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March 28, 2020

The Honorable Doug Ducey
Office of the Governor of Arizona
1700 W. Washington St.
Phoenix, AZ 85007

RE: **UNINTENDED CONSEQUENCES OF A DAMAGING NATURE TO ARIZONA CHARITIES**

Dear Governor Ducey:

These incredibly challenging days have placed great strain on all people throughout the world. I have enormous respect for you and our government leaders who are trying to navigate these uncharted waters. As the CEO of Arizona Helping Hands, a "Human Services Operation" deemed essential by your Executive Order, I am faced with the challenge of making decisions on how we can continue to operate in these difficult times.

Every nonprofit faces an uncertain future. Funding is key to our ability to continue to our work providing essential needs to Arizona's most vulnerable population - boys and girls in foster care. I have grave concerns about how America will support charities through, and after, this crisis. The economic downturn, the dramatic increase in unemployment and potential changes in the philosophy of charitable foundations regarding funding decisions all place a gray cloud over the future.

As you know, Arizona Helping Hands receives NO GOVERNMENT FUNDING for the work we do. We have grown into Arizona's largest provider of essential needs to the foster care community ONLY DUE TO THE SUPPORT OF ARIZONA INDIVIDUALS. The Arizona Foster Care Tax Credit has created the opportunity for Arizona taxpayers to support our work at no cost to them. This dollar-for-dollar tax credit is the driving force behind our phenomenal growth in service to the kids.

In 2019, we provided twin beds to 2,582 boys and girls, cribs to 978 babies, birthday packages to 3,596, home safety items to 860 families and back-to-school supplies to 6,500 children in the State's foster care system - to name but a few of our accomplishments. Without the support of individuals using their foster care tax credit dollars, none of this would have been possible. Children in foster care would today be fighting over whose turn it was for the sofa tonight and who had to sleep on the floor. Babies released from the neonatal intensive care units into Grandma's care with heroin exposure would be co-sleeping with Grandma instead of sleeping safely in their own crib. Thirteen-year-old Joey's birthday would pass unrecognized, rather than celebrated with a gift package and a birthday celebration made possible by our work.

There are a significant number of unintended consequences of the tax law changes adopted by the State. There is a disconnect between the tax filing date and the tax credit cutoff date as I write this letter. While individuals now have the opportunity to defer filing and paying Arizona income taxes until July 15, 2020, all tax contributions must be made by April 15th! This could have an enormous impact on our revenue and our ability to continue serving Arizona's boys and girls in foster care.

Suzanne, who owes \$196 dollars on her Arizona tax return today could choose to make a foster care tax credit contribution to Arizona Helping Hands and buy a child a crib. She won't be able to do so if she files her return in July. Jorge and Angie aren't aware of the tax credit opportunities. When they meet with their CPA in July to file their return, they won't have the option to make this dollar-for-dollar contribution of \$1,000 as a married couple, which would provide 3 children with a complete twin bed set, clothing, school supplies and more. The opportunity period would be gone, and support to Arizona Helping Hands from our community would be depleted.

I implore you and the State legislature to correct this oversight. You would allow individuals of the great State of Arizona to stand up and support essential services such as those provided by Arizona Helping Hands.

I pray for you and for our world as we move through this crisis. We are ALL in this TOGETHER. By syncing the tax filing date with the tax credit due date, every Arizonan will have an opportunity to utilize the foster care tax credit to support the thousands of children in foster care whose lives are impacted by the enormous essential services we provide at Arizona Helping Hands.

With gratitude for your consideration and your service to our great State,

ARIZONA HELPING HANDS, INC.



Dan Shufelt, President & CEO
