

CITY OF BURLINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT - 2019 APPLICATION

Application must be no more than 9 total pages (including cover page) with 12 point font.

Refer to NOFA for required information for each question.

Project Name: Volunteer Income Tax Assistance Program (VITA)

Project Location / Address: 255 South Champlain Street, Burlington, VT 05401

Applicant Organization / Agency: Chittenden Community Action (CCA), a program of CVOEO

Mailing Address: P.O. Box 1603, Burlington, VT 05402

Physical Address: 255 South Champlain Street, Suite 9, Burlington, VT 05401

Contact: Travis Poulin Title: Director, CCA Phone #: (802) 863-6248 ext. 736

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EIN #: 03-0216837 DUNS #: 162200115

CDBG Funding Request: \$10,000

Total Estimated Program/Project Cost: \$40,454

Grant Duration: mark one ☒ **1 Year** ☐ **2 Year**

(Only Public Service programs with a focus on Early Childhood Ed/Child Care, or Youth Services are eligible for 2 year grant this year)

Development: mark one ☒ **Economic Development** ☐ **Construction**

Public Service: ☐ **Early Childhood Ed/Childcare** ☐ **Youth Services** ☐ **Health** ☒ **Econ Opportunity**
Mark one

1. Type of Organization

☐ Local Government

☐ For-Profit Organization

☐ Faith-Based Organization

☒ Non-Profit Organization (please provide copy of your
IRS 501(c)(3) tax exemption letter)

☐ Institution of Higher Education

Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator. In addition, this project is ready to proceed as of July 1, 2019.


Signature of Authorized Official

Travis Poulin
Name of Authorized Official

Director, CCA
Title

1-14-19
Date

I. Demonstrated Need

1. What is the need/opportunity being addressed by this program/project and how does that contribute to CDBG's national objectives? *

According to the 2018 Consolidated Plan and the Anti-Poverty Strategy, a priority need is to reduce barriers to economic opportunity; strategies include access to resources to increase financial capacity. CCA services are designed to address basic needs (housing, food, home heating fuel, utilities); free tax preparation is the purpose of the Volunteer Income Tax Assistance (VITA) Program; and financial coaching and money management education are at the core of the Growing Money (GM) Program. In supporting the VITA program, the City of Burlington would be providing a service directly in line with the city's anti-poverty goals and the CDBG program, help save low to moderate income families thousands of dollars in tax preparation fees and provide them the opportunity to stabilize their housing, catch up on past due bills, and invest in their futures.

II. Program/Project Design

1. Give us a short summary (2 sentences) that describe the program/project.

The Volunteer Income Tax Assistance program offers free tax preparation help to households who make \$54,000 or less, persons with disabilities and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified households; CCA staff screen applicants for participation in basic support services such as 3SquaresVT, and make referrals to the CVOEO Financial Futures Growing Money Program.

2. Explain why the program activities are the right strategies to use to achieve the intended outcomes. Why is the program designed the way it is? (cite evidence, best practices, or community input)*

The VITA program is designed to help taxpayers save money on tax preparation fees; help them prepare their taxes correctly; ensure that they receive the credits and refunds they are eligible for; and to help them get their returns in a timely manner. The VITA service is provided free of charge; taxpayers automatically save money by not paying for the tax preparation. The volunteers are trained, tested and certified by both the IRS and the VT State Tax Department. Reports from the Center on Budget and Policy Priorities show that the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) not only reward work and reduce poverty for low and moderate income working families with children, but that a growing body of research shows that these credits provide support and help families at virtually every stage of life, impacting improved infant and maternal health, better school performance, and increased work and earnings in the next generation. Lastly, in terms of receiving refunds as quickly as possible, nearly 100% of returns completed through the VITA program are filed electronically, a long-established best practice that also allows for a rapid notice from the IRS if any filing problems are found.

3. How will this program/project contribute to the City's anti-poverty strategy?

Two key components of the City's Anti-Poverty strategy are (1) meeting basic needs and stabilizing living situations, including access to income supports and (2) increasing asset accumulations and resident net worth. The VITA program and CVOEO/Community Action services in general, are directly in line with these Anti-Poverty strategies.

4. How do you use community and/or participant input in planning the program design and activities?*

Community and participant input are vital to the success of the VITA program; evening and weekend hours were designed with input from working families who could not access services during normal business hours; our interpretation services were developed based on input from both participants and staff consultation with the VT Refugee Resettlement Program and the Association of Africans Living in VT; and the overall design of our VITA Program is the result of participant input and planning with the local IRS Stakeholder, Partnerships, Education and Communication (SPEC) staff, CEDO, VT 211, local financial institutions, and the United Way of Northwest VT. The CVOEO Board of Directors includes representation of the local low income community. The feedback we have received over the years, and continue to receive, helps us to shape and grow our service.

III. Proposed Outcomes

1. What are the intended outcomes for this project/program? How are people meant to be better off as a result of participating?

Clients save money by not paying a tax preparer; the National Society of Accountants lists the average cost of preparing a non-itemized federal and state tax form in Vermont at \$176.00. The majority of clients will qualify for tax credits and refunds, bringing additional revenue into the community, and helping those individuals and families remain stably housed and invest in their future. By approaching VITA clients and encouraging them to work with Growing Money on the three major issues of savings, debt, and credit, we help to open doors for low-income households to take control over their financial future. Those families that appear income eligible but are not already receiving supportive services, such as 3SquaresVT, will receive educational information and if they express interest, assistance with applications. Participants will be better off by receiving services that save them money, and allow them to make informed choices to stretch their limited incomes further.

2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)

CDBG Goal/Objective	Activity Funded	Expected Outcome
Reduce Barriers to/Create Economic Opportunities and Provide Public Services to At Risk Population	VITA Site Coordinator will supervise trained volunteers in preparing taxes for Burlington residents.	600 Burlington households will be served (estimated 800 individuals)
Reduce Barriers to/Create Economic Opportunities and Provide Public Services to At Risk Population	VITA Site Coordinator will supervise trained volunteers in preparing taxes for Burlington residents.	100% of participants will save money by not paying tax preparation fees
Reduce Barriers to/Create Economic Opportunities and Provide Public Services to At Risk Population	VITA Site Coordinator will supervise trained volunteers in preparing taxes for Burlington residents.	90% of participants will receive a tax refund
Reduce Barriers to/Create Economic Opportunities and Provide Public Services to At Risk Population	VITA Site Coordinator will screen clients for possible income eligibility in varied supportive services	10% of participants that appear eligible for but are not receiving supportive services will apply.

IV. Impact / Evaluation

- 1. How do you assess whether/how program participants are better off? Describe how you assess project/program outcomes; your description should include: what type of data, the method/tool for collecting the data, from whom you collect data, and when it is collected. ***

Our goals are to help save people money on tax preparation, complete accurate and timely tax returns, and connect them with other services that could provide support. Each year, CCA reviews the National Society of Accountants average cost of basic tax preparation in Vermont; based on the number of households served, we calculate how much we have helped clients save. When clients come in, there is a required IRS required screening tool we use (form 13164-c), and a basic CVOEO intake to capture demographic data on all participants. The IRS tracks the tax returns we submit and will provide a year-end report on the number of households served, the number of households that received credits, what kind of credit, how much was received, refunds received and the overall accuracy rate for the VITA Program. Community Action also screens participants at the initial intake for possible eligibility for a number of different services, with an emphasis on 3SquaresVT. From that initial intake, CCA staff will work with individuals who are not receiving supportive services, either providing them the information they need to apply on their own or helping them apply on-line; we conduct follow up interviews at a later date to determine the outcome of those referrals and applications.

- 2. How successful has the project/program been during the most recent reporting year for your CDBG project? Report the number of beneficiaries you intended to serve with which activities (as noted in your last Attachment A) and your final outcomes (as noted on your Attachment C) from June 2018 (or June 2017). For non-CDBG participants – report on your achievements from the previous year.**

In 2018, the CCA VITA program was not a CDBG participant. Our tax program served 445 Burlington households, which represented 38% of all VITA state tax returns completed. These households received \$164,727 in State Tax refunds, and over \$84,195 in rent rebates. Burlington households saved an estimated \$78,320 in tax preparation fees. 90% of total participants received a refund; (10% owed money).

V. Experience / Organizational Capacity

- 1. What is your agency's mission, and how do the proposed activities fit with your mission? *CVOEO addresses fundamental issues of economic, social, and racial justice and works with people to achieve economic independence.*** The proposed activities of the VITA program fit perfectly within this mission statement; we will be working with people to help them achieve a level of economic independence by providing a free tax preparation service, providing them IRS trained volunteers to help them identify and apply for tax credits they may qualify for (such as the Earned Income Tax credit), and submit an accurate return for a timely refund.

- 2. Explain how your agency has the capacity to carry out the proposed activity (i.e. staff qualifications, years of experience related to this type of activity, etc.)***

Travis Poulin, the CCA Director has worked with the VITA program for over 13 years. Michael McClintock will be entering his 4th year working as the primary VITA Site Coordinator; under Michael's oversight, in 2018 CVOEO had a 100% accuracy rate for tax returns sampled by the IRS. CVOEO has been the lead agency on the statewide IRS VITA Matching Grant for the last seven years. CVOEO has been working with and providing services to the low and moderate income community since 1965.

- 3. What steps has your organization/board taken in the past year to become more culturally competent internally?**

CVOEO is committed to providing services to New American members of our community and to promoting cultural competency within our staff and Board. CCA staff are all required to complete a Cultural Humility and a Civil Rights training webinar each October as part of annual training; CVOEO operates the Asylum Seekers Assistance Program (ASAP), providing advocacy, guidance and minor financial assistance to asylum seekers in Chittenden County who have no other resources to provide for their basic needs; and CVOEO Program Directors and staff collaborate annually to identify and select recipients of the Crystal Family New Hope Award, which recognizes the contributions, accomplishments and potential of New Americans within our community.

4. Have you received Federal or State grant funds in the past three years? ☒ Yes

5. Were the activities funded by these sources successfully completed? ☒ Yes

VI. Proposed Low & Moderate Income Beneficiaries / Commitment to Diversity

1. Will the program solely serve a specific group of people? ☐ No

2. a. For your proposed project, please estimate how the **Burlington residents** will break out into the following income categories during the total grant period. Use the Income Table at <https://www.burlingtonvt.gov/CEDO/2018-HUD-Income-Limits>

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low- Income (30% median)	# Very Low- Income (50% median)	# Low- Income (80% median)	# Above Income Limits (above 80% median)
VITA Tax Preparation	600 households	324	252	24	-0-

b. All CDBG grantees serving limited clientele will be required to use CEDO's **CDBG Beneficiary Self-Certification** form to collect beneficiary data including race, ethnicity, annual income, and family size. Is your organization willing and prepared to add this documentation to the intake process for your CDBG funded program by July 1, 2019? ☒ Yes

3. Who is the project/program designed to benefit? Describe the project/program's target population, citing (if relevant) specific age, gender, income, community/location or other characteristic of the people this program is intended to serve. How do you select and reach your target population?

This project is designed to benefit low to moderate income Chittenden county residents, with CDBG funds assisting in providing services specifically to Burlington residents. The emphasis is on serving households with earned income, as VITA is primarily an income tax program, and the Earned Income Tax Credit is the largest (by dollar amount) federal anti-poverty program; yet the IRS estimates that nationally, 20% of all eligible taxpayers do not claim the EITC. As a sub-population, we also target outreach to the New American community, the disabled, and the elderly, to ensure that eligible households receive assistance applying for Renter Rebates, Homestead Declarations and Lifeline telephone discounts.

4. Describe the steps you take to make the project/program accessible, inclusive and culturally appropriate for the target population. *

The CCA office is fully handicapped accessible, and evening and weekend hours are offered to assist working families. Our office works closely with the Association of Africans Living in VT, the VT Refugee Resettlement Program and the Somali-Bantu Community Association to provide scheduling, interpretation and translation services. VITA volunteer training includes a component on working with a culturally diverse

population and working with interpreters.

VII. Budget / Financial Feasibility

- 1. Budget Narrative: Provide a clear description of what you will do with CDBG's investment in the project/program. How will you spend the money? Give specific details.**

CDBG funds will be used to provide salary, fringe and administrative costs to support the efforts of the VITA Site Coordinator. The VITA Site Coordinator has the responsibility for total oversight of the VITA Program; training and monitoring volunteers, community outreach, coordination with VT 211, set up and maintenance of the scheduling database, compliance with IRS regulation, CSBG and CDBG required data entry, electronically filing tax returns, and acting as liaison with the IRS SPEC office, among other duties. It could be, quite simply, a full time job, and from late December through mid may, it effectively is. The bulk of taxes themselves are prepared from February 1st through April 15th, with volunteer organization and training taking place primarily in January.

- 2. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project/Program Design.**

a.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG
VITA Site Coordinator will supervise trained volunteers in preparing taxes for Burlington residents	Site Coordinator	Recruit and Supervise volunteers, ensure that data-quality best practices are being followed; submit completed tax returns	40 hours per week for 17 weeks	38%

b. All CDBG grantees that use CDBG funds for salaries must submit timesheets that capture total time and effort of staff members funded with CDBG. These timesheets must record CDBG hours worked, other hours worked, all funding sources, and a narrative for all CDBG and non-CDBG funded activities, and they must be signed by the employee and supervisor. Does your organization have the ability to implement a timekeeping system for CDBG funded staff that meets these requirements by July 1, 2019? X Yes

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Salary	\$7,352	\$11,719	\$19,159
Fringe	\$1,067	\$1,702	\$2,472
Indirect	\$1,581	\$2,519	\$4,119
Consultants		\$4,000	\$4,000
Interpretation		\$2,000	\$2,000
Office Supplies		\$1,200	\$1,200
Rent/Utilities/Phone/Space Maintenance		\$7,405	\$7,595
Total	\$10,000	\$30,545	\$40,545

4. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 10,000	\$ 10,000	\$	\$
State (specify)				
Housing and Homeless Programs			1,128,231	1,128,230
Nutrition Programs			32,482	32,500
Energy Programs			1,645,451	1,645,450
Victim Services and Prevention			155,744	155,745
Employment + Training Programs			98,074	98,074
Head Start			427,113	410,000
Federal (specify)				
Health and Human Services	7,696	8,478	7,191,521	7,441,521
USDA			161,624	161,625
Energy			335,895	335,895
HUD			244,505	244,505
FEMA			24,909	24,909
Justice			598,648	598,650
Treasury	22,849	22,849	52,573	51,573
United Way			101,000	101,000
Private (specify)				
Donations			1,691,568	1,290,500
Foundations			715,679	565,680
Private Organizations			373,716	375,700
Program Income				
Weatherization			654,076	804,076
Fee for Service			25,598	25,500
Other (specify)				
City and Town Grants			58,250	58,250
Interest			45,000	45,000
In-Kind: Food			4,710,767	4,710,767
In-Kind: Volunteer	125,220	125,220	305,214	305,214
In-Kind: Volunteer Professional			1,313,645	1,313,645
In-Kind: Space	1,850	1,850	897,970	897,970
Total	\$ 167,925	\$ 168,707	\$ 23,280,605	\$ 22,889,803

5. Of the total project cost, what percentage will be financed with CDBG?

$$\frac{\$10,000}{\text{CDBG Funding}} \div \frac{\$40,454}{\text{Total Program/Project Costs}} = 25\% \text{ Percentage}$$

6. Of the total project cost, what would be the total cost per person?

$$\frac{\$40,454}{\text{Total Program/Project Cost}} \div \frac{600}{\text{\# Total Proposed Beneficiaries}} = \$67 \text{ Cost Per Person}$$

$$\frac{\$10,000}{\text{Total Amount of CDBG Funding}} \div \frac{600}{\text{\# Total Proposed Beneficiaries}} = \$17 \text{ Cost Per Person CDBG Investment}$$

7. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

The efforts of the VITA program pair perfectly with the spirit of the Community Development Grant; the entire goal of the VITA program is to help save low to moderate income individuals and families money, to help them secure Earned Income Tax credits and other tax refunds, and to utilize those funds in a manner that emphasizes sound money management. This program relies on a mix of funding sources, most of which need to be raised through grant writing on a year to year basis. Having CDBG as a part of the funding mix will make the program more sustainable and, hopefully, allow it to grow and be able to serve more clients. An investment by the City of Burlington in improving financial capability for low-income residents will ultimately pay for itself many times over in decreased dependence on public services and benefits and increased self-reliance.

8. Describe your use of community resources, including volunteers. Include any resources not listed in your budget. Will CDBG be used to leverage other resources?*

Yes, CDBG funds do help leverage additional resources from the community (not a direct dollar for dollar match). With the support of the CDBG funding, the VITA program has grown to provide services to hundreds of Burlington families each year, developing into a service whose structure relies on community input and support. VT 211 operators schedule our tax appointments and provides an in-kind donation of both space and staff time to help manage the volume of calls; Champlain College provides free training space and access to their computer labs prior to the start of the tax season for both their students and other VITA volunteers; the Growing Money Program hosts volunteers greeters who help participants correctly complete IRS screening forms; and in 2018, 37 VITA tax preparation volunteers donated over 1,938 hours of time, at an in-kind value (set by the Bureau of Labor Statistics at \$25.14/hour) of over \$48,000.

VIII. Collaboration/Efficiency

1. Give 1 or 2 examples of key successful collaboration(s) between your program/project and another agency/program/group to address the needs of the people you serve.

VT 211 schedules the majority of the CVOEO VITA tax appointments. The VT 211 operators screen callers for basic eligibility for the VITA service, and also text clients after the appointment is made, reminding them of the date, time, and what paperwork they need to bring with them. CVOEO pays a stipend of \$4,000 for this service, and the remainder of the cost of the time and effort is provided by VT 211.

Champlain College has been a long-time collaborator; it is safe to say that without their investment into this service, it would not be nearly as successful. Champlain College helps recruit student volunteers, working the VITA program into their curriculum for accounting majors, and donates space in a computer lab for our annual in-person three day tax training, which is open to all VITA volunteers. The in-person classroom training is so effective, volunteers serving Franklin, Grand Isle, and Addison counties have attended for the last two years.

2. Do identical or similar community programs exist? How does this program compliment or collaborate rather than duplicate services? What makes this program unique?

CVOEO operates the only public VITA site in Chittenden County; it also happens to be the largest (volume of clients served) VITA site in Vermont. The United Way of Northwest VT provides VITA services through their Working Bridges program, providing tax assistance on-site at specific local employers; CVOEO and the United Way operate collaboratively, including cross training of volunteers. The AARP offers Tax Counseling for the Elderly services at a number of sites throughout VT.

3. **Provide 1 example of how your agency has become more efficient in achieving your outcomes or managing your project/program.**

In 2017, the CCA Director began allocating specific time each week during the tax season to help process households who only needed Rent Rebate or Homestead Property Tax applications completed. This takes the burden of preparing these forms off the VITA volunteers, and allows them to focus their efforts on seeing as many taxpayers (households who need to file federal and state earned income taxes) as possible, increasing overall the total number of households served.

IX. Sustainability

1. **How will this project have a long-term benefit to the City of Burlington? If this program/project ends, how will that benefit continue?**

According to the American Community Survey of 2010 – 2014, 25% of Burlington residents and 54% of families with a female head of household live in poverty. Research has shown that the Earned Income Tax credit is particularly effective at encouraging work among single mothers working for low wages; it is considered among the most effective policies for increasing the work and earnings of female headed families. In 2018, the VITA program helped Chittenden residents receive \$312,921 in Child Tax and Additional Child Tax Credits; \$773,509 in Earned Income Tax Credits; \$25,850 in Education Tax Credits, and \$1,888,767 in federal refunds. The VITA program helps build stronger families and a more vibrant Burlington economy. CVOEO has a commitment to providing the VITA service; while the ability would certainly be impacted by reduced funding from any of the supports that come together to make the project possible, we will continue to provide this service, even if it is by necessity provided to fewer people.

2. **CDBG funding is intended for new or expanded services. If CDBG funding ends, will the project be able to continue?**

The VITA program would continue, but we would have to restrict staff time and serve fewer people without CDBG investment. In FY 2018, the VITA program did not receive CDBG funding. CCA managed to maintain full VITA services for that year by defraying more of the cost of the program to Community Service Block Grant funds; this in turn was only possible by making adjustments to other positions within CVOEO.

3. **How will you prioritize the proposed project activities if you do not receive the full amount requested?**

If funding restrictions require the VITA services to be scaled back, CCA would eliminate the evening and weekend hours for the VITA program.