



**Testimony to the Kansas House Committee on Taxation**  
**March 24, 2021**

Chairperson Smith and Members of the Committee:

I am Vicky Roper, Prevent Child Abuse Kansas Director for the Kansas Children's Service League (KCSL). Our mission is to protect and promote the well-being of children. We are the Kansas chapter of Prevent Child Abuse America. I appreciate this opportunity to provide testimony in support of House Bill 2414, which expands the Kansas Child Day Care Assistance Credit. Thank you for having this hearing.

I am chair of the Kansas Power of the Positive, a cross-sector coalition of 40 Kansas member agencies, funded by the Centers for Disease Control and Prevention (CDC) as part of their Essentials for Childhood Program. The Kansas Essentials Program has leadership from the Kansas Dept. of Health and Environment, Wichita State University Community Engagement Institute, and KCSL. Our coalition has been talking to business leaders about how they can be more family friendly. Family friendly refers to those workplace conditions that help families create safe, stable, nurturing environments for their children. These conditions help prevent childhood adversity, prevent child maltreatment, and prepare children for success. Child care is one of these.

One of the researched family friendly workplace supports is to subsidize the cost of child care. Subsidized child care provides child care assistance through vouchers, lower cost child care, or cash transfers to low-income families to offset the cost of quality, full-time child care. Wichita State University Community Engagement Institute and KCSL have worked with our Kids Are Good Business Work Group to implement an Employee Survey based on research around 19 family friendly conditions. The one that resonated the most with our Kansas employees was subsidized child care costs as part of the employee benefits package. 66% said it was important to their ability to provide a safe, stable, nurturing environment for their children. We are measuring the number of Kansas homes with a child 0 – 5 years old, where someone in their family had to quit a job, not take a job, or greatly change their job because of problems with child care for the child during the past 12 months. We anticipate that increasing due to remote learning during COVID-19. We are seeing child care as an economic necessity. Analyses have shown that states meeting demand for child care assistance reported decreased rates of child abuse and neglect and studies have shown that higher child care subsidy expenditures significantly increase labor force participation and employment rates among low-income mothers.

The problem this bill addresses is insufficient child care. According to Ready Nation, "Nearly one third of parents (32%) report having difficulty finding child care." And, the



difficulty impacts work performance. Employers have a stake in child care availability but have not traditionally been in a position to do something about it. The State of Kansas currently encourages businesses to purchase child care for their employees' children by offering a refundable tax credit for businesses that pay for child care. During the first year of child day care service operation, 50% of the net amount spent (may not exceed \$45,000) can be returned in a tax credit. Subsequent years allow for 30% of the net amount spent for child care services not to exceed \$30,000. Total amount expended on credits for all employers is limited to \$3 million. Many of the business leaders we talk with think 30% is not enough. They would like to see that increased to 50%. However, the tax credit is currently only available to C Corporations and not other employers. This bill does that and expands to S Corporations. And, we've heard from employers that they might be interested in providing onsite child care but do not want to get into the business of child care. There is a promising model called shared services alliance. They desire to partner with child care providers, centers or those with child care expertise who can work alongside them. This bill allows for the costs for such shared services. The purpose of the shared services alliance in child care is to improve financial sustainability and better compensate child care professionals. Allowing an employer to pay into a shared services model could be a way to build the community coalition needed to address insufficient child care.

The Kansas Child Death Review Board, the body charged by statute to review circumstances surrounding child fatalities in Kansas, recommends in their 2019 and 2020 reports that we as a state increase access to affordable, high quality child care. "Many of the child abuse homicides occurred when the primary caregiver was away from the home. Often the child was in the care of the mother's significant other or a relative who was not the primary caregiver." Their first recommendation is to increase access to affordable, high quality child care. "Homicides, particularly of children under the age of 3, continue to occur when children are left in the care of persons who are unprepared or unable to care for them. Having access to affordable, high quality child care would help decrease future child deaths." Anecdotally, we're hearing of families entrusting the care of their young children to a series of unlicensed, unrelated individuals because their life circumstances do not allow them to access or afford regulated child care.

Further, the US Chamber of Commerce Foundation in their 2019 document, "Creating Strong Partnerships for Early Childhood Education" says that "it is clear that high quality, affordable and accessible child care plays a significant role in ensuring our companies and our country remain competitive and contribute to our overall economic growth and development. Therefore, we are committed to improving and expanding access to every community and believe that businesses have a key part to play in achieving this goal... Today, many business leaders understand the connection between seeking ways to recruit and retain skilled



employees to build a strong workforce, and an employee’s ability to find and afford childcare...” They go on to say, “A 2018 report shows the US economy loses an astounding \$57 billion per year in revenue, wages, and productivity as a result of issues related to childcare. Now more than ever, providing support for working parents with young children is key to attracting and retaining high-quality employees. Businesses that invest in high quality early education programs are both supporting the needs of the workforce today and strengthening the workforce of tomorrow... Business leaders don’t need to solve these challenges alone. In fact, we have seen more success for businesses who partner with early childhood advocates. Many are eager to explore a wide range of solutions and find the right opportunities that match business needs and resources.”

We ask that you support House Bill 2414 and other efforts to make high-quality child care available to all Kansans. This bill allows workplaces to be part of the community coalition that addresses child care availability. Thank you for your time and consideration, and I would be glad to answer any questions you have on the topic now or in the future.

Sincerely,

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