

Good afternoon, Chairman Carlson, and Members of the Committee on Taxation. My name is Valissa Smith Marston and I am here as a Board Member and Past President of the Kansas City Chapter of JDRF (formerly known as Juvenile Diabetes Research Foundation). On behalf of JDRF International, the largest charitable funder of type 1 diabetes research, I am here to request sales tax exemption for this chapter that serves the entire state of Kansas, including more than 25,000 households that have been served by JDRF educational programs since the inception of this chapter.

As you consider HB 2048, I respectfully request that an amendment is included adding JDRF International - Kansas City Chapter to the list of sales-tax exempt organizations, for the purpose of accelerating progress on the most promising opportunities for curing, treating, and preventing type 1 diabetes. If approved, this exemption would allow our organization to direct more donations toward research and services instead of overhead, and would help Kansas-based event locations be more competitive when bidding for JDRF fundraising events.

JDRF is the leading global organization focused on type 1 diabetes research. Driven by passionate, grassroots volunteers connected to children, adolescents, and adults with this disease. Since its founding in 1970, JDRF has awarded more than \$1.6 billion to type 1 diabetes research, including \$116 million in FY2011. Researchers at the University of Kansas and its Center for Research in Lawrence have partnered with JDRF as well, receiving \$1.3 million in grants from JDRF since FY2008. More than 80 percent of JDRF's expenditures directly support research and research-related education. Past JDRF research efforts have helped to significantly improve the care of people with this disease that will eventually lower health care costs. In recent years, we have expanded our research to better understand the causes of type 1 diabetes so as to find ways to prevent the disease through vaccines and other means.

Type 1 diabetes (T1D) is an autoimmune disease in which an individual's pancreas stops producing insulin, a hormone that enables people to get energy from food. Type 1 diabetes usually strikes in childhood, adolescence, or young adulthood, and lasts a lifetime. Just to survive, people with type 1 diabetes must take multiple injections of insulin daily or infuse insulin through a pump. But make no mistake, insulin does not cure diabetes, nor does it prevent the possibility of the disease's devastating and costly complications such as: kidney failure, blindness, nerve damage, heart attack, stroke and even amputations.

The devastating consequences of diabetes come at a great financial cost, as well. In fact, in 2007, direct and indirect costs of diabetes cost Kansans approximately \$1.29 billion. A recent study reported a 23 percent increase from 2001-2009 in type 1 diabetes with prevalence among people under age 20. With the number of people with type 1 diabetes increasing at a rapid pace and the ever-increasing costs of treating the disease's many complications, our mission to cure, treat, and prevent type 1 diabetes has never been more critical.

JDRF Kansas City provides numerous services to Kansans who are living with type 1 diabetes and their loved ones, from all across the state and all ages. As mentioned previously, more than 25,000 Kansas households were served by educational programs such as the following:

- Type 1 Diabetes Connections Retreat: Our premier annual educational event, the type 1 diabetes Connections Retreat brings together more than 200 participants from across the state to attend educational programs divided into different focus areas: teens with type 1 diabetes, parents of children with type 1 diabetes, adults with diabetes, and caregivers of diabetes. Educational sessions, led by national experts and clinical educators from the community, range from the transition of diabetes management to social media apps to 504 school plans for students. The type 1 diabetes Connections Retreat not only provides the latest in diabetes education, but makes possible long lasting peer relationships for individuals and their families living with type 1 diabetes.
- Adult Type 1 Network: This group of people, ages ranging 21 to 99, is committed to supporting and networking with one another through the conduit of JDRF. Meeting bimonthly, this group exchanges experiences and discusses everything from the latest and greatest pump therapy to balancing diabetes with nutrition and exercise.
- Young Leadership Council (YLC): The YLC is a group of young professionals dedicated to raising funds for and awareness of JDRF. The committee hosts various fundraising, networking and social events that attract young professional and provides crucial support for research to find better treatments and a cure for type 1 diabetes.
- Family Council: A group of parents empowered as extensions of the chapter to engage, connect and steward current and new families to JDRF. The year-round efforts of this council stay true to the mission of JDRF, to fund a cure for type 1 diabetes through the support of research, by engaging families in chapter activities and empowering them to make a difference.
- Bag of Hope: This national program is underwritten by Roche Diagnostics and provides information and support to newly diagnosed families. A Bag of Hope is a kit filled with relevant diabetes education materials; a Roche meter; Rufus, the Bear with Diabetes; reference books and local JDRF information. In fiscal year 2012, 28 Bags of Hope were distributed across Kansas.
- Parents Networking Group: In Wichita, parents and caregivers of type 1 diabetes children meet bimonthly to network, share resources, talk about the challenges of caring for a type 1 diabetes. This group is entirely volunteer led and allows attendees to freely discuss their fears, their successes, and their challenges in a safe environment.
- Research Updates: We routinely hosts research updates in both Kansas City and Wichita, bringing in JDRF volunteers and speakers to provide the latest information and updates on the groundbreaking research supported by JDRF. Recent speakers include a teen participant in an in-patient clinical trial of the artificial pancreas (a program that will help give type 1 diabetics the freedom to live a normal life) and research experts from our national office.

To deliver these local services and to continue our research program, JDRF produces annual fundraising events across the country, including the Walk to Cure Diabetes in both Kansas City and Wichita, and the JDRF Dream Gala held in Kansas City. In FY 2012, the Kansas City Walk to Cure Diabetes raised \$974,677 with 1645 Kansans participating, approximately 45% of total participants. These dedicated Kansans raised \$265,269 out of the nearly \$975,000 amount raised for JDRF. Generous Kansas companies listed below have provided substantial support to JDRF: Silpada Designs, LLC; KCTV5; Global Medical Direct, Merrill Companies, Bank of America; Hy-Vee, Russell Stover Candies and Coca-Cola.

In Wichita, the 2012 Walk to Cure Diabetes raised \$83,200 with 754 walkers coming from all across Kansas. Community minded companies such as Learjet, Jabara Carpet Outlet, and Cargill provided \$13,050 in cash sponsorship. All of these Kansas families came together to show their support and fundraising for finding a cure for type 1 diabetes. On April 20, 2013, we expect 1,000 supporters and over \$100,000 in donations for the Wichita Walk to Cure Diabetes at Exploration Park.

As with all of our JDRF offices, the Kansas City office is very conscientious about keeping our overhead costs low. Though Kansas hosts some JDRF events in Wichita and Topeka, we are precluded from hosting our major events, such as the JDRF Dream Gala, in Kansas due to sales tax that we are not subject to in Missouri. The Dream Gala is an annual event attended by 800 people that raises \$1.5 million dollars in gross revenue annually. An event of its size requires a budget of \$95,000 to cover event space, food and beverage for the evening. With tax exempt status, JDRF Kansas City Chapter could receive competitive bids from event centers in Kansas, benefitting both our organization and Kansas businesses. Currently, the following Kansas companies support our Gala: Alterra Bank, CACTUS Software, CentiMark, Cereal Food Processors, Coldwell Banker/John Moffitt, Community America Credit Union, CrossFirst Bank, CVR Energy, DataCore Marketing, DEMDACO, Firebaugh Construction, Garmin International, Henderson Engineers, IMA, Mariner Wealth Advisors, Merrill Companies, Total Interiors, Twin Island Executive Search and Waddell and Reed, resulting in over \$120,000 in sponsorship and support.

In addition to our events, JDRF is responsible for approximately \$750,000 in total operating expenses for our chapter that serves the entire state. As demonstrated here, JDRF International and JDRF Kansas City Chapter provide crucial type 1 diabetes research, support, and educational services to the citizens of Kansas. Receiving tax exempt status would significantly increase our ability to serve the hundreds of thousands of kids, moms, dads, grandparents, brothers, sisters, aunts and uncles whose lives are impacted by type 1 diabetes every single day. With a sales tax exemption, Kansas would be considered for hosting both regional and national JDRF conferences, retreats and events due to the cost savings. More money saved in Kansas means that more money will be raised in Kansas, which will allow for more research, all with the ultimate goal to cure, treat, and prevent type 1 diabetes and its potentially devastating complications.

Thank you for your time and I would be happy to answer any questions that you might have.

Respectfully Submitted,

Valissa Smith Marston

JDRF Kansas City Chapter Board of Directors, Outreach Chair and Past President
Owner, VSquared Production, Inc.

Leslie K. High, CFRE
Executive Director, JDRF Kansas City Chapter

Bonnie Maddox, JDRF Kansas City Chapter Government Relations Chair

Diane Tinker, Wichita Walk Coordinator, JDRF Kansas City Chapter



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550279
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JDRF INTERNATIONAL
% GARY CURTO
26 BROADWAY FL 14
NEW YORK NY 10004-1838

Employer Identification Number: 23-1907729
Person to Contact: Sophia Brown
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 03, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in April 1973.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

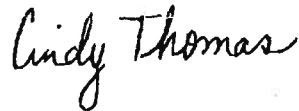
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JDRF INTERNATIONAL
% GARY CURTO
26 BROADWAY FL 14
NEW YORK NY 10004-1838

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Cindy Thomas".

Cindy Thomas
Manager, EO Determinations