

# Memorandum



CITY OF DALLAS

DATE January 10, 2025

TO Honorable Chair and Members of the Workforce, Education and Equity Committee

SUBJECT **Updates on Office of Community Care and Empowerment (OCCE) Tax Assistance Programs and Upcoming Agenda Item from OCCE and Office of Procurement Services**

For fiscal year 2025 as part of the budget process, the Office of Community Care was reimagined as the Office of Community Care and Empowerment. In this restructuring, OCCE established a Financial Empowerment Division by aligning several existing programs, including tax assistance programming, re-entry services and digital equity programming, anchored in financial empowerment centers (FECs). This memo will focus on our tax assistance program and provide a brief update on FEC future planning. This information also ties into future council agenda items from the Office of Procurement Services related to these programs.

In an upcoming City Council meeting, City Council will consider the following item:

1. Agenda #TBA – Authorize a one-year service contract in the amount of \$200,000, with a one-year renewal option for a total amount of \$400,000. The following Office of Procurement Service item will support the administration of free tax preparation services for City residents that are low-to-moderate income individuals, persons with disabilities, the elderly, and limited English speakers, for the Office of Community Care – Foundations Communities, only proposer - Not to exceed \$400,000 - Financing: General Fund (subject to annual appropriations)

## **Tax Assistance Background**

For nearly 10 years, the City of Dallas has partnered with community-based nonprofit providers to promote access to free tax preparation services for low-income residents. These services are provided primarily through local implementation of the Volunteer Income Tax Assistance (VITA) program, an Internal Revenue Service (IRS) initiative designed to assist low-to-moderate income individuals and families, persons with disabilities, the elderly, and limited English speakers file their taxes each year, ensuring they can file their taxes accurately and access eligible tax credits. With significant financial implications, such as potential refunds from the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), the VITA program plays a crucial role in promoting household financial stability, asset building and consumer protection issues surrounding tax preparation.

In 2024, the availability of this service enabled significant financial and community impact.

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- 11,405 tax returns submitted
- \$10,309,035 Total Tax Refunds
- \$4,144,575 in tax preparation fees saved
- \$2,726,204 in earned income tax credits received by residents

The VITA program is a foundational financial empowerment program within the Office of Community Care & Empowerment under the Financial Empowerment Division. It not only supports individuals in managing their annual tax responsibilities but will also contribute to broader goals of financial resilience and empowerment. By ensuring individuals claim all eligible credits, the VITA program can significantly increase household income through tax refunds. This influx can lead to improved financial health and security, supporting our mission of financial empowerment. The EITC for low- and moderate-income workers has been shown to increase work, reduce poverty, lower welfare receipt, and improve children’s educational attainment.

The VITA program is also integral in helping individuals access individualized supportive financial empowerment services like financial counseling or financial literacy that support residents on topics such as budgeting, savings, debt management and credit management through direct referrals to the Dallas Financial Empowerment Center.

Accessibility to the VITA program is important to assist residents to access knowledge and/or resources to navigate the tax system effectively. Each year, hundreds of IRS certified volunteers offer their time and expertise at VITA sites across the city to help thousands of City residents file taxes free of charge. VITA preparers are held to a higher standard of certification than non-regulated preparers. Additionally, with the support of the Dallas Public Library, a small volunteer group of AARP TAX-Aides provide free tax preparation services in areas where VITA services are not available, which creates a robust ecosystem of free tax preparation services for Dallas residents.

The goal of this program is to serve 15,000 residents. All VITA services will be provided in seven community locations, each of which is accessible via public transit.

<b>VITA Site</b>	<b>Address</b>	<b>Walk-In or Appointment</b>
North Dallas Shared Ministries (NDSM)	2875 Merrell Rd, Dallas, 75229	Walk-In
Concord Church	6808 Pastor Bailey Drive, 75227	Walk-In
Hampton-Illinois Branch Library	2951 S. Hampton Road, 75224	Walk- In
Fretz Park Branch Library	6990 Beltline Road, 75254	Walk-In

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Dallas West Branch Library	2332 Singleton Road, 75217	Appointment Only
Prairie Creek Branch Library	9609 Lake June Road, 75217	Appointment Only
Martin Luther King Jr. Center	2922 MLK Jr. Blvd, 75215	Appointment Only

The organization will begin implementation of programming and services once contract has been executed.

The VITA program fosters partnerships with local organizations, businesses, and community groups, enhancing outreach efforts and maximizing the impact of financial empowerment initiatives. By equipping individuals with equitable tools and resources the VITA program encourages long-term financial stability and resilience, reducing reliance on social services in the future.

The ongoing support, establishment and promotion of the VITA program fulfills the City's commitment to broader goals of financial empowerment, resilience and becoming the "most economically inclusive city."

### **Financial Empowerment Centers Procurement**

On January 22, 2025 City Council will consider the following item:

Agenda Item #25 –143A Authorize the rejection of the seven proposals received for financial counseling services through the Dallas Financial Empowerment Center program for the Office of Community Care & Empowerment – Financing: No Cost consideration

Financial Empowerment, specifically financial coaching through the FECs, is a foundation of our empowerment portfolio. In March 2024, the City issued an RFP for this service, seeking one or more partners to administer 2-4 FEC sites. From September to November, the City entered negotiations with two selected providers to enter contracts. In December, City leadership recommended the cancellation of the pending solicitation to enable the department in order to make programmatic adjustments to better align with the City's fiscal realities and that could be sustained in future years.

Though we are cancelling the current solicitation, OCCE is committed to ensuring the continued availability of FECs. This action serves to reduce current and future years program obligation on the City's general fund to be more consistent with financial realities. OCCE is working on a long-term funding strategy for the program. In the coming weeks, OCCE will release a Notice of Funding Availability (NOFA) to identify a program partner

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for this work utilizing available grant funding, which will ensure the programming continues once the current program agreements terminate.

### **Financial Empowerment Centers Background**

Dallas Financial Empowerment Center (FEC) provides City residents with one-on-one financial counseling services as a free public service. Since the launch of the Dallas FEC on March 2023 to December 31, 2024 - 1,221 residents were served through 3,694 counseling sessions and an additional 567 were served through our telephone financial navigation.

Key outcomes achieved by participating residents include:

- **Total Increased Savings of \$317,889:** This amount represents a substantial boost in financial security for participants. Increased savings empower residents to cover unexpected expenses, invest in their education or businesses, and build a safety net for the future.
- **Reduction in Non-Mortgage Debt by \$547,773:** Reducing debt alleviates financial stress, enabling participants to allocate their income towards essential needs such as healthcare, education, and housing. It also allows them to reallocate funds towards savings or investments, ultimately fostering long-term financial health.
- **Increased Credit Scores:** 75 participants saw an average increase of 35 points or established credit for the first time. The improvement in credit scores for 75 participants means better access to affordable loans and mortgages. Higher credit scores can result in lower interest rates, which can save individuals thousands of dollars over time, making homeownership more achievable and reducing the cost of credit.
- **Access to Banking:** 157 participants opened a safe and affordable bank account. By assisting participants in opening bank accounts, the FEC has enabled them to access essential financial services. This not only provides a safe place for their money but also helps individuals avoid costly check cashing services.

These accomplishments highlight the vital role the FEC plays in fostering financial stability among Dallas residents. These outcomes reflect the FEC's commitment to empowering residents with the financial knowledge and tools needed to achieve long-term stability and success. By participating in the FEC's counseling services, residents are taking critical steps toward a more secure financial future, breaking the cycle of debt, and fostering economic growth within the community.

The new NOFA will be developed promptly to ensure continuation of services and to secure the best possible contract for our organization and its residents.

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Should you have any questions or need any additional information, please contact myself or Jessica Galleshaw, Director of Office of Community Care, at 214-670-5113 or [Jessica.Galleshaw@dallas.gov](mailto:Jessica.Galleshaw@dallas.gov).

Sincerely,



**M. Elizabeth (Liz) Cedillo-Pereira**  
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Dev Rastogi, Assistant City Manager

Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors