

**St. Joseph
Social Contribution Program Testimony
9-13-10**

James Fisher Pregnancy Resource Center Testimony

HEARING 9/13/2010

Page 14

1 MR. STOGEL: What kind of project is it?

2 MR. EVANS: It will be an office building
3 and so I know low-income housing, of course, wouldn't
4 apply. I - if something does apply, please let me
5 know.

6 MR. STOGEL: Maybe in a side bar.

7 MR. EVANS: Okay.

8 MR. STOGEL: But to know where the property
9 is located or whether some-

10 SENATOR GROSS: Thank you very much for
11 being here.

12 MR. EVANS: Thank you, thank you.

13 SENATOR GROSS: Next, I'm not sure whether
14 you want to testify or not, James Fisher.

15 MR. FISHER: Yes, sir.

16 SENATOR GROSS: Welcome, Mr. Fisher.

17 MR. FISHER: Thank you.

18 SENATOR GROSS: When you're ready. To those
19 new folks that have come in, have you signed in?

20 SENATOR GROSS: Would you like to introduce
21 yourself?

22 MS. KELLEY: My name is Nancy Kelley. I'm
23 an employee of the-

24 SENATOR GROSS: Thank you. I'm glad you're
25 here. That will not take away from your time.

HEARING 9/13/2010

Page 15

1 MR. FISHER: No, that's fine.

2 SENATOR GROSS: Proceed.

3 MR. FISHER: I don't anticipate taking the
4 entire ten minutes anyway. I am here as the Executive
5 Director for the Pregnancy Resource Clinic located
6 here in St. Joseph. The Pregnancy Resource Clinic
7 serves centers across the State, as well as maternity
8 homes. There is a tax credit specifically for those,
9 as you all are aware. It is a 50 percent tax credit.
10 And our clinic specifically has been a great
11 beneficiary of that tax credit.

12 We have a total annual budget of about
13 \$250,000. Of that total budget, we - and we employ
14 two full time staff, three part time nurses with that
15 and pay all of our overhead with that 250,000. In
16 addition, we have about 40 volunteers that volunteer
17 on a regular basis, so what happens in our situation
18 and in most of the pregnancy clinics and a lot of the
19 maternity homes across the State is that that money is
20 turned over from the tax credit benefit multiple,
21 multiple times in the community because of the
22 volunteer hours that are donated.

23 I mean individually, we have over 200 hours
24 of volunteer hours donated each week from men and
25 women who volunteer in our clinic specifically. We as

HEARING 9/13/2010

Page 16

1 an individual organization had about \$97,000 that was
2 donated to our clinic which was then applied for tax
3 credits, so the individuals from - that donated that
4 to us specifically received \$47,000 approximately, in
5 tax credits back. Those donations ranged from the
6 individual who could donate \$100 all the way up to our
7 top donation that applied for a tax credit, which was
8 a \$12,000 donation.

9 So it is a broad spectrum of the economics
10 of the people who are able to contribute it and be a
11 part of it, but it is also a broad spectrum of the
12 people who benefitted from that tax credit. And as I
13 said, then, individually, those people who make those
14 tax credits also then come back and, like I said, it's
15 multiple many times over with us being able to just
16 simply do the work that we do.

17 What we do specifically is provide
18 emotional, physical, and mental support, as well as
19 spiritual support, to women who face unplanned and
20 unintended pregnancies. The goal of most pregnancy
21 centers is to help them make a choice for life.

22 There's multiples amount of information out
23 there about the influence and what happens when women
24 have an abortion and how that affects their lives on
25 down the road. Maybe not in that first year, but in

HEARING 9/13/2010

Page 17

1 three to five and seven years down, historically they
2 - 50 percent of every woman that's had an abortion,
3 they become addicted to drugs or become alcoholics and
4 that becomes a burden on the community. So if we can
5 help eliminate that from the beginning, it really
6 helps eliminate that process and the expenditures of
7 the State.

8 And the programs that we do also, we try to
9 work to keep our clients off of the welfare systems
10 and help move them through that process through
11 educational classes, through parental training,
12 through budgeting and finance work that we do with
13 them on a one on one basis to help move them through
14 that process so that they don't become a part of the
15 social service network.

16 That's really one of the things that we
17 really work to do and I believe most of pregnancy
18 clinics across the State do, as well. That's my
19 comments and I'll entertain any questions you may
20 have.

21 SENATOR GROSS: Any questions of Mr. Fisher?

22 MR. STOGEL: Just so I understand the math
23 on the illustration of the \$47,000, it supports the
24 \$250,000 operating budget?

25 MR. FISHER: Yes.

HEARING 9/13/2010

Page 18

1 MR. STOGEL: Plus there's additional
2 volunteer services, so it's not additional costs that
3 a government would bear?

4 MR. FISHER: Correct.

5 MR. STOGEL: So it's relatively low
6 leverage?

7 MR. FISHER: It's incredibly low leverage
8 compared to what we would see with the tax credits.

9 MR. STOGEL: And how many women go through
10 your program?

11 MR. FISHER: In 2009, we saw 174 clients; in
12 2010, by the 1st of May, we had already seen over -
13 that many clients. As of last week, it was around 250
14 clients this year, so our numbers are increasing. The
15 numbers, they're actually dramatically increasing.

16 By the end of the year, we would anticipate
17 that we would more than double the number of clients
18 that we were serving in the previous year.

19 MR. STOGEL: One of the complicated
20 questions for the Commission, and I'd appreciate your
21 thoughts, is how do you measure fiscal impact to
22 social programs, whether it be this one or the
23 opportunity for affordable housing or neighborhood
24 assistance and maybe, by example, other - I'm just
25 asking, I'm suggesting for the other Commission

1 members, numbers of clients served, number of
2 volunteers, so we're really struggling for how do you
3 assess social programs.

4 We have a committee formed for contribution
5 programs, social programs, and your particular credit
6 program is assigned to that one and it's Senator Jolie
7 Justus from this side of the State and Bill Hall from
8 the Hall Family Foundation. So if you give me your
9 card, we'll get your information on to them, your
10 comments to them would be appreciated.

11 MR. FISHER: Okay, sir, we'll do that.

12 SENATOR GROSS: Any other questions or
13 comments? Thanks for being here, Mr. Fisher. Next on
14 the list is - is it Brad Lau?

15 MR. LAU: Yes.

16 SENATOR GROSS: Alright. Welcome, Mr. Lau.

17 MR. LAU: Thank you.

18 SENATOR GROSS: Please go ahead and state
19 your name so that she can get you on the record and
20 proceed.

21 MR. LAU: It's Brad Lau with the St. Joseph
22 Area Chamber of Commerce. And the St. Joseph Area
23 Chamber of Commerce serves as the lead economic
24 development agency for the community of St. Joseph.
25 We contract with the City and the County for economic

1 MR. LAU: It's 40.

2 MR. STOGEL: I mean, if you could write a
3 perfect script for St. Joe, what would you do? What
4 would the number be and which category would you like
5 to be in? Kansas City has both a first class city and
6 rural designation. That probably dates back to Mr.
7 Pendergast, but what would St. Joe like, because most
8 of the businesses in America are under 25 employees.

9 MR. LAU: Yeah, I think under twenty would
10 be great and then it would help us with a lot of our
11 local expansion projects anyhow.

12 MR. STOGEL: Is that more important than the
13 county wage average issue?

14 MR. LAU: I think so, yes.

15 SENATOR GROSS: Any other questions? Thank
16 you for being here.

17 MR. LAU: Thank you.

18 SENATOR GROSS: Next. I'm not sure if you
19 wanted to testify - Pat Conway?

20 UNKNOWN: He's gone.

21 SENATOR GROSS: Oh, he left. Okay, then
22 next is nobody on that list. On this list, Bob
23 Springate?

24 DR. SPRINGATE: Bob Springate with Missouri
25 Baptist Children's Home. Thank you. I appreciate the

1 opportunity. I just want to begin by saying the tax
2 credits have helped Missouri Baptist Children's Home
3 partner with the State of Missouri in ways that we
4 never were able to do before because we're able to, in
5 effect, pool the resources both from the public sector
6 and the private sector to take care of literally twice
7 as many kids in crisis as we were able before that was
8 a possibility, so this has been a real benefit to
9 helping us serve that portion of the Missouri
10 population.

11 Also, it comes to play in the -
12 particularly within our residential program. We've
13 got a lot of different programs, but in our
14 residential program and most of our programs, most of
15 our kids are already in the custody of the State and
16 since the State doesn't pay the full cost of care,
17 what the tax credits do is allow us to raise money
18 from private sources that now we're able to pay for
19 all of it and that's been very, very helpful.

20 We understand and realize that tax credits
21 do fall in different categories. You know, those that
22 are either unfunded or unlimited, difficult to control
23 or anticipate, we certainly understand, and I
24 appreciate that.

25 Of course, there are others that are capped

1 or subject to appropriations and virtually all the
2 ones that we use fall into that category and, again,
3 those are the ones that have been very helpful in
4 multiplying the resources available to minister to
5 these kids and families that we service in - well, all
6 across the State. Our home office is in St. Louis,
7 but we have campuses and regional offices all across
8 the State.

9 Of course, there's a third category that is
10 really special to us since we helped you all - the
11 legislature put that legislation together and those
12 are what we call purchased tax credits, which have no
13 impact on the State budget whatsoever, because if
14 somebody makes a \$1,000 tax credit gift that qualifies
15 for 50 percent tax credit, the agency sends that \$500
16 back to the State, so when the application comes
17 through, the \$500 is being given back to the State so
18 that it doesn't come out of the budget.

19 Now, that is currently tied to what the
20 State pays us for taking care of kids. There's a 40
21 percent cap on that. In other words, if the State
22 pays us \$100,000 to take care of kids, only 40 percent
23 of that can be used for a tax credit. Well, that rate
24 lets us raise that other 40 percent, so that's still a
25 good thing.

1 I'd like for you to consider taking that
2 cap off since it doesn't really affect the State
3 budget. With or without a cap, that money is coming
4 back to the State from the agency in order to cover
5 that credit.

6 MR. STOGEL: We'll roll the clock back just
7 a little bit-

8 DR. SPRINGATE: I'm sorry?

9 MR. STOGEL: Can you roll the clock back a
10 little bit?

11 DR. SPRINGATE: Yes.

12 MR. STOGEL: Can you briefly tell us what
13 Missouri Baptist Homes do and which tax credit
14 programs you're using presently?

15 DR. SPRINGATE: Yes. I'm sorry. I was
16 trying to get my thoughts within ten minutes. The tax
17 credit program-

18 MR. STOGEL: -and which programs you're
19 using.

20 DR. SPRINGATE: The ones that we use with
21 the Department of Economic Development are the
22 Neighborhood Assistance Program, NAP, Youth
23 Opportunities Program, but then we also use the
24 Maternity Home, MHC, the pregnancy resource center tax
25 credit that's already been spoken to this morning, and

1 the Children in Crisis Tax Credit which is tied to the
2 Adoption Subsidy Tax Credit. And then the other one
3 that we use which falls into that purchase category
4 and as far as I know it's the only one that lives
5 there is the RTA, Residential Treatment Agency Tax
6 Credit for agencies that provide residential treatment
7 for children in crisis.

8 MR. STOGEL: Let's break them into two
9 areas. You have contribution credits in the NAP, YOP,
10 maternity, pregnancy, and adoption and children in
11 crisis and then you have this residential treatment
12 credit.

13 DR. SPRINGATE: Yes.

14 MR. STOGEL: Let's put that one aside for a
15 moment. So how much of these five programs do you
16 raise - what's your total for credit that are
17 statewide?

18 DR. SPRINGATE: Well, it varies from year to
19 year because they're tied to projects and you have to
20 be approved before you - but generally speaking, in
21 those, we will have tax credits that approach a half a
22 million dollars, 500,000.

23 MR. STOGEL: So all in the \$500,000, plus or
24 minus, so that you raise a million?

25 DR. SPRINGATE: Yes.

1 MR. STOGEL: And what's your total budget
2 for your operation?

3 DR. SPRINGATE: Approximately 14 million.
4 So it's a small part-

5 MR. STOGEL: Seven percent.

6 DR. SPRINGATE: -but a very important part.

7 MR. STOGEL: Seven percent is a big
8 percentage. By way of curiosity, where do you get the
9 other 13 million from?

10 DR. SPRINGATE: A big portion of it now
11 comes from contracts with the State.

12 MR. STOGEL: Okay, so the State is paying
13 part of that 13 million?

14 DR. SPRINGATE: Yes, for contract for
15 services, and then the rest of it is raised through
16 contributions, estate planning gifts, a little bit
17 from our endowment.

18 MR. STOGEL: So of the 13 million, how much
19 approximately for the State contracts?

20 DR. SPRINGATE: All of the contracts
21 together, I would have to - I could get that figure
22 for you exact, but it would probably be about 40
23 percent of that.

24 MR. STOGEL: 40, so 4 and a half million
25 dollars, 5 million dollars?

1 DR. SPRINGATE: Yeah.

2 MR. STOGEL: And then you put in 8 million
3 dollars from other sources?

4 DR. SPRINGATE: Yes.

5 MR. STOGEL: So the total contribution from
6 the State is 40 percent of 13 million, or about a
7 third-

8 DR. SPRINGATE: Yeah.

9 MR. STOGEL: -that State assisted. How many
10 kids do you serve?

11 DR. SPRINGATE: At any given time, in all of
12 our programs, I think what's on the website right now
13 is almost 500. Now, that turns over. Like our
14 emergency placement, it's only a 30-day program, the
15 children in residential care will average probably six
16 months, so - crisis pregnancy, that will vary
17 depending on how far into the term they are when they
18 come to us, but at any given time we'll be working
19 with about 500, if you include residential,
20 foster/adoptive, case management and the various
21 things that we do.

22 MR. STOGEL: So in the course of a year -
23 whatever the right would be - cases, people, whatever
24 word-

25 DR. SPRINGATE: You know, I've never broken-

1 MR. STOGEL: 700, 800?

2 DR. SPRINGATE: Oh, no, no, no. It would be
3 in the thousands.

4 MR. STOGEL: Thousands. I'm going to try to
5 - and I'm going to the issue of-

6 DR. SPRINGATE: Sure. And that information
7 is available, I've just not broken it out that way on
8 our annual report, and I'd be happy to make those
9 available to you.

10 MR. STOGEL: As I noted when the other
11 gentleman spoke about the pregnancy credit, on all
12 these social and contribution programs, we'll kind of
13 look for a matrix, maybe number of people served or
14 number of - the leverage you get, the State gets from
15 them.

16 DR. SPRINGATE: Right.

17 MR. STOGEL: Two-thirds of the money for
18 your organization comes from non-state sources. What
19 is the right chemistry to measure social programs. We
20 have no idea.

21 DR. SPRINGATE: Of course, there's some of
22 that now built into the YOP and NAP. There's - they
23 ask "What are you going to do and how are you going to
24 improve?" So some of that is already there and in the
25 application process.

1 MR. STOGEL: Correct. But the model and
2 some of the other economic models that measure the
3 State's return of a dollar out of how much they get
4 back, these social programs don't score very well - at
5 least all the folk that we've talked to understand
6 that social programs are treated differently than
7 let's say a "Built in Missouri" or something that
8 scores in a model.

9 In part of the Commission Hearing the other
10 day, we're trying to figure out -we were asked by a
11 fellow Commissioner to think about and ask about what
12 models there could be to measure the social programs.

13 DR. SPRINGATE: Okay, and I'm not aware of
14 that model.

15 MR. STOGEL: So far, neither are we.

16 DR. SPRINGATE: The one model that I'm aware
17 of is that, you know, we're raising money to take care
18 of State kids and that's almost a dollar for dollar
19 return. In other words, it would cost you a dollar to
20 take care of the kids, you pay us 50, we raise 50.

21 MR. STOGEL: And in your first case was 20
22 cents on the operating budget and this sounds like
23 500,000 is three and a half percent.

24 DR. SPRINGATE: Say that again?

25 MR. STOGEL: Three and a half percent with

1 4.2 million - a third of your operating budget comes
2 from State resources, but the other two-thirds come
3 from private resources-

4 DR. SPRINGATE: But 90 percent of our kids
5 come from the State.

6 MR. STOGEL: And 90 percent of the kids come
7 from the State, so there is maybe some math there that
8 we can learn from.

9 DR. SPRINGATE: I'm sure. Oh, I agree. But
10 when you talk about models, you're moving into an area
11 that's not my responsibility or expertise.

12 MR. STOGEL: And I notice that you've
13 accessed lots of programs to help the services for all
14 the families and kids you serve-

15 DR. SPRINGATE: Yes.

16 MR. STOGEL: -in different ways and in
17 relatively small amounts. That's a very illuminating
18 example.

19 DR. SPRINGATE: And we're hoping you'll also
20 continue to consider the legislature; that is, a
21 purchase tax credit for those that work with
22 developmentally disabled. That's been on the floor
23 before.

24 SENATOR GROSS: Do you have an opinion on
25 the idea of combining a lot of the social credits into

1 one credit pool?

2 DR. SPRINGATE: I don't know about into one
3 credit pool, but a unified application process and
4 simplified application process would certainly be
5 nice, you know, because we deal with so many. You
6 know, with every program, we've got a different
7 challenge to explain it to our donors how it works and
8 what they need to do in order to get credit, so that
9 certainly would be helpful.

10 SENATOR GROSS: Questions? Representative
11 Komo?

12 MR. KOMO: I guess this is kind of - which
13 I'm having is - I mean, what is your reimbursement
14 right now per child, or do you know?

15 DR. SPRINGATE: Are you going to speaking to
16 that, reimbursement rate?

17 MS. HEMENWAY: I can get that information.

18 MR. KOMO: Okay.

19 DR. SPRINGATE: And it varies program to
20 program.

21 MR. KOMO: I mean, because that's the thing
22 that's on the budget too, and I mean, that's one of
23 the issues that we can reduce reimbursements-

24 DR. SPRINGATE: Right, and Carmen has those
25 figures.

1 MR. KOMO: -tax credits are a way for you to
2 fill those holes-

3 DR. SPRINGATE: Yes.

4 MR. KOMO: And these are kids that need a
5 place to go-

6 DR. SPRINGATE: Absolutely.

7 MR. KOMO: -from the State, so I guess
8 that's the balance, I guess, as we look-

9 DR. SPRINGATE: It's always balance.

10 MR. KOMO: -you know, it's reducing - the
11 tax credit is reducing the State's liability, I guess,
12 so then to kind of balance it out, and I guess if we
13 were fully funding the reimbursements, we wouldn't
14 need the tax credit program, but since we're not-

15 DR. SPRINGATE: Right.

16 MR. KOMO: -we need to figure out how to -
17 that's kind of balance of it.

18 DR. SPRINGATE: Thank you.

19 SENATOR GROSS: Questions from the
20 Commission? Thank you very much for being here.

21 DR. SPRINGATE: You bet. Thank you.

22 SENATOR GROSS: Next on the list is Andy
23 Moody.

24 MS. MOODY: Judy.

25 SENATOR GROSS: I'm sorry. Sorry, Judy.

1 test, but would rather have it as a capped expenditure
2 test.

3 MS. MOODY: I think that might be
4 reasonable.

5 MR. STOGEL: Like rather than trying to get
6 certifications of people's income of 24,000, 34,000,
7 40,000, and that's not the purpose of trying to save a
8 historic building, but putting some sort of reasonable
9 cap on it can go a long way to prevent gold coast
10 usage as has been suggested.

11 MS. MOODY: Yeah, we just have a lot of
12 people who could use this.

13 MR. STOGEL: I'd like you to talk with Peter
14 and exchange cards and be part of the process.

15 MS. MOODY: Okay, thank you very much.

16 SENATOR GROSS: Questions from anybody else
17 on the Commission? None? Thank you very much for
18 being here. Next is Robin Winner. Welcome, Ms.
19 Winner.

20 MS. WINNER: Thank you so much.

21 SENATOR GROSS: Go ahead and state your name
22 again for the record and proceed.

23 MS. WINNER: My name is Robin Winner and I'm
24 the Executive Director of Synergy Services in Kansas
25 City. And I appreciate the opportunity to be here

HEARING 9/13/2010

Page 48

1 with you all. Synergy is a large agency where we have
2 a multifaceted mission. We serve both victims of
3 domestic violence, child abuse, and adolescent
4 homelessness and abuse. We call ourselves a violence
5 prevention intervention agency.

6 We have about a 7.2 million dollar budget
7 and we provide shelter each year with more than 20,000
8 nights of care for people escaping various kinds of
9 violence and abuse. We also-

10 SENATOR GROSS: Could you go ahead and tell
11 us up front, just to keep us on track, which credits
12 you're the most interested in?

13 MS. WINNER: We receive Domestic Violence
14 Credits, we receive YOP credits and we recently did a
15 capital campaign where we used AHAB credits to help us
16 build our new homeless youth campus.

17 SENATOR GROSS: Thank you.

18 MS. WINNER: To start with that, we have
19 been in the business of sheltering homeless kids for a
20 long time and found the need to both increase our
21 ability to shelter kids as well as the services
22 surrounding that. And we were able to purchase a
23 vacant building in urban - in Clay County that had
24 been sitting vacant for five years on five acres. We
25 used AHAB credits to translate that into a homeless

1 youth campus where we have all kinds of services.

2 We're a lead silver certified building.

3 We are providing mental health and physical
4 health care in a distressed zip code area that's been
5 shown to be under served in terms of those services.
6 And without the AHAB credits, I'm certain that we
7 would have had a much more difficult time
8 accomplishing that goal.

9 We used approximately a million dollars
10 worth of credits to leverage about 2.5 million of our
11 8.9 million dollar campaign, so it was very
12 significant in helping us generate, you know,
13 resources from the community. The other thing about
14 the AHAB credits were that they are transferrable, so
15 we were able to - some of the foundations were able to
16 utilize those as well.

17 The Domestic Violence Credits are
18 essential. We have our safe haven domestic violence
19 shelter. We have been running at 110 percent
20 capacity. This kind of economy is the perfect storm
21 for great increase in services and decrease in all the
22 revenue that's needed for that.

23 And I also am President of the Coalition -
24 the Kansas City Coalition of Domestic Violence
25 Agencies and all of the shelters in the metro area

1 utilize the Domestic Violence Tax Credits
2 significantly. I think certainly if the State covered
3 the full cost, as Representative, you mentioned
4 before, there wouldn't be a need for the tax credits
5 and that would probably be preferable, but we know
6 that we lose approximately \$100 a night on - when we
7 provide care for people that are in State custody or
8 subsidized by the State, because the costs are that
9 much greater than what's being paid.

10 So what the tax credits allow us to do is
11 to leverage - invite the community to help meet that
12 shortfall and it's just crucial for our ability to
13 make up that deficit across many programs for people.

14 MR. STOGEL: I understand AHAB - that
15 leverages almost 9 million dollars-

16 MS. WINNER: Right.

17 MR. STOGEL: -in costs.

18 MS. WINNER: Right.

19 MR. STOGEL: That's a pretty good leverage.

20 MS. WINNER: It was good, yeah.

21 MR. STOGEL: And from domestic violence and
22 YOP, you're getting how much?

23 MS. WINNER: The domestic violence, we get
24 about 100,000 in credits a year which leverages-

25 MR. STOGEL: And YOP?

HEARING 9/13/2010

Page 51

1 MS. WINNER: -200,000 in gifts.

2 MR. STOGEL: And YOP?

3 MS. WINNER: And we had a \$300,000
4 commitment.

5 MR. STOGEL: So \$400,000 of State credits
6 raises \$800,000 and your total budget is 7 million
7 two?

8 MS. WINNER: Right.

9 MR. STOGEL: So it's about one-ninth.

10 MS. WINNER: But I think you can't look at
11 every dollar as the same, so about 50 percent of our
12 budget comes from government funding, federal, state,
13 local, county funding. That means we have about 50
14 percent of our budget we have to raise from the
15 community, and the most challenging, especially in an
16 economic situation like we're in now, those dollars
17 become much more difficult to leverage than ever
18 before.

19 So in addition to providing the direct
20 dollar for dollar leverage, it also helps us engage
21 people and companies and supporters in the community
22 in a way that I don't think we'd be as successful
23 without that support.

24 MR. STOGEL: Just so I can grasp the
25 numbers.

1 MS. WINNER: It's hard to grasp.

2 MR. STOGEL: \$800,000 of contributions is
3 supported by \$400,000 of combined tax credits. That
4 800,000 is a little more than 20 percent, 22 percent
5 of the 3.6 that's non-governmental. So you get about
6 eleven percent of your money from these credits-

7 MS. WINNER: Right.

8 MR. STOGEL: -that have cost the State five
9 and a half percent. So it's a significant piece of a
10 larger budget.

11 MS. WINNER: I don't know if you're saying
12 that it sounds like little, or I'm not sure I'm
13 understanding.

14 MR. STOGEL: I'm not sure of where - I have
15 no agenda in this one at all.

16 MS. WINNER: Yeah, I'm just trying to get
17 clarity.

18 MR. STOGEL: I'm trying to learn what model
19 - we've now heard three examples today on our first
20 public hearing of total State credits times two is
21 less than fifteen percent of the total budget which
22 comes from other sources.

23 MS. WINNER: And I think-

24 MR. STOGEL: That would be different than
25 where the State credits paid for a 100 percent.

1 MS. WINNER: You know, it would be wonderful
2 if it could be more, but I think if you look at non-
3 profit budgeting, you're going to find that that's a
4 significant percentage of a non-profit budget.

5 So for example, we're a United Way agency
6 and we abide by all the United Way requirements.
7 We're very engaged in United Way, and it's crucial to
8 our success, but less than five percent of our budget
9 comes from United Way, so in each component - and what
10 this allows us to do is to go out to people who maybe
11 would not consider personally contributing to, you
12 know, to say not only are you going to be helping our
13 mission, but you will be able to have a return,
14 personally, as well.

15 You know, it reduces the foot print that
16 you have to actually out of pocket convey.

17 MR. STOGEL: And we understand how
18 contribution credits work. It's - I'm just still
19 thinking about what kind of economic models work when
20 credits are seven or ten percent for contributions to
21 be fourteen or 20 percent of the total budget. How is
22 all of that put into a matrix. And he answered, "I
23 don't know," but maybe with some help, we can figure
24 that out because this is the third example we have
25 heard where credits are a critical part, but the total

1 doubled up value of the credits is still less than 20
2 percent of the operating budget. That means a lot of
3 money is coming from other places. So we're trying to
4 find measurement test, and this has been interesting
5 information, so.

6 MS. WINNER: But I will stress that it may
7 seem nominal in the big picture, but it - in our sense
8 of the challenge of trying to raise those funds to
9 help our community's most vulnerable citizens, it's
10 really crucial.

11 MR. STOGEL: Plus you get in from all sorts
12 of other people that help in direct ways, as well.

13 MS. WINNER: Exactly. So we really -

14 MR. KOMO: So I mean, on the domestic
15 violence, I mean, do you get reimbursement for some of
16 that, regardless how small or the dollar amount
17 doesn't matter. I mean do you get an federal or from
18 the State-

19 MS. WINNER: We get State bed nights for a
20 small percentage of the cost.

21 MR. KOMO: So a lot of the people that you
22 are seeing, you are getting a some form of
23 reimbursement?

24 MS. WINNER: Yeah. I mean - it's not based
25 - there's a maximum amount that we can bill out, so we

1 can spread it as far as - I mean, we could use it up
2 in a short time or we can spread it out over a period
3 of time.

4 MR. KOMO: Kind of what we brought up
5 earlier about you still having the same ability to
6 type which you are now, but shrinking them down to
7 making it easier to process, and that would be
8 beneficial.

9 MS. WINNER: I'm sorry?

10 MR. KOMO: Shrinking, I guess, streamlining
11 the process to where there may be one or two credits,
12 but yet you're utilizing them the same as you are now
13 would be - less paperwork, stuff like that, that would
14 be more beneficial?

15 MS. WINNER: I mean, I think the challenge
16 of that - I'm a - Synergy is a merged agency, so in
17 the process of our history, we've merged like four or
18 five different agencies together. And in that
19 process, we've merged funding streams into, you know,
20 the total. And inevitably, those commitments that
21 those are going to stay the same, have been reduced.

22 So if the credits, the pool, the pot stays
23 the same, certainly it would be great. You know, it
24 could be combined into a non-profit credit. My
25 concern would be, you know, how do you sustain that

1 same level of commitment, you know, that you have now
2 in the various-

3 MR. KOMO: I think when you shrink programs,
4 there's always administrative costs. So if we have
5 ten programs, you have administrative costs for that
6 is one way to make it more efficient, would maybe to
7 reduce the amount, but then you may not see any
8 difference, but the administrative costs would be
9 different.

10 MS. WINNER: You know, and as long as the
11 availability would be - and, you know, access would be
12 the same, I think that, you know, but, you know,
13 truly, I can't - the challenge of managing a non-
14 profit in this climate is - and I mean, I can't
15 overstate how challenging it is. And the tax credits
16 are just an extremely important, even though small,
17 piece of how we're able to accomplish. So we wouldn't
18 want to do anything that would reduce that impact.

19 MS. RECTOR: I think you indicated that you
20 served 20,000 bed nights-

21 MS. WINNER: Right.

22 MS. RECTOR: -per year, and then under
23 State clients or those receive some sort of State aid,
24 you're losing about \$100 per night?

25 MS. WINNER: Right.

1 MS. RECTOR: Can you tell us what your
2 average cost is per night?

3 MS. WINNER: It averages about \$190 a night.

4 MS. RECTOR: And then what percentage of
5 your clients are on the State-

6 MS. WINNER: A large percentage, although
7 the domestic violence clients are not - it's not a
8 licensed program so that's just a pool of funds that
9 are where we get bed night subsidy.

10 Our homeless and runaway youth shelter, we
11 also have some federal funding, so we have had some
12 State kids and some, you know, kids who are in family
13 custody and I'm not sure of the exact percentage.

14 MS. RECTOR: And I'm assuming that annually,
15 your costs are increasing, yet your State assistance
16 is likely decreasing?

17 MS. WINNER: Right.

18 MS. RECTOR: So you're relying on the tax
19 credits to provide credits for funding from private
20 sources?

21 MS. WINNER: I mean more and more, we have
22 to supplement and figure out ways to make up that
23 shortfall, so that is a key tool to use to do that.

24 MS. RECTOR: Thank you.

25 MS. WINNER: Thank you.

1 SENATOR GROSS: Any other questions? Thank
2 you very much.

3 MS. WINNER: Well, thank you all. We
4 appreciate you working at this.

5 SENATOR GROSS: Next is Nancy Kelley. Ms.
6 Kelley? Please state your name for the record and
7 proceed.

8 MS. KELLEY: My name is Nancy Kelley. I'm
9 here representative of two entities. First as a
10 member of the St. Joseph Advisory Commission on Aging
11 appointed by the City Council of St. Joseph. As well,
12 I am a Property Manager, Senior Housing - Senior
13 Affordable Housing for Fairway Management.

14 Earlier this year, our panel on the
15 Advisory Commission, we network and are the eyes and
16 ears for the Council in the senior community. A
17 social worker approached us at a meeting that day,
18 with "What can I do?" and the "What can I do?" is a 94
19 year old lady was living in the Drury Inn because they
20 could not find her an apartment. She looks to me and
21 I'm the only representative of property on this panel
22 and I said, "I'm full and I have a waiting list." All
23 of Fairway properties are full, and from what I know
24 of other senior, including family - it's not isolated
25 just to senior - it's family property in the income

Tax Credits and Budget Impact for the State of Missouri

Prepared by:
Missouri Baptist Children's Home

Tax credits help Missouri Baptist Children Home and its affiliates partner with the State of Missouri in providing services for children that have suffered from neglect, abuse and abandonment. The tax credits make it possible for the agencies to raise additional private contributions to go along with the resources from the State, which significantly increases the total resources available to provide services for these children.

Because the state does not reimburse agencies for the full costs of care to agencies providing residential services for children in state custody, it is important to maintain the ability of those agencies to raise the additional resources needed to care for those children. In addition, tax credits allow agencies to provide services to those who are not in state custody and thereby reducing the potential financial impact, if they were to enter state custody.

The state needs to address the impact of tax credits on its overall budget and, in doing so, it is important to consider that tax credits are NOT all created equal but fall into three distinct categories.

1. First, there are the unfunded unlimited tax credits that create unfunded liabilities
2. Second, there are those tax credits that are already subject to annual caps or annual appropriations which allow the state to manage how many tax credits are issued and claimed in any given year. These include Neighborhood Assistance Program, Youth Opportunities Program, Maternity Home, Pregnancy Resource Center, and Children in Crisis.
3. Third, there are those tax credits that are "purchased" by the agency using them so there is no negative impact on the state budget at all. What this means is that the agency using the tax credits "reimburses" the State of Missouri for the amount of tax credits awarded. The example is Residential Treatment Agency.

A way to dramatically impact the budget of the State of Missouri in a positive way could come from making the tax credits in the first category subject to an annual "cap" or annual appropriation. Like the tax credits in category 2 that are already subject to annual appropriation, this allows the state to "control" what is allocated and limit its liability at whatever level is appropriate.

Tax credits in category 3 should not need any changes because these tax credits are purchased by the agency using them. A cap (or lack thereof) in this category has no effect on the state budget since these are "purchased" tax credits. And if the current 40% cap on the Residential Treatment Agency Tax Credit (RTA) was removed it would help the agencies raise even greater amounts of private dollars to pool with the state's dollars in taking care of children in state custody.

The legislature has also considered a "purchased" tax credit for agencies working with those with developmental disabilities. This, too, would be an opportunity for the State (at no cost to its budget) to provide for additional resources for services to this population of Missouri. This is especially needed since the Governor has had to make the difficult decision to reduce funding to the Department of Mental Health.