



DCF Legislative Testimony

March 11, 2026

TESTIMONY OF: Dr. Carla Whiteside-Hicks, Director of Economic and Employment Services,
Department for Children and Families

TESTIMONY ON: Neutral | **Written Only** | **SB513:** Directing the Kansas department for children
and families to develop, procure and implement software to provide direct child care subsidy
payments to child care providers.

DCF | SB513 | CCDF SUBSIDY PAYMENTS

Chair Billinger and members of the committee, thank you for the opportunity to provide additional information on child care discretionary funding subsidy payments in relation to Senate Bill 513: Directing the Kansas department for children and families to develop, procure and implement software to provide direct child care subsidy payments to child care providers.

In considering the potential alterations to the way in which child care subsidy payments are made to direct payments to providers in the bill, DCF offers the following considerations:

The current model of payment to parents has a number of safeguards that support program integrity and deter potential provider fraud. Additionally, we believe providing benefits directly to families empowers parents to select care that meets their child's needs and a payment structure akin to private pay families.

Shifting to a direct provider payment model could benefit providers and address current concerns providers have about the stability and timeliness of receiving payments. However, DCF believes a shift to a direct provider payment model would also need sufficient safeguards to protect program integrity and deter potential fraud. For example, DCF would expect families to continue to certify such usage or payments.

CURRENT CHILD CARE ELIGIBILITY

To be eligible for Child Care Assistance, the family must have a qualifying need for child care. These qualifying factors could include:

- 20 hours of employment, school, or some other needs, like work participation for TANF or teen parents finishing high school.
- Persons must apply and be able to act on their own behalf.
- The family and the child must live in Kansas.
- Countable resources must not be more than \$10,000. Their countable income must be less than 85% SMI.

Once the application for Child Care Assistance is received by DCF's eligibility workers, a battery of reviews to verify the information is accurate is completed. Reviews are conducted at initial application, annual renewal, and on an ongoing basis for all Economic and Employment Services programs. Programs include Cash Assistance (Temporary Assistance for Needy Families), SNAP Food Assistance, Child Care Assistance, Employment Assistance, and Low-Income Energy Assistance Program (LIEAP).

To be eligible for Child Care Assistance, Kansas families must:

- Provide proof of Kansas residence,
- Identification for the adults in the home,
- Verification of the child(ren)'s citizenship status and date of birth,
- Income verification, and,
- If parents are absent from the home, proof of cooperation with Child Support Services.

If current verifications are available through DCF's electronic case files or collateral contacts, the family is not asked to provide them again. If not, other verification may be required if income is questionable or close to the

monthly maximum income limit. If household composition is questionable, the household composition is required to be verified.

Families must select a DCF-enrolled child care provider. These providers are licensed by KDHE and have gone through additional background checks to be eligible to accept Child Care Assistance benefits from qualifying families. If a family does not already have a provider selected, they are referred to Child Care Aware of Kansas (the state's Child Care Resource and Referral provider) for assistance in locating a child care provider.

In Kansas, Child Care Assistance benefits are made available to families for each enrolled child. DCF deposits the Child Care Assistance benefits on the family's Kansas Benefit Card (EBT card). The family is responsible for making the payment to the child care provider. This approach is somewhat unique. We believe that only Wisconsin has a similar payment method where families can only transfer the benefit funds to child care providers using their EBT card. Families cannot cash out the benefits and do not receive any payments directly.

Providing benefits directly to families empowers parents to select care that meets their child's needs. It allows families receiving assistance to pay in a similar manner to private pay families – fully aware of the services that they agreed to under the written agreement with their provider.

Payments can be made on the schedule that is decided between the parent and the provider, as outlined in their written agreement. Parents are trusted partners in the administration of the benefit assistance. Because families are directly responsible for authorizing the payments, they confirm attendance, hours of care and the services before the funds are used. This system ensures that they are aware of the cost of child care, so that they can plan for those additional expenses if they are no longer eligible for the subsidy.

The average number of Kansas families receiving Child Care Assistance monthly (through November 2025) is 9,188 with 15,754 children. Kansas families must apply for Child Care Assistance by completing an application available from DCF, providing the required information, and attesting that it is true.

Child care providers are not paid by DCF; they receive payments directly from families. Child care providers licensed by KDHE must apply to become a DCF Enrolled Provider and approved before they are eligible to receive payment from families utilizing Child Care Assistance benefits. They are subject to additional background checks and annual site visits.

There are 2,185 licensed child care providers that are enrolled in the DCF Enrolled Provider program, which qualifies them to receive Child Care Assistance funds from participating families. Certain close relatives are also eligible to become DCF Enrolled Providers. There are 66 in-home relative providers (not licensed) and 245 out-of-home relative providers (not licensed).

BILL IMPACTS

Under this bill, DCF would procure software management system that would allow providers to receive client payments for CC Subsidy directly.

Under the current payment model, providers have expressed difficulties in collecting subsidy payments from families participating in the Child Care Assistance program. At this time we are not sure if the problem lies in

families not paying the subsidy amount (from the EBT card) or families not paying the family share deduction (out of pocket).

This new payment model may benefit providers by potentially quickening the payment transfer and allowing for stable payments. However, to ensure program integrity, families will need to certify continued enrollment prior to the state processing a payment, so there could still be a lag. Additionally, in the event a child's enrollment changed mid-month, there could be delays or concerns with payments expected between the two (old and new) providers.

SB 513 requires a request for information (RFI) be issued on or before January 1, 2027, related to child care subsidy management and payment system. Information to be provided includes:

- Systems functionality and technical specifications;
- Options for modular or phased implementation;
- Estimated one-time and ongoing costs;
- Experience with federal child care and development fund requirements;
- An estimated timeline for statewide implementation.

There is no fiscal impact related to the issuance of the RFI.

Based on the information provided from the RFI, a summary is to be prepared and presented to the legislature on or before June 30, 2027. This presentation will include estimated costs, an implementation timeline and a list of statutory changes needed. A request for proposal (RFP) shall then be issued dependent on the appropriation of state and federal funds.

Development and implementation of new software will include a fiscal impact. However, the extent of that impact and the funding available cannot be determined until the RFI has been reviewed and assessed.

In addition to the new software, there may be a to be determined fiscal impact to link and integrate the KEES system currently in use for eligibility and payments related to child care subsidy and other assistance programs.

The ongoing fiscal impact is dependent on the information provided and the decisions made regarding the development and implementation of new software for managing child care subsidy and making payments. Until the RFI's and RFP's have been reviewed, the impact cannot be estimated.