

**Colton Gibson, Government Affairs Consultant, Wonderschool
Proponent Testimony
Hearing on HB 2664**

**House Commerce Committee
February 19, 2024**

Chairman Tarwater, members of the committee,

My written testimony today is largely reflective of Representative Tim Johnson's thoughtful remarks on this same issue, which he provided to the Social Services Budget Committee on February 06, 2024.

While we debate the contents and outlook of the statewide approach, there is a proviso passed out of the Social Services Budget Committee to begin a pilot program in FY 2025 with \$500,000, currently in the DCF budget.

Since March of last year, we've met with child care leaders in the Administration and both Legislative Chambers regarding family-based child care. It was made clear to us that between existing state and federal programs, there was no earmarked funding for any services similar to the direct recruitment, training, and retention of family-based child care providers.

We are not talking about a community outreach visit to a local chamber of commerce, we are talking about hands-on experts going directly into already identified childcare deserts to recruit and train willing and qualified professionals, often based on cultural or linguistic needs, and we are here today to advocate for such a program to be rolled out statewide.

With respect to transparency, much of the debate has been focused on which agency should issue the RFP and provide oversight for the third-party vendor administering the program.

Our official position is that it is not for us to decide -- though the KSU 105 program (because of their presence in all 105 counties), KDHE, or DCF would work well. The issuing agency is at the discretion of the Legislature. We have confidence that the merits of this approach can be overseen by any qualified administrative body.

So why should we invest in family-based child care?

Although many people think of child care as occurring in centers, family-based child care accounts for 97 percent of all child care settings and serves almost two-thirds of the children ages birth to five who are in care. Source: Council for a Strong America

As the demands on child care services become more numerous and the industry more highly regulated and complex, we've seen a roughly twenty-five percent drop in recent years in family-based child care.

Meeting this demand in a state as vast and diverse as Kansas requires a mix of greater center-based and family-based providers, however, most of the discussion and virtually all of the taxpayer resources have been devoted to the expansion of center-based care. These providers play an important and growing role, but family-based child care providers can better reflect the cultural diversity of our population, including providing for faith-based settings and accommodating a broader range of needs.

Family-based child care is often best able to accommodate families in rural areas, families with unconventional working hours like shift workers and first responders, and those with particular cultural or linguistic needs.

Family-based providers are true American entrepreneurs but face challenges like never before. Services like those provided by a family-based child care incubator can serve as powerful force multipliers, creating the best possible return on investment for total number of childcare seats created per tax dollar spent.

Results from surrounding states are promising.

Many states across the region have made investments in family-based child care incubators to great effect. For example, in Nevada the results are crystal clear: in just two years, Nevada has seen 362 new family-based childcare providers join the marketplace and 150 more on the waitlist. The target number of family-based childcare providers was merely 275 — the program seeing tremendous excitement from women becoming small business owners. In year two alone, Nevada created nearly 2,500 childcare slots through a family-based child care incubator.

In Michigan, the program saw such significant success that they have expanded it twice over. See Wonderschool's testimony for an in-depth look at the Michigan program.

Right next door in Missouri, they've just contracted to stand up 100 new family child care programs as well as provide business coaching to support 300 existing childcare providers through the regulatory process and optimize business operations -- this includes invoicing, parent & guardian communication, and finding new families to support.

Over the last couple of years, we've heard over and over about the need for about 85,000 child care slots to meet demand, per Child Care Aware of Kansas.

With a need so great, an innovative approach is required.

From last year to last week, Kansas has distributed around \$98 million — mostly federal funds — to create nearly 6,460 child care seats in center-based care, and directed to only 73 communities across the state. This funding was strictly intended for the construction of community centers that provide a series of services, including child care. Community matches, planning, and construction all required before any of these slots will be actualized and serving communities.

Over the interim, the Administration and many legislators heard proposals for investment in the

recruitment and retention of new family-based child care providers via a family-based child care incubator.

The results were clear concerning the state's return on investment. A \$10m appropriation over three (3) years would result in at least 375 new family-based childcare providers for a total of anywhere between 3,750 to 4,500 openings. This figure also includes two (2) years of support and technology for each new provider such as marketing, enrollment, family communication, billing, and expense reporting.

We advocating for the appropriation of \$10m to a qualified administrative body of the legislature's choosing to issue an RFP and award the funding to a non-state partner for the recruitment and retention of family-based child care providers. The below is based on language in Michigan Appropriations Bill No. 4437, enrolled in 2023.

Proposal:

Provided, That expenditures shall be made from the account in an amount not to exceed \$10,000,000 to a non-state partner for the recruitment and retention of family-based child care providers.

An eligible recipient of funds under this section must partner with the K-State 105 Program and childcare stakeholders to increase the supply of child care family homes by recruiting and coaching prospective providers through the initial business planning and implementation process and develop and execute a 2-year mentorship program for new child care family homes.

In order to be eligible for funding under this section, the recipient (1) must not be a state entity, (2) must be providing similar services in at least three other states, and (3) must agree to do all of the following:

- A. Plan, staff, and execute in-person and virtual recruitment events for new child care providers in areas of need and develop informational materials that assist child care family homes with marketing, advertising, and parental outreach.*
- B. Provide a software platform, including customizable dashboards, to assist child care family homes with marketing, enrollment, family communication, billing, and expense reporting*
- C. Offer child care family homes coaching and training including in-person group training sessions, on-site coaching visits, community forums, and events.*

We hope you will consider this proposal as you develop a meaningful child care approach.

Thank you for your time.

Mr. Chair, I stand for any questions.

Colton Gibson