

Douglas
County
Community
Foundation

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February 5, 2025

Members of the House Committee on Taxation
Kansas State Capitol
Room 346-S
Topeka, Kansas

RE: House Bill 2208

Mr. Chairman and Members of the Committee:

Board of Directors

Webster Golden
Chair

Matt All

Justin Cordova

Becki Dick

Robert Fairchild

Barb Heeb

Ernesto Hodison

Cindy Maude

Deanell Reece Tacha

Dan Simons

Steve Warren

Katie Winter

Hortense Oldfather
Founding Director
1988-2007

Chip Blaser
Executive Director

On behalf of the Board of Directors and donor community of the Douglas County Community Foundation (DCCF), located in Lawrence, we are submitting comments in support of HB 2208; "concerning taxation; relating to income and privilege tax credits; enacting the endow Kansas tax credit act; establishing a tax credit for endowment gifts to certain endowment funds held by qualified community foundations."

Overview

DCCF was established in 2000 by our founder Tensie Oldfather, and a group of committed community members dedicated to creating positive change through charitable action in Douglas County. Now in our 25th year, we continue to support and grow the impact of nonprofit organizations through grant-making made possible by generous donors.

Thanks to the mindful stewardship of our assets, DCCF has distributed more than \$73 million in grant support over our 25 year history. Our dedication to community investment is focused on supporting key community priorities such as health, childcare, education, housing, and economic opportunity.

The Endow Kansas Tax Credit Act is a crucial opportunity for the continued growth of private philanthropy and direct community support to meet ongoing needs of Douglas County citizens.

HB 2208 Endow Kansas

By adopting this tax credit, the State will generate significant private funds to benefit Kansas for generations to come. Based on the experience and data provided by other states that have direct endowment tax credit programs (see KACF testimony), such programs provide a significant positive impact on public good giving.

DCCF annually provides more than \$700,000 in grants from unrestricted and field of interest funds to Douglas County nonprofit organizations. By providing our donors with the Endow Kansas Tax Credit, we will increase our nonprofit organization partners' capability to serve the most vulnerable in our community through increased grant funding.

Douglas County's Transfer of Wealth

Endowment funds retain wealth, helping to capture Kansas' transfer of wealth.

- *The CEDBR Transfer of Wealth Study* projects a \$1.1 trillion transfer of wealth in Kansas over the span of 50 years (2023-2073), which presents a long-term opportunity for sustained community growth and support IF funds remain in our Kansas communities.
- Over the next decade, Douglas County is poised to see a significant generational wealth transfer, amounting to \$14 billion, indicating strong potential for community investment and development.
- Capturing just 5% of this wealth transfer for DCCF endowments by 2037 could result in a substantial \$700 million boost to our local community economies and initiatives.

(CEDBR, Transfer of Wealth Study – 2024)

Perpetual Funding


Incentives, such as the proposed tax credits, encourage charitable giving. Unrestricted gifts—while often the hardest to secure—provide the greatest flexibility and impact in meeting ever-changing community needs. Unrestricted DCCF endowment funds provide a stable, ongoing source of support for our local nonprofits and initiatives, bridging funding gaps and securing the future of essential programs.

Our community and those across the State recognize the need for sustained support for both current and unforeseen community needs. DCCF unrestricted and field of interest funds have been activated during natural disasters, such as the tornado that ravaged our county in 2019, and through health emergencies, demonstrated most recently by the Covid pandemic. The Endow Kansas Tax Credit will help us be prepared to activate quickly, rationally, and sustainably.

Conclusion

The mission of DCCF, now and as we plan for the next 25 years, is to create positive outcomes for our neighbors through charitable action. Partnering with the State of Kansas through this tax incentive program will directly benefit of our donors, our nonprofit organization partners, and our entire community. With this legislation, DCCF can maximize our impact for years to come. We encourage the Committee to advance this bill.

Sincerely,


Web Golden, Presiaefit
DCCF Board of Directors