the potential impacts of expansion. Other successes included the Rochester-Monroe Anti-Poverty Initiative and the New Hope Budget coalition. Both of these initiatives included tax credit expansion as key policy solutions to address poverty.

The initial plan was for expansion to be included in the governor's budget. When that did not occur, FPI switched tactics and advocated for several policy recommendations to expand working family tax credits. They identified legislative champions and testified in front of the Joint Legislative Budget Committee on Taxes, but the bills did not pass.

Rhode Island

The Rhode Island state EITC is 15% of the federal credit. The RRF supported the Economic Progress Institute (Institute) to perform patch through calls and develop Facebook ads with the goal of raising awareness of the importance of increasing the state EITC from 15% of the federal credit to 20%. Advocacy included patch through calls to residents in key geographies. This effort generated 971 calls to opinion leaders. The Facebook ads asked readers to share their feelings about the importance of the EITC with legislators. This campaign resulted in 10 letters. The most successful communications effort of the campaign was a new infographic detailing the impact of the state EITC by legislative district. The legislators found this informative and appreciated seeing their picture tied to work that helps working families in their district. The expansion bill passed the Senate. Meanwhile, the House Finance Committee held hearings, but their companion bill did not make it to a full House vote.

Wisconsin

The governor proposed an expansion of the state EITC, but early in the award period, the legislature rejected the governor's budget, including the EITC expansion. With RRF funds, Kids Forward was able to reach out to 575 residents and encourage them to contact the governor and share their feelings about the importance of continuing to work towards an EITC expansion. Unfortunately, the governor signed the legislature's budget, at which point Kids Forward changed tactics to focus on federal advocacy. Kids Forward encouraged residents to contact federal policymakers and share their interest in a strong and expanded EITC. Through these efforts, Kids Forward developed new relationships with grassroots organizations focused on increasing opportunities for communities of color.

Creation Awards

Missouri

Missouri advocates are fighting for a state EITC. With RRF funds, the Missouri Budget Project (MBP) developed numerous research tools and fact sheets used to educate citizens, allied organizations, and legislators about the importance of a state EITC, including a county by county breakdown of potential impact. MBP also continued to build its Campaign for Tax Fairness Coalition, which is now comprised of 203 organizations spanning business leaders, health care providers and advocates, child advocates, faith leaders, nonprofit leaders and service providers, statewide advocacy organizations, and unions. Through this coalition, MBP's messages get shared with over 132,000 Missourians and 125 organizations share MBP's social media posts with their followers. MBP directly reached out to 32 legislators with information about a state EITC's potential impact in their districts.

There is broad support for a state EITC in Missouri. Unfortunately, it did not pass in 2019. The EITC bill was tied to a conversation about tax cuts that was divisive and therefore did not progress. However, the governor reached out to MBP directly to ask for assistance promoting a state EITC next year. This is heartening. MBP will be influential in developing a strategy to pass a state EITC bill.

Utah

RRF funds supported Voices for Utah Children (Voices) in their advocacy efforts to raise the importance of creating a state EITC. Over the course of the year, Utah legislative leadership and the governor announced a new tax reform effort with substantial public input. Voices used RRF funds to capitalize on this announcement to share position papers, media coverage, and coalition letters in support of a state EITC. The communications efforts culminated in a blitz from October 1 through December 15 to coincide with the state legislature's special legislative session on December 12. As part of a larger tax restructuring package, Utah enacted a fully refundable credit worth 10% of the federal credit for families experiencing intergenerational poverty. Unfortunately, the entire package was repealed in late January 2020.

Washington

Washington has had a state EITC in law since 2008, but implementation was halted during the Great Recession. Washington State Budget & Policy Center's (Center) goals this year was to build an inclusive campaign to hopefully win funding and implementation of the state EITC, including expanding it to cover low-income college students, caregivers, immigrants, and childless adults and to increase it to a 15% federal match. The Center and its partners identified two new strong legislative champions and introduced legislation with 35 cosponsors in the House and 18 in the Senate. They developed a coalition of over 30 anti-poverty, workers' rights, racial equity, social justice, small business, rural development, urban, and tax reform advocacy organizations. This coalition provided testimony, developed social media campaigns, and wrote op-eds published in the state's major newspapers.

Funding for Washington state's EITC was included in a broader Tax Fairness package put forward by the Senate Majority Leader that did not pass during the session. One concern raised by legislators was

whether the program would be too costly to administer because Washington does not have a state income tax. The Center provided information to counter that argument, but certain legislators continued to argue that investing in existing programs was more cost effective than starting a new program. Some legislators also prioritized other tax cuts – specifically a reduction in the state property tax – over this proposal. A lesson learned for the Center is the importance of lobbying to directly and quickly address concerns raised by legislators and to work during the interim to counter these arguments. In 2020, the coalition came back with a proposal focused on expanding eligibility for the tax credit in law to people filing with an individual tax identification number. This legislation advanced out of policy committees in both chambers and even received bipartisan support in the House, but was not voted on by the full Senate or the House.

Lessons Learned

Develop legislative champions early in the process and target efforts narrowly. Frequent meetings with key legislators can keep up the momentum towards expansion. Hawaii Appleseed found that despite positive movement, lacking champions can keep bills from overcoming final hurdles. Likewise, in Rhode Island, the Economic Progress Institute broadly targeted legislators. More narrowly focusing their efforts may have led to more progress.

Provide detailed district-level information to legislators. Many awardees found that legislators are most interested in information about their district – how many families will be affected by an expansion? Approximately how much money will this put back into the local economy? This tactic worked well in California, New Mexico, and Rhode Island. Hawaii Appleseed also notes that having district level data may have been more useful than aggregate data.

What's works in messaging: relieving families' economic burden and putting money back into the economy. Hawaii Appleseed, the Maine Center for Economic Policy, and the Fiscal Policy Institute in New York all had successful messaging around helping working families. The Maine Center for Economic Policy, New Mexico Voices for Children, and the Economic Progress Institute in Rhode Island also talked a lot about putting money back into the local economy. The Maine Center for Economic Policy was able to bridge the two with messages like, “When working people can keep up with basic spending, it benefits everyone. Income inequality and the rising cost of living are making it harder and harder for low-income, working families to make ends meet. Increasing the EITC will put money into their pockets, boosting communities and our whole economy.” Messaging research shows it is effective to lead with the family economic support narrative and to use the community economic impact as a supplement, but not the only story or the lead.

A simple messaging trick that works: Photos of legislators. Both the Economic Progress Institute in Rhode Island and Kids Forward in Wisconsin used photos of legislators in their messaging to help legislators link themselves with helping working families. Legislators in Rhode Island received personalized infographics about the impact of the EITC in their districts. In Wisconsin, using a photo of a

well-known politician activated politically savvy constituents more than pictures of children. The Washington State Budget & Policy Center also worked with legislative champions who had personal stories about the impact of the EITC to garner earned media coverage.

Messaging challenges: equity. The EITC does reduce inequality, but New Mexico Voices for Children and the Economic Progress Institute in Rhode Island both found that message does not resonate with legislators. In New Mexico, race-focused messaging received pushback from legislators. In Rhode Island, equity messaging roused progressive lawmakers, but alienated conservative Democrats seeking to influence cross-aisle legislation. In California, in contrast, equity messaging and providing data analysis by race and ethnicity were helpful to building support for the expansion.

Examples of Impactful Communications Work

California:

- [Info-graphic](#): CalEITC enactment and expansion
- [Blog post](#) on why the proposed CalEITC expansion is an effective investment in children
- [Briefing and webinar](#) on the CalEITC
- [Chartbook](#): Expanding the CalEITC
- CalEITC [Interactive](#) showing how Californians benefit from the CalEITC

Maine:

- [Video explaining state EITC](#)
- [Give Working Mainers a Break](#) video
- [Press release](#): Maine should boost working families, build a stronger economy by expanding its Earned Income Tax Credit
- [Policy brief](#): To help solve modern economic problems, working Mainers need a modern EITC
- Social media posts on [supercharging the EITC](#), the [number of households](#) affected by an EITC expansion, and [unrigging the tax code](#)

Missouri:

- [Factsheet](#): EITC refundability would offset regressive taxes for lower earning Missourians
- [Factsheet](#): State EITC could benefit nearly 30,000 Missouri grandparents raising grandkids

New Mexico:

- [Policy report](#): Improving tax credits for a stronger and healthier New Mexico
- EITC [factsheet](#)
- [Blog post](#): Tax credits are smart policy investments for a healthier New Mexico
- [Infographic](#) comparing the effect of expanding the EITC with other popular child-friendly policies
- Graphics designed for [social media posts](#)
- [Poll result graphics](#)

New York:

- [Report](#): Reworking New York State's Family Tax Credits
- [Factsheet](#): Strengthening family tax credits to reduce poverty
- [Article in The Daily News](#): Kids from New York working families need more income tax breaks, advocates and lawmakers say in push for reform

Rhode Island:

- [EITC website](#)
- Senate Finance Chairman Conley EITC Testimony [video](#)
- [Op-ed](#): Increase Rhode Island's Earned Income Tax Credit
- [Report](#): Building a stronger economy by increasing the Rhode Island Earned Income Tax Credit

Utah:

- [utahfamilytaxcredits.org](#) serves as a go-to resource on tax credits for working Utah families
- [One page brief](#): The Earned Income Tax Credit: A time-tested two-generation strategy for poverty

Washington:

- Video asking people what they [would be able to do with \\$350](#)
- [Op-ed](#): Want to save small businesses? Fix WA's tax code
- [Op-ed](#): I grew up witnessing how Washington's tax code hurts families – let's fix it now
- [Op-ed](#): Enacting the Working Families Tax Credit is good for our communities' health
- [Fact sheet](#): A Modern Working Families Tax Credit

Wisconsin:

- [Blog post](#): The fall brings opportunities for Congress to put more money into pockets of workers and families
- [Targeted action website](#): Tell Rep. Kind: No tax bill that doesn't put money in the pockets of workers and families