

# FISCAL FOCUS

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Budget and Tax Policy in  Perspective

April Holman  
Kansas Action for Children  
Legislative Testimony – Child Care Assistance  
Senate Ways and Means SRS Subcommittee  
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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.

## **The Importance of the Child Care Assistance Program**

The Kansas Child Care Assistance program helps low-income working families pay for child care that is necessary for parents to enter and remain in the workforce. Access to quality child care is critical for working families. However, it can often represent a significant portion of family income, making it difficult to afford. Child care assistance helps eligible families reduce their child care costs for children under 13. Currently in Kansas, families with incomes up to 185 percent of the poverty level are eligible. Depending on family size and income level, most families are responsible for a portion of the cost.

Parents in many Kansas households are able to work because the state assists with the cost of their children's care. In FY 2008, the program served an average of 21,211 children each month. The average monthly assistance was about \$300.

## **Cuts to Child Care Funding Hurt the Economy**

Child care providers are a significant component of the small business community. Studies have shown that expenditures on child care have a significant effect on local economies. Child care also contributes to the economy by enabling parents to work, reducing absenteeism and helping employers attract and retain employees.

## **Potential Eligibility Cuts for Child Care Assistance**

Although the Governor's budget does not change the income level for Child Care Assistance eligibility, the issue of reducing the eligible income 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 for the program provided in the American Recovery and Reinvestment Bill (the federal stimulus bill). The federal legislation requires that the additional funding be used to supplement and not supplant state appropriations. It has not yet been determined how reductions in the Kansas program will impact the additional federal funding, but it would be short-sighted to make reductions now that will put federal funding in jeopardy.

### **Retain Current Eligibility for Child Care Assistance**

The Child Care Assistance program helps to put Kansas parents in the workforce. This has immediate benefits for the family as well as the community, and helps instill a strong work ethic in the next generation of Kansans. For these reasons, we ask the Subcommittee to retain the current eligibility levels and the Governor's funding recommendation for Child Care Assistance.