



To: Chairperson Erickson, Vice-chairperson Blew, and members of the Committee

From: David Jordan, President and CEO, United Methodist Health Ministry Fund

Date: September 22, 2023

RE: Opportunities to Strengthen Kansas' Child Care System

Dear Chairperson Erickson, Vice-chairperson Blew, and members of the Special Committee on Child Care Centers and Child Care Homes:

Access to high-quality child care is necessary for Kansas children and our economy to be able to thrive. It is critically important for working parents of young children to be able to find quality affordable child care because it aids healthy child development and allows them to return to the workforce.

As a statewide health philanthropy, we are excited by the opportunity to partner with the state to support innovative policy solutions to make quality, affordable child care a reality in every Kansas community.

The United Methodist Health Ministry Fund is a 37-year-old, \$60-million health philanthropy located in Hutchinson. Our mission is to improve the health of Kansans. We focus on three strategic areas—access to care, Thriving Children, and Engaged Congregations and Communities, a program aimed at addressing community health by engaging churches throughout Kansas.

A key component of our work is supporting all Kansans to ensure they have the opportunity to thrive. As a foundation that supports all Kansas kids having the opportunity to benefit from the high-quality early learning experiences needed to support healthy brain development, we appreciate the Committee's willingness to address the lack of quality, affordable child care in Kansas.

While we agree that there is a need to look at child care regulations, we believe that solving the childcare crisis in Kansas will require a more systemic approach that is anchored by transformative action. Developing a solution that makes child care more affordable for parents and more financially viable for child care providers will require investments from government, businesses, philanthropy, and families. The bottom line is that without additional resources, care will be too expensive for Kansas families and child care providers' budgets will not balance.

Kansas Child Care Centers Are Financially Vulnerable

Currently, in Kansas, providers are struggling to keep their doors open while parents struggle to find affordable, safe, high-quality care.

According to the [Economic Policy Institute](#), the average annual cost of infant care in Kansas is [\\$11,222](#) per child, or 12.1% of the state's median household income of [\\$92,890](#) for a family of four. Just 8% of Kansas families can afford infant care. The prohibitive costs of child care are making it tough for parents to return to work and the lack of affordable child care is harming business' ability to recruit and retain workers.

90% of brain development occurs before the age of five, making high-quality early learning a vital investment. Given its high cost, it's reasonable to think high-quality child care would be widely available throughout Kansas and that providers would make a good living.

The opposite is true in Kansas. Despite the high cost for families, making child care a profitable business model is challenging. The Kansas [median wage](#) for child care workers in 2019 was \$10.20 per hour, approximately \$21,200 annually. As a result, we do not have nearly enough providers to meet our needs. In 2020, [Child Care Aware of Kansas](#) reported 97% of Kansas counties didn't meet demand.

Our rural communities face additional challenges. In Kansas, rural, densely settled rural, and frontier counties make up [85% of Kansas](#) and [nearly 45%](#) of the entire state population lives outside an urban setting. Nearly half of rural Kansas counties do not have a child care [center option](#). We need to support existing providers in rural communities as well as invest in developing new options, which will require resources.

Income in Kansas' frontier and rural counties is lower - households are making roughly \$9,800 and \$5,600 less than the state's median household [income](#). This means finding child care that can be affordable for families and financially viable is even more challenging in rural communities.

Investing in Child Care Solutions for Kansas Families, Providers and Communities

Over the last five years, Kansas has worked incredibly hard to strengthen our child care system. Yet, we know that as pandemic funds expire, there will be a sharp drop in funding, which will financially harm child care providers and challenge their ability to stay open.

A small part of addressing challenges is licensing and regulations. It is positive to see the Kansas Department of Health and Environment making progress on improving these regulations. We support KDHE's progress. However, we are concerned about the additional focus on regulations. The changes will not improve the center's financial viability and will jeopardize child safety as well as make it tougher to recruit and retain qualified child care workers.

Suring up the system will require investments that will make care more affordable for families, more sustainable for providers and benefit communities.

Investing in Making Child Care More Affordable for Kansas Families

In 2023, the average annual cost of infant care in Kansas is \$11,222—that is \$935 per month. Child Care for a 4-year-old costs \$8,798, or \$733 each [month](#). These costs are unaffordable for too many Kansas families. To make child care more affordable, we recommend increasing eligibility for child care assistance up to 450% of the federal poverty level (FPL) for family income and eliminating cost-sharing for families earning under 175% of FPL. By utilizing child care assistance to make care more affordable, we can access federal dollars rather than just relying on state funds.

We would also recommend making it easier for providers and parents to navigate the child care system. Specifically, we would recommend paying providers directly for children enrolled in their care, just as we pay health care providers, and, simplifying the enrollment process for families by eliminating unnecessary paperwork and streamlining the enrollment process as well as utilizing presumptive eligibility for families.

When Kansas families have access to affordable child care and are not burdened by administrative barriers it is a win for families, children, and providers. Making care more affordable through increased use of child care assistance also creates a more stable financing mechanism for providers.

Supporting Child Care Providers

Child care providers are constantly trying to balance how much they can charge families and how to keep costs down. While increasing the number of families and providers participating in child care assistance will create a more sustainable and reliable revenue stream, finances to compete for and retain workforce to be part of the solution as well.

To support providers and to address workforce challenges, we would recommend funding grant programs to provide bonus payments to child care workers for longevity and degree completion. We would also recommend creative funding to make it possible for child care workers to obtain health insurance, including funding to subsidize child care workers purchasing health insurance on the market place. Likewise, there could be an exploration of how to support retirement benefits for providers.

Innovative solutions like providing grants for infants and toddlers, children with disabilities, nontraditional hour care, and other specialized circumstances can make it easier for child care providers to expand their services. Similarly, small investments like supporting shared services across providers and bulk purchasing programs can bring down costs for providers. Investments in technology can improve efficiency in building, college, and revenue management.

Solutions for Communities

Communities have a vested interest in supporting child care solutions. We encourage continued funding of the Child Care Accelerator grant program and support of innovative programs that reduce barriers to starting programs, like the Child Care Go Team. These funding mechanisms can help and encourage communities to play an active part in their strategic solutions.

We also encourage building collaboration with business and philanthropy to fund innovative public private partnerships that strengthen the system.

Kansas has a child care crisis on its hands. It will take collaborative solutions and resources to solve this problem. Together, we can make Kansas the best state to raise a family by working together on bold policies to ensure all Kansas kids have access to high quality, affordable child care.

Thank you in advance for your time and consideration.