

Field Hearing Testimony
Subcommittee on Criminal Justice, Drug Policy and Human Resources
Monday, January 12, 2004

Dr. Keith Phillips
Founder and President of World Impact, Inc.

Chairman Souder and Members of the Subcommittee, thank you for allowing me to appear before you today.

I am the founder and President of World Impact, a non-profit, faith-based organization designed to help transform the lives of the urban poor.

Our organization began right here in Watts in 1965 and now extends to San Diego, Fresno, San Francisco, Oakland, Wichita, St. Louis, Dallas, Newark, and Philadelphia. We have camps and conference centers in California, Colorado, Kansas and Pennsylvania. We offer housing for the homeless, job training for the unemployed, education and GED training to dropouts, health care to the sick, uninsured and impoverished, and food and clothing to the hungry, addicted and downtrodden. We provide assistance to single mothers, and youth clubs and camping experiences for at-risk and troubled kids and their families.

Our success can be attributed to four critical elements in our work:

1. Time-tested techniques and successful programs;
2. Committed professional staff, who actually live in the inner-city communities where they serve, and thousands of committed volunteers;
3. Our strong partnerships with churches, universities, hospitals, social-service organizations and agencies;
4. The spiritual component of our work, which is the very foundation of our dedication and commitment to helping others. It guides our mission and transforms lives.

World Impact prides itself on being financially responsible, efficient and honest. We have low administrative costs and a high volume of volunteerism. We significantly reduce the burden placed on state and local governments and public agencies by servicing a high volume of individuals and helping them become self sufficient, educated and tax payers, instead of tax recipients.

Let me give you three examples of World Impact's financial efficiencies.

1. In Wichita, Kansas, we operate the Good Samaritan Clinic that serves uninsured, impoverished patients seeking primary care.

An emergency visit to the hospital in Wichita costs the hospital \$600, plus \$150 for the physician. There is an additional charge if a patient has called an ambulance, and the hospital even has to pay to return the patient home. Headache or other body pain is the number one reason hospitals give for patients visiting the emergency room. The primary medicine dispensed is Tylenol. This means getting Tylenol and your blood pressure checked costs more than \$750, plus up to six hours of waiting time.

World Impact's Good Samaritan Clinic charges an average of \$26 per visit. Our actual cost is \$45.

This fiscal year, we billed \$53,000 to patients without health insurance or any other kind of assistance. So far, we have received \$5000. We operate on a sliding-fee scale. The uninsured represent 33 percent of the billable services (they get a sliding fee), but only six percent of our receivables.

The bottom line is: \$750 vs. \$26 per patient.

2. The school we are having this hearing in today, the Watts Christian School, performs 50 percent better than the local elementary school in math, and three times the performance in the language arts. The Watts Christian School has half the classroom size and costs 75% of what the states pays per pupil (i.e. \$4000 v. \$6450).

3. In San Diego, our vocational-training business assembles sprinkler parts (we contract with Hunter Industries).

We provide reliable employment for 30+ employees. Nearly 200 people have gone through our program, including the formerly incarcerated and/or addicted, single mothers and senior citizens with limited incomes, who do not qualify yet for social security. Approximately, 75 percent of our employees have been teens who otherwise would have joined gangs, turned to drugs or had a difficult time finding employment due to transportation challenges, lack of self confidence or other problems. The majority of our

employees have had little, or no, job experience.

Our program teaches entry-level job skills of coming to work on time, having a good attitude, being productive and getting along with your coworkers and supervisors. Our work is easily measurable. We track employees' production and compensate performers appropriately.

This program has a great success rate. Close to 90 percent of our employees find better jobs, finish high school, go to college and/or enter the Armed Forces.

Jose Moran worked for us for eight months in 1995. He came as a teen with little job experience, bored and looking for direction. We helped him secure employment with Hamann Construction, where he started as an apprentice carpenter. Today he is one of their supervisors. He is married and has two children and recently bought a home for his family.

Maria Saucedo began working for us in 1992. She dropped out of school in 7th grade and had her first child at 15. Today, she oversees our work and earns around \$12 an hour.

Five of the eight Lira children who grew up in a two-bedroom apartment on National Avenue in Logan Heights, worked for us as teens. Two went to a Christian college to get degrees in education, one became a plumber, one works in shipping and receiving at a golf supply manufacturer and one got married, has children and stays at home caring for them.

Time prohibits me from sharing with you the great success we have had with our Jobs Alliance Program in St. Louis, family vacations for the urban poor nationally, conferences for survivors of senseless street-gang violence, vocational training for the Hmong and Ming in Fresno, and community breakfasts for the homeless in Newark, New Jersey, and Oakland, California. Our staff and volunteers are amazing people and are modern-day heroes.

I invite you all to arrange tours of our facilities and programs throughout the country to get a better sense of what we do and how our programs work. While we have experienced great success, one element is missing. Imagine what

could be accomplished for the urban poor if organizations like World Impact could partner with the federal, state and local governments to solve some of these deeply-rooted problems that confront us. But is it possible to partner with the government without fearing that we will lose our core values, our mission or our spiritual focus? Maybe you are in a better position to answer that question than I am.

From my perspective, the government can help us do the following:

1. Forgive student loans for teachers, doctors and other staff serving the inner-city poor.
2. Provide school vouchers.
3. Provide tax incentives for professional volunteers—doctors, nurses, dentists, teachers, plumbers, electricians—for their time.
4. Provide tax incentives for businesses which provide volunteer days for their employees; or to secondary professionals to a non-profit for an extended period of time.
5. Encourage federal employees to volunteer; Members of Congress should set the example.
6. Provide lists of potential federal volunteer labor sources i.e. armed service personnel, prisoners, etc, and how to contact them.
7. Provide subsidy for job training either to establish a new faith-based job-skills training, or to help with the cost of third-party educators. Open *The Workforce Investment Act* of 1998 to faith-based works.
8. Provide new and used vehicles, and other equipment, materials and supplies; instead of disposing of seized property (cars, trucks, land, etc.) at government auctions, give it to us.
9. Give us facilities where we can run clinics, thrift stores, recreational activities or vocational training.
10. Help us provide better transportation for the urban poor to camps, conferences and schools by giving us the use of government vehicles i.e. buses on weekends.
11. Provide mal-practice insurance for clinics. We would open clinics in every community—if we could afford the insurance (In Kansas, the volunteers are covered under a Charitable Health Care Providers provision in the statutes. Without this legislative coverage, we could not involve volunteer professionals like we do).
12. Provide books/resources for schools and camps among the poor.

13. Provide surplus food for our ministries and camps.
14. Allow non-itemizers to deduct charitable contributions.
15. Sub contract work to us, which we would use for vocational training.
16. Maintain and expand the enhanced deduction (the cost of the inventory plus half of its appreciated value) when a company donates inventory for "the care of infants, the ill, or needy."
17. Invite the Watts Christian School Choir to sing at the House of Representatives.

Chairman Souder, Members of the Subcommittee, thank you again for indulging me and for inviting me to appear before you. I would be pleased to answer any of your questions.

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