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| Agency Name | Philadelphia Department of Revenue |
| Name your program, idea, or project: | Delivering Real Estate Tax help to your doorstep |
| What is the problem that you wanted to solve? | There are about 62,000 Philadelphia homeowners who may be eligible for tax assistance but are not enrolled in any Department of Revenue programs. Within this group, there are an estimated 9,000 homeowners who are delinquent and could lose their homes to tax foreclosure. The Department of Revenue wanted to increase enrollment and improve program retention among both groups to protect Philadelphia’s most vulnerable residents.  The Department of Revenue has three main tax assistance programs – the Homestead Exemption, Senior Citizen Tax Freeze (SCTX), and the Owner-occupied Payment Agreement (OOPA). While the first two programs target the 62,000 homeowners who need help with their current year taxes, the last one applies to the 9,000 homeowners who owe delinquent taxes.  A big difference between the three programs is the application process. The Homestead Exemption is for all homeowners and is our most far-reaching program. The SCTX has age and income requirements that make it harder to apply. The OOPA has residency and income requirements across five eligibility “tiers.” In addition, the application is multiple pages and requires various complex decisions by an applicant.  The Department of Revenue has struggled to increase awareness about all three tax assistance programs, partly because of the complexity and differences in the application process. Furthermore, when we do enroll taxpayers in programs, they often find the terms difficult to understand, and slip back into foreclosure. |
| Who was involved in addressing the problem? | The Department of Revenue’s Policy team, as well as a social science fellow at the Mayor’s Policy Office led the project. We partnered with Philadelphia City Council members on one of the projects and an outside vendor on another one. |
| How did they go about finding a solution? | First, the Department of Revenue and the Mayor’s social science fellow defined the problem by speaking to taxpayer service representatives, attending court hearings to reinstate payment agreement terms, and analyzing internal delinquency data. Once we identified problem areas, we used insights from evidence-based work to plan two outreach strategies and one letter redesign that could increase awareness about assistance programs and improve program retention.  The Department of Revenue’s first project was to use behavioral science best practices to make changes to payment notices that are sent to homeowners who are enrolled in OOPA and miss a payment. We measured if changes to the letter improved the high default rate of taxpayers enrolled in the program.  The other two projects used randomized control trials to determine if new types of outreach strategies worked in increasing enrollment in our tax assistance programs. We invited delinquent homeowners to pop-up neighborhood events in partnership with City Council in areas of high tax delinquency and sent street teams with information about our programs to these areas. While we focused on enrolling the 9,000 delinquent homeowners in OOPA for the pop-up neighborhood events, the street teams were targeted to the 62,000 homeowners who may be eligible for any type of tax assistance. |
| Describe the outcome. What is the new idea, approach, program, or activity? | The Department of Revenue’s first outcome was designing new letters to make our payment terms easy to understand and reduce the number of taxpayers defaulting on their payment agreement. We used a randomized control trial to find out if taxpayers were less likely to default on their agreement after receiving the redesigned letter.  The Department’s second outcome was designing two types of outreach projects – pop-up neighborhood events and street teams – to bring our services directly to the community. We used a data-driven approach to identify neighborhoods that need help. City Council members helped host pop-up events, and an outside vendor did door-to-door outreach, handing out program flyers.  For the pop-up neighborhood events, we wanted to test if a letter of invitation from the City Council member or a flyer from the Department of Revenue better motivates taxpayers to attend events. We asked our City Council partner to send invitation letters and Revenue flyers to delinquent homeowners in the area on their letterhead. At the event, Department staff used laptops and tablets connected to our internal tax system to enroll taxpayers on the spot, an approach we had never used before.  For the door-to-door outreach, our outside vendor selected areas to canvass from a list of census tracts that were at high risk of tax foreclosure. We used a data analysis software to find a control group that was like the canvassed areas, to find out if the outreach strategy increased enrollment in assistance programs. If the outside vendor spoke with a resident, they gave them information about the Department’s programs and handed an application. If the outside vendor could not contact a resident, the left a door hanger with information about our programs. |
| What has changed since this was implemented? How have your operations improved? Include any data, analytics or metrics that would show the value of your program. Don't forget management advantages such as improved morale. | Since we started sending the re-designed letters to taxpayers in a payment agreement, we saw that low-income taxpayers were four percentage points less likely to default on their agreement, which translates to about $530,000 in Real Estate Tax. The project became an opportunity to stress the importance of user-centered design and rework many other letters that the Department sends. For every $1 we spent on the project, we brought $248 under agreement.  By bringing the Department’s services directly to the community, we have made it easier for taxpayers to apply for a payment agreement. Over 11 pop-up neighborhood events, we helped 125 taxpayers resolve about $552,000 in Real Estate Tax debt and enrolled almost 80 taxpayers in water assistance programs. For every $1 the Department spent on the pop-up events, we resolved $60 of delinquent tax debt. Partnering with City Council members on this project has also set a positive precedent for future collaborative outreach projects.  Although we were unable to substantially increase assistance program enrollment using street teams, we learned that this form of outreach does not work well for programs with complicated eligibility requirements. Even so, the outside vendor was able to speak to more than 4,000 residents and for every $1 the Department spent on the project, we brought around $3.13 under agreement |
| Is there any component of your program that makes it workable only in your state or city? | Another agency with a similar tax type or this kind of problem could adapt or adopt this idea. |
| Is this an in-house project, or did you partner with an outside vendor or service-provider? | It's complicated. See details below. |
| Additional information or comments about your usage of outside vendors or service providers. | This was mostly an in-house project. However, it required significant data science expertise. We partnered with an outside vendor to conduct the street teams project and City Council members to send targeted mailers. The data analysis was conducted by the Department of Revenue, in collaboration with the Mayor’s social science fellow. |
| What comes next — will you be adding to your program, rolling it out more widely, trying additional approaches? | In 2020, the Department of Revenue aims to conduct 12 pop-up neighborhood events and enroll at-least 100 taxpayers in an assistance program. We are already working with City Council members to schedule these events in the summer and fall.  To find additional effective outreach strategies, we are also partnering with a City Council member to host office hours in his district office. Revenue staff began providing in-person help for two hours once a month, over six months. Our initial efforts, prior to City closures due to COVID-19, had a promising increase in attendance. Our analysis of success is pending. Once the City resumes services, we will be rolling out a mobile texting campaign within this project to find out if it is a successful method in reaching homeowners at risk of tax foreclosure.  Finally, we will be reviewing all notices that we mail out for plain language and user-centered design considerations. |
| Documentation Upload | [Delivering Real Estate Tax relief.pdf](https://www.jotform.com/uploads/ryanminnick_FTA/80285865216159/4625979610655331898/Delivering%20Real%20Estate%20Tax%20relief.pdf) |