

United Community Services of Johnson County

Written-Only *Proponent* Testimony Regarding House Bill 2687
Kristy Baughman, Executive Director of United Community Services of Johnson County

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Date: February 16, 2024 Kristy Baughman, Executive Director United Community Services of Johnson County, Inc. 9001 W. 110th St., Ste 100 Overland Park, KS 66210

Chair Smith and Members of the House Committee on Taxation:

Thank you for the opportunity to provide **proponent testimony regarding House Bill 2687**, a bill that would create a tiered child income tax credit for Kansans.

United Community Services of Johnson County (UCS) is a nonprofit agency committed to supporting policies, programs, and services that are invested in the success of our community's most vital resource – its people.

Kansans across the state are facing the toll of inflation – 22% since 2019 – on the cost of housing, food, and childcare. According to United Way's Asset-Limited, Income-Constrained, Employed (ALICE) model, 12% of Kansans live below the federal poverty level, which was \$24,860 for a household of 3 in 2023. An additional 27% of Kansans earn above the federal poverty level but not enough to afford the basics in the communities where they live. Altogether, 39% of *employed* Kansans aren't making enough money to pay for basic necessities.

Yet, almost none of these Kansans will qualify for SNAP, Childcare Assistance, TANF, or Medicaid. For example, to receive TANF, a household can't make more than 28% of the federal poverty level – about \$512/month for a family of 3 – and can't have more than \$2,500 in assets.

At the same time, the 2021 Status of Women Report found that the greatest barrier to women fully participating in the workforce is the cost and availability of quality childcare; in Kansas, infant care at a daycare center costs 1.3 times more than in-state college tuition. The U.S. Department of Health and Human Services indicates that childcare should cost no more than 7% of household income to be considered affordable; Kansans with two children spend an average of 22% of household income on childcare.

Kansans with children are caught in a double-bind: working, but unable to afford necessities and unable to work more because of the high cost and limited availability of quality childcare. Proposed House Bill 2687 provides a modest, tiered tax benefit focused on providing relief to families who have children and need help covering the basics. Analysis of how households with children utilized the now expired federal child tax credit during the pandemic found that the dollars were spent on essentials like food, clothing, rent, ant utilities.

When Kansas' families are able to afford necessities: nutritious food, a home with utilities, clothing, then all Kansans benefit; businesses retain quality employees, local governments see fewer strains on social services, law enforcement, and hospitals, and children retain access to quality care and education – building the workforce of tomorrow.

UCS supports House Bill 2687 as an effort to support the health and stability of Kansas children and their families across the state.

