United Way of Northern New Jersey

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UnitedWayNNJ.org

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Dear Chairman Sarlo and Vice-Chairwoman Greenstein:

I'd like to begin by sharing two numbers with you: \$750,000 and \$30 million. The first number is what our state has invested in **Volunteer Income Tax Assistance (VITA)** programs across this state to ensure that our most vulnerable residents receive free, quality IRS-certified tax preparation services.

And \$30 million is what this program typically pumps back into our state's economy through federal tax refunds. Through this service, New Jersey families secure the tax credits and refunds they are owed from Washington, D.C. I challenge you to find a more direct return on investment in the state budget than this program, which ensures that our residents get back what they are owed from the federal government.

Annually, VITA programs bring into our state 40 times the amount of money our state puts in. For the first time in recent history, there is no state funding proposed. United Way of Northern New Jersey manages and disburses these funds on behalf of 11 nonprofits across the state that run VITA sites. This state funding has helped us expand our reach, helping reach more clients than what was possible with the limited IRS funding allocated to New Jersey.

We will all have to turn away clients who count on this critical service to navigate complicated tax law, pay their taxes, and receive substantial refunds. Last year, this program also filed 20,155 New Jersey 2023 tax returns, helping to fill the state's budget coffers with \$1,613,621 in owed New Jersey taxes. That was a 250% increase in NJ tax payments from the previous year.

This is just one of the critical programs state funding has helped our United Way run for families facing financial hardship. It's also one of the few programs that serves a population that often doesn't qualify for help but desperately needs it — **ALICE®** hardworking families.

Just last week, we marked the five-year anniversary of the COVID-19 pandemic. I hope we all remember how we relied on our ALICE essential workers during one of the darkest economic periods in recent history. Our child care educators, supermarket workers, home health aides, and warehouse delivery staff, just to name a few. These are all workers we call ALICE – which I believe many of you know stands for Asset Limited, Income Constrained, Employed, and represents the 900,000 New Jersey families who earn too much to qualify for financial assistance but too little to afford the basics.

Our United Way serves as a safety net for ALICE families, who often have nowhere else to turn. We are also at risk of losing the \$1 million in state funding for our work turning around child care deserts across our state. Thanks to our United In Care work, 536 children have gotten a strong start in life through 3 million hours of quality care. And hundreds of ALICE parents have been able to remain in the workforce, continuing to contribute to the state's economy.

Through United In Care, we are seeing concrete results. We are stabilizing an industry that was on the precipice of collapse just a few years ago. And if we do not sustain this work, the risks are broader than individual lives – the state's economic stability is on the line.

Thank you for considering the restoration of these funds to the state budget, so we can continue to be there for the ALICE families who need us the most and who we all rely on every day, even in a pandemic, to show up for us.

Respectfully,

Kiran Handa Gaudioso

CEO, United Way of Northern New Jersey

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