

Direct-to-Provider Child Care Assistance Payments

MARCH 2026

Strengthening Kansas' Child Care Assistance Program through direct-to-provider payments.

This bill puts Kansas on a clear path to modernizing the Child Care Assistance Program by directing the Kansas Department for Children and Families (DCF), in coordination with the Kansas Office of Early Childhood (KOEC), to develop, procure, and implement a streamlined child care subsidy management and payment system. The goal of this modernization is to support direct child care subsidy payments to eligible child care providers.



The bill requires DCF and KOEC to issue a Request for Information (RFI) by January 1, 2027, produce a comprehensive report with recommendations by June 30, 2027, and — subject to funding — issue a Request for Proposal (RFP) for system development and implementation. These steps move Kansas toward stronger payment stability for child care providers, reduced administrative burden for families, and long-term sustainability of the subsidy system.

WHY THIS LEGISLATION MATTERS

Reliable child care is essential for Kansas' workforce and economy, yet families and child care providers continue to face avoidable challenges in navigating the Child Care Assistance Program. Today, only 7.4% of potentially eligible Kansas children receive subsidy¹. At the same time, only 40% of licensed child care providers participate², often citing administrative burden and difficulties collecting payments as major deterrents.

Kansas has strengthened subsidy eligibility for families and child care provider reimbursement rates in recent years, but persistent challenges are rooted in how Kansas administers payments. The proposed legislation tackles these structural issues by modernizing payment processes and establishing a modern system that works for the families and child care providers who rely on it.

WHAT THE BILL DOES

1 MODERNIZES SUBSIDY MANAGEMENT AND PAYMENT SYSTEMS

Directs DCF, in coordination with KOEC, to develop, procure, and implement a modern child care subsidy management and payment system that supports direct-to-provider payments. Required capabilities include:

- Child care provider portal and login that allows providers to manage payments and records
- Integration with state eligibility, licensing, and financial systems
- Secure communication tools
- Help desk support for child care providers
- Program monitoring and integrity functions

2 ESTABLISHES A CLEAR, CROSS-AGENCY PROCESS

Requires coordinated leadership by DCF and KOEC in all phases of assessment, procurement, and implementation.

3 REQUIRES A COMPREHENSIVE RFI AND LEGISLATIVE REPORT

- RFI issued by January 1, 2027, gathering information on system functionality, modular options, cost estimates, federal CCDF experience, and implementation timelines.
- Report submitted by June 30, 2027, including:
 - Summary of RFI responses
 - Estimated costs for procurement, implementation, and maintenance
 - Recommendations on issuing an RFP (with a procurement timeline not to exceed one year)
 - Proposed implementation timeline
 - Statutory changes needed to support direct-to-provider payments

WHAT THE BILL DOES

4 SETS THE STAGE FOR PROCUREMENT AND IMPLEMENTATION

Following the report (and subject to funding), DCF must issue an RFP for development and implementation of the new system. The bill allows phased implementation, including pilots and gradual transitions from the current system.

5 SUPPORTS SUSTAINABLE, RESPONSIBLE IMPLEMENTATION

By requiring analysis of costs, timelines, technical readiness, and statutory needs before procurement, the bill ensures Kansas modernizes its system in a deliberate, fiscally responsible manner.

THE CASE FOR CHANGE

1 FAMILIES NEED FASTER, EASIER ACCESS TO CARE

Families regularly describe the subsidy application and enrollment process as confusing, slow, and out of sync with real-life needs. When child care providers decline to accept subsidy because of payment risks, families can be left with no viable child care options.

A modernized system that includes features such as provider portals, secure communication tools, and integration with eligibility systems makes it easier for child care providers to understand family status and enroll children confidently. Direct-to-provider payments mean families are no longer responsible for navigating complex payment handoffs between the state and their provider.



2 CHILD CARE PROVIDERS NEED PAYMENT STABILITY TO STAY IN BUSINESS

Kansas child care providers report difficulty in collecting payments, administrative burden, challenges verifying family eligibility, and collecting co-pays as major barriers. A 2024 Health Fund/K-State survey found that 71% of child care providers would be more likely to participate if they could receive payments directly from the state³. Paying child care providers directly (while ensuring they are predictable, timely, and transparent) reduces financial risk and encourages greater provider participation.

3 SUSTAINABILITY REQUIRES MODERNIZING HOW KANSAS ADMINISTERS CHILD CARE SUBSIDY

Kansas' recent improvements have been supported by federal relief funds that will be depleted by SFY 2029. Sustainable operations require better data, clearer forecasting, and reduced administrative inefficiency.

The modernized system envisioned in the bill will help Kansas improve cost projections, streamline operations, and support long-term fiscal stability. The bill's required RFI and legislative reporting ensure Kansas evaluates system functionality, cost, staffing needs, and IT readiness before moving to procurement.

CONCLUSION

This legislation represents a significant step toward a child care system that meets the needs of Kansas families and providers: predictable, accessible and aligned with federal expectations. Modernizing payment and management systems by shifting to direct-to-provider payments removes long-standing barriers, strengthens the child care workforce and improves families' access to the care they need to work and thrive.

Kansas has the opportunity to lead the nation in building a subsidy system that is modern, coordinated and designed for the people it serves. This bill moves the state toward that future — responsibly, collaboratively, and with families and child care providers at the center.

This legislation represents a significant step toward a child care system that meets the needs of Kansas families and providers: predictable, accessible and aligned with federal expectations.