

TRANSCRIPT OF PUBLIC MEETING 09-28-2010

1 CHAIRPERSON STOGEL: We're glad you're
2 doing what you're doing.

3 COMMISSIONER VAN MATRE: I was going to
4 say, none of us are going hungry.

5 MS. KIRKPATRICK: Right, right. One of
6 the things, and I -- I don't know if any of the other
7 food banks, and there's six or seven food banks in
8 the state, if any of them have testified at any of
9 your other hearings.

10 CHAIRPERSON STOGEL: They have.

11 MS. KIRKPATRICK: They have?

12 CHAIRPERSON STOGEL: Yeah.

13 MS. KIRKPATRICK: Okay.

14 CHAIRPERSON STOGEL: And we hear the
15 enormous escalating need --

16 MS. KIRKPATRICK: It is true.

17 CHAIRPERSON STOGEL: -- from St. Joe to
18 Cape Girardeau.

19 MS. KIRKPATRICK: Right. Whatever you
20 can do as far continuing the NAP credits and also,
21 and I'm going to very selfishly put the plug in for
22 basic needs or hunger relief.

23 I was asked to provide some additional
24 information. I -- and this was the first year that I
25 was ever asked to provide as specific information.

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1 And I have to you tell you, Zatuilla Nara is
2 awesome. She is awesome. She's one of the people
3 that works for the NAP program and I think you know
4 who she is. Great. Even when she's telling me, no,
5 we don't have the credits, she was extremely
6 diplomatic and tactful and I know that she has gone
7 through a lot.

8 But one of the things that the NAP credit
9 to a food bank such as ours is when we started
10 getting these credits, nobody even knew we existed.
11 And now we have -- we have turned donors into
12 partners and friends. It's done exactly what you've
13 wanted, at least that's what was my understanding.
14 And we have taken 500,000 and leveraged it into \$38
15 million worth of food. So hopefully you are getting
16 your -- your return on investment.

17 If there's a way that food banks and
18 hunger relief organizations can be included,
19 continually, if I had to choose between the pantry
20 tax credit and this one, I'd use NAP all day long.
21 It's a much finer credit.

22 CHAIRPERSON STOGEL: If the food pantry
23 credit were made to service the six food banks and
24 became regular as a commission recommendation, that's
25 an if, and you and your colleagues could all access

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1 that program given the growing need, that may be --
2 that may be a better way to do economic measurement.
3 Because one of the issues before the commission is
4 how do you do the measurement on social programs?
5 Well, on the food bank targeted kind of thing, if
6 it's a way where the state can put out \$250,000,
7 leverage 3 million which leverages \$30 million of
8 food delivery, that's a pretty good multiplier
9 effect. Because 250 is leveraging a \$3 million
10 budget and serving 95,000 people that are getting a
11 meal, so.

12 COMMISSIONER VAN MATRE: why is the
13 leverage on the pantry credit greater than the NAP
14 credit?

15 CHAIRPERSON STOGEL: Because the -- it
16 may or may not be. It's -- in this example the total
17 budget is \$3 million, 250 which is NAP credits, so
18 you have 250 which is --

19 MS. KIRKPATRICK: Five hundred --

20 CHAIRPERSON STOGEL: -- 8 percent of --
21 8.1 percent of the budget being supported by the
22 state to leverage all of these other things. And in
23 a NAP program, like a capital program, it might be
24 \$499,000 to generate a million to do a million
25 dollars of work or two million dollars of work or

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1 three million dollars of work. There's no guidelines
2 for capital projects, that NAP credits can only be 15
3 percent of the total, they can be half the total.

4 So it's sort of a case by case analysis,
5 but one of the consistent testimonies is -- that
6 we're seeing is that a lot of service providers have
7 a greater need now, expected to get NAP credits to
8 fill 7 to 10 percent of their budget, so they can
9 keep the other stuff going, so. It's all part of the
10 learning we're trying to get, and we really
11 appreciate your testimony. Thank you very much.

12 MS. KIRKPATRICK: Thank you.

13 COMMISSIONER STILL: Just have another.
14 Did you -- do you already have in mind who you're
15 going to sell them to? what you're doing with the
16 credit?

17 MS. KIRKPATRICK: We -- we have had to
18 turn away donors this year because we received less
19 credits, but we had them all committed.

20 COMMISSIONER STILL: And is it a lot? Is
21 it more than 10 or 50 or how many?

22 MS. KIRKPATRICK: It was about 200
23 people.

24 COMMISSIONER STILL: Really?

25 MS. KIRKPATRICK: Uh-huh.

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1 COMMISSIONER STILL: Okay. Do they --
2 when you say -- well, you call them donors, but they
3 buy the credits from you? Is that what they do?

4 MS. KIRKPATRICK: They make a donation
5 and in turn I can give them the tax credit, if they
6 qualify for certain -- if they're in certain business
7 occupations or own and operate a farm or own rental
8 property or derive royalties.

9 COMMISSIONER STILL: Oh, okay. Some
10 people who are donors and get credits. Are there
11 also donors who don't get anything?

12 MS. KIRKPATRICK: That's correct.

13 COMMISSIONER STILL: There are some?

14 MS. KIRKPATRICK: what we've -- what
15 we've done with the NAP credit is we've tried to be
16 judicious with it in that we've made a minimum
17 donation to receive the NAP credit.

18 COMMISSIONER STILL: How much is that?

19 MS. KIRKPATRICK: A thousand dollars.

20 COMMISSIONER VAN MATRE: Have you issued
21 any of the pantry credit at all?

22 MS. KIRKPATRICK: We have used some of
23 the pantry credits, but there are some real
24 challenges with the pantry credits in that the NAP
25 credit is a guaranteed, in my instance, 50 percent.

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1 with the pantry tax credit, it's not a guarantee
2 because -- and correct me if I'm wrong -- there's
3 a -- my understanding, there's \$2 million earmarked
4 statewide, and you have to file your income tax
5 return, your state return by April 15th. And then
6 and only then does the State determine whether you're
7 going to get a full 50 percent credit or if the total
8 amount donates -- or people applying for credits
9 exceeds the two million, then it's all prorated.

10 In addition to that, the NAP tax credit
11 you can take off your federal and your state as a
12 deduction and use the tax credit against your state
13 liability. With the pantry you cannot -- you can
14 take it off your federal as a deduction, but you
15 cannot take it off your state as a deduction.

16 COMMISSIONER VAN MATRE: Well, I don't
17 think you can deduct the amount of income tax you
18 save from the credit necessarily; you can --

19 MS. KIRKPATRICK: No. But you can make
20 it as a charitable gift as the deduction.

21 COMMISSIONER VAN MATRE: Okay. So that's
22 what you're talking about, okay.

23 MS. KIRKPATRICK: Uh-huh.

24 COMMISSIONER VAN MATRE: Now, you heard
25 the previous testimony about the NAP credit and my

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1 questions to the previous witness about how do we
2 differentiate between those credits. And obviously
3 you're -- I mean, there's no question about it,
4 you're doing a great job, everybody knows that. The
5 operation you run is first class and really
6 necessary. But there's limited money, so now, you're
7 the person on the street. What criteria would you
8 tell us to use in evaluating all 861 credits for
9 preservation, cutback, expansion?

10 MS. KIRKPATRICK: Craig, I know you don't
11 know me personally, but we know each other at least
12 professionally and -- and you have been a donor to
13 the food bank and you are a donor to the food bank.
14 I'm always going to tell people that I love history,
15 but I probably would not put tax credits on historic
16 preservation when I've got hungry kids that can't be
17 fed.

18 COMMISSIONER VAN MATRE: And you think
19 that's a fairly commonly shared opinion, do you?

20 MS. KIRKPATRICK: Do I? No, I think you
21 could ask five people and you're going to get five
22 different answers because they all have a different
23 hot button. That's why I'd rather do what I'm doing
24 because this is my hot button. It -- and I can't
25 even begin to put myself in your position. I think a

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1 return on investment is -- is an excellent thing to
2 look at, but -- but as previous testimony, how many
3 people are you putting to work and is it short term
4 or long term.

5 One of the things that we're doing that
6 we put in our proposal is that some of us don't
7 necessarily employ a great deal of people. We have a
8 paid staff of 39, we cover over 18,000 square miles,
9 but one of the things that our -- our involvement has
10 done is that the numbers have grown because of the
11 unemployment. If we can continue to feed John Doe in
12 say Kirksville until the economy turns around, John
13 Doe's not going to move to Columbia or Kansas City or
14 someplace else where they think they can get a job.
15 They're going to stay there and maybe work part-time,
16 have their hours cut, but work part-time until the
17 economy turns around.

18 What we're seeing is more and more and
19 more migration away from the rural counties into the
20 metropolitan and the whole economic infrastructure of
21 those counties are collapsing and it's a domino
22 effect. It impacts how much state and federal
23 dollars they'll get for their schools and for roads
24 and on a number of other things. So whatever we can
25 do to focus on maintaining economic infrastructure of

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1 the rural parts of this state, I'd say do it. And if
2 that means historic preservation, then do it. But
3 pretty soon you're going to have a lot of this state
4 that no one lives in.

5 COMMISSIONER VAN MATRE: And I think
6 that's an excellent point, and I don't know, is there
7 any way to judge that collateral benefit of something
8 like that? Is that a --

9 MR. PIEPER: The benefit of preserving
10 communities?

11 COMMISSIONER VAN MATRE: The benefit of
12 providing a designated or targeted benefit in an area
13 that's had greater than its share let's say of
14 economic losses or employment losses?

15 MR. PIEPER: And there are a variety --

16 COMMISSIONER VAN MATRE: Is there already
17 criteria?

18 MR. PIEPER: -- of programs that are
19 designated for, you know, low economic areas or
20 census tracts that have below average unemployment --
21 or higher than average unemployment. There's a lot
22 of those kinds of criteria that are built in to these
23 programs. For example the NAP program, you know,
24 you're eligible for 70 percent credits whereas if
25 you're in other --

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1 MS. HEMENWAY: She's in Columbia.

2 MS. KIRKPATRICK: We're headquartered
3 here. I like the way you're thinking though. I'll
4 move.

5 MR. PIEPER: In the rural areas --

6 MS. KIRKPATRICK: Right.

7 MR. PIEPER: -- you're eligible for 70
8 percent of credits as opposed to in the urban areas,
9 the NAP credits are 50 percent credits. Those 70
10 percent credits are much more desirable for an
11 organization like yours because you can market them
12 much easier and you can attract those donations much
13 easier. So there's some kind of -- those factors are
14 taken into account in these programs.

15 COMMISSIONER VAN MATRE: But you're a
16 service area, your client basis is much larger.

17 MS. KIRKPATRICK: Yeah, it's 32 counties.

18 COMMISSIONER VAN MATRE: Because it's
19 here, she's not eligible for the 70 percent credits?

20 MS. HEMENWAY: The statute and the rules
21 designate who's eligible for 70 and who's eligible
22 for 50 and -- and the Columbia base of the food bank
23 makes them eligible for 50.

24 MS. KIRKPATRICK: That's where we're
25 headquartered.

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1 COMMISSIONER VAN MATRE: But what's your
2 percentage of benefit here versus other counties
3 where the -- the need -- you were just talking about
4 this sort of flight to urban areas. What percentage
5 of your services are rendered outside the Columbia
6 area?

7 MS. KIRKPATRICK: Last year Boone County,
8 if we're going to look at poundage, Boone County
9 received about -- and this is off the top of my
10 head -- about five or six million pounds of food and
11 the remaining amount went to all of those other
12 counties.

13 COMMISSIONER VAN MATRE: And the
14 remaining amount was how much?

15 MS. KIRKPATRICK: If I -- if I said five,
16 six, it would be about 18 million went everywhere
17 else. For instance down in the Lake area, Camden,
18 Miller and Morgan County we have put combined in
19 those three counties probably over two million pounds
20 of food.

21 COMMISSIONER VAN MATRE: Okay. So follow
22 me on the math here and make sure I've got it right.
23 You distribute a total of 24 million pounds?

24 MS. KIRKPATRICK: 24.4 million.
25 wholesale value was 38 million.

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1 COMMISSIONER VAN MATRE: So six of that
2 was in --

3 MS. KIRKPATRICK: Boone County.

4 COMMISSIONER VAN MATRE: Boone County.
5 So why wouldn't they be available for five-sixths of
6 their credits to be 70 percent credits?

7 MS. HEMENWAY: It's just the way the
8 current guidelines are written. The current rule is
9 written, they apply as an organization, and the rule
10 designates them a 50 percent applicant. If you want
11 to -- that's a --

12 MR. PIEPER: That could be a
13 recommendation.

14 MS. HEMENWAY: That could be a
15 recommendation.

16 COMMISSIONER STILL: Is that in the
17 statute or is that a rule?

18 MS. HEMENWAY: It's a rule. You know,
19 I'd have to look to see if it -- if it came from --
20 the statute depicts the 70's and the 50's. Whether
21 or not specifically the headquarters was a rule or
22 the headquarters was in the statute, I can't recall
23 right now, but I can look it up for you.

24 COMMISSIONER STILL: That sounds like
25 something that -- it's not going to solve this whole

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1 problem, but it sounds like a tweak that would make
2 it more just or more consistent.

3 COMMISSIONER VAN MATRE: well, I mean,
4 economically this particular application may not -- I
5 mean, the NAP credit as a whole has an economic
6 efficiency of just about one to one. So preserving
7 that credit seems to make a good deal of sense.
8 Allocating the credit among all the applicants
9 though, it sounds like there isn't specific
10 guidelines and so you all just sort of do the best
11 you can or.

12 MS. HEMENWAY: No. There are specific
13 guidelines. There's --

14 MR. PIEPER: There's rules --

15 MS. HEMENWAY: -- statutes and there's
16 rules and then there's guidelines that are based on
17 the rules and based on the statute. And you're --
18 you're asking me why she's a 50 percent recipient
19 versus a 70 percent, and I -- I'm -- my answer is
20 it's either in the rule or in the statute, but I
21 can't -- or in the guidelines which directs her to
22 apply --

23 COMMISSIONER VAN MATRE: Your hands are
24 tied.

25 MS. HEMENWAY: -- for 50's and I -- off

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1 the top of my head I don't know which -- which place
2 it's in.

3 COMMISSIONER VAN MATRE: Among the
4 applicants though for NAP credits, how do you
5 differentiate between a food bank and some other --

6 MS. HEMENWAY: There are evaluation
7 criteria that we raise and evaluate every application
8 against. And to answer your question previously
9 about, need is one of those criteria. And need is
10 represented by a series of questions. Impact is
11 represented by a series of questions. Leverage is
12 represented by a series of questions. Capacity is
13 represented by a series of questions to make sure
14 that the organization has the capacity to -- to not
15 only to administer and garner the donations
16 necessary, but also the capacity to carry out the
17 project or program that they say they're going to.

18 COMMISSIONER VAN MATRE: Quantify or a
19 score?

20 MS. HEMENWAY: We quantify those and
21 evaluate them against that criteria. And we make our
22 recommendations based on those results.

23 COMMISSIONER VAN MATRE: Is the criteria
24 public?

25 MS. HEMENWAY: Yes. It's in these

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1 guidelines.

2 MR. PIEPER: It's in the rule. And then
3 there's an annual -- each funding cycle there's a
4 publication of the guidelines.

5 COMMISSIONER VAN MATRE: So Peggy could
6 go to that and figure out what of those scores,
7 maximum scores --

8 MS. HEMENWAY: The question is can you go
9 objectively score yourself and come up with -- is
10 that what you're saying? No. This is not an
11 objective scoring criteria and I don't know how a
12 discretionary credit that evaluates a food bank
13 against a YMCA could be an objective scoring. We put
14 as much objectivity into the scoring as we possibly
15 can, but there is admittedly subjectivity to it as
16 well.

17 CHAIRPERSON GROSS: We need to move on to
18 public testimony and have those discussions either
19 privately with staff or at a commission meeting later
20 on. Thank you very much.

21 MS. KIRKPATRICK: Thank you.

22 CHAIRPERSON GROSS: Next we have
23 Linda Priaulx --

24 MS. PRIAULX: Priaulx.

25 CHAIRPERSON GROSS: Sorry, and Mary.