

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?

CVOEO's Volunteer Income Tax Assistance (VITA) program helps households file their federal and state income taxes, claim Earned Income Tax Credits (EITC), apply for renter's rebates, and/or income-based property tax relief. These credits and rebates can help households stabilize their housing, catch up on past due bills, or invest in education or other training to increase future income. The VITA program contributes to CDBG's national objective 3.2.2 (Low Mod Limited Clientele) by reducing barriers, creating economic opportunities, and providing public services for the benefit of low and moderate income (LMI) persons or households. According to the American Community Survey 2010-2015, overall about 25% of Burlington residents live in poverty. VITA provides free, professional tax preparation and helps people access credits, refunds and rebates. The National Consumer Law Center (NCLC) says that "the EITC is the largest anti-poverty program for working families..."¹ In 2022, CVOEO's VITA program served 445 Burlington households, representing 659 residents. The end of federal pandemic-related monetary benefits will reduce household available resources to meet their basic needs, and tax credits and rebates can help offset this income reduction. We expect to serve 600 Burlington households during the 2023 filing season.

II. Program/Project Design

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

The VITA program serves households that earn \$60,000 or less and that need help navigating the U.S. tax system. In partnership with community organizations and academic institutions, IRS-certified volunteers provide free tax preparation and electronic filing services for low-to-moderate income (LMI) Vermonters, elderly taxpayers, military personnel and their families.

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 uses IRS-certified tax preparers who are equipped to navigate a complicated and constantly changing U.S. tax system. The program helps LMI households prepare and file their tax returns so they can save money in tax preparation fees and receive their tax refunds, credits, and/or rebates quickly. Tax preparers meet with consumers to help them complete their tax forms, ensuring that they receive maximum refunds, credits, and rebates. Filing the returns electronically is the quickest way for the IRS to process them² and for taxpayers to avoid paying fees associated with refund loans³. Profit-seeking preparers and lenders use Refund Anticipation Checks (RAC) and Refund Anticipation Loans (RAL) with high interest rates or fees to entice taxpayers who need their refunds right away⁴. By offering free tax preparation and filing to these households, the VITA program ensures that taxpayers receive their full

¹ <https://www.nclc.org/images/pdf/taxes/rpt-tax-time-jan2020.pdf>

² <https://www.cbsnews.com/news/how-to-tax-refund-soon-quickly-possible/>

³ <https://www.nclc.org/images/pdf/taxes/rpt-tax-time-jan2020.pdf>

⁴ Ibid.

refunds as soon as possible. The IRS has consistently praised the VITA service for the efficiency, quality control process, and accuracy of returns completed.

3. How will this program/project contribute to the City’s anti-poverty strategy? If this activity is to respond to COVID-19, please also describe how this activity prepares or responds to the impacts of the COVID-19 pandemic.

A key component of the City’s anti-poverty strategy is increasing and protecting asset accumulation and resident net worth. The VITA program contributes to the City’s anti-poverty strategy by reducing barriers to economic resources and opportunities and helping to increase household net worth by protecting asset accumulation through EITC, renter’s rebates, and tax refunds. In addition, CVOEO and the VITA program are part of the nonprofit infrastructure the City has built to meet the needs of Burlington residents.

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 VITA and other CVOEO programs. The hours and structure of the CVOEO VITA service was developed over time with feedback from the people who utilized the service, including New Americans, working families, homeowners, renters, and those on fixed, limited income. CVOEO received participant feedback about program design during planning sessions with the IRS Stakeholder, Partnerships, Education and Communication (SPEC) staff, CEDO, VT 211, local financial institutions, and the United Way of Northwest VT. Representatives of Burlington’s low-income population sit on CVOEO’s Board and help us to determine the best way to structure our programs to meet the most needs.

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?

By participating in this program people will be better off because:

- a) They will **not** have to pay tax preparation fees which average \$220 for a non-itemized federal and state tax return,⁵ money that can help pay for things like gas, groceries, and other bills;
- b) Most of the people who participate in the VITA program qualify for tax credits and/or refunds. By filing electronically, the VITA program can help them get their refunds faster;
- c) By meeting with a VITA tax preparer who knows the tax laws and rules they will get the maximum refund available to them and will avoid the possibility of late filing fees;
- d) They will have access to other supportive services like 3SquaresVT.

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

Goal/Objective	Activity Funded	Expected Outcome
Reduce barriers, create economic opportunities, and provide public	VITA Site Coordinator who will supervise trained volunteers as they	600 Burlington households will be served

⁵ National Society of Accountants

services for the benefit of low and moderate income (LMI) persons or households.	prepare taxes for Burlington residents.	
Same as above	Same as above	100% of participants will save money by not paying tax preparation fees
Same as above	Same as above	90% of participants will receive a tax refund
Same as above	VITA Site Coordinator will <i>screen</i> clients for eligibility for referral to other supportive services.	10% of participants who are deemed eligible will apply for supportive services.

IV. Impact / Evaluation

- 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.**

<p>People will be better off if we can help them:</p> <p>a) save money on tax preparation fees;</p> <p>b) complete accurate and timely tax returns;</p> <p>c) increase household income through tax credits, rebates, and refunds;</p> <p>d) connect to additional, supportive services as necessary.</p>				
Outcome	Type of Data	Method	Data Collected From	When
100% of participants will save money by not paying tax preparation fees	Quantitative	Extrapolation	National Society of Tax Accountants report on the average cost of basic tax preparation	End of program
600 Burlington households will be served and will complete accurate and timely tax returns	Quantitative: a) # of households served b) Accuracy rate for VITA tax preparers	a) CVOEO Intake form b) IRS screening tool (form 13164-c) c) IRS reports on VITA accuracy rate	a) Participants b) IRS and CVOEO Outcome Tracker database (for renter credit and homestead households who do not file income taxes)	a) Time of service b) End of program

90% of participants will increase household income through a tax credit, rebate, and/or refund	Quantitative: a) # households that receive a credit b) type of credit received c) Amount received per household d) # refunds received	a-d) IRS Screening tool (form 13164-c)	a-d) IRS	a-d) End of program
10% of eligible participants will be connected to additional, supportive services.	Income eligibility forms and interviews	CCA intake forms	VITA participants	Time of service and post-program

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 2022 (or June 2021). For non-CDBG participants – report on your achievements from the previous year.

	Expected Outcomes	ACTUAL OUTCOMES
1	Community Action will serve 600 Burlington households	Community Action served 445 Burlington households, representing 659 individuals.
2	100% of participants will save money by not paying tax preparation fees	100% of participants saved money by not paying tax preparation fees, an estimated savings of \$78,320 (based on an average tax preparation fee of \$176 ⁶ per household last year)
3	90% of participants will receive a tax refund	90% of participants received a refund, 10% owed money to the IRS
4	10% of eligible participants will apply for supportive services	40% of participants who were not receiving but appeared eligible applied for 3SquaresVT

V. Experience / Organizational Capacity

1. What is your agency’s mission, and how do the proposed activities fit with your mission?

CVOEO’s mission is to address fundamental issues of economic, social, racial, and environmental justice and work with people to achieve economic independence. The VITA program and its activities fit into CVOEO’s

⁶ National Society of Tax Accountants for an IRS 1040 tax form with no itemized deductions <https://connect.nsacct.org/blogs/nsa-blogger/2017/01/27/national-society-of-accountants-reports-on-average-tax-return-preparation-fees>

mission because it contributes to economic independence by lowering the burden associated with preparing and filing taxes and because the program aligns with the concept of economic justice⁷ which is part of our mission statement. As an anti-poverty organization, CVOEO helps individuals and families increase their household income with programs like VITA where they can apply for the Earned Income Tax Credit (EITC). The EITC is considered by the National Consumer Law Center to be “the largest anti-poverty program for working families.”⁸ In addition, assistance provided by the VITA program helps to alleviate the stressors associated with preparing and filing tax returns especially for low-income groups.

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 Community Action Network Director for CVOEO has worked with the VITA program since 1992, first as a tax preparer, then as a site coordinator, and now as the program supervisor. Michael McClintock, the Chittenden VITA Site Coordinator, is entering his eighth year with CVOEO which has been the lead agency for the statewide IRS VITA Matching Grant for the last 11 years. Mr. McClintock oversees the training of approximately 30 volunteer tax preparers who are certified to provide Vermont and Burlington community members with tax help. CVOEO has over 55 years of experience working with LMI community members, helping people acquire essential services and creating opportunities for economic independence. CVOEO has also received funding from the State this year, as part of an investment in expanding the VITA services, for the hire of a full time, year-round VITA Coordinator. This position, currently being advertised, will allow CVOEO to provide year-round continuity of services, continue to work with VITA participants on accessing basic supports and economic stability year round, and help recruit and train more volunteers to expand the capacity of the VITA program.

3. What steps has your organization/board taken in the past year to address racial equity, inclusion, and belonging internally? What new commitments have been made to address racial equity, inclusion, and belonging internally in the year ahead?

CVOEO is committed to addressing racial equity, inclusion, and belonging through training and organizational development. Our director of racial equity has increased organizational knowledge by developing monthly large-group trainings and small-group discussions for staff on topics ranging from cultural competence and humility to unconscious bias to understanding white supremacy culture. These trainings help staff acquire general knowledge about specific DEI issues as well as provide practical ways to work with clients and each other. CVOEO’s 3-year strategic plan includes DEI as a stand-alone goal and also is woven into the larger plan that guides CVOEO’s program development.

4. Have you received Federal or State grant funds in the past three years? Yes No

5. Were the activities funded by these sources successfully completed? Yes No
_____ N/A

If No, please explain:

VI. Proposed Low & Moderate Income Beneficiaries

1. Will the program solely serve a specific group of people? If so, check ONE below:

⁷ Hayes, A. (2020). What is Economic Justice? Investopedia Economics Blog (December 9, 2020) <https://www.investopedia.com/terms/e/economic-justice.asp>

⁸ <https://www.nclc.org/images/pdf/taxes/rpt-tax-time-jan2020.pdf>

Abused Children Elderly (62 years +) People with AIDS
 Battered Spouses Homeless Persons Illiterate Adults
 People with Severe Disabilities

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/2022-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	

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, 2023?

Yes NO Not Serving Limited Clientele

VII. Commitment to Equity, Inclusion and Belonging

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

The VITA program benefits LMI residents of Chittenden County with CDBG funds used specifically to assist Burlington residents. The primary focus is on serving Vermont and Burlington households with earned incomes, ranging from those whose income is up to 80% of the area median to a small number whose income is 81% or greater than the area median. The Earned Income Tax Credit (EITC) is the largest (by dollar) federal anti-poverty program⁹ so targeting households that earn income is our primary goal.

Comparison between VITA program and City of Burlington		
Ethnicity and Race	VITA Program Number, Percent	City of Burlington ¹⁰
White	470, 71%	35,270, 83%
Black/African American	102, 15%	2,327, 6%
Asian	53, 8%	2,461, 6%
American Indian/Alaska Native	5, <1%	66, 0.2%
Native Hawaiian/Pacific Islander	1, <1%	12, 0%
Multi-racial	28, 4%	1,028, 2%
Hispanic	36, 5%	1,320, 3%

⁹ www.nclc.org

¹⁰ <https://censusreporter.org/profiles/16000US5010675-burlington-vt/>

Through CVOEO’s Financial Empowerment for New Americans community ambassadors and other community partners we reach out to the New American community. We advertise our services through the Vermont Center for Independent Living to reach people who are disabled, and through Age Well, SASH Coordinators, and senior housing sites to reach the elderly population to ensure that eligible households receive assistance applying for Renter Credit and Homestead Declarations. We reach people by advertising VITA services on our social media platforms, our CVOEO website, Front Porch Forum, the Fletcher Free Library, VT 211, and through community partners and other CVOEO programs.

2. Describe the steps you take to ensure the project/program is accessible, inclusive, addressing racially equity, and culturally appropriate for the target population.

The CCA office is fully handicapped accessible and we offer weekend and evening hours to assist working families. The majority of VITA services for the past two years have been in space provided at no rental cost by the University Mall in South Burlington, allowing VITA to practice social distancing (and it on a bus line and has excellent parking). We work closely with the Association of Africans Living in VT, the VT Refugee Resettlement Program, and the Somali-Bantu Community Association for scheduling, interpretation and translation. VITA training includes information on how to work with a culturally diverse population and interpreters. CVOEO’s cultural competence webinars are designed to inform staff as they connect with people from different backgrounds; these webinars are available “live” (currently via zoom) to all CVOEO employees including VITA staff; they are also recorded for future use.

VIII. 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 benefits, and administrative costs to support a VITA site coordinator. The Site Coordinator oversees the entire program by training and monitoring tax preparers, developing and maintaining a scheduling database, complying with IRS regulations and data collection for CSBG and CDBG funds, electronically filing tax returns, community outreach, coordinating with VT 211, and liaising with the IRS SPEC office. From late December through mid-May the work is full time. Training occurs in January and the bulk of tax returns are prepared from February 1 through April 15.

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.

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
Plans, organizes, and develops the VITA program; trains and supervises tax preparers who assist Burlington residents	VITA site coordinator	The site coordinator recruits, trains, and supervises volunteer tax preparers, ensures	40 hours per week for 28 weeks	35%

		that data-quality best practices are followed, submits completed tax returns, and coordinates with community organizations for recruiting and scheduling.		
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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 hours worked on CDBG-funded programs, hours worked on non-CDBG funded programs and the corresponding program name/funding source(s). Timecards must include a narrative for all CDBG and non-CDBG funded activities, and 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, 2023? Yes No Not funding salaries

3. Program/Project Budget

Line Item	CDBG Funds	Other	Total
Salary	\$9,508	\$63,000	\$72,508
Fringe	\$3,283	\$26,895	\$30,178
Workers Compensation	\$89	\$582	\$671
Indirect	\$2,120	\$11,832	\$13,952
Program Materials and Office Supplies		\$3,500	\$3,500
Liability Insurance		\$500	\$500
Service Contracts	\$	\$750	\$750
Rent, Utilities, Telephone, Maintenance		\$9,717	\$9,717
Fees and Dues		\$750	\$750
Other: Background checks, postage, staff training, computer equipment, etc.		\$8,250	\$8,250
TOTAL	\$15,000	\$125,776	\$140,776

4. Funding Sources VITA

	Program/Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$15,000	\$15,000	\$61,000	\$76,359
State (specify)				
Housing and Homeless Programs			\$1,846,639	\$1,846,639
Nutrition Programs			\$6,882	\$6,882
Utility Assistance & Energy			\$1,808,216	\$1,808,216
Victim Services & Prevention			\$379,245	\$379,245

Employment and Training Programs			\$217,722	\$217,722
Head Start & Education Programs			\$278,368	\$278,368
Federal (specify)				
Health and Human Services	111,000	111,000	\$10,652,057	\$10,652,057
USDA			\$74,623	\$74,623
Energy			\$3,069,360	\$3,069,360
HUD			\$1,529,800	\$1,529,800
FEMA			\$0	\$0
Justice			\$253,073	\$253,073
Treasury	29,776	29,776	\$555,411	\$555,411
United Way			120,000	120,000
Private (specify)				
Donations			\$2,152,967	\$2,152,967
Foundations			\$376,500	\$376,500
Private Organizations			\$421,703	\$421,703
Program Income			\$	\$
Fee for Service			11,800	11,800
			\$654,419	\$654,419
Other (specify)				
City and Town Grants			\$121,833	121,833
Interest			\$65,000	\$65,000
In-Kind: Food			\$800,000	\$800,000
In-Kind: Volunteer	0	0	\$200,000	\$200,000
In-Kind: Volunteer Professional			-	-
In-Kind Space			-	-
Total	\$ 155,776	\$ 155,776	\$ 25,656,618	\$ 25,671,977

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

$$\frac{\$15,000}{\text{CDBG Funding}} \div \frac{\$140,776}{\text{Total Program/Project Costs}} = \frac{11\%}{\text{Percentage}}$$

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

$$\frac{\$140,776}{\text{Total Program/Project Cost}} \div \frac{600}{\# \text{ Total Proposed Beneficiaries}} = \frac{\$235}{\text{Cost Per Person}}$$

$$\frac{\$15,000}{\text{Total Amount of CDBG Funding}} \div \frac{600}{\# \text{ Total Proposed CDBG Beneficiaries}} = \frac{\$25.00}{\text{Cost Per Person CDBG Investment}}$$

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

The anti-poverty goals of the VITA program fit perfectly with the City of Burlington's anti-poverty strategies and with the spirit of the Community Development Block Grant, especially as a public service that provides economic opportunity for LMI households. VITA helps LMI households save money, secure EITCs and other tax refunds, and encourages them to use those funds in a manner that emphasizes sound money management. This program relies on a mix of funding sources, most of which are raised by writing annual grants. Having CDBG as a part of the funding mix helps to sustain and grow the program.

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?

The VITA program relies on community input and support including: 1) in-kind donations of workspace and staff time by VT 211 operators who manage calls and help with scheduling; 2) access to computer labs and training space prior to the tax season donated by Champlain College; 3) volunteers from the local community, Champlain College, the University of Vermont, and St. Michaels college 3) CVOEO volunteer greeters that help participants complete IRS screening forms; 4) in-kind donated workspace to see VITA clients at the University Mall. In 2022, 30 VITA tax preparation volunteers donated 1,750 hours of their time, an in-kind value of \$58,817 (\$33.61/hour).¹¹

IX. 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.

We collaborate with community social service agencies and businesses. For example, VT 211 helps schedule tax appointments, follows up with clients to remind them of their appointments, and provides basic eligibility screening. Champlain College provides training space, computers, and student volunteers. To maximize our work and help people work toward financial independence, we partner with and refer to other programs within CVOEO (Growing Money and Financial Empowerment for New Americans). In addition, we refer to the 3SquaresVT program and refer people as necessary and/or desired to housing and food programs.

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

CVOEO operates the only VITA site in Chittenden County. Our in-person VITA site is the largest in Vermont, and CVOEO is the lead agency for the statewide VITA grant application, which supports free tax preparation services at Community Action Agencies across Vermont. The AARP delivers a Tax Counseling for the Elderly (TCE) program at a number of sites throughout VT. VITA and TCE provide complimentary services; while TCE services are completely focused on seniors, VITA serves any households that falls within the VITA guidelines.

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

¹¹ Bureau of Labor Statistics

CVOEO restructured administration of the three Community Action Offices, creating a Community Action Network Director position which will provide oversight, continuity and support for services provided by all three offices, including VITA services. The VT Community Action Agencies have also received funding this year from the State to hire full time, year round VITA staff, with the intent to support and grow free tax preparation services statewide.

X. 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 2010-2014, overall about 25% of Burlington residents live in poverty, while for families with a female head of household, that figure is more than double at 52.4%. The EITC is particularly effective at increasing the work and earnings of unmarried households with children¹². In 2022, the VITA program helped Chittenden residents receive \$799,908 in Child Tax and Additional Child Tax Credits; \$820,321 in EITC; \$28,789 in Education Tax Credits, and \$2,779,597 in federal refunds. Without the VITA program these savings, credits, refunds and economic inputs would not be realized and many families would continue to struggle financially which can lead to secondary effects of poverty such as inadequate nutrition and/or food insecurity, poor academic achievement, and other negative psychosocial outcomes¹³. The VITA program helps families earn more which means they have more money to spend in the community. CVOEO is committed to providing the VITA service and will continue to implement the program even if funding from any of our supporters is reduced; reduced funding would mean serving fewer people, but we would continue to offer the program.

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

Yes, CVOEO would continue to provide VITA services, even if CDBG funding were not available. CDBG is an important funding source for the level of services we currently provide; if CDBG funds were no longer available to support the VITA program, we would have to restrict staff time and serve fewer people. This would be particularly unfortunate as we are actively working to expand this program and develop methods of serving more people.

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

If CDBG funds are reduced, and alternate funding is not found to support the service, the VITA program would need to be scaled back; we would look at eliminating the evening and weekend hours.

¹²Yarmuth, J., (2018). "The Earned Income Tax Credit Boosts Work, Reduces Poverty, and Provides Other Benefits for Working Americans." *U.S. House of Representatives Committee On The Budget*. November 30, 2018.

¹³ American Psychological Association. "Effects of Poverty, Hunger and Homelessness on Children and Youth." <https://www.apa.org/pi/families/poverty>.