

April 3, 2017

Amanda Gress, Director of Government Relations
Kansas Action for Children
Testimony for House Bill 2399
House Taxation Committee

Chairman Johnson and Members of the Committee:

Thank you for the opportunity to provide neutral testimony regarding House Bill 2399. Kansas Action for Children's vision is to make Kansas the best state to raise a child, and our organization shapes health, education, and economic policies that benefit Kansas children and their families. Tax policies implemented since 2012 have undermined the financial well-being of working families and the fiscal health of our state. **For that reason, we support restoring important credits and deductions for Kansas families gradually and responsibly, as state policymakers repair the Kansas tax code.** It is critical that policymakers bring back provisions that help working families as a part of a broader plan for tax reform, to ensure restoration does not come at the expense of other policies that benefit low- and moderate-income Kansans.

Child care is an expensive necessity for Kansas families. Families need child care so that parents can work. Children need safe, stimulating early learning environments to help prepare them to succeed in school and in life. In Kansas, the average annual cost of one infant's care in a child care center is \$11,482 – which represents nearly half of a Kansas single parent's median income and 14%

720 SW Jackson I Suite 201
Topeka, KS 66603

P: 785-232-0550 | F: 785-232-0699
kac@kac.org | www.kac.org

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of the median income for a married couple.¹ Public investments can help parents afford the cost of care and help child care providers improve the quality of the care they provide.

Unfortunately, Kansas policy choices have harmed the state’s ability to meet the needs of children and families:

- Unaffordable changes to the state’s tax code have weakened the financial well-being of families with modest incomes. These changes include the elimination of key tax policies – such as the child and dependent care credit, the refundable food sales tax rebate, and the homestead property tax refund for renters – as well as increases in the state sales tax. Altogether, these changes have resulted in a net tax increase for the lowest-income 40 percent of Kansans.
- Tax policy put Kansas’ early childhood system at risk. Nine consecutive rounds of budget cuts have reduced both the number of children who receive high-quality child care and the programs that are available to strengthen the Kansas early learning infrastructure.²
- Policy changes have decreased the availability of child care assistance, which subsidizes child care costs for working families with modest incomes. In February 2017, child care assistance reached just 10,242 Kansas kids – far fewer than 10% of all the children whose families are income-eligible.

A state child and dependent care credit is one tool to improve high-quality learning opportunities for Kansas children. Child care is one of the first early learning environments in an infant’s or a toddler’s life, and ensuring all Kansas children can access high-quality child care will help them succeed once they enter school and the workforce. A *refundable* state credit would most effectively reach all working Kansas families, because it would allow families to get the full credit even if they earn too little to owe much income tax.

We urge policymakers to ensure that any new tax credits and deductions are part of a comprehensive tax reform package that restores the state’s financial health. Until Kansas passes a comprehensive tax reform that ends this cycle of crisis, unaffordable tax policy will continue to jeopardize early learning opportunities for Kansas children and the economic well-being of their families. Thank you for the opportunity to testify, and please do not hesitate to contact Kansas Action for Children if we can be of assistance as you work to repair the Kansas tax code.

¹ “Parents and the High Cost of Child Care: 2016,” Child Care Aware of America, <http://www.usa.childcareaware.org/advocacy-public-policy/resources/reports-and-research/costofcare/>

² “Lost Opportunities for Kansas Kids,” Kansas Action for Children, http://kac.org/wp-content/uploads/2012/11/CIF_impact_FINAL.pdf