



**Testimony in Opposition to HB 2384
House Taxation Committee
Tuesday, March 21, 2017**

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

Chairman Johnson and Honorable House Taxation Committee Members:

My name is Rick Berger, and I live in Atchison and am a Volunteer Board Member with the YMCA of Greater Kansas City. I am here today on behalf of the Kansas State Alliance of YMCAs and with me are several volunteers and leaders from Ys throughout Kansas, including Todd Tangeman (Volunteer, Greater Wichita YMCA, Newton); John Mikos (Alliance Chair & COO of YMCA of Greater Kansas City); John Mugler (CEO, Greater Topeka YMCA); Ronn McMahon (CEO, Greater Wichita YMCA); and Jen Bruning (Alliance Executive Director).

Since 1860 the YMCA has had a presence in Kansas. Today the Alliance consists of 10 local YMCA associations with 30 branches and camps located throughout the state. In addition, the Y's reach extends to hundreds of community and school-based program sites. Our charitable work touches the lives of 556,525 Kansans as Y members or program participants, or roughly 1 in 5 of all Kansas residents. Almost 50% of those we serve are children and senior citizens.

I'd like to begin by sharing with you some important information about the YMCAs in Kansas which will provide some perspective as you consider HB 2384 which, in addition to instilling a sales tax on certain services, would repeal the sales tax exemption earned by the YMCAs on our 1) memberships, 2) program activities (including our evidence-based and highly successful Y Diabetes Prevention Program, our licensed Before & After School Care, and our licensed Summer Day Camps); and 3) youth sports and recreational activities (including our Challenger programs for the physically/developmentally disabled, gymnastics, soccer, dance, baseball/softball, basketball, swimming, volleyball, track, etc.).

First, Kansas YMCAs are volunteer-led, mission driven, charitable organizations. Our memberships and programs are tax exempt because we are a cause-driven charity dedicated to Youth Development, Healthy Living, and Social Responsibility. We are in the business of building community, not profit, so all of our activities are related to meeting our mission. Every Y belongs to the community they serve – they are not owned by any individual, corporation, or national organization. Kansas Ys are served by 14,000 volunteers including sports coaches, after school program aides, teen mentors, and those who serve on our Y boards. All of these volunteers generously donate their time, talent and knowledge to our local Ys and community. When translated into dollars, these volunteers represent in excess of \$9 million in value. Simply put, our Ys would not be able to serve communities as effectively as we do without these caring volunteers.

Adding sales tax to the costs of Y memberships, programs, and sports/wellness activities will burden vulnerable Kansas families. Any additional tax burden means Ys will see a loss of participants and a loss in the funding that supports our programs, leading ultimately to a forced reduction in our free and assisted program offerings. While the imposition of a sales tax on Y memberships and programs may appear to have a fiscal benefit, the negative impact on Kansas communities far outweighs any revenue generated. Services to high-risk populations would disappear or have to be provided by government agencies at the expense of tax payers. The Y's membership structure allows us to allocate a significant portion of our revenue toward the operation of Y locations that are unable to break even and provide for financial assistance or subsidized memberships and programming targeted to low income groups. Almost 50% of Kansas Y participants are youth and seniors and about 28% receive financial assistance.

KANSAS STATE ALLIANCE OF YMCAS

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Taxing YMCA memberships, programs and sports activities will make our state's obesity crisis worse than it already is, at significant cost to Kansas. Obesity is a crisis plaguing 1 in 3 Kansans (34.2% of the population). In 1995, just 13.5% of Kansans were obese. Kansas now has the 7th highest obesity rate in the nation (up from 13th in 2014). Kansas and Kentucky are the only two states in the country where obesity rates increased from the year before. These staggering statistics translate into a significant health care burden to Kansas. Diabetes alone costs an estimated \$2.6 billion in Kansas each year. The Y wants to help KS tackle this epidemic by expanding our evidence-based chronic disease prevention programs that promote quality of life for all, while lessening the burden on the state budget from skyrocketing costs associated with diabetes, heart-disease, cancer and arthritis – all which can be positively affected with evidence-based prevention and management strategies. Our Y Diabetes Prevention Program (YDPP) reduces risk for type 2 diabetes in all adults by 59% (71% in ages 60+). In addition, we know that sports can be a key factor in preventing child obesity, reducing a child's likelihood of becoming obese by 40%. Any tax placed on the YMCA memberships, programs like YDPP, & sports will severely limit our ability to improve Kansas' health.

The 160+ year old YMCA service model is self-sufficient and distinctively different from for-profits. It consists of donors and members who believe in the Y mission and are willing to cover expenses so Ys can afford to serve ALL, regardless of ability to pay. Y membership dues, donations, and income generating programs fund our free and subsidized community programs and also subsidize Y operations. Any residual earnings can only be used to support the Y mission. YMCA members know that when they obtain a Y membership, they're not just buying access to a gym—they are helping support a whole host of programs that make their community stronger. As such, the YMCAs' buildings, programs and services are community assets available to ALL, regardless of age, sex, ethnic origin, or ability to pay. Last year, over \$14.5 million in free and assisted programs were delivered to Kansans, and \$2.8 million in front-line services were provided through public grants, contracts and vouchers. All Kansas Y programs and branches embrace diversity, reflecting the needs and composition of the communities they serve.

The business model that the Y uses depends on diversity of wealth, diversity of culture, diversity of religion, diversity of ages, etc. If we don't have the wealthy, the poor, the able-bodied and the handicapped in one building, sitting at the same table and building community together, the model fails. Y facilities and programs provided in the more "affluent areas" of Kansas subsidize our mission work in underprivileged areas and provide cross-class engagement that strengthens our community.

YMCAs are the largest provider of child care services in the entire state. We provide preschool, before and after school care, summer day camp and resident camp programs – a significant percentage of which is subsidized. We help kids reach their full potential by providing tutoring assistance, enrichment activities, and by helping close the achievement gap for those whose math and reading skills are below grade level. This support from the Y enables hardworking parents to continue employment, and we care for their children who if left unsupervised during those critical after school and summer hours are more likely to get into trouble or become victims of trouble. HB 2385 would tax all these Y-provided child care services.

Kansas YMCAs earn their charitable tax exempt status every day through the myriad of services and programs they provide in their communities. Financial assistance is available not just for memberships, but for ALL YMCA programs. This includes child care in our Early Learning Centers (including military families at our Armed Services Y in Junction City), before & after school care, youth sports, YMCA Youth and Government program, day camp, overnight camp, Y Diabetes Prevention Program, EnhanceFitness arthritis management program, adaptive programming for those with special needs, and much more. **And many YMCA programs are FREE to all participants.** These include Safety Around Water/Splash programs for grade schoolers, teen mentoring & job prep programs, summer reading & math programs to help close achievement gap, summer food program, nutrition programs, community coat and food drives for needy families, LIVESTRONG cancer survivorship program, teen CPR/first aid training, transportation assistance for military families, etc.

Any tax placed on the YMCA memberships, programs, and youth sports will severely limit our ability to fulfill our mission, strengthen community, and improve Kansas' health. For all these reasons, we respectfully ask you to oppose House Bill 2384. Thank you.