

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: May 1, 2007 [] Consent [X] Regular
[] Ordinance [] Public Hearing
Department:
Submitted By: County Administration
Submitted For: County Administration

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: report from United Way of Palm Beach County regarding the success of the Prosperity Campaign for financial stability.

Summary: United Way staff plan to make a brief presentation on the success of the Prosperity Campaign which was initiated in 2003. During this period, the United Way of Palm Beach County has partnered with the Board of County Commissioners, the Quantum Foundation, the Knight Foundation, the Internal Revenue Service and other community agencies in supporting the Prosperity Campaign. Each year has been a great success generating income tax refunds in excess of forty-five million dollars (\$45 million) from the I.R.S., with an additional community impact of twenty-five million dollars (\$25 million). This year the Palm Beach County Prosperity Campaign was recognized by United Way of America as one (1) of its grand prize winners (out of 229 programs who submitted applications) in its National Best Practices Program and is being used as the model program for other communities wishing to implement their own program. Countywide (DN)

Background and Policy Issues: The United Way took the lead in working with other community groups to implement the Palm Beach County Prosperity Campaign for the first time in 2003. This significant program increased the prosperity of thousands of county residents through increasing the number of households receiving the Earned Income Tax Credit, increasing the number of households applying for and receiving food stamps, and increasing the number of families applying for Kid Care and who were automatically screened for Medicaid. Volunteer Income Tax Assistance (VITA) sites were set up throughout the County for eligible families to receive free income tax preparation and counseling or other assistance available to them.

Attachments:

- 1. United Way's Report

Recommended by: N/A

Department Director Date

Approved By: Vivian J. Bonvento 4/9/07
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years 2007 2008 2009 2010 2011

Capital Expenditures
Operating Costs

External Revenues
Program Income (County)
In-Kind Match (County)

NET FISCAL IMPACT

ADDITIONAL FTE
POSITIONS (Cumulative) _____

Is Item Included In Current Budget? Yes ___ No

Budget Account No.: Fund ___ Agency ___ Org. ___ Object ___
Reporting Category

B. Recommended Sources of Funds/Summary of Fiscal Impact:

There is no fiscal impact.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

OFMB

Contract Dev. and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/95
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

**United Way of Palm Beach County
Prosperity Campaign for Financial Stability**

Report to
Palm Beach County Board of County Commissioners
May 1, 2007

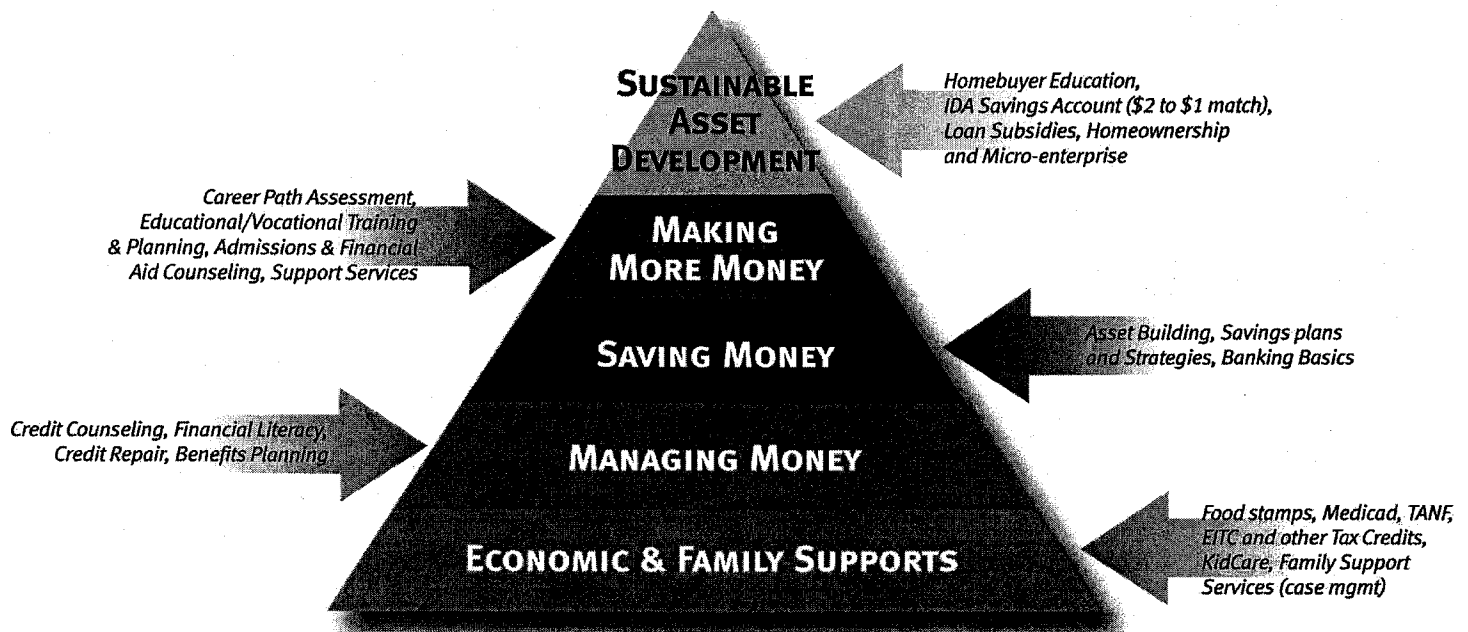
Vision

The Prosperity Campaign for Financial Stability, initiated in 2004, seeks to transform and stabilize communities by helping working families build net worth and achieve long-term economic stability. The Campaign's innovative approach stabilizes communities by educating families on the skills necessary to save for the future and build assets.

Objectives

- To help hard-working and low-wealth families build wealth, by:
 - Linking families to economic independence programs, educational programs and family support services.
 - Providing families with the skills to manage their money and save for the future.
 - Providing access to resources and supports that families might otherwise not know exist, such as the Earned Income Tax Credit, KidCare subsidized health insurance, down payment assistance programs, food stamp applications, etc.
- To provide families with access to positive social support network opportunities (personal, family, career, community, and spiritual).

Program Model



Program Components

The Prosperity Campaign has three major components:

1. **Volunteer Income Tax Assistance (VITA) Program.** The VITA Program provides free tax preparation services to families earning less than \$39,000. The services are offered at 41 seasonal tax sites around the county. It is a volunteer-driven program. United Way recruits over 200 volunteers per year to prepare tax returns.

The VITA Program focuses on educating individuals about the Earned Income Tax Credit (EITC), and helping eligible workers file for the EITC. President Reagan once called the EITC "the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress." This tax credit was enacted in 1975 to encourage people to obtain employment, thus reducing the unemployment rate and the welfare rolls. Additionally, the EITC aims to provide relief from the social security and self-employment taxes paid by low-income families.

2. **Homeownership Programs.** The Prosperity Campaign helps families build assets and net worth through home purchase. The Individual Development Account (IDA) Program gives hard-working and low-wealth families the skills to manage their money and save for the future.

The homeownership program offers a comprehensive financial literacy and education component to help participants address money management issues. The Campaign partners with local community development corporations to provide homeownership education, as well as the ability to layer funds from various public and private sources for down payment assistance.

3. **Prosperity Centers.** United Way operates five year-round neighborhood-based Prosperity Centers (Pleasant City section of West Palm Beach, Riviera Beach, Delray Beach, Belle Glade, and Pahokee). These communities were strategically selected because they have high concentrations of TANF recipients. Rather than being facilities housing a mixture of loosely organized community providers with referral services, these Centers are true one-stop locations, being a coherent, coordinated effort among partners. United Way manages the entire process.

Program Partners

Services at the Centers are provided through contractual agreements with the following program partners:

- Consumer Credit Counseling Services
- Palm Beach Community College
- Families First
- Legal Aid Society of Palm Beach County
- Gulfstream Goodwill
- Housing Partnership
- Local Initiatives Support Corporation
- Northwest Riviera Beach Community Redevelopment Corporation
- Health Care District of Palm Beach County
- Urban League of Palm Beach County
- NOAH Development
- Glades Initiative

Services Offered

The Centers provide a one-stop location for a wide range of programs and services, including:

- Free tax preparation services (Volunteer Income Tax Assistance -VITA – Program)
- Credit counseling & financial literacy
- Money management & budget development
- Educational & career counseling
- First-time homebuyer education and assistance
- Micro-enterprise education and assistance
- Individual Development Account (IDA) savings program
- Asset building - through savings and banking basics
- Family support services (crisis case management)
- Legal aid for the elderly
- Benefits screening – with access to food stamps, Kidcare, Medicare, Medicaid, etc.
- Benefits planning – provides advocacy counseling and education about benefit programs to people with disabilities, review employment alternatives, etc.

Outcomes

- 28,000 free tax returns have been generated for families earning less than \$39,000.
- \$45 million has been brought back into the community through the free tax preparation services.
- 51 families have become first-time homeowners.
- 229 families are enrolled in the IDA savings program to become first-time homeowners.
- Over 400 individuals have enrolled in educational courses at Palm Beach Community College.
- Over 800 families have participated in financial literacy workshops.
- Over 1,000 families have received credit counseling services.

Community Impact

United Way estimates the following impact on Palm Beach County as a result of the Prosperity Campaign:

- \$70 million – estimated economic impact that the VITA Program has had (based on data from an evaluation by the University of Illinois–Chicago, Center for Urban & Economic Development (CUED)).
- \$4 million – estimated amount of tax filing fees saved by families using the VITA Program.
- \$8 million - market value of the 51 new homes purchased through the Prosperity Campaign.
- \$165,000 – estimated amount of annual property taxes generated.

National Model

Not only has the Prosperity Campaign transformed United Way on a local basis, the Prosperity Campaign model is now being replicated on a national level. For example:

1. The Prosperity Campaign has been selected by United Way of America as one of three grand prize winners in its Best Practices program, to be awarded in May 2007. 229 programs submitted applications.
2. United Way of America has developed a national initiative – Innovative Partnerships for Financial Stability, Savings & Asset-Building. This initiative used the Palm Beach County Prosperity Campaign as a model.
3. Several United Ways and collaboratives around the country have expressed interest in developing a model similar to the Prosperity Campaign.

Palm Beach County Funding

The Palm Beach County Board of County Commissioners has funded the VITA tax preparation program for four years. Funding history is as follows:

2003 – 2004	\$50,000
2004 – 2005	\$102,063
2005 – 2006	\$105,655
2006 – 2007	\$105,655

Other Program Funders

In addition to Palm Beach County, the Prosperity Campaign is funded by a wide range of organizations, including the John S. and James L. Knight Foundation, Quantum Foundation, JPMorgan Chase Foundation, Washington Mutual, Wachovia, Bank of America, The Shefa Fund, Allegany Franciscan Ministries, U.S. Department of Health and Human Services, and United Way of Palm Beach County.