



September 21, 2023

Chairperson Erickson and Members of the Committee:

Thank you for the opportunity to provide testimony for the 2023 Special Committee on Child Care Centers and Child Care Homes. Child Care Aware of Kansas leads Kansas' network of child care resource and referral agencies, working to ensure that all young children and their families have access to affordable, high-quality early care and education.

We are grateful to the Committee and the Kansas Legislature for your commitment to addressing our state's child care challenges, and we believe this goal is shared by Kansas families, child care providers, communities, and the early care and education system overall – all of whom face these challenges on a daily basis.

The Child Care Landscape

While COVID-19 certainly impacted the supply of child care in Kansas, our struggles pre-date the pandemic and are rooted in systemic fault lines within the child care landscape. Currently, Kansas has 660 licensed child care centers and 3,243 licensed family and group homes. Our total licensed capacity (i.e. the number of spaces for children) for full-time, year-round child care is 78,389, yet our desired capacity (i.e. the number of spaces child care programs desire to fill) is only 67,307¹. Overall, our supply of child care meets only 44% of the potential demand.

While the need for child care is dire, Kansas has benefited from the ability to quickly and efficiently disburse child care stabilization funds (Sustainability Grants) directly to child care programs. The last payments were made to child care programs in May, 2023. Child Care Aware of Kansas has been closely monitoring changes in child care supply since the grants ended. From June 1, 2023 to September 15, 2023, Kansas gained 8 child care centers and lost 9. During the same period, Kansas gained 64 family and group homes and lost 107².

Many Kansas child care programs are now in the unfortunate position of having to choose between charging families more or closing their business. Many Kansas families, however, are simply unable to pay higher fees for child care. Between January 1, 2022 and September 19, 2023, Child Care Aware of Kansas assisted 12,621 families with their child care search (many of whom required our assistance more than once). The vast majority of the families we served during this time were seeking care for infants and toddlers. Roughly half of the families we served reported applying for or receiving child care assistance³.

Without immediate action to bolster the child care system, we anticipate that the downward trend of child care supply will continue and that the cost of child care will increase.

Making Child Care Work for Kansas

As you undertake this critical effort, we highlight opportunities to bolster the system on three related fronts: 1)

¹ Child Care Aware of Kansas, WorkLife Systems, retrieved September 20, 2023.

² Child Care Aware of Kansas, WorkLife Systems, retrieved September 15, 2023.

³ Child Care Aware of Kansas, WorkLife Systems, retrieved September 19, 2023.



solutions for Kansas families, 2) solutions for licensed child care providers, and 3) solutions for communities across the state.

Solutions for Kansas Families

Affordability is a key issue that impacts families' ability to access child care. We recommend a thorough review of Kansas' child care assistance program that considers the following:

- Opportunities to **streamline and accelerate access for families**, including 1) elimination of requirements to participate in child support recovery as a condition of receiving child care assistance, 2) align eligibility determination processes with those of other programs and services (i.e. Medicaid, TANF, SNAP), and 3) increase funding for overall administration of child care assistance to ensure the timely processing of applications for initial and ongoing eligibility.
- **Enact presumptive eligibility for families** to close the gap between application and access to child care assistance.
- **Increase income eligibility** for families seeking child care assistance to 450% of the Federal Poverty Level (FPL).
- **Eliminate family copays** for families at or below 175% of FPL with copays no higher than 3% of household income for families between 175% and 300% FPL.

Solutions for Licensed Child Care Providers

Child care providers face the daunting task of providing high-quality care that meets families' needs while maintaining viable business operations for themselves and their staff. We recommend a multi-pronged approach to solutions that includes the following:

- **Maximize Revenue and Reimbursement Options**
 - Revise administration of the Child Care Assistance program so that child care providers receive reimbursement directly from the State of Kansas. This will allow the state to presumptively pay child care providers and reduce the burden on providers of collecting reimbursement from families.
 - Develop and implement a plan to reimburse child care providers participating in the Child Care Assistance Program at 100% of the cost of quality (not the market rate, which reflects what families can afford to pay).
 - Utilize state funding to reimburse all child care programs participating in the Child and Adult Care Food Program (CACFP) at the Tier 1 rate (the highest rate of reimbursement).
 - Provide financial incentives for the provision of specialty child care options (care for infants and toddlers, children with special health care needs, and nontraditional hours of care) via contracts and/or grants to child care providers.
- **Comprehensive Review of Licensing**
 - Collaborate in the evaluation and restructuring of the child care license surveying system to ensure consistency and reduce costs to providers.
- **Recruitment, Retention, and Compensation of the Child Care Workforce**
 - Invest in financial incentives to recruit new child care professionals to the workforce and stimulate the creation of new child care businesses. This may include grants to cover business start-up costs, minor facility improvements/renovations, and cover salary and other fixed expenses while new child care programs work toward full enrollment.



- Invest in wage supplements, scholarships, and professional development opportunities that build a pipeline of qualified, well-prepared, and adequately compensated child care professionals. We recommend expansion of existing programs that provide scholarship and wage stipends, or model national programs such as T.E.A.C.H and WAGES.
- Invest in opportunities for child care programs to access and offer employment benefits such as health insurance and retirement. Specifically, we recommend subsidizing ACA Insurance Marketplace premiums for providers enrolled in child care assistance.
- **Invest in Child Care Business Operations and Quality**
 - Invest in the creation and sustainability of shared services networks and/or child care cooperatives, including provision of child care management software systems that streamline administrative and fiscal management for child care programs. We further recommend investing in systems that facilitate bulk purchasing, substitute pools, and shared access to employment benefits (i.e. retirement) for participating child care providers.
 - Invest in coaching and technical assistance for child care providers, such as mental health coaching, business consultation, child care health consultation, and inclusion practices.

Solutions for Communities

- Invest in grants for communities that are creating new or expanding existing child care programs, such as the **Child Care Accelerator and Child Care Community Partnership grants**.
- Promote utilization of the **Employer Child Day Care Tax Credit**.
- Support or facilitate use of state administrative data (for example, inclusion of child care assistance data via the Early Childhood Data Trust) for state and local program and policy decision-making. Specifically, we recommend collecting and reporting **disaggregated demographic data at both the child/family and provider levels**.

The Path Forward

Child care is a complex problem that requires the right mix of solutions at the right time. Taken together, the solutions we have highlighted above present an opportunity to have a meaningful, lasting impact on the ability of 1) families to access affordable, high-quality child care, 2) child care providers to enter and remain in the profession while operating a viable business, and 3) communities to attract and retain the workforce needed to fuel economic growth and prosperity.

This effort will require the active contribution of multiple partners, including government, business, philanthropy, community leaders, families, and child care providers. We are grateful for the opportunity to provide our input into the work of this committee, and urge you to center the voices of families and child care providers as you seek a path forward.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kelly Davydov".

Kelly Davydov
Executive Director