Building the Working Families Tax Credit Division

BAC Update – December 13, 2021

Agenda

- Level Setting

- Program Description

- Program Development

- Legislation

- Outreach

- Request for Feedback

Last Updated: December 10, 2021

Working Families Tax Credit Update

Agenda: Level Setting → Program Description → Program Development → Legislation→ Outreach → Request for Feedback

Level Setting

Last Updated: December 10, 2021

Working Families Tax Credit Update

Agenda: Level Setting → Program Description → Program Development → Legislation→ Outreach → Request for Feedback
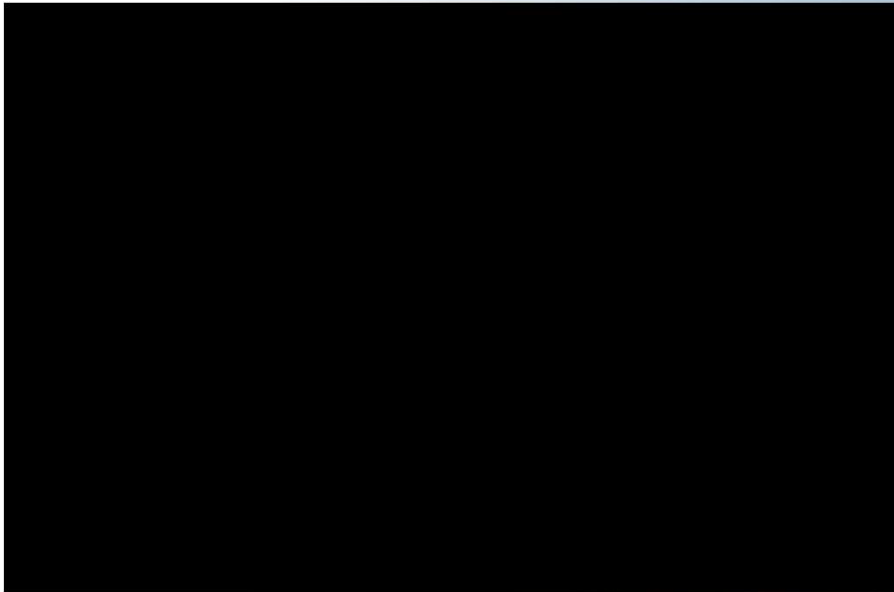
Level setting exercise

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Working Families Tax Credit Update

Agenda: Level Setting → Program Description → Program Development → Legislation→ Outreach → Request for Feedback

Program Description

Last Updated: December 10, 2021

Program Overview

- Starting in March 2023, the Working Families Tax Credit (WFTC) program will provide payments to low-to-moderate income individuals who meet certain eligibility requirements.

- The program mirrors the IRS' Earned Income Tax Credit (EITC).

- Washington is the first state without an income tax to administer a state EITC program.

- The Department is building a new division and system to administer the credit.

- The system will take several months to build.

Credit Amounts

# of Qualifying Children	Maximum WFTC Benefit
3 or more	$1,200
2	$900
1	$600
None	$300

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Program Development

Last Updated: December 10, 2021

Working Families Tax Credit Update

Workstream Development

Project Management
Gil Dean

- Sponsorship
- Steering Committee
- Project Leadership
- Risks
- Issues
- Status Reports
- Project Lead Team Meetings

Program Development
Michael Bailey

- Business Requirements
- Program Performance Measurement
- Staffing
- Divisional Operational Processes
- WFTC Fraud Mitigation

Communications
Janet Shimabukuro

- External Communications
- User Interface Design & Testing
- Grass Roots Community Outreach

Legislative Review
Trice Konscuh

- Bill Interpretation & Guidance
- Bill Change Recommendations
- Administrative Rules Creation & Management

Data Management
Crystal Haynie / Tyler McLeod

- Data Discovery & Management
- Data Driven Analysis
- Plan for Automation

ATLAS Integration
Brian Frazee / Constance Bell

- Business Stakeholder Facilitation & Analysis
- Solution Architecture
- Design & Development
- ATLAS Support Teams

Technical Infrastructure
Teresa Roddy / Kurt Wieburg

- Network
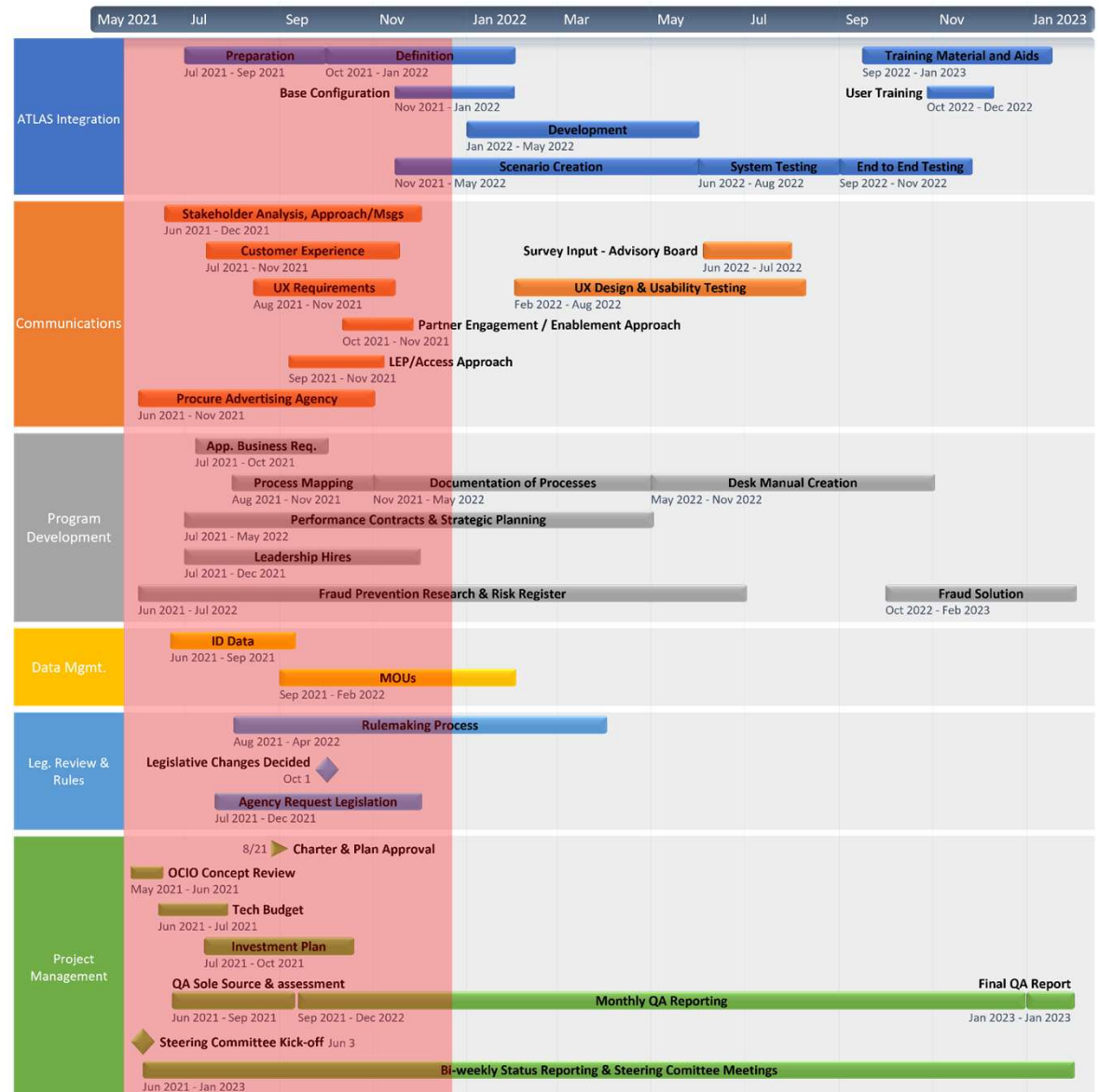- Telephony
- Compute Environment

Project Timeline

December 2021
- Rulemaking
  - Deadline for feedback
- Agency Request Legislation
  - Deadline for feedback
  - Submit to OFM/Governor's Office
- Hiring
  - Fraud Manager
  - Outreach and Partnerships Mgr.
- System Development
  - Base configuration

Last Updated: December 10, 2021

Working Families Tax Credit Update

Show me the data!

Pursing Modernized E-File MOA with IRS

Pursing data-related MOUs with:

- Internal Revenue Service (IRS)

- Social Security Administration

- Employment Security

- Department of Licensing

Last Updated: December 10, 2021

Program Development Approach

Phase 1 - Research

- Research

- Data Collection

- Definition

- Drafting Business Requirements

Phase 2 - Development

- Assemble Leadership Team

- Rule Making

- Process Development

- System Configuration and Development

Phase 3 - Test/Train

- Training Existing VITA Partners

- Public Awareness

- Develop Test Environment

- Usability Testing with Community

Phase 4 - Cycle

- Go Live Date

- Real Time Data Collection

- PDSA Feedback Loop

- Community Feedback

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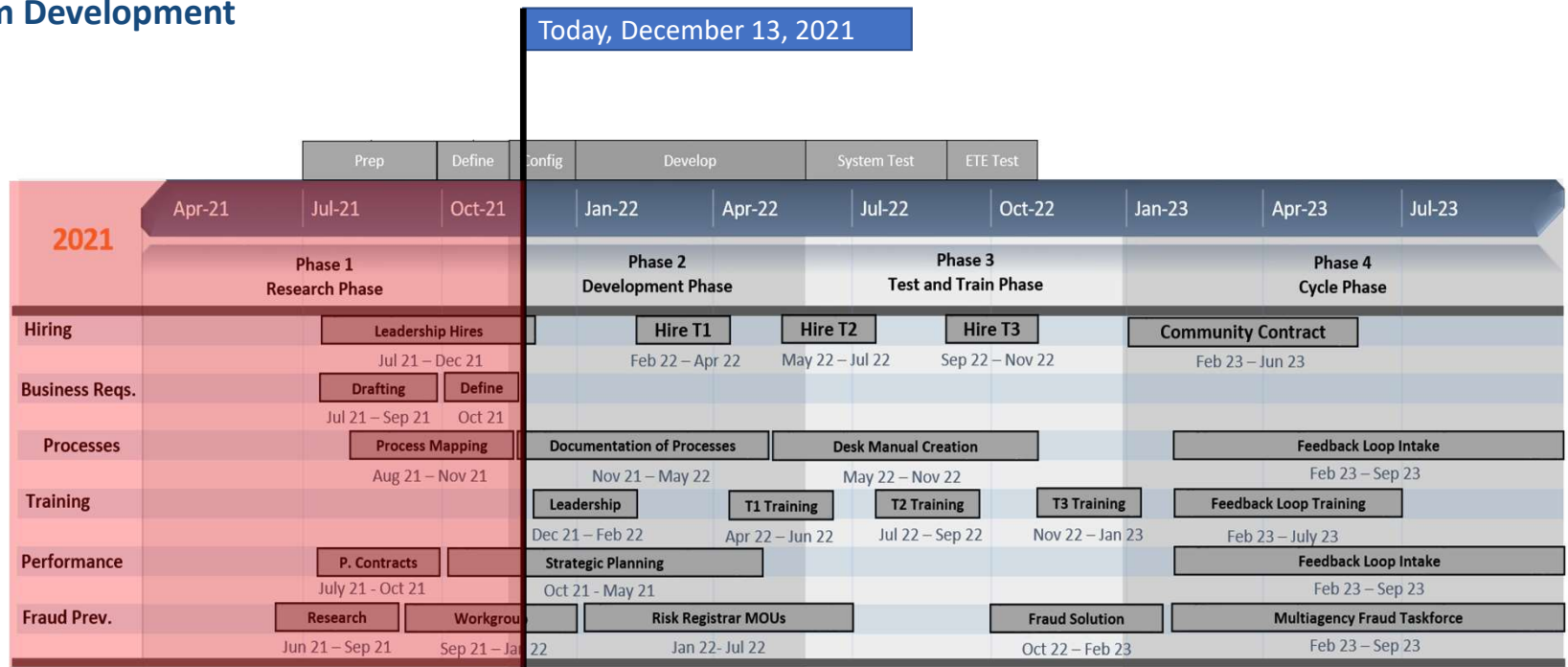
Work Stream: Program Development

Overall Status: Good

Dashboard

Budget Status

Schedule Status

Risk Status

Technical Status

Today, December 13, 2021

	Prep	Define	Config	Develop	System Test	ETE Test

2021	Apr-21	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23

Phase 1 — Research Phase
Phase 2 — Development Phase
Phase 3 — Test and Train Phase
Phase 4 — Cycle Phase

Hiring
- Leadership Hires — Jul 21 – Dec 21
- Hire T1 — Feb 22 – Apr 22
- Hire T2 — May 22 – Jul 22
- Hire T3 — Sep 22 – Nov 22
- Community Contract — Feb 23 – Jun 23

Business Reqs.
- Drafting — Jul 21 – Sep 21
- Define — Oct 21

Processes
- Process Mapping — Aug 21 – Nov 21
- Documentation of Processes — Nov 21 – May 22
- Desk Manual Creation — May 22 – Nov 22
- Feedback Loop Intake — Feb 23 – Sep 23

Training
- Leadership — Dec 21 – Feb 22
- T1 Training — Apr 22 – Jun 22
- T2 Training — Jul 22 – Sep 22
- T3 Training — Nov 22 – Jan 23
- Feedback Loop Training — Feb 23 – July 23

Performance
- P. Contracts — July 21 - Oct 21
- Strategic Planning — Oct 21 - May 21
- Feedback Loop Intake — Feb 23 – Sep 23

Fraud Prev.
- Research — Jun 21 – Sep 21
- Workgroup — Sep 21 – Jan 22
- Risk Registrar MOUs — Jan 22 - Jul 22
- Fraud Solution — Oct 22 – Feb 23
- Multiagency Fraud Taskforce — Feb 23 – Sep 23

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Fraud Approach

	Process Map Key
1	Application Submittal
2	Standard WaTech F5 Malware Protection
3	SAW Authentication Login
4	Frontend Fraud Prevention: Fraud Solution 1
5	MyDOR ATLAS Entry Point
6	Risk Score Calculation
7	Remittance of Tax / Issuance of Refund
8	Post Remittance Audit against IRS Data
9	Verification of IRS Audit
10	Data Sent to Risk Register
11	Case Referred for Investigation
12	Case Referred to Enforcement
A	Secondary Verification/Backend Fraud Prevention: Fraud Solution 2
B	Verification of Backend Fraud Prevention
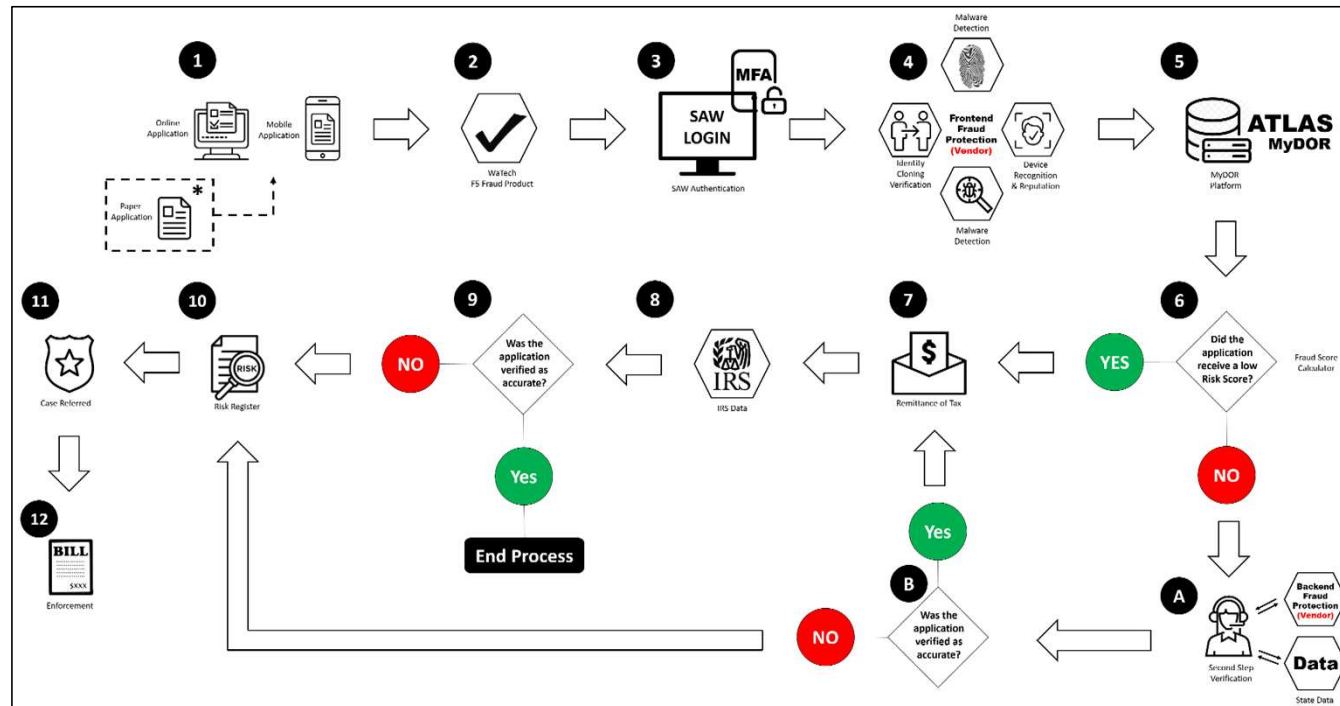
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Process Mapping

Functional Area	Processes	Notes
Developing and maintaining public guidance	6	2
Application intake/review	13	3
Client Notification	5	1
Benefit Disbursement	16	5
Appeals	4	2
Reporting	6	3
Internal Program Auditing	12	6
Total	62	22
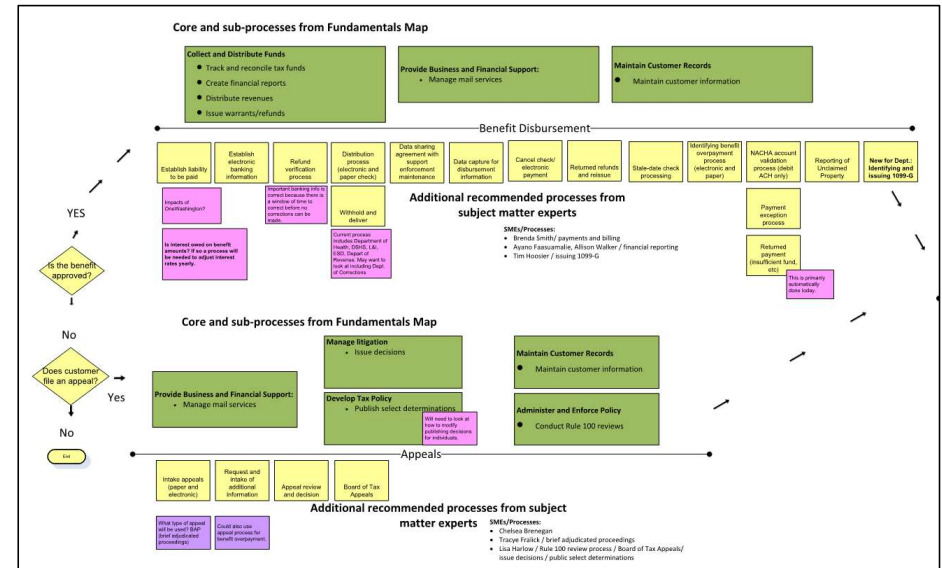
Example of Functional Area Being Mapped Out
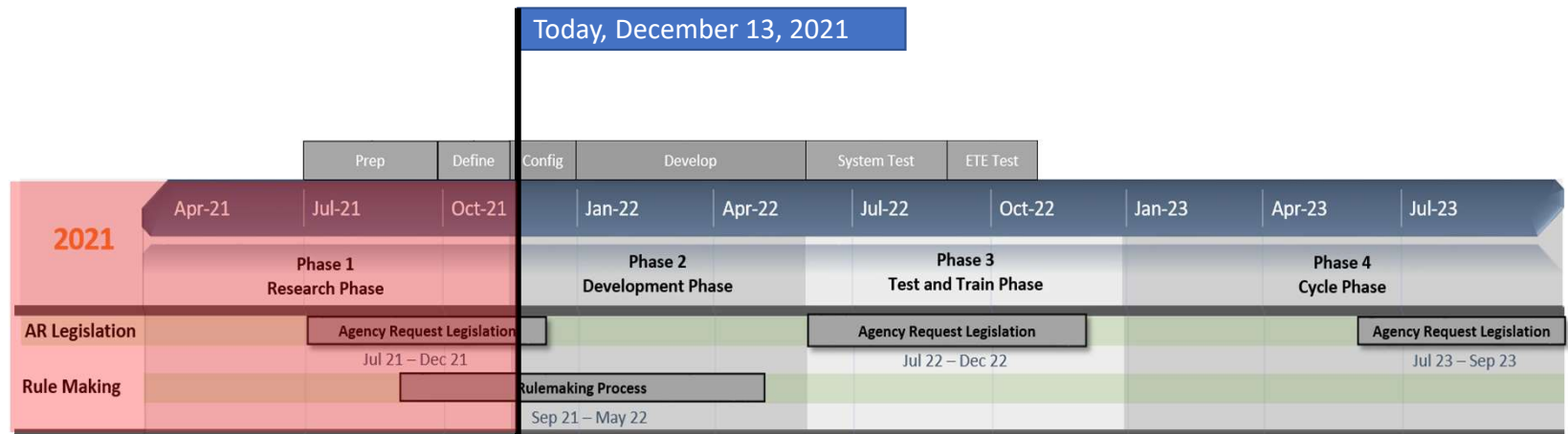
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Working Families Tax Credit Update

Agenda: Level Setting → Program Description → Program Development → Legislation → Outreach → Request for Feedback
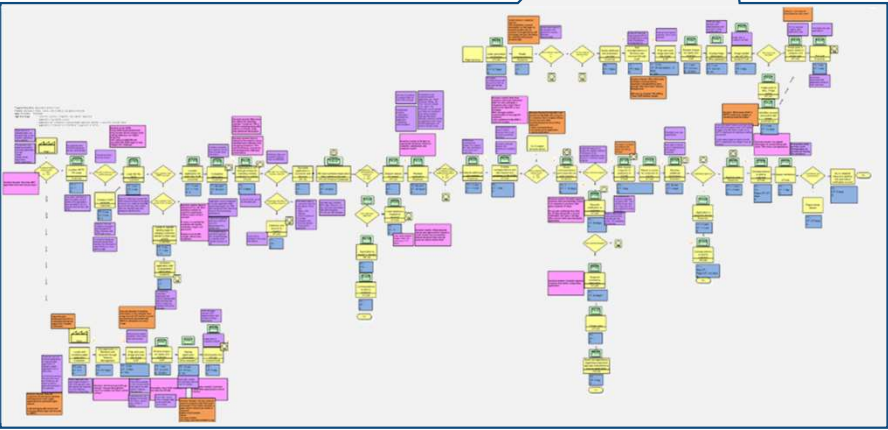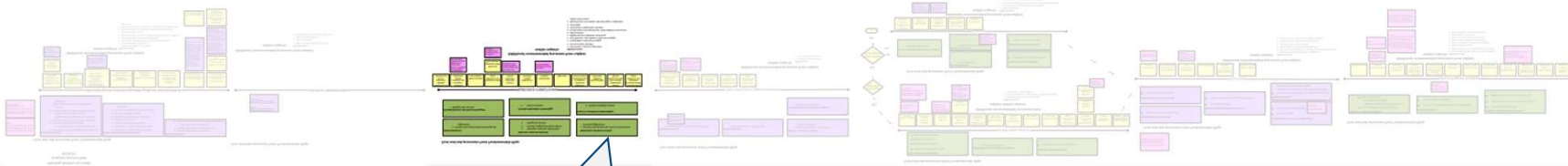
Type of Work	Task	ETE1	ETE2	ETE3	ETE4	PC
Initial App Processing	Pull application from queue	x	x	x		
Initial App Processing	Wholistically review application for errors, with emphasis on system identified issues	x	x	x		
Initial App Processing	Research & analyze errors	x	x	x		
Initial App Processing	Correspond with applicant via phone, email, web messaging to clarifying application	x	x	x		
Initial App Processing	Review and analyze response from applicant	x	x	x		
Initial App Processing	Make system adjustment as needed	x	x	x		
Initial App Processing	Refund credit	x	x	x		
Initial App Processing	Issue invoice	x	x	x		
Amended App Processing	Pull application from queue	x	x	x		
Amended App Processing	Wholistically review	x	x	x		
Amended App Processing	Correspond with applicant via phone, email, web messaging to clarifying application	x	x	x		
Amended App Processing	Review and analyze response from applicant	x	x	x		
Amended App Processing	Make system adjustment as needed	x	x	x		
Amended App Processing	Refund credit	x	x	x		
Amended App Processing	Issue invoice	x	x	x		
Internal Support / Train	Answer questions for less senior examiners			x	x	
Internal Support / Train	Attend training	x	x	x	x	x
Internal Support / Train	Create & maintain procedures			x	x	
Internal Support / Train	Create & present training			x	x	
Desk Examine	Create / assign leads				x	
Desk Examine	Pull audit lead from queue		x	x		
Desk Examine	Analyze, correspond, adjust		x	x		
Desk Examine	Review audits			x	x	
Desk Examine	Issue audits					x
Communication	Overflow telephone assistance (logon issues)	x	x	x		
Communication	Overflow telephone assistance (application issues)	x	x	x		
Communication	Answer emails to shared inbox		x	x		
Communication	Answer web messaging questions		x	x		
Communication	Respond to paper correspondence questions			x	x	
Supervision	Adjustmentment approval (minor)				x	x
Supervision	Adjustmentment approval (significant)					x
Supervision	Review timesheets				x	
Supervision	Coaching/mentoring/1-on-1s				x	x
Supervision	Track performance				x	x

Last Updated: December 10, 2021

Legislation

Last Updated: December 10, 2021

Working Families Tax Credit Update

Work Stream: Legislative Workstream

Overall Status: Good

Today, December 13, 2021

Dashboard
Budget Status
🟢
Schedule Status
🟢
Risk Status
🟢
Technical Status
🟢

Prep	Define	Config	Develop	System Test	ETE Test

2021

Apr-21	Jul-21	Oct-21	Jan-22	Apr-22	Jul-22	Oct-22	Jan-23	Apr-23	Jul-23

Phase 1
Research Phase

Phase 2
Development Phase

Phase 3
Test and Train Phase

Phase 4
Cycle Phase

AR Legislation
- Agency Request Legislation — Jul 21 – Dec 21
- Agency Request Legislation — Jul 22 – Dec 22
- Agency Request Legislation — Jul 23 – Sep 23

Rule Making
- Rulemaking Process — Sep 21 – May 22

Last Updated: December 10, 2021

Rulemaking Overview

Evidence requirements

- Income

- Identification

- Residency

Application procedures

- Application period

- Amendment period

Last Updated: December 10, 2021

Next Steps - Rulemaking

December 2021

- Compile feedback

January 2022 to May 2022

- Review feedback

- Draft rule

- Host public meeting

- Review feedback from public meeting

- Adopt rule making *(dependent on feedback)*

Last Updated: December 10, 2021

Agency Request Legislation

- Creates consistency

- Clarifies the meaning of terms

- Clarifies SSN and ITIN requirements

- Clarifies the method for calculating credits

- Provides definitions where needed

- Clarifies how penalties will be assessed

- Clarifies how fraudulent behavior will be treated

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Next step - Legislation

December 2021

- Review feedback

- Assess additional needs

- Submit draft to OFM/Governor's Office

- Await approval

January 2022

- Pursue bill sponsor

Last Updated: December 10, 2021

Working Families Tax Credit Update

Outreach

Last Updated: December 10, 2021

Outreach goals

1. Educate the public about the credit.

2. Educate eligible applicants about the credit.

3. Identify community partners for hard-to-reach populations and areas.

4. Understand language and other accessibility needs.

5. Understand customer service needs.

Last Updated: December 10, 2021

Working Families Tax Credit Update

Community Outreach Advisory Committee

To ensure the program is equitable and customer needs are met, we plan to create a Community Outreach Advisory Committee to help inform and guide a robust outreach strategy. More information will be posted when it becomes available.

Timeline for Development

January 2022

- Finalize requirements

February 2022

- Solicit applications

March 2022 to May 2022

- Review applications

June 2022

- Staff advisory committee

August 2022

- Host first advisory meeting

Last Updated: December 10, 2021

Spectrum of Public Participation

Adapted from IAP2 Spectrum of Public Participation

Increasing impact on decision

Last Updated: July 22, 2021

Inform

Public Statement
"Here's what's happening."

Agency Commitment
• Keeping stakeholders informed

Consult

Public Statement
"Here are some options, what do you think?"

Agency Commitment
• Keeping stakeholders informed
• Listen to and acknowledge concepts

Involve

Public Statement
"Here's a problem, what ideas do you have?"

Agency Commitment
• Ensure that concerns and aspirations are directly reflected in potential solutions

Collaborate

Public Statement
"Let's work together to solve this problem."

Agency Commitment
• Look to stakeholders for advice and innovative solutions

Empower

Public Statement
"What is your recommended course of action?"

Agency Commitment
• Delegate decision making power

WFTC Example

• Send out bi-monthly updates to GovDelivery subscription list
• Develop fact sheets on eligibility and population
• Educate stakeholders and strategic partners

WFTC Example

• Listen to community messaging concepts
• Get feedback on preferred methods of communication for individual counties
• Conduct a series of surveys

WFTC Example

• Host town halls to develop regional outreach strategies
• Host stakeholder meetings for Washington various ESL populations

WFTC Example

• Work with advisory committee to develop grant proposals
• Present status reports to committee and request feedback

WFTC Example

• Task committee with selecting grant recipients
• Task committee with developing criteria for community awards and allow them to select recipients
• Equip communities

Outreach Regions

Last Updated: July 22, 2021

Team 1

- Northwest
- Puget Sound
- West
- Southwest

Team 2

- East
- North Central
- South Central
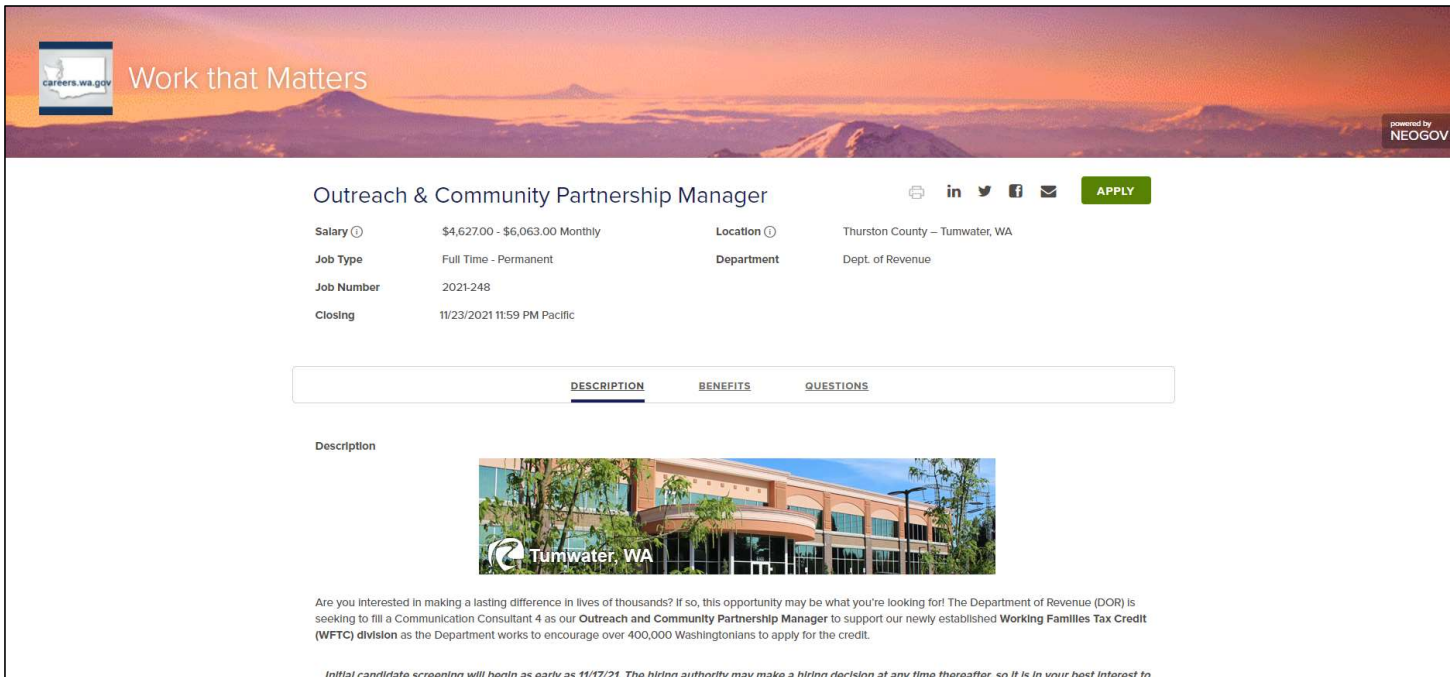
Two teams, one goal: connect Washingtonians to the WFTC credit

Last Updated: December 10, 2021

Now recruiting:
Outreach and Community Partnerships Manager

Last Updated: December 10, 2021

Working Families Tax Credit Division
Strategic Partners and Stakeholders

Last Updated: December 10, 2021

November Listening Sessions

Four listening sessions were held:

- Thursday, November 4 at 6 p.m.
- Tuesday, November 9 at 1 p.m.
- Tuesday, November 13 at 6 p.m.
- Saturday, November 13 at 10 a.m.

Four languages were requested/provided:

- Korean
- Vietnamese
- Spanish
- Mandarin

We witnessed the following attendance rates:

- Total attendees: 62
- Attendance rate: 60%
- Total comments collected: >340

Last Updated: December 10, 2021

Listening Session Questions

Eligibility and identity verification questions

- The WFTC requires that an applicant prove their eligibility. If asked to provide proof of identification or residency, what could you provide to us?

- The WFTC requires that an applicant prove their eligibility. If asked to provide proof of income, what could you provide to us?

- What issues have you faced when attempting to claim a dependent for tax purposes?

Application process questions

- To qualify for the WFTC you must file a federal return. Since all federal returns are due in April of each year, the Department of Revenue plans to allow applicants up until December 1st to submit an application. Is this enough time to submit an application (February to December)?

- Applicants are required to notify the Department of Revenue if they need to amend their application for any reason. If you made a mistake on your application, how long would you need to notify us and correct the error?

Customer service questions

- What is the single most important thing that we can do to help Washingtonians apply for this credit?

Last Updated: December 10, 2021

How to engage

Join us for a listening session
Check our calendar of events at dor.wa.gov/JoinUs to find an upcoming session.

Invite us to speak
Request a speaker by emailing dor.wa.gov/SpeakerRequest.

Send us your feedback
Take a survey or send us an email at dorwftc@dor.wa.gov.

Stay connected
Subscribe to our Working Families Tax Credit newsletter dor.wa.gov/Subscribe.

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Working Families Tax Credit Update

Request for Feedback

Last Updated: December 10, 2021

Working Families Tax Credit Update

Request for Feedback

- EITC Information Act

- Messaging to Business Community

- Host Sites

- Informational Sessions (Doing Business with the State via Community Contracts)

- Awards

- Continuing Education Credits / Professional Development Units

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Working Families Tax Credit Update

Questions

Last Updated: December 10, 2021

Thank you for your service