

Learn How

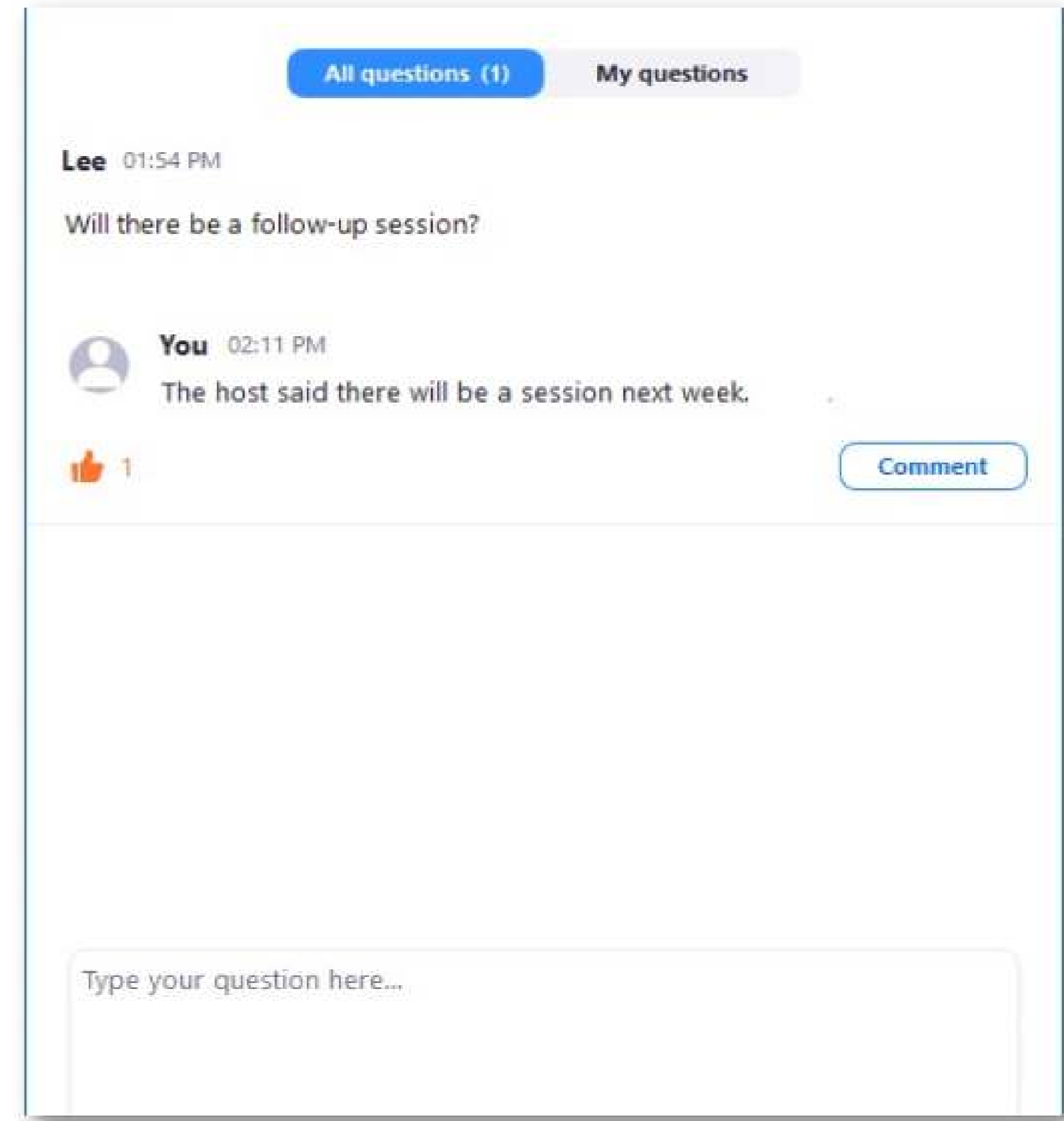
Santa Clara County Got Over \$135K to 45 Foster Youth During the Pandemic



August 18, 2021

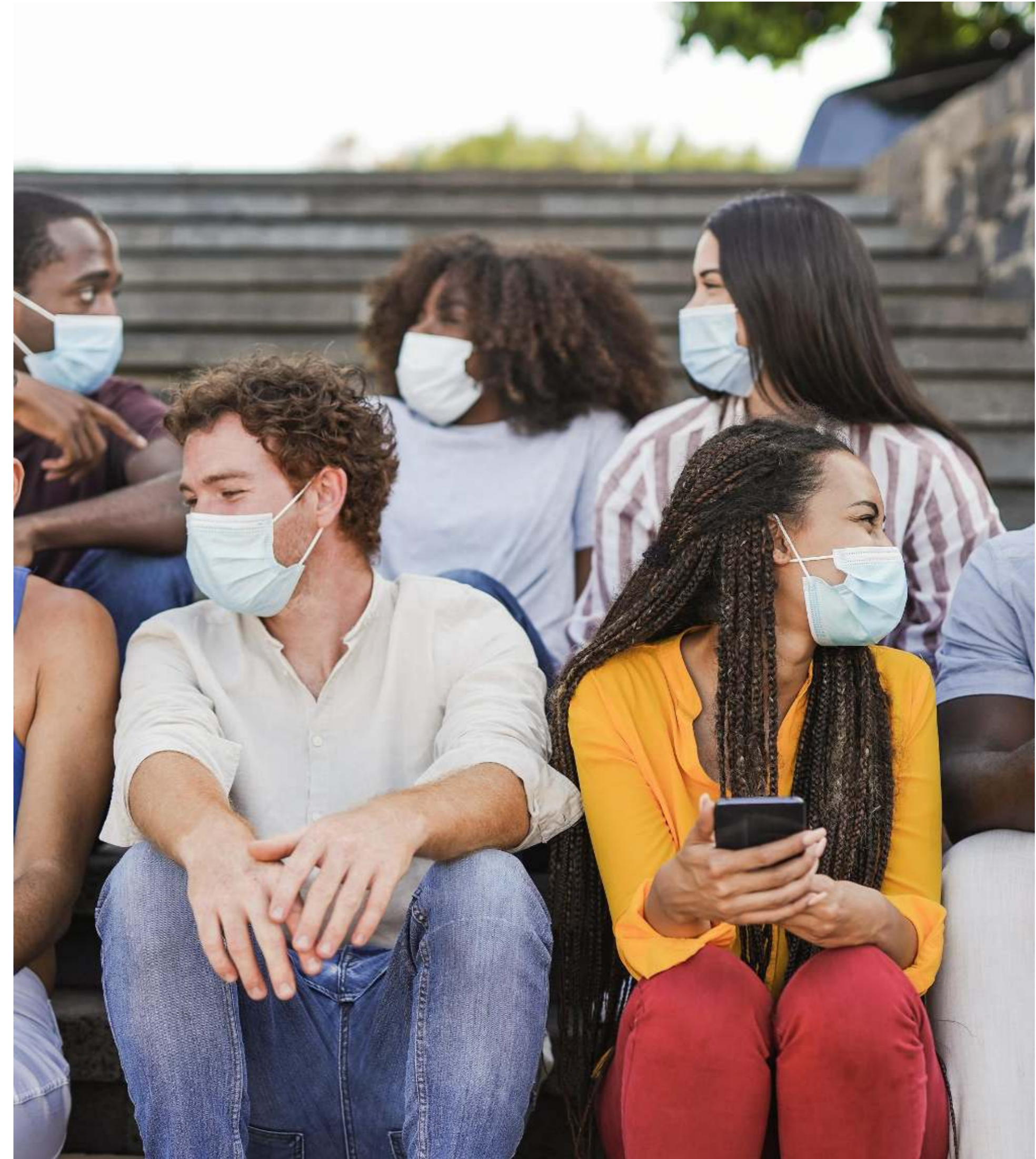
Using Zoom Webinar

- To submit questions, click on the Q & A icon on the control panel. The Q& A window will appear, allowing you to ask questions to the host and panelists.
- Webinar materials and recording will be posted at www.jbay.org in the resource library and sent out to all registrants following the live presentation.



Today's Agenda

- **Introductions**
- **Project Overview**
- **Background**
- **What was Accomplished**
- **Pilot Findings**
- **Recommendations**
- **Next Steps**
- **Q&A**

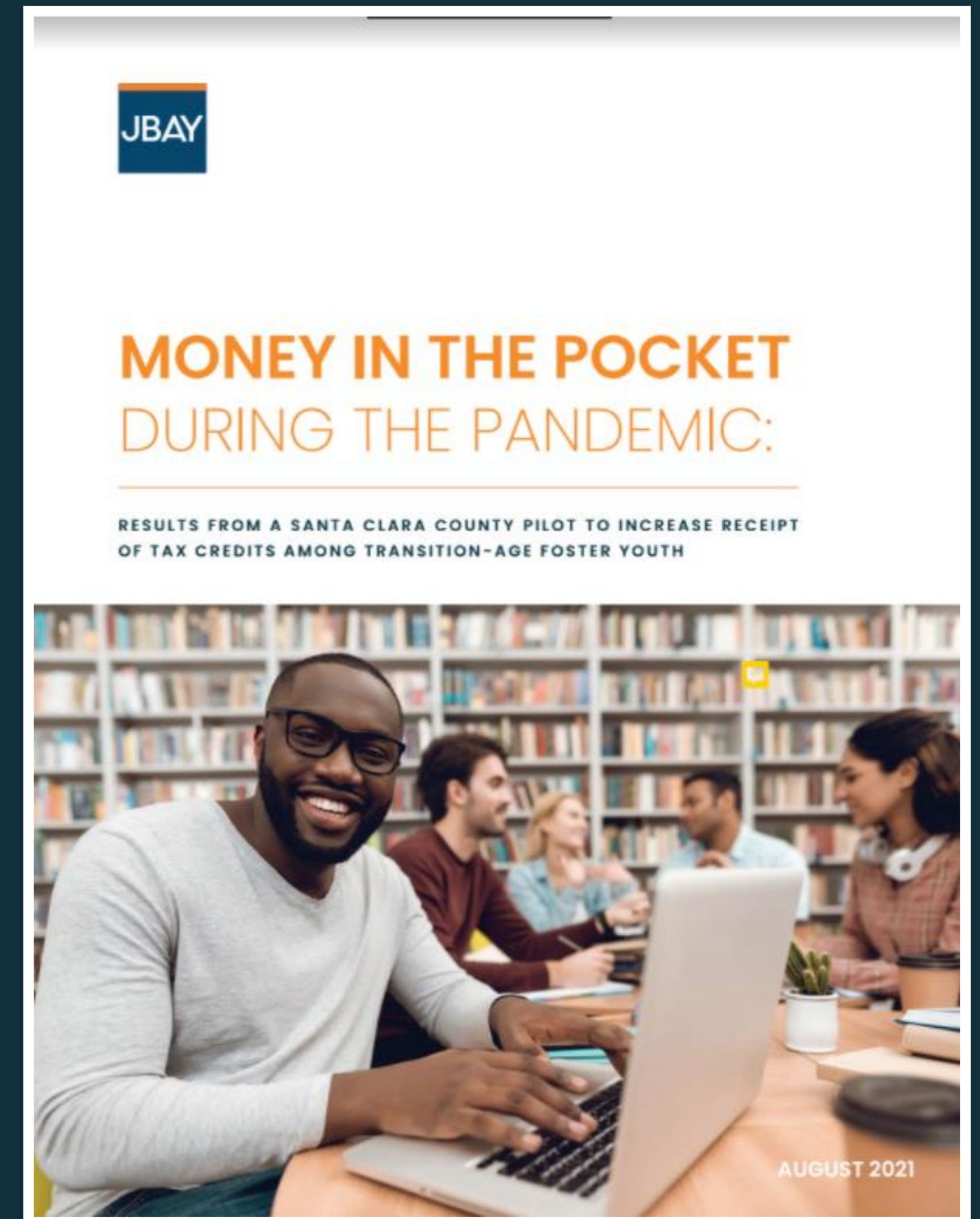


New Report

Money in the Pocket During the Pandemic:

Results from Santa Clara County Pilot to Increase Receipt of Tax Credits Among Transition-Age Foster Youth

➤ www.jbay.org/resources/money-in-the-pocket/



TODAY'S PRESENTERS



Simone Tureck Lee

Director, Housing & Health

John Burton Advocates
for Youth

Anna Johnson

Senior Project Manager

John Burton Advocates
for Youth

Carla Macias, MSW

Social Work Supervisor

Santa Clara County
Department of Social
Services

Elizabeth Wells

Senior Attorney

Law Foundation of
Silicon Valley

Project Overview

Pilot Partners



Santa Clara County Social Services Agency



John Burton Advocates for Youth



Overview of Pilot Activities



Established a Volunteer Income Tax Assistance (VITA) site at Santa Clara County's youth center



Recruited and trained 12 volunteer tax preparers, two county staff, and six community-based providers



Established policies and protocols for the Santa Clara County Social Services Agency



Developed youth-friendly outreach materials

Overview of Pilot Results

- 45 transition-age youth participated
- \$135,532 received in tax refunds
- \$2,822 average tax refund per youth
 - \$6,605 for custodial parents
 - \$2,279 for noncustodial parents
- 17% average income boost per youth
 - 42% for custodial parents
 - 14% for noncustodial parents



Background

Why focus on taxes during a pandemic?

High Rates of Unemployment and Poverty, Exacerbated by the Pandemic

- **54%** of TAY at age 21 worked 10 hours or more per week compared to **64.7%** of same age population of non-foster youth.
- **70.4%** of TAY live below the poverty line compared to **50.9%** of same age population of non-foster youth.
- **68%** of current and former foster youth reported that the pandemic had a direct impact on their employment.
Employment rate dropped from 59% in February 2020 to 49% in May 2021.

Access to Pandemic Relief Payments

- During the pandemic, the federal government allocated funding for **3** federal stimulus payments.
 - Totaled \$3,200 for individuals and \$7,900 for an individual with one child.
- **37%** of foster youth in California had not received a federal stimulus payment as of May 2021.
- California allocated funding for stimulus payments in the 2021-22 state budget (Golden State Stimulus I and II).
 - Provides \$ 600 to individuals and \$1,100 to families with a child who are U.S. citizens
 - Provides \$1,200 to individuals and \$1,700 to families who are undocumented in California.

Recent Changes to State and Federal Tax Credits

- In 2020, the California State Legislature modified the CalEITC eligibility.
 - 18- to 24-year-olds who are not custodial parents are now eligible to receive hundreds of dollars in state tax credits.
- In 2021, Congress modified the federal Earned Income Tax Credit program.
 - Expanded eligibility for current and former foster youth and homeless youth ages 18-24, and full-time students ages 19-24 who were not previously eligible; may be eligible for hundreds to thousands of dollars in tax credits.
- Both the state and federal governments established child tax credits.
 - Parenting youth can now receive California's Young Child Tax Credit and the federal Child Tax Credit, together totaling up to \$4,600 per child.

State and Federal Stimulus Amounts in 2021 tax season

NUMBER OF CHILDREN	STATE STIMULUS				FEDERAL STIMULUS			
	MAX INCOME	GOLDEN STATE STIMULUS 1	MAX INCOME	GOLDEN STATE STIMULUS 2	MAX INCOME	1ST ROUND	2ND ROUND	3RD ROUND
None	\$30,000	\$600	\$75,000	\$600 or \$1,200	\$75,000	\$1,200	\$600	\$1,400
1	\$30,000	\$1,100	\$75,000	\$1,100 or \$1,700	\$75,000	\$1,700	\$1,100	\$2,800
2	\$30,000	\$1,100	\$75,000	\$1,100 or \$1,700	\$75,000	\$2,200	\$1,700	\$4,200
3	\$30,000	\$1,100	\$75,000	\$1,100 or \$1,700	\$75,000	\$2,700	\$2,300	\$5,600

What was Accomplished?

Goals, Activities, & Results

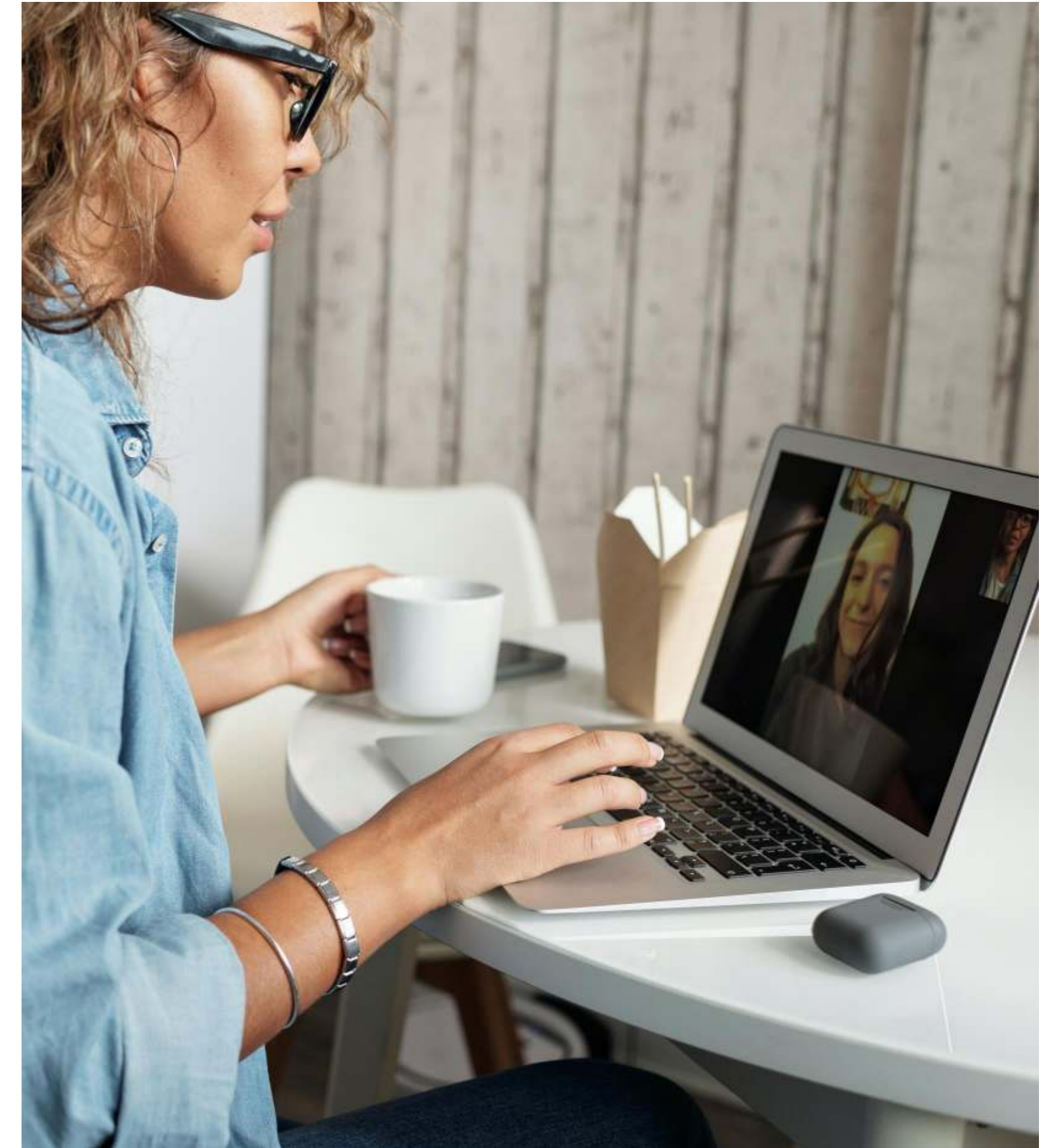
GOALS OF PILOT

- 1** Increase the total annual income of transition-age current and former foster youth in Santa Clara County by ensuring they file and receive their cash back refund, with a special emphasis on reaching youth who are custodial parents.
- 2** Develop community capacity to assist transition-age current and former foster youth with completing their taxes annually.
- 3** Increase the knowledge and expertise of county caseworkers and community-based providers to be able to inform youth about taxes and assist them in accessing tax services.
- 4** Institutionalize policy and practice in the county agency that will promote tax completion among current and former foster youth.
- 5** Gain knowledge from the pilot to inform county, state, and federal policy recommendations that will support transition-age current and former foster youth statewide in receiving their cash back refunds.

Pilot Activity:

Established a Volunteer Income Tax Assistance at Santa Clara County's youth center, "the Hub."

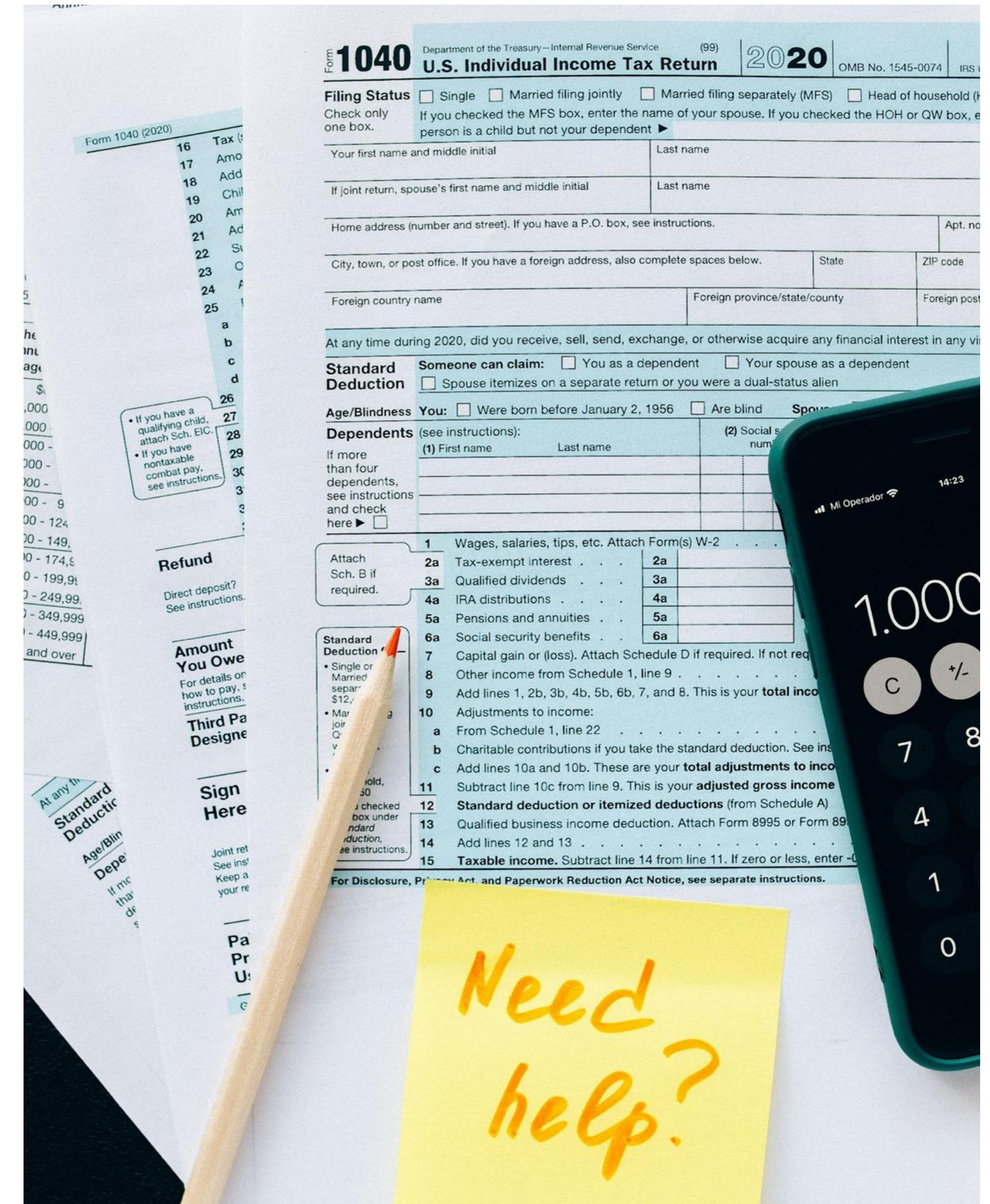
- The IRS, United Way Bay Area, and JBAY assisted with site planning and support.
- Tax filing assistance provided between March–May 2021.
- 5 in-person tax filing events held on Saturdays.
- Virtual & drop-off appointments were available.



Pilot Activity:

Developed policies and protocols for county case managers and community providers.

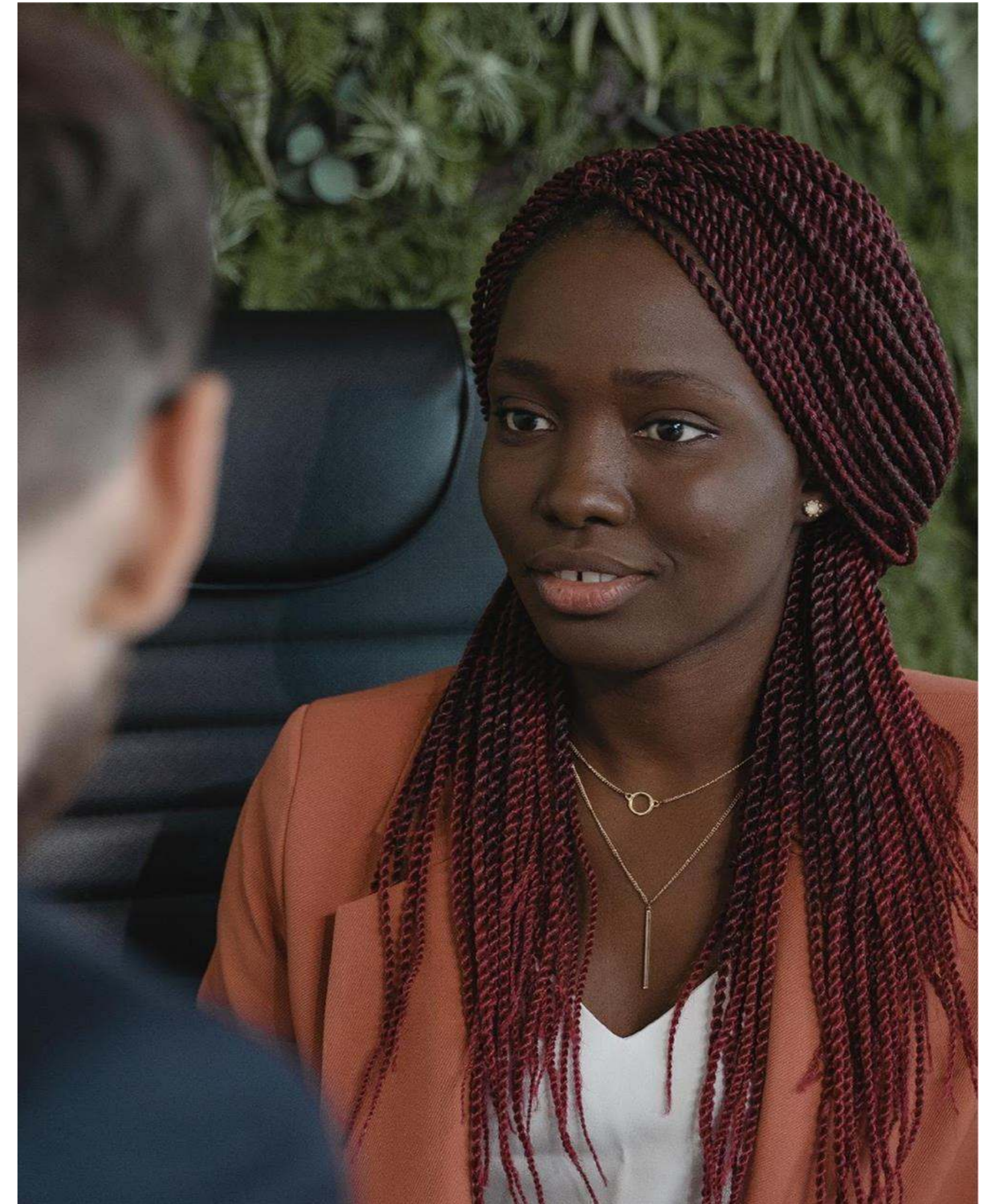
- County case managers referred all current foster to the VITA site.
- ILP and nonprofit partners referred former foster youth to the VITA site.
- Staff were trained on how to help youth prepare for their tax appointment and gather the necessary documents.
- Site coordinators assisted youth with scheduling appointments and completing intake forms.



Pilot Activity:

Recruited and trained volunteer tax preparers, county staff, and providers.

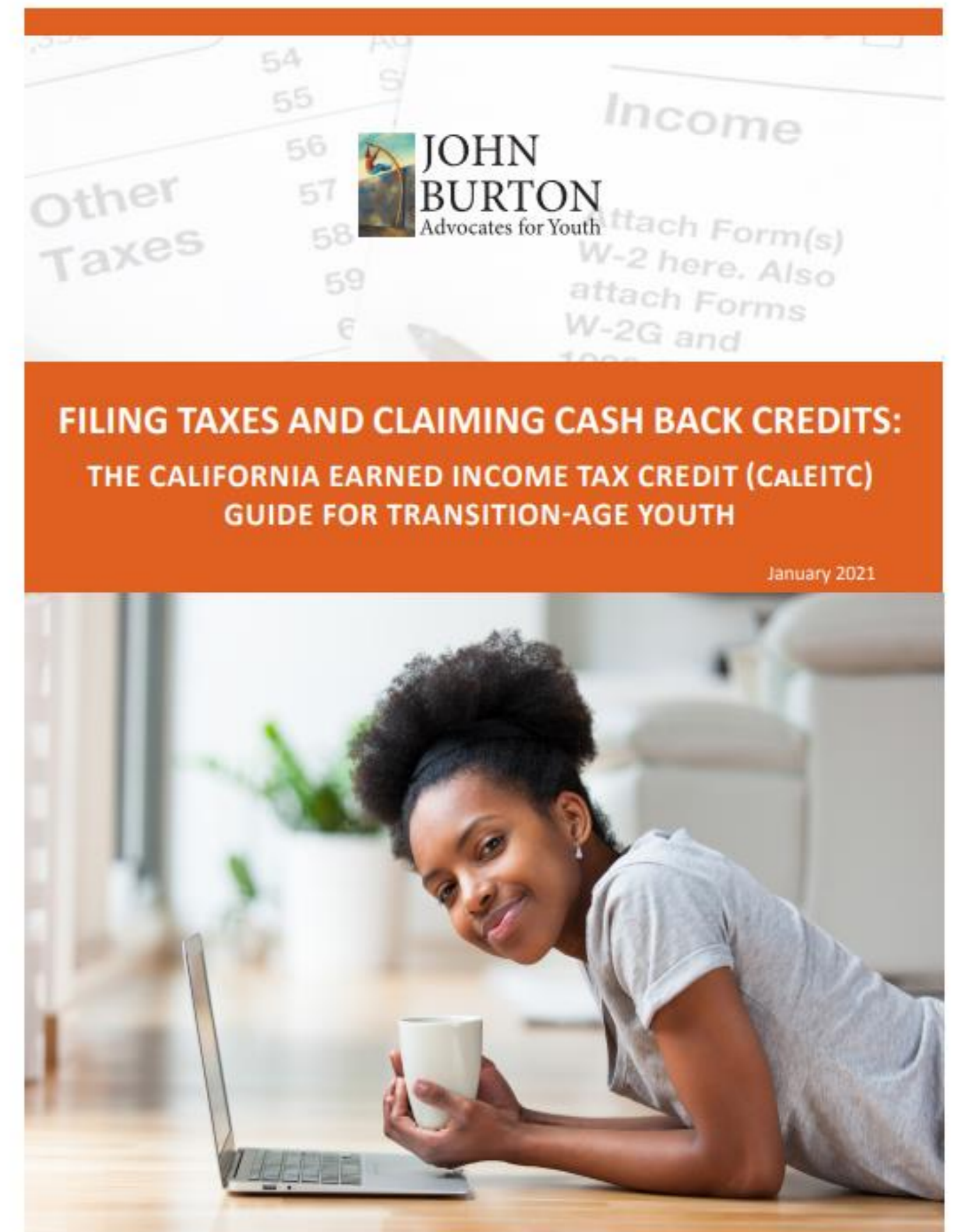
- Partners recruited over 20 individuals with 12 completing training and certification to become volunteers.
- Staff from Santa Clara County, Bill Wilson Center, and JBAY completed site coordinator training to assist with the operation, meet the requirements of the IRS, and ensure quality tax returns.



Pilot Activity:

Disseminated youth-friendly tax preparation materials.

- JBAY developed outreach materials with the support of the California Franchise Tax Board and Santa Clara County including:
 - [Tax Prep Checklist for TAY](#)
 - [CalEITC Guide](#)
 - [Social Media Toolkit for the 2021 tax season](#)
- Disseminated materials through a statewide webinar, a local Santa Clara County training, and a virtual Independent Living Program class at the Hub, provided by LF and JBAY.
 - Contact fyidtheft@gmail.com for materials or questions.



Pilot Results:

- 45 youth filed through the site
- Over **\$135,000** received in state and federal tax refunds
- **100%** had a positive increase in their income because they filed through the pilot program



Pilot Results

- 45% of the pilot participants were current foster youth ages 16 to 20.
 - \$8,362 average adjusted gross income (AGI); most were not required to file taxes
 - \$2,474 in tax refunds
- 55% of the pilot participants were former foster youth ages 21 to 24.
 - \$23,980 average AGI; most were required to file taxes
 - \$3,112 in tax refunds



Pilot Results

- 13% of the pilot participants were parents filing as head of household.
 - \$15,719 average AGI
 - \$6,605 in tax refunds, a 42% increase in annual earnings
- 84% of the pilot participants filed as single.
 - \$15,811 average AGI
 - \$2,278 in tax refunds, a 14% increase in annual earnings



Pilot Results

- 93% of the pilot participants received a federal tax refund.
 - 7% owed federal taxes, averaging \$288.
- 95% of the pilot participants received a state tax refund.
 - 4% owed state taxes averaging \$315 or received no state refund.
- No youth owed both state and federal taxes.
- 5% of the pilot participants owed taxes.
 - \$213 average tax payments but same youth experienced a total net benefit of nearly \$400 due to the Golden State Stimulus.



Pilot Results

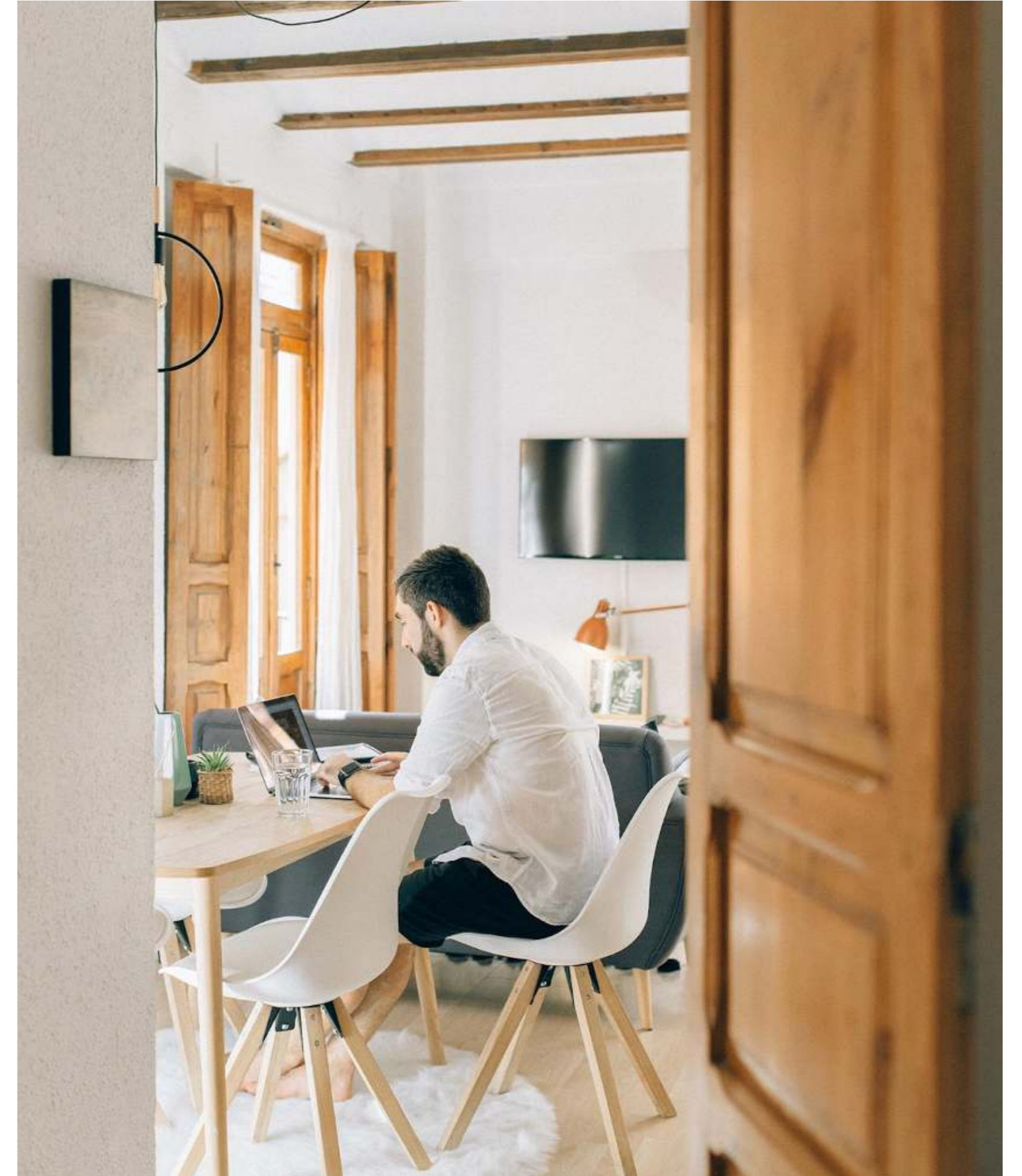
Tax Credit or Rebate	Percentage of Youth Who Received It	Total Amount Refunded	Average Tax Credit or Rebate Amount
Federal Child Care Credit	4%	\$493	\$247
Federal Child Tax Credit	13%	\$3,978	\$663
California Young Child Tax Credit	13%	\$6,000	\$1,000
Federal EITC	13%	\$10,749	\$1,792
Previous Year Tax Returns Filed (2018 & 2019)	18%	\$8,349	\$1,044
Education Credits	27%	\$8,071	\$673
Recovery Rebate Credit	60%	\$38,700	\$1,433
CalEITC	71%	\$6,541	\$204
State Withholdings Returned	96%	\$18,051	\$420
Golden State Stimulus	100%	\$30,000	\$667
Paper-File Returns	7%	\$6,184	\$2,061
TOTAL 2020	45 youth filed at the Hub	\$135,532	\$2,822

Pilot Findings

Pilot Finding:

Tax filing was an effective strategy to direct much-needed income to current and former foster youth.

- \$2,822 average tax refund and stimulus payment.
- 17% average increase in youths' annual income.
 - 42% for custodial parents
 - 14% for noncustodial parents
- 100% of youth received either a state or federal refund, or both.
- Youth expressed relief noting extra funds would secure safe housing, car repairs, food, and more.



Pilot Finding:

Youth who were custodial parents qualified for several tax credits and yielded the highest benefit from filing.

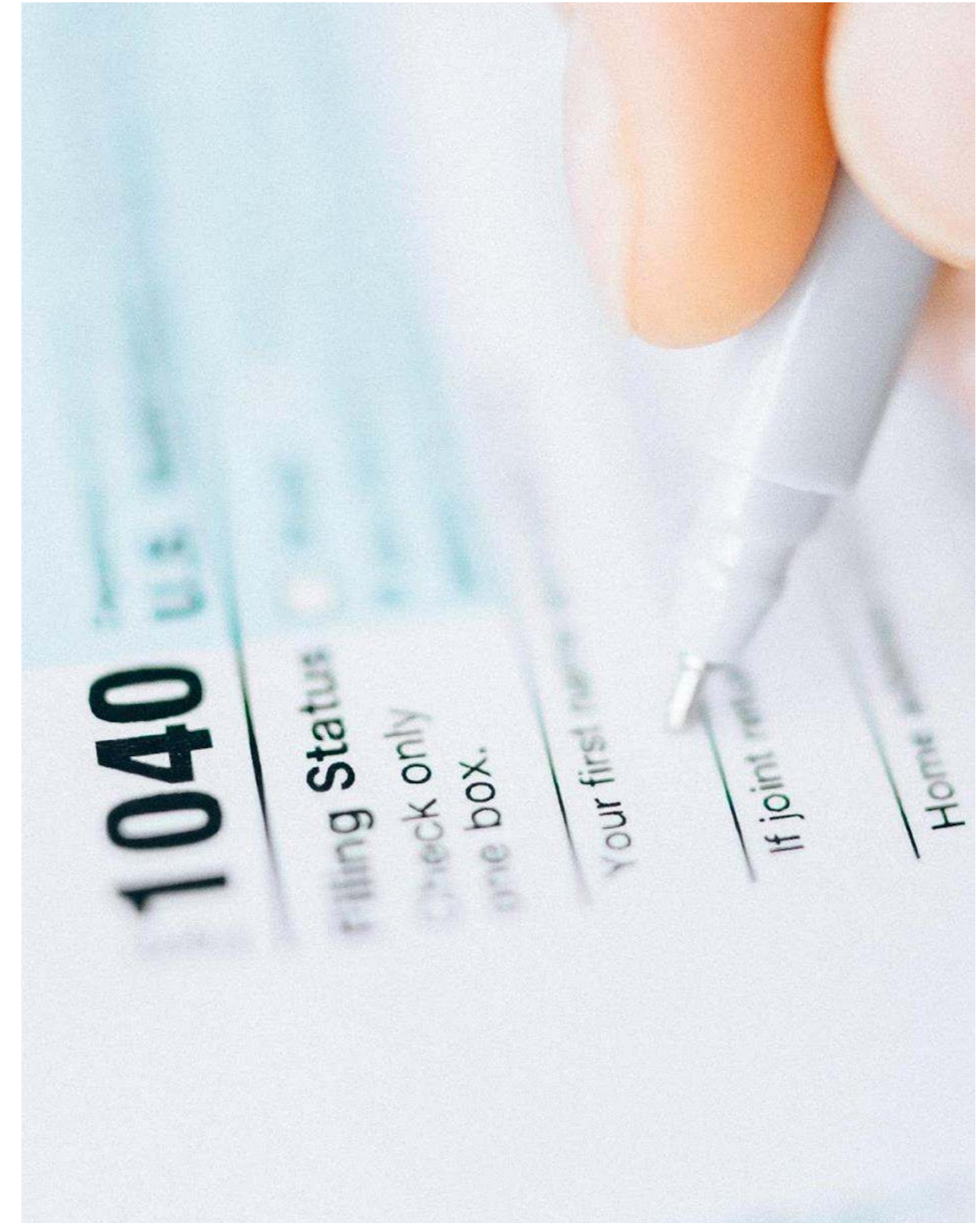
- 32% of foster youth have a living child at age 21.
- \$6,605 average return for parent filers, nearly triple the average of single filers.
- 6 parents received the federal Child Tax Credit and California Youth child Tax Credit, totaling \$4,600.



Pilot Finding:

Tax filing increased access to federal stimulus payments.

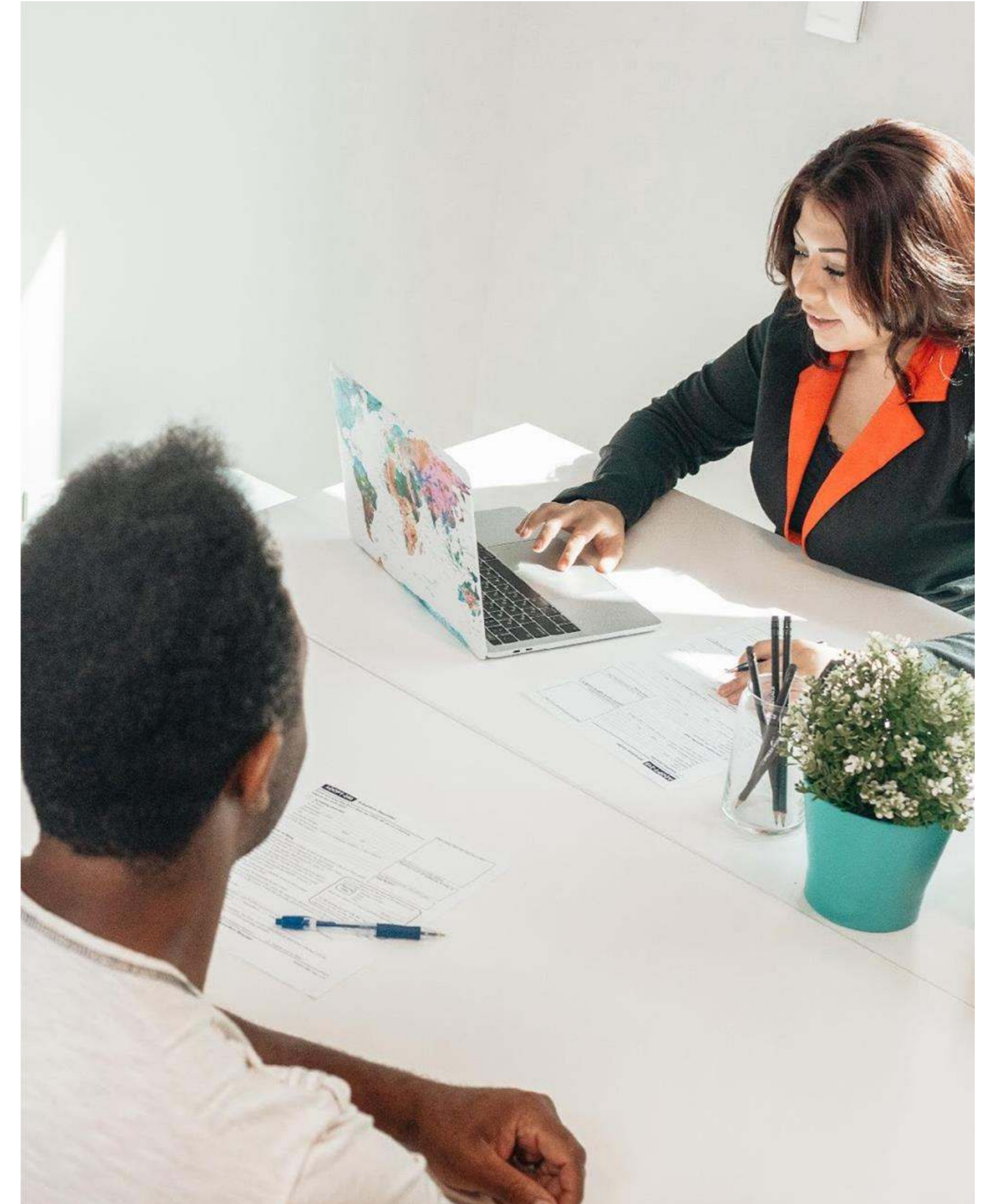
- Tax filing threshold for the 2020 tax year ranged from \$12,000 to \$24,400.
 - Many TAY's earnings fall below this threshold so they are not legally required to file taxes.
- 60% of youth who filed through the pilot missed one or both stimulus payments from 2020 due to:
 - Tax identity theft
 - Didn't file taxes
 - IRS did not have their info



Pilot Finding:

Identity theft and tax fraud impacted some pilot participants' ability to file their taxes.

- 15% required the use of an identity theft pin or paper filing process due to someone fraudulently claiming their tax refund.
 - Many TAY expressed feelings of confusion, frustration, violation and sadness.
 - Youth had to go through an onerous process with IRS as a result.
- Santa Clara County referred youth who had a rejected return to Law Foundation for support.
 - Attorneys helped to ensure all paperwork and necessary steps were taken to secure youth's refund as well as their identity from future fraud.



Pilot Finding:

Youth needed formal support to file taxes correctly and maximize their refund.

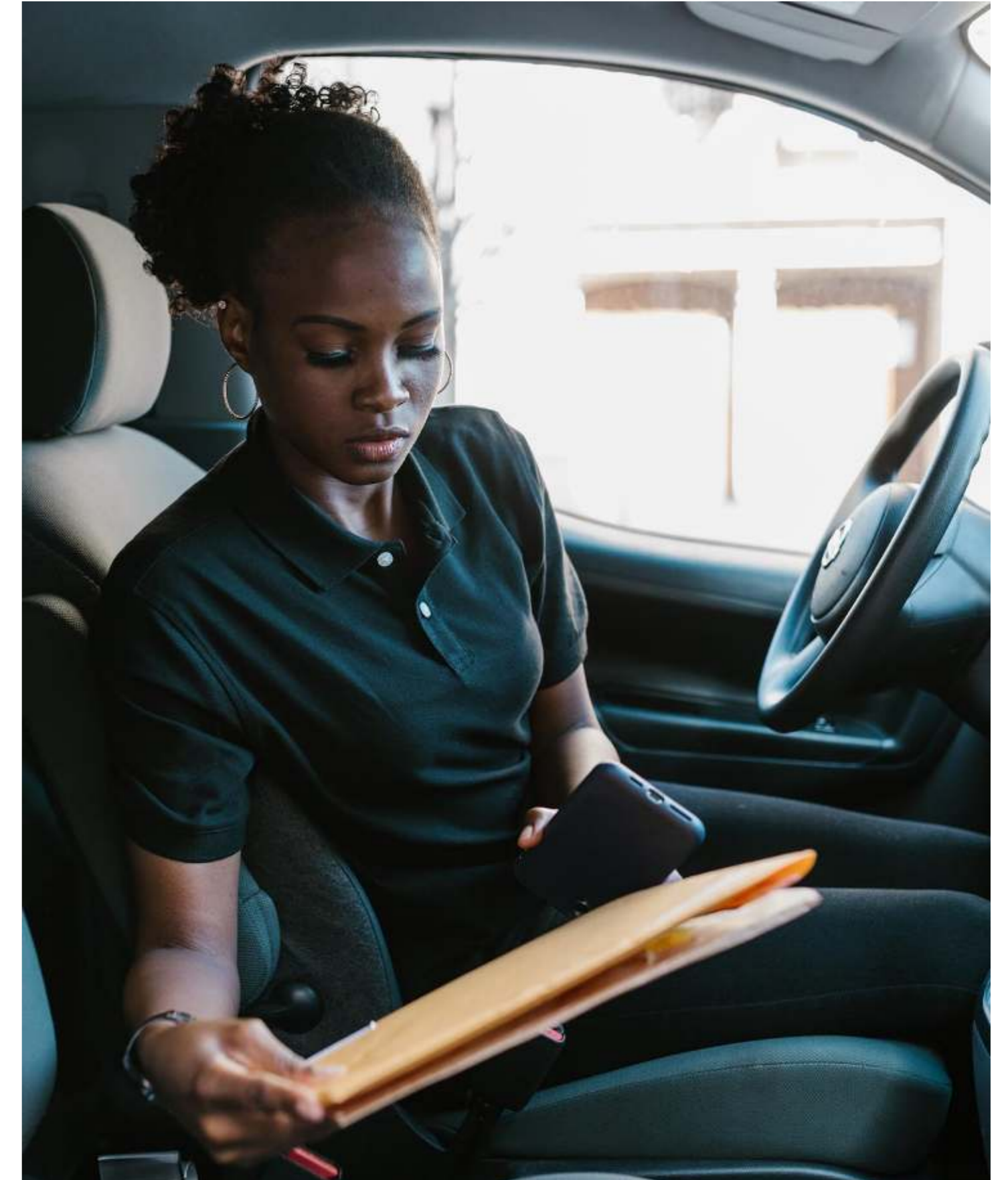
- Youth faced many barriers that often hindered them from filing taxes including:
 - Missing necessary tax documents and receipts required to claim tax deductions and credits.
 - Lack of trusted adults to help them file or answer questions about taxes.
 - Lack of permanent address due to abrupt moves.
- Specialized assistance through the pilot resulted in an increase in youth's awareness of the benefits of filing taxes and having paperwork in order.



Pilot Finding:

Existing federal and state law includes the provision of financial literacy skills for foster youth but does not specify tax services and support.

- State law and rights are silent on tax filing and assistance for foster youth despite foster youth being held to the same standard as every other taxpayer.
- Santa Clara County established local policy and procedure to inform youth about tax filing and refer to them to the Hub and additional resources.
 - Wide communications and training among staff and providers
 - Outreach efforts
 - Offered ILP classes focused on taxes



Pilot Finding:

Social workers and community-based providers were typically unaware of tax deadlines, services, deductions, and credits available to transition-age current and former foster youth.

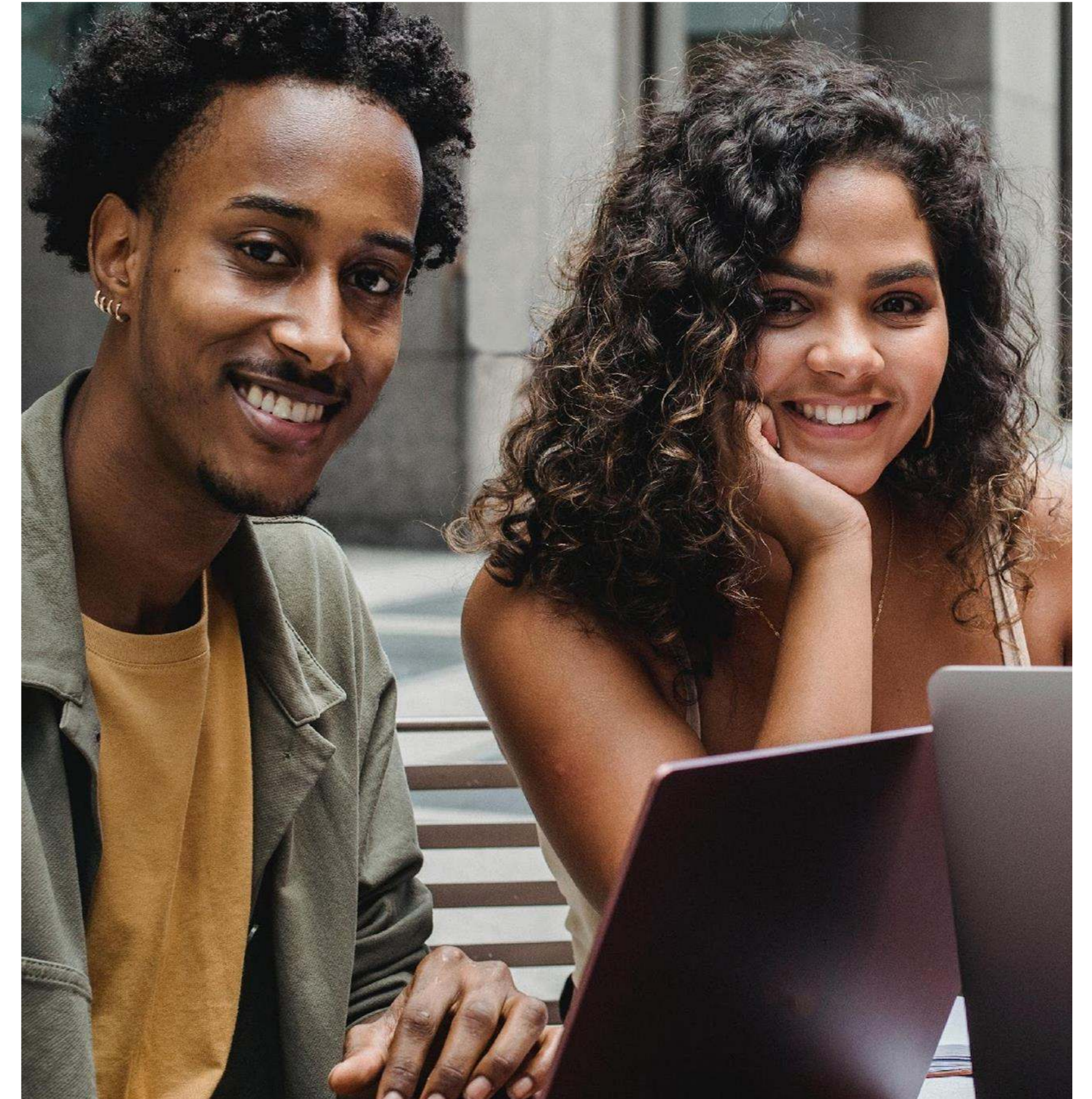
- Taxes are complex. Deadlines, filing thresholds, and credits available differ year to year. Training is often nonexistent for first time filers, young adults or foster youth.
- Santa Clara County and pilot partners raised awareness among adult supporters through:
 - Specialized training to staff and providers for supporting foster youth with taxes
 - Reminder emails throughout the tax season



Pilot Finding:

Considerable time was required to get youth to file their taxes.

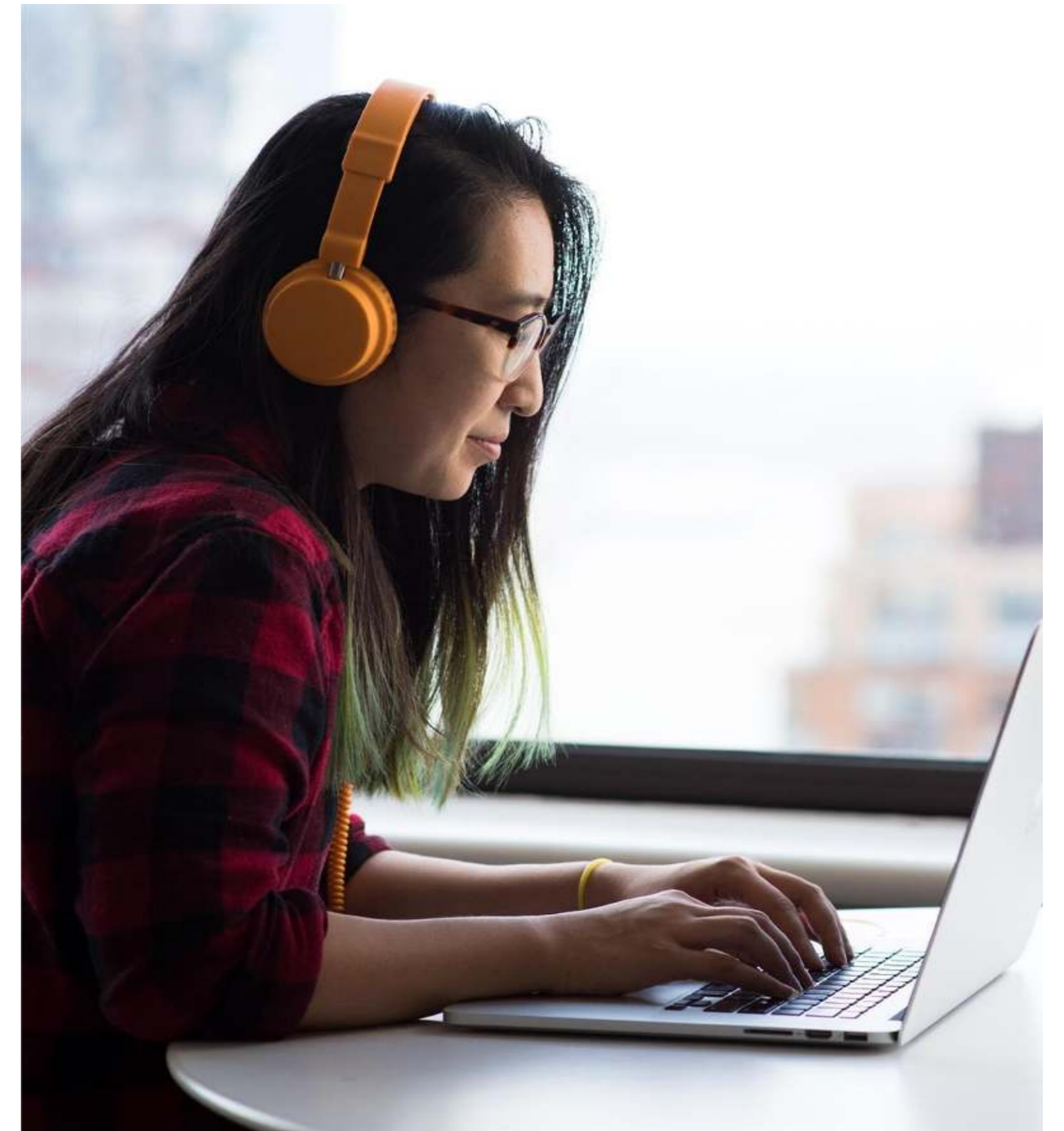
- Outreach efforts included direct phone/text conversations, flyers, emails, social media, and ILP classes.
- While hundreds of youth were contacted, only 45 scheduled appointments and filed through the pilot program.
- 3 to 4 hours of support were provided to assist first-time filers with the tax filing process while 1.5 to 3 hours were provided to those who have filed before.



Pilot Finding:

The availability of VITA sites was inconsistent across the state.

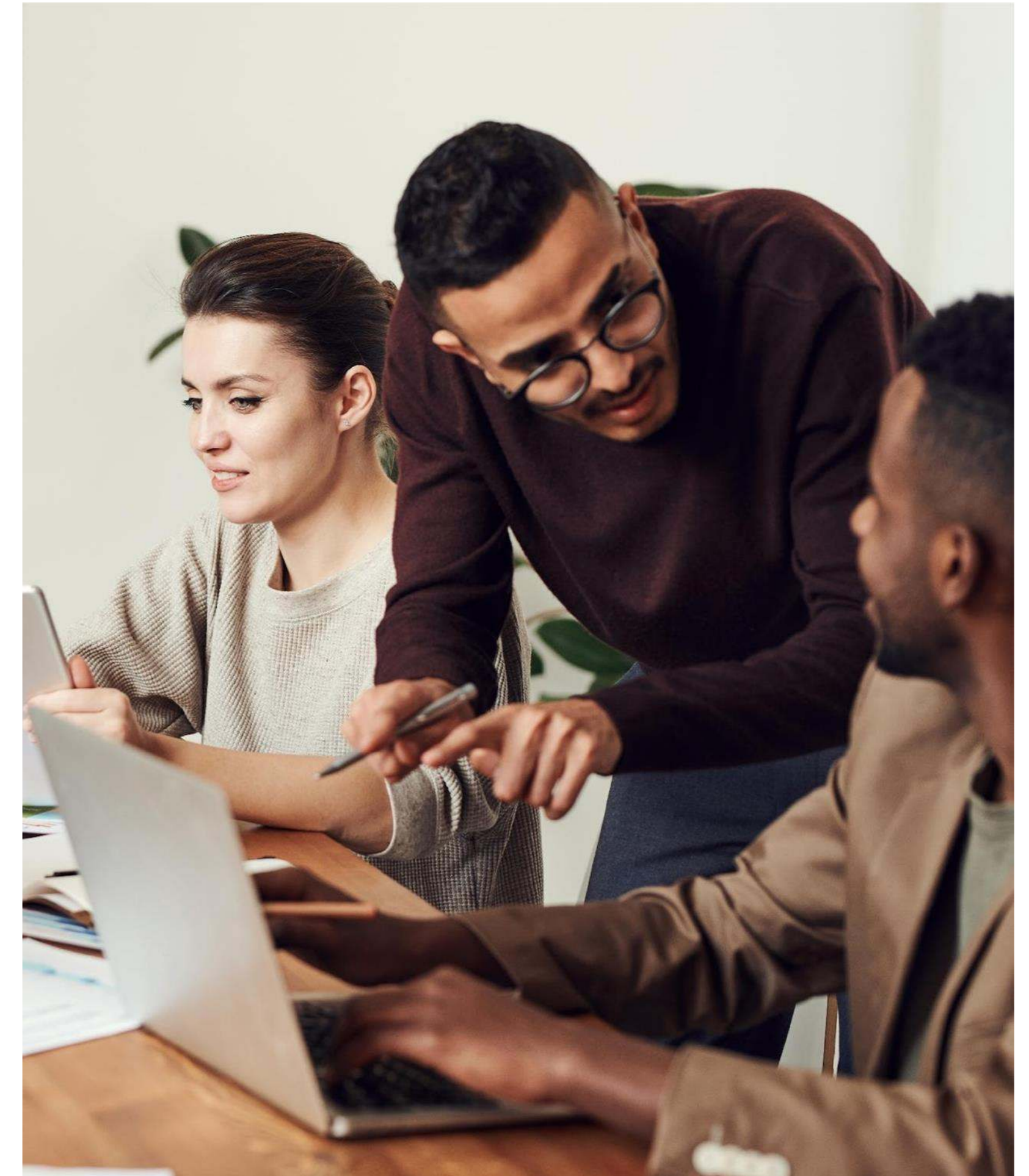
- The volunteer nature of the VITA program means that many areas do not have a site nearby, essentially creating “VITA deserts.”
 - Reports of no site within a 50-mile radius
 - Appointments were booked up for the season
 - Sites were not listed on the IRS tool and were difficult to find
- Project partners established a VITA site, Santa Clara County established its own site at the Hub, and used virtual appointments for youth in out of county and areas without accessible sites.



Pilot Finding:

VITA volunteers required additional training on how to handle foster youth-specific tax information.

- Common questions a VITA tax preparer asks can be difficult for the youth to answer, particularly related to a parent's income or the youth's dependency status.
- Factors specific to foster youth present obstacles to successful filing:
 - Income from foster care payments being confused as earned income.
 - Undocumented individuals may be afraid to share information with volunteers.
- JBAY created a special population training for volunteers at the Hub.



Pilot Finding:

There are no federal or state outreach materials designed for transition-age youth or current and former foster youth.

- To fill in the gaps:
 - Golden State Opportunity created the young workers' social media toolkit for CalEITC outreach in 2020.
 - JBAY created materials with the support of partners in response to the dearth of publicly available tax preparation materials for foster youth, first-time, and young adult filers.
- Materials will be updated for use again in the 2022 tax season.



Recommendations

For Local, State, and Federal Policy

RECOMMENDATION LOCAL

Establish a county policy and protocol requiring case managers to support current and former foster youth during tax season.

- Through the pilot, case managers, ILP coordinators, and contracted providers offered a high level of support to increase rates of tax filing:
 - Disseminating tax outreach materials
 - Referring youth to tax events
 - Hosting VITA site events
 - Scheduling VITA appointments
 - Recruiting volunteers
 - Providing financial literacy courses
 - Helping to access needed tax documents
- Policies are needed to organize such coordinated efforts.
 - Should reflect the tax season timelines and reference accurate, youth-friendly tax materials and the local in-person and virtual free filing locations.

RECOMMENDATION LOCAL

Establish a designated VITA site for current and former foster youth.

- Given its size and diversity, the state does not have enough VITA sites to cover existing needs.
 - Too few volunteers
 - Location is outside of service areas of young adults
 - Not operating due to COVID-19 restrictions
 - VITA volunteer training doesn't cover considerations for first-time filers or youth in foster care
- Pilot demonstrated that becoming a VITA site is the most direct way for agencies to ensure current and former foster youth have access to free tax preparation services
 - State funding opportunities to launch and operate a site are available.

RECOMMENDATION

LOCAL

Partner with legal aid to provide support to current and former foster youth who have experienced identity theft and tax fraud.

- Local legal aid partners can assist with the IRS process, ensure youth receive their money and are provided sufficient protection, including an identity theft pin and credit check.
- Santa Clara County worked with a local legal services organization to:
 - Resolve cases of identify theft and tax fraud
 - Complete the tax filing process
 - Ensure necessary steps were taken to secure youths' identity from future fraud

RECOMMENDATION STATE

Make the CalEITC an entitlement, fashioned as guaranteed income, for current and former foster and homeless youth under California's Economic Mobility efforts.

- In 2019, more than 2 million people claimed the CalEITC, totaling close to \$395 million.
 - Systemic barriers hinder foster youth from claiming CalEITC despite being eligible because many do not file taxes.
- California can continue to support the economic mobility needs of current and former foster youth through one of the following:
 - Follow the state process for issuing the Golden State Stimulus to SSI recipients through their monthly payment system.
 - Follow the IRS approach of using a non-filer tool to access the CalEITC for those not required to file taxes.

RECOMMENDATION STATE

Double the award amount of the CalEITC and Young Child Tax Credit for current and former foster youth.

- Current and former foster youth are transitioning to adulthood without financial support or stable housing from their parents, making both education and employment goals much harder to attain.
- California should modify the eligibility and threshold amount for the CalEITC and Young Child Tax Credit for the foster youth population.
 - Follow approach approved in the 2021–22 state budget to provide a larger Golden State Stimulus payment to Californians who are undocumented because their immigration status made them ineligible for federal tax credits and stimulus relief.

RECOMMENDATION STATE

Dedicate state funds to raise awareness and maximize participation in tax credits and programs for current and former foster youth and youth experiencing homelessness.

- 2021–22 state budget provides an ongoing \$15 million to administer outreach and grant programs for raising awareness and maximizing participation in tax credits and programs.
- A similar strategy should be used to offer local incentives to establish tax hubs within social services agencies, ILPs, community colleges, local youth centers, and sites serving homeless youth.

RECOMMENDATION STATE

Require collaboration between the California Franchise Tax Board (FTB) and California Department of Social Services (CDSS) to create and disseminate outreach materials for current and former foster youth and young parents.

- The FTB updates tax materials annually and CDSS sends out annual notices about the EITC and CalEITC thresholds, eligibility, deadlines, and outreach materials.
 - Outreach materials could be inserted in mailings during the months right at the start of tax season, and again as a reminder in advance of the filing deadline.
- CDSS manages workgroups and listservs that can provide electronic materials and information to:
 - Offer direct messaging throughout the tax season
 - Encourage people to file taxes
 - Refer to tax resources and assistance

RECOMMENDATION FEDERAL

Permanently expand the Earned Income Tax Credit (EITC) for young adults ages 18 to 24 and the Child Tax Credit (CTC) changes from The American Rescue Plan Act (ARPA).

- ARPA expanded the EITC for the 2021 tax year:
 - Ages 18 to 24 for current and former foster youth
 - Ages 19 to 24 for all other young adults
- Pandemic unemployment hit 18- to 24-year-olds the hardest, at a rate of 24%.
- The average income of pilot participants was just \$16,880.
 - This loss of income will continue to impact young adults.
 - Permanently expanding the EITC eligibility can help them recover sooner.

RECOMMENDATION FEDERAL

Create the Tax Counseling for Transition-Age Youth program within the IRS VITA program and fund new VITA sites.

- The IRS should create a program and materials for young adults who are under-utilizing several tax credits intended to benefit them.
 - This follows the approach for their Elderly program which offers free tax assistance for those 60+ years of age, specializing in questions about pensions and retirement-related issues unique to seniors.
 - Local VITA sites and partners will then be able to disseminate youth-friendly tax outreach and lessons for young workers and transition-age youth in foster care.
- Grant funding should be provided to each state to establish at least one VITA site with expertise on transition-age foster youth.

RECOMMENDATION

FEDERAL

Provide additional funding through the John H. Chafee Foster Care Program for Successful Transition to Adulthood designated for tax outreach, preparation, technical assistance, and tax fraud support services.

- With additional federal funds, ILPs could:
 - Set up tax sites
 - Conduct outreach activities on financial services
 - Connect with legal partners to address identity theft
 - Boost young adults' income of current and former foster youth
- Case managers should designate an individual or entity responsible for providing tax filing assistance in youth's case plan and be required to confirm that taxes have been filed.

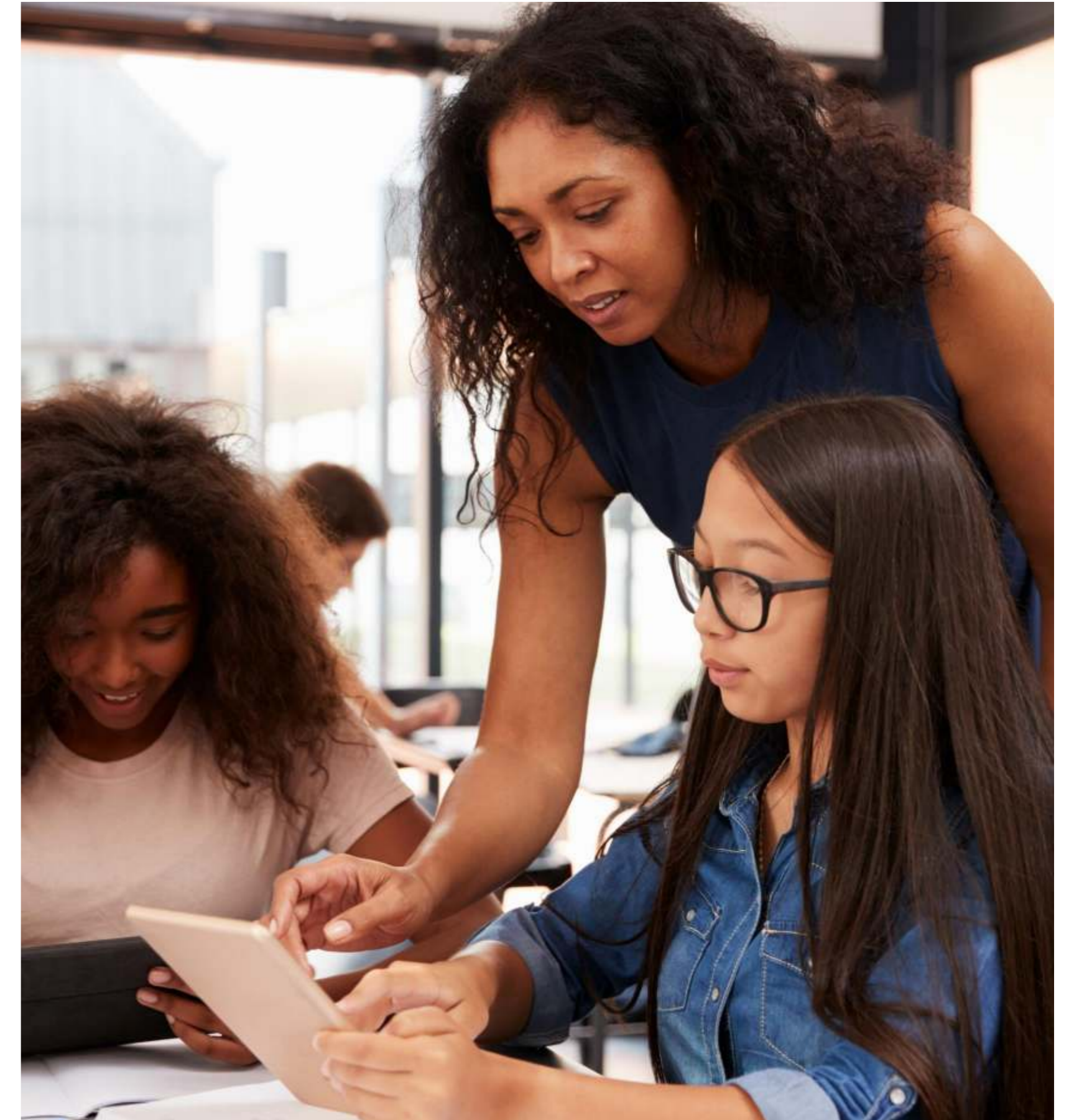
Next Steps

Ways to Participate in the Foster Youth Tax Project

Santa Clara County

Next steps include:

- Create year-round tax media campaign
- Conduct 2 tax workshops for TAY and once for community partners
- Apply for a mini-grant to support logistics and hire a scheduler
- Expand volunteer recruitment to SJSU
- Expand legal services to support TAY experiencing tax fraud and unemployment fraud



Law Foundation

Next steps include:

- Expand ID theft related legal assistance to Santa Clara County TAY
- Collect data on the extent of foster youth ID theft locally and statewide
- Conduct youth focused tax basics trainings and materials to TAY clients throughout the year
- Provide statewide trainings and materials on how to resolve ID theft cases for foster youth
- Collaborate with other organizations to advocate for policies to address foster youth tax, unemployment, pandemic relief payments and benefits ID theft



JBAY is Expanding the Foster Youth Tax Project

JBAY will be partnering with 5 counties to:

- Establish county policy and practice
- Train county staff and volunteers
- Establish a local VITA site for foster youth
- Refer foster youth to services



Become a VITA Volunteer

Register here to become a volunteer for the Foster Youth Tax Project for the 2022 tax season:

- [Sign up to help foster youth:](https://form.jotform.com/202575752822054)
<https://form.jotform.com/202575752822054>
- Attend Free Online Training & Office Hours
- Take the Certification Test
- Choose a weekly volunteer day and time
- Circulate the [flyer](#) to recruit volunteers:



Join Us for our Tax Season Webinar and Materials Release in January 2022

Stay up to date through JBAY newsletters! You can subscribe at the bottom of this page:

➤ <https://jbay.org/media/>



Direct youth to free tax filing services by October 15, 2021.



TAX PREP CHECKLIST FOR TRANSITION AGE YOUTH

STEP 1: HAVE YOUR PERSONAL INFORMATION READY BEFORE YOU FILE YOUR TAXES

? Do you have a government ID, driver's license, or passport?
If Yes - Your name, address, and ID number will be used to file your federal taxes.
If No - You can get help getting your ID. Current and former foster youth should contact their case manager, dependency attorney, ILP coordinator or the California Foster Care Ombudsman's office for help at 1-877-846-1602 or fosteryouthhelp@dss.ca.gov.

? Do you have a permanent address?
If Yes - Great, this will be used if you choose to have your cash back refund mailed to you in the form of a check.
If No - That's ok- You can still file your taxes and get your refund! With their permission, you can use a health care clinic, shelter, or drop-in center's address as your permanent address.

? Do you have a Social Security Number?
If you are married, have children or are caring for an elderly parent in your home you'll need their social security number too.
If Yes - You will need this number when you file your taxes.
If No - You can get help getting your social security number. Current & former foster youth should contact their case manager, dependency attorney, or the California Foster Care Ombudsman's office for help. If you have a Social Security Number, but you do not know what it is or have forgotten it, go to your local Social Security office. Bring as many legal identity documents as you currently have with you, such as your passport, birth certificate, driver's license, marriage license, or official name change order.

As a **foster youth**, filing taxes seemed complicated.

But after my social worker connected me to **free tax prep services**, I found out

I'M GETTING HUNDREDS OF DOLLARS BACK IN MY TAX REFUND.

Don't leave money on the table.
Get free tax prep today!

California Earned Income Tax Credit =
\$\$ Money Back in Your Pockets

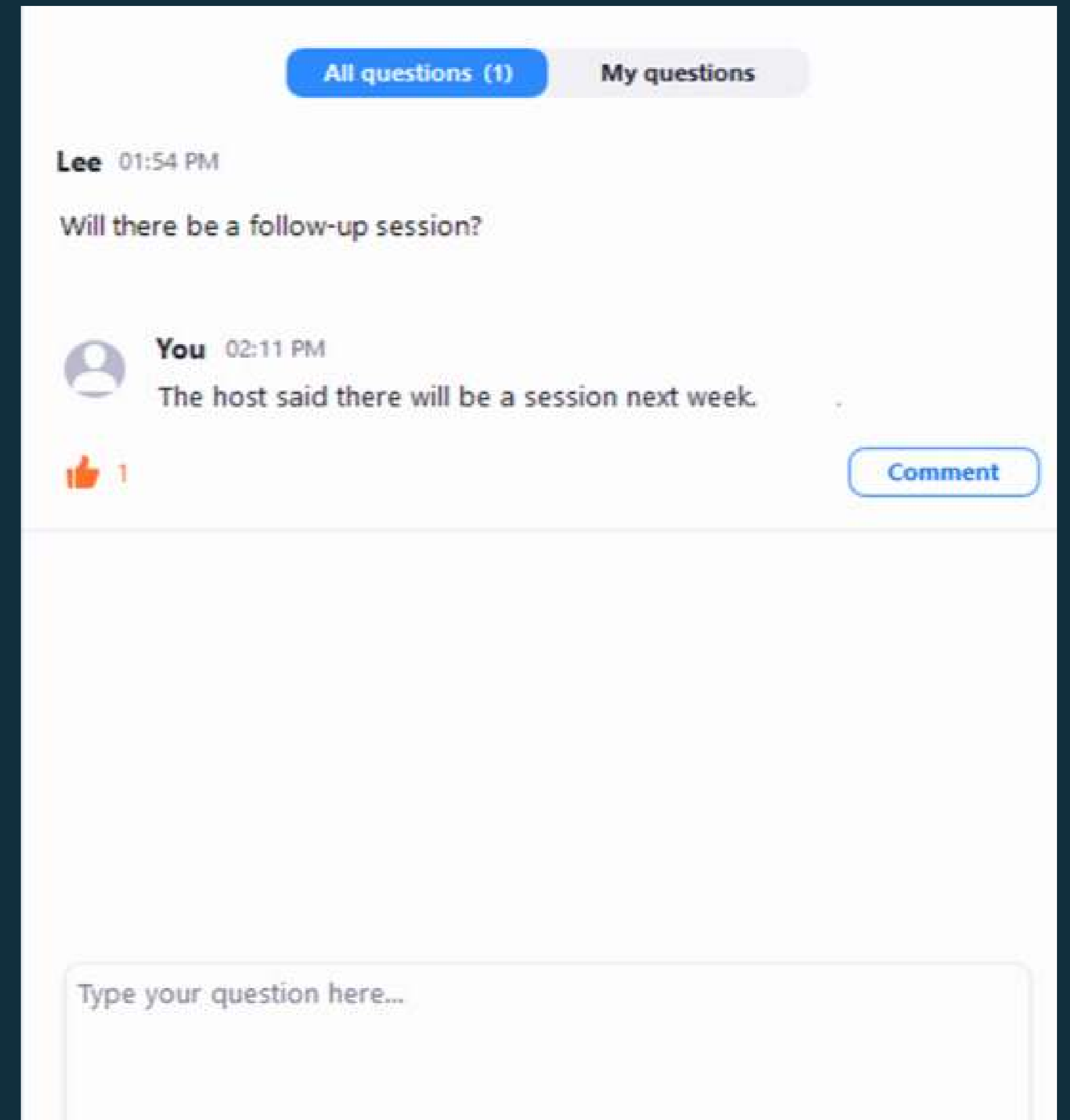
www.jbaforyouth.org/cal-eitc-guide/

For resources and further information:

➤ <https://jbay.org/resources/information-about-caleitc/>

Q & A

Please type your questions into the Q & A feature on your control panel.



The screenshot displays a Q&A interface with two tabs at the top: "All questions (1)" and "My questions". A question from "Lee" at 01:54 PM asks, "Will there be a follow-up session?". A response from "You" at 02:11 PM states, "The host said there will be a session next week." Below the answer is a thumbs-up icon with a count of 1 and a "Comment" button. At the bottom, there is a text input field with the placeholder text "Type your question here..."

THANK YOU

Anna Johnson
anna@jbay.org

JBAY.ORG