



October 5, 2021

The Hon. Aaron Michlewitz, Chair
House Committee on Ways and Means

The Hon. Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House
Boston, MA 02133

Re: Testimony in support of using ARPA funds to strengthen the EITC

Dear Chairman Michlewitz, Chairman Rodrigues, and distinguished members of the Committee:

Thank you for the opportunity to submit further written testimony to inform the Legislature's development of a plan for using federal American Rescue Plan Act (ARPA) funding.¹ On behalf of One Family Inc., I urge the Committee to allocate a portion of the funds to strengthening the Massachusetts Earned Income Tax Credit (EITC), to promote the well-being of low and moderate-income Massachusetts families. We join our fellow members of the Healthy Families EITC Coalition in asking the Legislature to use ARPA funds to increase the state match of the Earned Income Tax Credit to 50 percent of the federal credit (estimated cost: \$175.1M), and to extend EITC eligibility to immigrants who file taxes with an Individual Tax Identification Number (estimated cost: \$15M).

[One Family](#) is a Massachusetts nonprofit that prevents family homelessness by helping low-income parents achieve higher education and career success. Our approach to homelessness prevention combines direct-service programs, technical assistance, and public policy advocacy.

Many of the participants in our two direct service programs, [One Family Scholars](#) and [Credential to Career Coaching \(C2C\)](#), rely on the EITC to help meet critical expenses while working towards the long-term goal of economic self-sufficiency. Take for example Millie, a single working parent of three children in Bristol County who is a graduate of the One Family Scholars program, and is currently enrolled at Simmons University pursuing a Master of Social Work degree. In her recent virtual testimony for the Committee, Millie said that *"the combined money from the state and federal EITC is something my family and I anticipate and rely on every year to help pay for big items such as tuition balances and student loans, catching up on bills, creating an emergency fund, or purchasing that vehicle we have been saving up for for years. It also allows us to buy clothing appropriate for each season for my children, who grow taller every year. Strengthening the EITC would help families like mine to transition out of poverty, save up, and be prepared for those unexpected emergencies, such as being laid off, or a car breaking down."*

We believe the ARPA funds provide a significant opportunity to address longstanding inequities that led to the disproportionate impact of COVID-19, through investment in initiatives that support communities

¹ One Family's prior testimony may be found at bit.ly/OneFamily_ARPA_testimony

most affected by the economic fallout of COVID-19 – low-income and moderate-income families and People of Color. ARPA funds provide a tremendous opportunity to increase the Massachusetts EITC’s availability, size, and uptake to reduce disparities among low-income children and families in Massachusetts. An increase to the state EITC would provide more than 375,000 households filing income taxes across virtually every city and town with additional income to support financial stability and recovery. And extending the EITC to immigrant workers who file using an ITIN and are currently excluded from the credit would benefit about 13,200 additional Massachusetts families.

As you explore ways to address the needs of households within the Commonwealth amid the pandemic and its continuing economic impact, we urge you to enhance the EITC to provide critical support to families with low and moderate incomes working towards economic self-sufficiency. This approach is fiscally sustainable, will reduce poverty, address health disparities, and support the well-being of marginalized communities across Massachusetts. We strongly urge you to invest this relatively small portion of the ARPA funds to increase the EITC match rate to 50 percent, and to expand eligibility for the credit to immigrants who file taxes with an ITIN.

Thank you again for this opportunity to provide further written testimony regarding opportunities to strategically invest ARPA funds in economic recovery and equity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Valerie Paric', with a long horizontal flourish extending to the right.

Valerie Paric
Executive Director