

TESTIMONY - WRITTEN ONLY

TO: The Honorable Les Donovan, Chair
And Members of the Senate Committee on Assessment & Taxation

FROM: YMCA's of Kansas

RE: SB 376 An Act concerning taxation; relating to income tax, rates; sales taxation, exemptions, rates and distribution of revenue and imposition of tax on certain services; eliminating food sales tax refund; local compensating use tax; duties of secretary of revenue; local property tax reductions.

DATE: March 7, 2012

Chairman Donovan and Members of the Committee:

These remarks are provided to you today on behalf of the ten Kansas YMCAs in opposition to the provisions of SB 376 that would impose a sales tax on certain memberships, programs and purchases provided by the YMCA's and other non-profit organizations in Kansas.

From our review of SB 376, we believe the repeal of sales tax exemptions found on pages 16-17 under K.S.A. 79-3603 (m) and (n), and provisions on pages 29 and 30 under K.S.A. 79-3606 (ii) and (rr) would negatively impact Kansas YMCAs and the communities they serve.

As we are all aware, the economic challenges facing Federal, state and local governments have placed an extraordinary burden on their ability to provide much needed services to Kansas citizens. It is appropriate for the State to evaluate current sales tax exemptions under these difficult times to see if they continue to be good public policy and we respectfully believe the YMCA's of Kansas earn their exemption each and every day through the myriad of services provided in our community, much at reduced or free rates for the financially-challenged.

The state of Kansas has made significant cuts in its spending and state programs over the past three years and continues to face challenges in balancing the needs of its citizens with limited resources. Some of the most difficult of these reductions have been in the area of social services, where our most vulnerable citizens are forced to do without needed services making their lives even more challenging.

As you consider making changes in the state's tax policy, we thought it important for you to hear from Kansas YMCAs to learn more about what we are doing to supplement and complement the state's efforts to provide meaningful services to all of its citizens, but perhaps most importantly, to those in great need at this difficult time.

Sn. Assmnt & Tax

3-7-12

Attachment # 15

A few of the facts about the YMCA's of Kansas can best illustrate this point:

- 500,000 Kansans were served by YMCAs in 2011. This represents one out of every 5 Kansans and includes more than 180,000 (or one out of every four) Kansas kids.
- \$12.1 million in free and assisted YMCA programs were delivered to Kansans in 2011. Many of these programs would have to be provided by the government or not provided at all if YMCAs were not available.
- YMCAs are the state's largest provider of child care, youth camps, fitness activities, sports programs, after school programs and swim lessons. 35.2% of Y members are Kansas children.
- YMCAs serve vulnerable Kansans and tailor programs to serve the elderly, military families, at-risk youth and special needs children and adults. \$600,000 in free services were provided BY YMCAs to outside agencies and nonprofits, helping them address broader community needs.
- \$282,000 in free health fairs, screenings, exercise and nutrition activities were provided to Kansans by YMCAs. The Y's provide significant services in the area of nutrition, exercise and healthy living, which significantly reduces health care costs.
- Kansans donated \$13 million to local YMCAs in 2011.
- YMCAs are volunteer-led, nonprofit community organizations that belong to the communities they serve.
- YMCAs serve their entire community and provide access to programs and services regardless of a person or family's ability to pay. No one is turned away from a YMCA for financial reasons.

As you can see from this brief list of YMCA services, Ys are helping the state of Kansas provide a safety net for some of our most vulnerable citizens, particularly during these difficult times.

Due to the tenuous condition of our economy, many of the families served by the YMCA are struggling to make ends meet. Consequently, adding sales tax to the costs of our memberships and programs is not an option in these difficult times. These additional taxes will result in further burdens on these vulnerable families. YMCAs will see a loss of participants, loss in funding and ultimately our ability to provide services will be significantly reduced. If YMCAs absorb the taxes in an effort to continue providing affordable services, free and assisted programs like after school programs, youth sports, scholarships and child care will be forced to take on cuts. Unfortunately, in either scenario it will be the most vulnerable of our citizens who will be asked to shoulder the majority of this burden, as YMCAs are forced to reduce free and assisted program offerings to meet the challenges of increased costs due to sales taxes.

If organizations like the Y are not able to provide these much needed services in our communities, who will? State and local governments are not going to be able to step in and provide these kinds of services nor will the for-profit, private sector.

Kansas is with the overwhelming majority of states that provide for a sales tax exemption for YMCA memberships; only two states collect sales taxes on memberships.

The YMCA's mission is to serve the community through programs that promote healthy lifestyles, strong families and positive youth development, regardless of an individual's ability to pay. Our mission is not driven by the bottom line.

I would like to close by saying we know you have a difficult task ahead of you as you work to balance the state's budget. The YMCAs are facing similar challenges with more and more people making economic decisions in regard to their memberships, increased requests for services and increases in the number of people seeking financial assistance from our facilities.

The YMCAs of Kansas respectfully suggest that increasing our costs by assessing sales taxes on our membership fees, programs and purchases will be very regressive and lead to further loss of the programs and services provided by our organization and similarly-situated ones, making any increase in state revenue more than offset by a loss of such programs in our communities.

Thank you for your consideration of our comments today.

YMCA's of Kansas

Attachment: YMCA's Mission Impact 2011

YMCA MISSION

To put Christian principles into practice through programs that promote healthy lifestyles, strong families, and positive youth development to build healthy spirit, mind and body for all, regardless of ability to pay.

KANSAS YMCAs

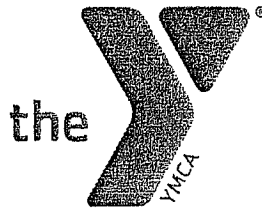
Camp Wood YMCA
Garden City Family YMCA
Greater Kansas City YMCA
Greater Wichita YMCA
Junction City Family YMCA
McPherson Family YMCA
Pittsburg Family YMCA
Salina Family YMCA
YMCA of Hutchinson & Reno County
YMCA of Topeka

THE Y DIFFERENCE

- Ys are volunteer-led, nonprofit organizations that belong to the communities they serve.
- Ys make communities better places to live through programs that nurture youth development, healthy living and social responsibility.
- Ys ensure that all kids have the opportunity to discover who they are and what they can achieve.
- Ys improve the nation's health and well-being as they bring families closer together, encouraging good nutrition and physical activity.

THE FACTS

- Obesity in the U.S. has nearly doubled since 1990, creating a health care crisis.
- Children who develop healthy habits at a young age are more likely to continue leading healthy lifestyles through adulthood.
- Children learn by example. Kids with active and healthy parents are more likely to be active and healthy themselves.



MISSION IMPACT

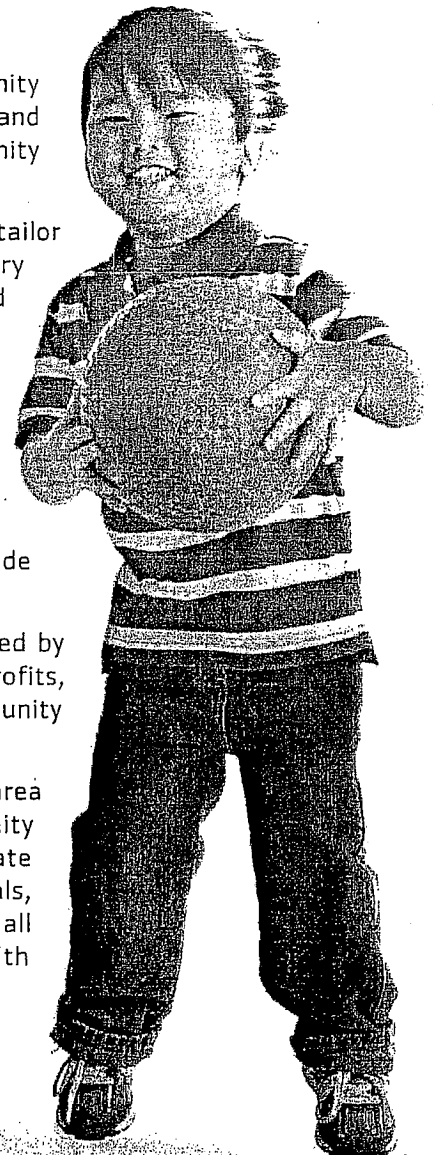
SERVING THE NEEDS OF KANSANS

- 500,000 Kansans were served by the YMCA in 2011.
- \$12.1 million in free and assisted programs were delivered to Kansans by the YMCA in 2011.
- 35.2% of Y members are Kansas children.
- YMCAs are the state's largest providers of child care, youth camps, fitness activities, sport programs, after school programs and swim lessons.
- \$282,800 in free health fairs, screenings, exercise and nutrition activities were provided to Kansans by YMCAs.

Approximately
10,250 volunteers
donated nearly
\$3.6 million worth
of time in 2011.

SERVING THE NEEDS OF COMMUNITIES

- YMCAs are created by the local community based on a regional needs assessment and are controlled by a local board of community volunteers.
- YMCAs serve vulnerable Kansans and tailor programs to serve the elderly, military families, and special needs children and adults.
- Kansans donated \$13 million to local YMCAs in 2011.
- Kansas YMCAs provided \$3.0 million in front-line services through public grants, contracts & vouchers, relieving the burden for government to provide many of these services.
- \$600,195 in free services were provided by YMCAs to outside agencies and nonprofits, helping them address broader community needs.
- YMCAs collaborated with hundreds of area Kansas agencies to provide community services including public and private schools, colleges, universities, hospitals, government agencies, churches of all faiths, community coalitions, health departments and other non-profits.



Y PARTNERSHIPS (partial list)

Schools/Education

Public & Private K-12 Schools
Private & Community Colleges
Public Universities
Early Learning Centers
Head Start & Early Head Start
State Pre-K Programs
Vocational & Trade Schools
Home Schools

Government

Parks and Recreation
Housing Authorities
Public Libraries
Departments of Health
Department of Corrections
Kansas Dept. of SRS & CACFP
Smart Start Kansas
Judicial Services
National Guard & Military Bases
Veteran Services
Government Council on Fitness
Kansas Hunter Safety Program
Police & Fire Departments

Nonprofits/Community Service

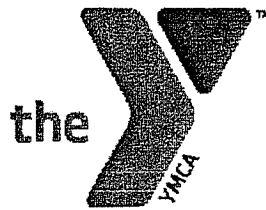
Am. Red Cross & Blood Centers
Boy and Girl Scouts
United Way & Supported Agencies
Children's Mercy Family Health Part.
Salvation Army
Women's Shelters
Homeless Shelters/Rescue Missions
Independent Living Centers
Big Brothers Big Sisters
Group and Children's Homes
Hospitals & Rehab. Programs
Addiction Recovery Centers
Providers for the Mentally &
Physically Disabled
Family Service & Guidance Ctrs
Service Clubs & 4-H
Boys and Girls Clubs of America
Meals on Wheels
YWCA's

Coalitions

Community Health Coalitions
Domestic Violence Groups
Communities in Schools
Youth Activity Coalitions
Early Education Coalitions
Silver Sneakers

Religious Groups

Churches of all Faiths
Interfaith Councils & Coalitions
Fellowship Groups
Intergenerational Programs
Youth Service Programs
Catholic Charities



**FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY**

CHANGING KANSAS LIVES

In 2011, Kansas YMCAs provided more than \$12.1 million in free and assisted programs to thousands of area youth and adults. Each and every dollar was an investment in the future success of our state.

Ys serve 1 of every 5 Kansans, and 1 of every 4 Kansas kids. Every life touched is a life changed.