KIDS COVE RESPITE CARE NETWORK

Statewide Business Plan

EXECUTIVE SUMMARY

Missouri is facing a critical foster care crisis. With only about 3,000 active foster families to care for between 13,000 and 15,000 children in the system, many children are left without safe homes. As a result, children are being lodged in hospitals, mental health facilities, or shelters for extended periods of time — environments not designed for their needs and which cost Missouri taxpayers over $26 million annually.

PROBLEM STATEMENT

Current Gaps in Foster Care

- Placement Shortage: Missouri has between 13,000 and 15,000 children in foster care but only about 3,000 active foster families — leaving a shortage of more than 3,000 homes.

Financial and Human Costs

- Estimated $26M taxpayer burden annually due to inappropriate housing placements.
- Emotional trauma for children forced into institutional settings.
- System inefficiencies that prolong case worker searches for placements.

PROPOSED SOLUTION

The Respite Care Network

A statewide network of licensed respite homes operated under Kids Cove. Each home will:
- Provide short-term emergency placement (up to 30 days).
- Offer safe, loving, trauma-informed care.
- Support foster families with respite opportunities.
- Partner with hospitals and case workers for immediate overflow solutions.

Integration With State Systems and Families

- Direct referral pipeline from Children's Division, hospitals, and mental health facilities.
- Partnerships with churches and nonprofits for housing, volunteers, meals, and local support.
- A unified statewide management system ensuring quality, compliance, and accountability.
- Foster families will be able to book respite care directly online through Kids Cove's website, ensuring easy access to planned breaks or emergency support.

IMPLEMENTATION PLAN

Phase 1: Pilot (Years 1–2)

- Launch 4 homes in St. Louis, Kansas City, Springfield, and Lake of the Ozarks.
- Hire and train house parents and aides.
- Formalize partnership agreements with 3–5 hospitals and local churches in each region.
- Develop a licensing and compliance framework under Chapter 73 and RSMo 210.545.
- Build and launch centralized online booking system for foster families and caseworkers.

Phase 2: Expansion (Years 3–5)

- Expand to every judicial circuit (~45 circuits).
- Average of 1 home per circuit, scaled by population need.
- Build out a statewide management and training team.
- Add home-specific calendars to the online booking system for statewide transparency.
- Transition to 50% private funding by Year 5.

Phase 3: Full Statewide Coverage (Years 6–10)

- More than 50 homes operational statewide.
- System becomes 100% privately funded through local nonprofits, private donations, and an endowment fund.
- Establish long-term sustainability through diversified private funding streams.

OPERATIONAL MODEL

Home Structure

- Capacity: 6–8 children per home.
- Staffing:
  • 2 Live-in House Parents
  • 2–4 House Aides (part-time)
  • 1 Case Manager
  • 1 TBRI Practitioner/Trainer
  • Centralized administrative support

Care Approach

- Non-therapeutic, trauma-informed care.
- Short-term, emergency-focused support (average 7–30 days).
- Strong emphasis on stability, normalcy, and dignity for children.

Pipeline of Care

Children will enter the Respite Care Network through three primary pipelines:
1. Hospitals & Mental Health Facilities – discharge overflow patients to respite homes.
2. Caseworkers/Children's Division – emergency placements (up to 30 days).
3. Foster Families (Direct Access) – families can log in online, view availability, and reserve respite care for planned breaks or emergencies.

PARTNERSHIP STRATEGY

- Hospitals and Mental Health Facilities: Provide immediate referrals for overflow patients and reduce ER/psychiatric bed usage for children awaiting placement.
- Churches: Donate or sponsor homes, provide volunteers, meals, and mentoring, and serve as community anchors.
- Nonprofits: Collaborate for wraparound services and shared funding streams.
- Foster Families: Direct online booking ensures access to respite care, improving family retention rates.
- State Agencies: Partner through direct contracts with DSS/Children's Division, utilizing emergency contracts for immediate rollout.

FINANCIAL PLAN

Cost Per Home (Annual)

- Staffing: $125,000
- Operations & Utilities: $40,000
- Training, Licensing & Insurance: $15,000

- Administrative Support: $20,000
- Total Per Home: $200,000

Pilot Phase (4 Homes)

Kids Cove Central Staffing (Annual)

To manage the statewide network, Kids Cove will employ a central operations team. This ensures each home is supported and the network scales responsibly.

- Executive Director: $125,000
- Project Manager: $70,000
- Office Manager: $50,000
- 4 Field Staff (community engagement, church/hospital liaisons): $200,000
- TBRI Practitioner/Trainer: $75,000
- Administrative/Finance Support: $50,000
- Total Central Staffing: ~$570,000 annually

Combined Costs (Pilot Phase):
- 4 Homes: $800,000
- Central Staffing: $570,000
- Total Pilot Budget: ~$1.37M annually

Total Annual Budget: $800,000

Funding Sources

- Year 1–3: State emergency contracts + community fundraising.
- Year 4–5: Transition to 50% private funding (churches, donors, Endura Coin endowment).
- Year 6–10: Reach 100% privately funded network by Year 10.

GOVERNANCE AND COMPLIANCE

- Statewide oversight by Kids Cove Respite Network.
- Licensed under existing foster statutes (Chapter 73 / RSMo 210.545).
- Annual reporting on outcomes, finances, and compliance.
- Independent Board of Directors to ensure transparency and accountability.

IMPACT MEASUREMENT

Key Metrics

- Reduction in hospital/shelter overflow days.
- Number of children served per home per year.
- Retention rates of foster families.
- Taxpayer cost savings.
- Ratio of private vs. public funding achieved.
- Utilization rates of the online booking system.

APPENDICES

- Legislative Proposal: RSMo 210.545 Enforcement and Reform.
- Case Studies: Kids Cove operations in Lake of the Ozarks.
- Pilot Phase Budget Breakdown.
- Letters of Support (hospitals, churches, foster families).
- Wireframe sample of online booking portal.

FUNDING DESIGN: ENDURA-BACKED ENDOWMENT

Annual Funding Target
- Required: $5 million per year to operate the statewide respite network.
- Goal: 100% private funding within 10 years.
- Source: Endura coin sales transitioning into an endowment model that sustainably produces annual yield.

Endowment Math (Rule of 20x)
- Endowments typically aim for a 4–5% withdrawal rate to preserve principal.
- To sustainably generate $5M/year, the network must build a $100M endowment.
  Endowment = $5,000,000 ÷ 0.05 = $100,000,000

👉 The target is $100 million invested in endowment-style instruments (CDs, annuities, conservative ETFs).

Coin Sales Requirement
- With the coin price goal set at $0.10, the requirement is:
  $100,000,000 ÷ $0.10 = 1,000,000,000 coins
- Total Endura supply: 3.5B coins.
- Required sales: 1B coins (28.5% of supply).
- Remaining supply: 2.5B coins reserved for liquidity, community incentives, and long-term growth.

10-Year Phased Pathway

Years 1–3:
- Sell ~350M coins at $0.01–$0.05.
- Capital Raised: ~$10M.
- Endowment Seed: ~$10M (yield ~$500k/year).
- Use: Launch pilot homes and establish booking portal.

Years 4–6:
- Sell ~300M coins at $0.05–$0.07.
- Capital Raised: ~$15–20M.
- Endowment Grows: ~$30M (yield ~$1.5M/year).
- Use: Expand to statewide coverage in every judicial circuit.

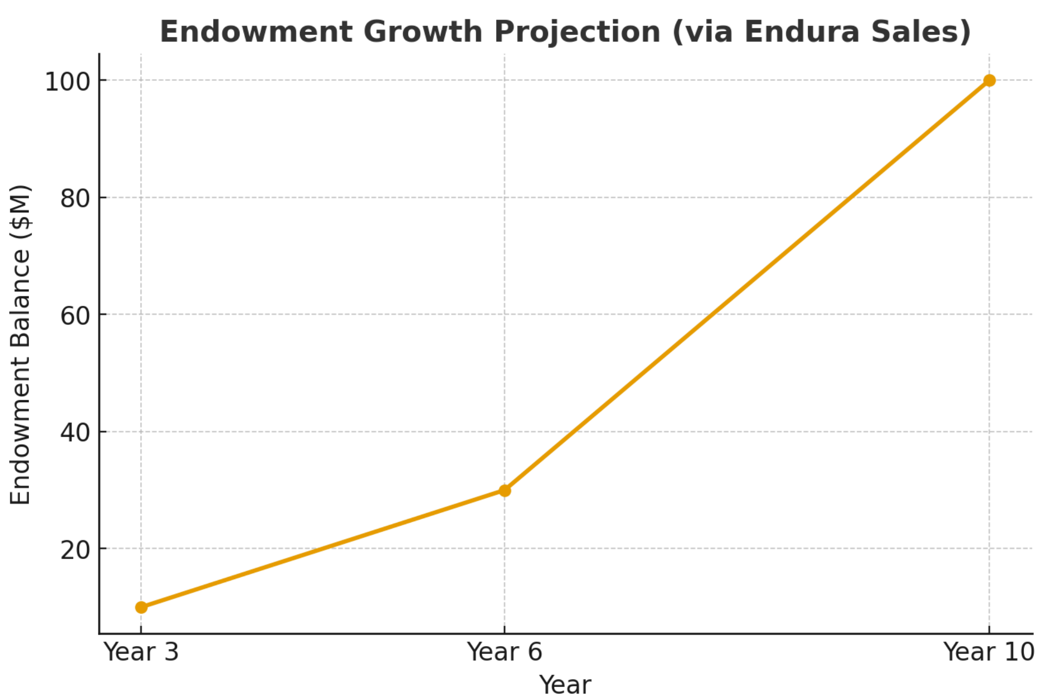
Years 7–10:
- Sell ~350M coins at $0.10.
- Capital Raised: ~$35M.
- Endowment Surpasses $100M target (yield ~$5M/year).
- Use: Transition to 100% privately funded network.

Safety Cushion
- Crypto is volatile; sustainability requires a buffer target of $120M+ in raised funds.
- Endowment diversified across conservative financial instruments.
- Endura sales tapered once endowment self-sufficiency is reached.

Bottom Line:
Selling ~1B Endura coins at an average of $0.10 over 10 years builds the $100M endowment that will permanently fund the $5M/year Kids Cove statewide respite network. Missouri currently has between 13,000 and 15,000 children in the foster care system — this endowment ensures that every child has access to a safe, loving respite home rather than being left in hospitals or shelters.

Year Range	Coins Sold	Avg Price per Coin	Capital Raised	Endowment Balance	Annual Yield (5%)
Years 1–3	350M	$0.01–$0.05	~$10M	~$10M	~$500k
Years 4–6	300M	$0.05–$0.07	~$15–20M	~$30M	~$1.5M
Years 7–10	350M	$0.10	~$35M	>$100M	~$5M+

Endowment Growth Projection Chart:



UPDATED FUNDING DESIGN (10B SUPPLY)

Annual Funding Target
- Required: $5 million per year to operate the statewide respite network.
- Goal: 100% private funding within 10 years.
- Source: Endura coin sales transitioning into an endowment model that sustainably produces annual yield.

Endowment Math (Rule of 20x)
- Endowments typically aim for a 4–5% withdrawal rate to preserve principal.
- To sustainably generate $5M/year, the network must build a $100M endowment.
  Endowment = $5,000,000 ÷ 0.05 = $100,000,000

👉 The target is $100 million invested in endowment-style instruments (CDs, annuities, conservative ETFs).

Coin Sales Requirement (10B Supply)
- Total Endura supply: 10B coins.
- With the coin price goal set at $0.10, the requirement is:
  $100,000,000 ÷ $0.10 = 1,000,000,000 coins
- Required sales: 1B coins (10% of supply).
- Remaining 9B coins reserved for liquidity, community incentives, and long-term growth.

10-Year Phased Pathway (Percentages Adjusted)

Years 1–3:
- Sell ~350M coins (3.5% of supply) at $0.01–$0.05.
- Capital Raised: ~$10M.
- Endowment Seed: ~$10M (yield ~$500k/year).
- Use: Launch pilot homes and establish booking portal.

Years 4–6:
- Sell ~300M coins (3.0% of supply) at $0.05–$0.07.
- Capital Raised: ~$15–20M.
- Endowment Grows: ~$30M (yield ~$1.5M/year).
- Use: Expand to statewide coverage in every judicial circuit.

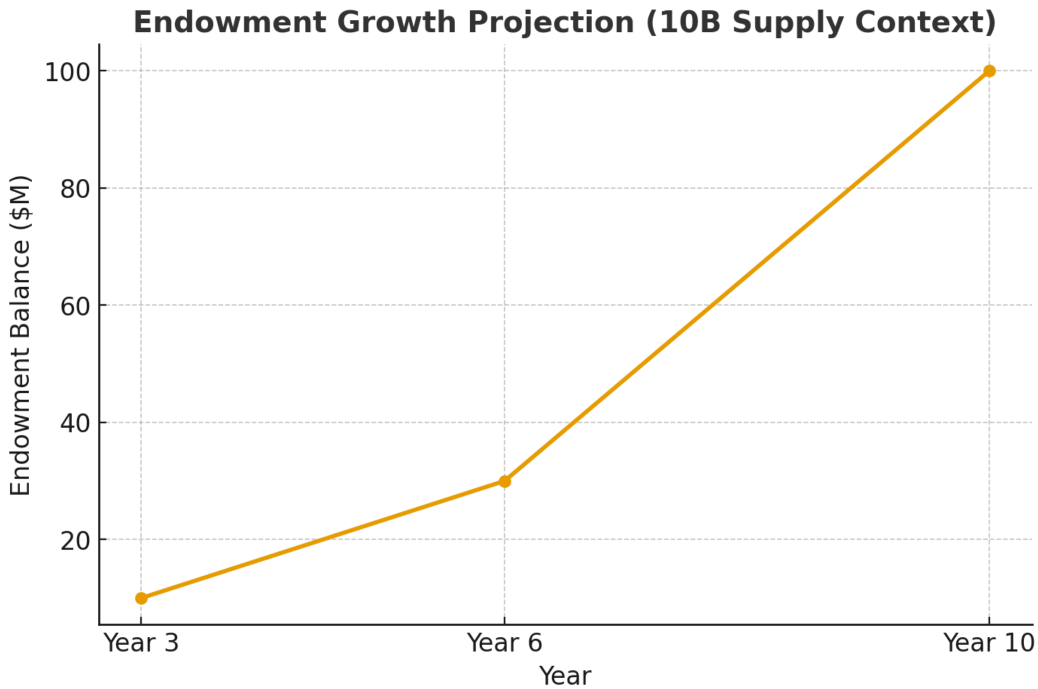
Years 7–10:
- Sell ~350M coins (3.5% of supply) at $0.10.
- Capital Raised: ~$35M.
- Endowment Surpasses $100M target (yield ~$5M/year).
- Use: Transition to 100% privately funded network.

Safety Cushion
- Crypto is volatile; sustainability requires a buffer target of $120M+ in raised funds.
- Endowment diversified across conservative financial instruments.
- Endura sales tapered once endowment self-sufficiency is reached.

Bottom Line:
Selling ~1B Endura coins (10% of supply) at an average of $0.10 over 10 years builds the $100M endowment that will permanently fund the $5M/year Kids Cove statewide respite network. Missouri currently has between 13,000 and 15,000 children in the foster care system — this endowment ensures that every child has access to a safe, loving respite home rather than being left in hospitals or shelters.

Year Range	Coins Sold	% of Supply (10B)	Avg Price per Coin	Capital Raised	Endowment Balance	Annual Yield (5%)
Years 1–3	350M	3.5%	$0.01–$0.05	~$10M	~$10M	~$500k
Years 4–6	300M	3.0%	$0.05–$0.07	~$15–20M	~$30M	~$1.5M
Years 7–10	350M	3.5%	$0.10	~$35M	>$100M	~$5M+

Updated Endowment Growth Projection Chart (10B Supply):


Endowment Growth Projection (10B Supply Context)
Endowment Balance ($M)
100
80
60
40
20
Year 3
Year 6
Year 10
Year

COST SAVINGS & IMPACT

Current State Problem
- On average, Missouri is housing about 350 children in medical facilities and mental hospitals beyond needed stays.
- Annual cost to taxpayers: approximately $26 million (~$74,000 per child per year).
- These children do not require hospitalization — they are waiting for placement.

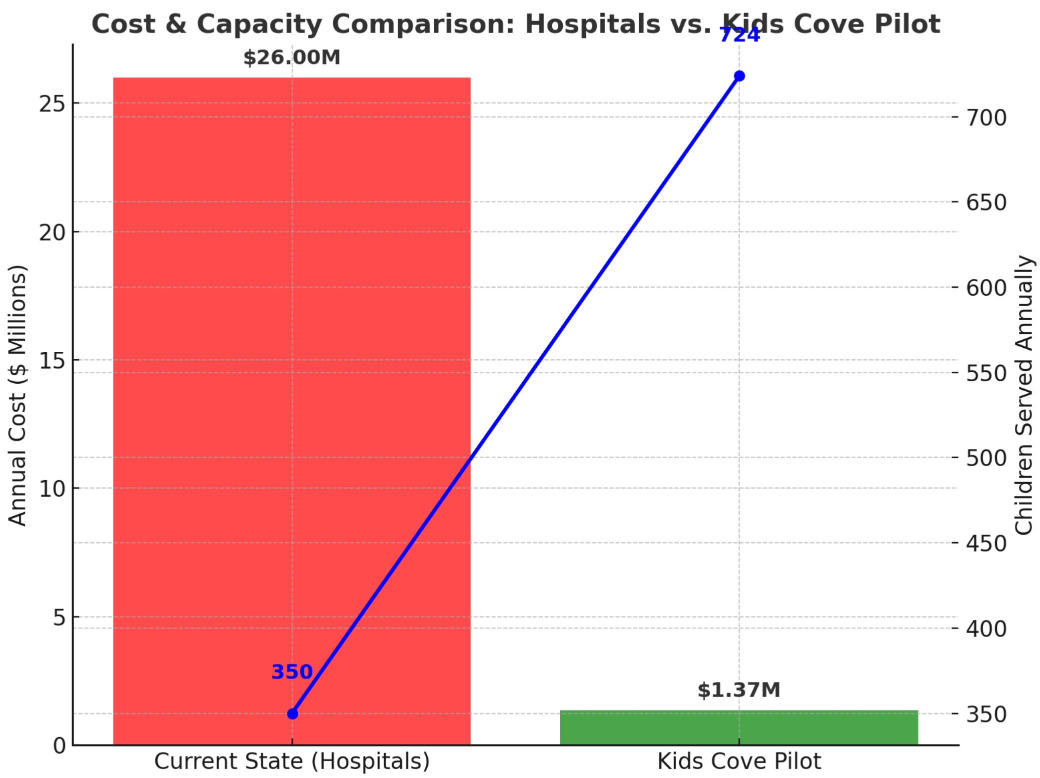
Pilot Program Capacity (Year 1)
- 4 pilot homes with 7 beds each = 28 beds.
- With an average 10-day stay:
  • ~217 kids served per home per year.
  • ~868 kids served annually across 4 homes.
- Even with 15-day stays, capacity is ~580 kids annually.

Comparison
- Children currently languishing in hospitals: ~350.
- Pilot capacity: 580–868 children per year.
- Pilot budget (homes + central staffing): ~$1.37M annually.
- State's current cost: ~$26M annually.
👉 The pilot more than covers the hospital overflow population while reducing costs by over 90%.

Bottom Line:
By implementing the pilot in Year 1, Missouri could virtually eliminate the $26M hospital overflow crisis immediately, placing children in loving homes instead of institutions, at a fraction of the cost.

Category	Current State (Hospitals)	Kids Cove Pilot (Year 1)
Children Affected	~350 kids	580–868 kids
Annual Cost	$26 million	$1.37 million
Per Child Cost	~$74,000	~$1,600–$2,400
Child Environment	Institutions (hospitals/mental facilities)	Safe, loving respite homes

Visual Comparison of Costs and Children Served:



Cost & Capacity Comparison: Hospitals vs. Kids Cove Pilot
Annual Cost ($ Millions)
Children Served Annually
0
5
10
15
20
25
350
400
450
500
550
600
650
700
$26.00M
$1.37M
350
724
Current State (Hospitals)
Kids Cove Pilot