


FISCAL FOCUS

Budget and Tax Policy in  Perspective

April Holman
Kansas Action for Children
Legislative Testimony – Child Care Assistance
House Social Services Budget Committee
March 5, 2009

Thank you Madam Chair and members of the committee for this opportunity to testify on the importance of funding for Child Care Assistance contained in the SRS budget.

Kansas Action for Children is a not-for-profit child advocacy organization founded in 1979. For more than 30 years, KAC has worked with lawmakers on policy solutions that improve the lives of Kansas children and their families.

Importance of the Child Care Assistance program

The Kansas Child Care Assistance Program, administered by SRS, helps the parents of approximately 22,000 children maintain steady employment. The program is a central component of the Welfare-to-Work initiative, which was designed to reduce the number of families receiving TANF (Temporary Assistance for Needy Families) benefits by helping Kansans find and keep employment. One of the primary obstacles to keeping parents in the workforce is the availability of affordable child care. In fact, for single mothers earning the median income in Kansas, child care costs account for 41% of their earnings. The Child Care Assistance program helps remove that obstacle by assisting low-income parents with child care costs.

Currently in Kansas, families with incomes up to 185 percent of the poverty level are eligible for the program. In FY 2008, the program served approximately 21,000 children each month. The average monthly assistance for families was about \$300.

Kansas economy depends upon child care

Affordable child care helps create an adequate labor pool from which Kansas companies can attract and retain employees. Child care has a direct correlation to workplace performance as well. When parents know their children are being cared for during work hours, they are less likely to be absent from work, more focused on their jobs, and more productive in the workplace.

And, parents aren't the only ones who need to be concerned about whether children are being cared for during the work day. Studies show when children have access to quality care during the first five years of their lives, they are more likely to succeed in school and better prepared for the workforce.

Federal resources at risk if Child Care eligibility cut

Although the Governor's budget does not change the income level for Child Care Assistance eligibility, the issue of reducing the eligible level for this program was raised by SRS during the Rescission Bill deliberations. We are concerned about the impact of such cuts, both on Kansas families receiving assistance and on the state's ability to draw down additional federal funding provided in the American Recovery and Reinvestment Bill (the federal stimulus bill). Kansas is positioned to receive more than \$18 million in additional funding for child care assistance over the next two years. We know the federal legislation requires that additional funding be used to supplement - and not supplant - state appropriations. Although it has not yet been determined how reductions in the Kansas program will impact the additional federal funding, it would be short-sighted to cut eligibility levels for child care assistance now when cuts could put federal funding in jeopardy.

Retaining current eligibility level is a cost-saving measure

Maintaining the current eligibility levels for the Child Care Assistance program is cost-effective for a couple of reasons. First, because it positions Kansas to fully access federal stimulus dollars available for child care assistance. Second, because the Child Care Assistance program encourages Kansans to remain in the workforce and, in turn, saves the state dollars in other assistance programs that these families would likely require if unemployed.

For these reasons, we ask the Subcommittee to retain the current eligibility levels and the Governor's funding recommendation for the Child Care Assistance program.