

# ECFC Revenue and Tax Conversation

David Jordan  
Health Fund Revenue Discussion  
April 15, 2026



# Supporting State PP Partners

- Long-term general support for fiscal policy advocacy
- Fiscal research

### Furthering Federal Funding TO BOLSTER OUTCOMES FOR KANSAS KIDS


We know what children need to succeed. Every Kansas child should have high-quality early education, nurturing places and spaces, and routine health care. These investments in the early years create a foundation for growth and development that lasts a lifetime.

However, current Kansas law makes it difficult for children and families to receive these investments. Luckily, with administrative and legislative changes, we can increase access to these tools for success. **Kansas ranks 48th in the federal share of its state budget, ranking above only Hawaii and Virginia.**<sup>1</sup> By increasing its use of federal dollars, the state can be more fiscally responsible by shifting state dollars currently being used unnecessarily to other needed investments. Below, we outline some of the federal funding sources currently used in Kansas. All can be strengthened and employed more efficiently to provide greater assistance to children and families.

**CCDBG CHILD CARE AND DEVELOPMENT BLOCK GRANT**

The Child Care and Development Block Grant (CCDBG) is federal funding administered by states. It provides financial assistance for low-income families to attain quality child care, while allowing families to maintain employment or seek higher education.<sup>2</sup> In addition, the funds also include initiatives to support child care licensing, Quality Rating and Improvement Systems (QRIS), and other quality improvement programs. For fiscal year (FY) 2018, Congress increased funding for CCDBG to \$8.1 billion, an increase from FY 2017's appropriation of \$5.8 billion.<sup>3</sup>

- **Amount:** In Fiscal Year 2018, Kansas received \$60.6 million dollars from the Child Care and Development Fund, an increase of \$19 million from the previous year,<sup>4</sup> due to the increase in Congressional funding.
- **Children participating:** Between 2012-2016, the average number of children eligible each month under Kansas eligibility rules was 122,006.<sup>5</sup> However, in 2016, the average monthly number of Kansas children receiving child care assistance was 11,214, or only 9 percent of eligible children.<sup>6</sup>
- **Economic impact:** For every dollar of federal child care funding, \$3.80 of additional economic output is created.<sup>7</sup>
- **Lost money:** In FY 2016, Kansas was one of four states that did not provide enough state matching funds to draw down all federal matching funds, losing \$4 million in federal dollars,<sup>8</sup> or 24 percent of its federal matching funds.



### Maximizing Medicaid FOR KANSAS KIDS

From access to prenatal care to a baby's first encounters with a doctor, Kansas' Medicaid program provides for powerful opportunities to shape the lives of Kansas kids and their families. Healthy parents are more likely to engage with their young children, bolstering the brain development that is critical to the first year. States across the country are leveraging their respective Medicaid programs to shape the earliest years, reduce infant mortality, and transform outcomes in early childhood and beyond.

But the health of newborns and infants cannot be viewed in a vacuum and must be viewed along with the well-being of moms. The US now has the highest rate of maternal mortality of any developed country—a statistic that jeopardizes and one that's been steadily increasing over the last 15 years. Shockingly, Kansas has an even higher rate of maternal mortality than the national average of 14, with 18 deaths per 100,000 live births for mothers 25 to 34 years old.<sup>1</sup> Kansas has an opportunity to elevate the emotional and mental health needs of new moms and their children via unleveraged paths through Medicaid. More than half of U.S. infants living in poverty live with a mother who experienced some level of depression, with children and mothers of color disproportionately impacted.<sup>2</sup> Maternal depression can impact "young children's cognitive and social-emotional development, as well as their educational and employment opportunities."<sup>3</sup>

of school for illness, do better in school and grow up to be healthier adults, among other positive outcomes.<sup>4</sup> These early investments not only lead to the best health outcomes, but also are an incredible return on investment.

The health care system can be an important partner in helping children enter kindergarten ready to learn. Beginning with a mother's first prenatal care appointment—or even before pregnancy—Kansas' Medicaid program has more potential to affect a young child's healthy development than any other public program. In 2017, 31.4 percent of kids under 6 in Kansas were covered by Medicaid or CHIP as their primary source of coverage.<sup>5</sup> Most children have frequent interactions with the health care system in the first three years of life, uniquely positioning Medicaid as a place to make positive change for young children and their families before they enter school. Investments in early health interventions make good economic sense by preparing children to enter school ready to learn and lead healthy and successful lives.

With nearly 270,000 Kansas kids supported by Medicaid, unlocking the program's full potential can ensure that more than a quarter of Kansas' most vulnerable kids are given the best possible start in life.<sup>6</sup> The effects aren't solely near term, either—kids enrolled in Medicaid miss fewer days

Kansas policymakers can ensure every child gets the opportunity for a healthy start by pursuing the following Medicaid policy options:<sup>7</sup>

# Role Foundations Played Directly

- Identified sustainable financing as key issue to focus on
- Prioritize tax policy and maximizing federal funding
  - Improving safety net/work support programs and securing federal grants
- Utilize all tools in toolbox:
  1. Funding advocacy and organizing
  2. Research
  3. Convening & Administrative Advocacy
  4. Communications and narrative change
  5. Legislative advocacy
  6. Thought leadership

# Funding Advocacy Partners



**POLICY BRIEF**

## Kansas' child Care Tax Credit

MARCH 2026

**Modernizing Kansas' child care tax credit would expand access and strengthen the workforce.**  
 Kansas' existing Child Day Care Assistance Tax Credit (K.S.A. 79-32.190) is significantly underutilized. Although employers routinely identify child care as a major barrier to hiring and retention, only a small number take advantage of the credit because the statute is overly complex, narrowly tailored and difficult to navigate.

This bill modernizes and expands the employer child care tax credit to make it simpler, more generous and far more useful. It increases the size of the credit, streamlines and clarifies eligible expense categories, and broadens the credit so employers can invest in child care solutions that benefit all Kansas families — not only their employees.


These updates allow employers to strengthen local child care supply, support workforce participation and contribute to a more stable state economy. These matter because:

- Employers need clear, actionable incentives to support child care
- Kansas needs more child care supply
- Increasing the credit makes participation more attractive
- Strengthening child care strengthens Kansas' economy

**WHAT THE BILL DOES**

**1 INCREASES THE VALUE OF THE EMPLOYER CHILD CARE TAX CREDIT**  
 The bill modernizes the credit by raising the rates substantially:

- 75% credit for employer expenses related to child care for employees, including:
  - Paying for care
  - Establishing or expanding child care programs
  - Paying for child care referral services
  - Collaborative investments with other employers
- For contributions to third-party entities that expand child care availability for the community:
  - 75% credit if the recipient serves families using child care assistance
  - 50% credit if not



**2 RAISES THE ANNUAL CREDIT CAP AND RETAINS PARTIAL REFUNDABILITY**  
 Increases the maximum credit from \$30,000-\$45,000 (depending on category) to a single cap of \$100,000 per taxpayer, per year

- Retains partial refundability, so small and mid-sized employers with low tax liability can still fully participate

**3 EXPANDS ELIGIBLE USES TO SUPPORT ALL FAMILIES**  
 The bill clarifies and broadens eligible expenses to encourage employers to contribute to child care solutions that benefit all families — not just their employees. This includes contributions to third-party entities that support the following:

- Establishing or expanding child care programs, including support to establish or maintain licensing
- Purchasing learning materials or play equipment
- Compensating professional development for child care staff
- Providing tuition assistance for families in need
- Providing referral services that connect families to child care

These categories are intentionally broad and clear, encouraging community investments, multi-employer models and direct support to licensed child care providers.

**4 ENSURES ACCOUNTABILITY AND LICENSING STANDARDS**  
 Credits may only be claimed when expenses support licensed child care providers or programs, ensuring public dollars support quality, regulated care.

Q About Our Work Publications Etc

## Medicaid Managed Care Contracts are a Powerful Tool for Change; Philanthropy has a Role to Play



**VIEWS FROM THE FIELD**  
 DAVID JORDAN, United Methodist Health Ministry Fund  
 KATIE SCHOENHOFF, United Methodist Health Ministry Fund  
 DONNA COHEN ROSS, DCR Initiatives, LLC

Views from the Field  
 Posted December 9, 2024

**David Jordan**, President and CEO, *United Methodist Health Ministry Fund*  
**Katie Schoenhoff**, Vice President of Programs, *United Methodist Health Ministry Fund*  
**Donna Cohen Ross**, Principal, *DCR Initiatives, LLC*

As a foundation, the mission of the United Methodist Health Ministry Fund (the "Health Fund") is to improve the health of all Kansans. Our success, in large measure, depends on investments we make in advancing positive policy and systems changes that affect the state and communities. So, with large numbers of the state's most vulnerable people relying on Medicaid for health coverage and care, we focus on leveraging the opportunities this program offers to sustain improved health outcomes and make progress on health equity.

Today, as we enter a time of increased social and political uncertainty, with Medicaid's structure and finances under threat, such efforts are more crucial than ever: philanthropic organizations like ours must continue to move forward, as well as act to preserve and protect the significant policy gains achieved over time.

This *View from the Field* describes how the Health Fund, working along with numerous stakeholders throughout Kansas, went "all in" on a multi-year effort, beginning in 2021, to shape the reprocurement of our state's Medicaid managed care contracts for KanCare, the state's Medicaid delivery system. This key process establishes and amplifies the state's health care priorities for the next several years and defines the expectations it holds for all managed care companies that wish to deliver care to Medicaid enrollees. By getting involved at the earliest point in the process — as the state's Request for Proposals was being developed — we had a better chance of assuring that the resulting contracts would

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**Focus Areas**

- Health Equity and Social Justice
- Community Engagement and Empowerment
- Philanthropic Growth and Impact
- Access and Quality
- Population Health
- Policy and Advocacy

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**Explore Topics**

**POLICY BRIEF**  
**Direct-to-Provider Child Care Assistance Payments**  
MARCH 2026  
United Methodist HealthMinistryFund

**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 (KDEC), 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 KDEC 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 subsidy<sup>1</sup>. At the same time, only 40% of licensed child care providers participate<sup>2</sup>, 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 KDEC, 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 KDEC 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

United Methodist HealthMinistryFund

February 25, 2025

David Jordan, President and CEO  
United Methodist Health Ministry Fund  
Proponent Testimony for HB 2294  
House Committee on Commerce, Labor and Economic Development

**Chairman Tarwater and members of the Committee:**

Thank you for the opportunity to provide proponent testimony in support of HB 2294, which is a bipartisan compromise that unifies Kansas' many early childhood programs and services under the Office of Early Childhood (OEC). 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.

The United Methodist Health Ministry Fund is a 39-year-old, \$70-million non-partisan health philanthropy based in Hutchinson. Our mission is to improve the health of all 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 helping ensure all Kansas children have the support they need to grow up healthy and equipped for success throughout life. For this reason, we support consolidating early childhood services in the proposed OEC. Ninety percent of brain development occurs before the age of 5, and that is why making the early childhood system more efficient and easier to navigate is crucial to supporting Kansas families. By supporting this proposal, the state of Kansas will speak through action how vitally important it is to maintain families and protect children. These hardworking families, as well as employers, depend on a thriving early childhood system. Eliminating unnecessary government bureaucracy and making it easier for parents and businesses to support our kids isn't a partisan issue; it's a commonsense idea we can all get behind.

We support the bipartisan compromise and the proposed investments in the OEC:

- The OEC will usher in collaboration among organizations responsible for Kansas children and families. With the adoption of this consolidation, red tape will be cut, bureaucracy will function smoother, and it will result in systemic change that will better serve all involved. The recommendation to unify early childhood programs would increase accountability and without the need to add or expand programs.
- Consolidating into the OEC would allow families to access information, services and resources more efficiently. This would result in a healthier and safer Kansas. It is our goal to encourage programs that foster improvement in early childhood development and child care, because families thrive when given effective resources. This office would minimize difficulties in navigating the system and limit wasted time and effort lost in the current bureaucratic maze.
- This consolidation would give child care providers a better and more effective roadmap in accessing resources they need to serve their communities. Currently, providers are subject to oversight from multiple agencies. Unifying these agencies would streamline the process and create a better result for both providers and families.

We support HB 2294 and hope that you will join us in supporting this important legislation that will improve access to quality early childhood programs in Kansas. Thank you for your consideration.

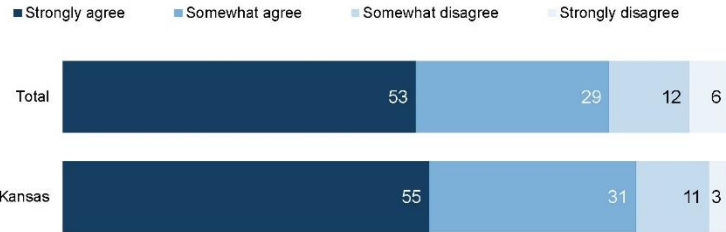
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# Communications, Narrative Change and Thought Leadership

**86% of Kansas voters agree government should make it easier for families to get the help they need – not put barriers in their way.**

Q. Do you agree or disagree with the following statement: We should make it easier for families raising young children to enroll in government programs when they need help, not put barriers in their way or make it harder.



## What Kansans Value

New Messaging Guidance



### OVERVIEW

In July 2025, a nonpartisan research firm conducted focus groups and national surveys in Kansas, Montana, Nebraska, and New Hampshire to understand how voters feel about programs designed to help children and families. Specifically, programs that the Trump Administration drastically cut under the recent budget bill.

The main finding: **Kansans across party lines strongly support programs that help children and families.**

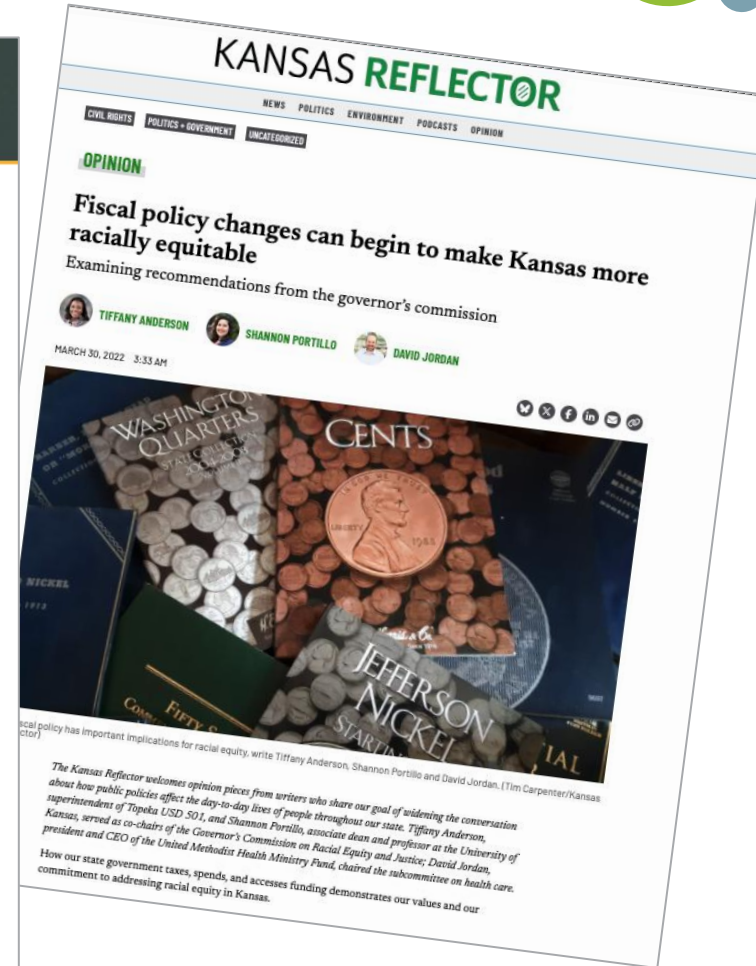
Many Kansas families feel the intense economic stress right now. There's bipartisan support for programs like Head Start, Medicaid, Supplemental Nutrition Assistance Program (SNAP), Children's Health Insurance Program (CHIP), and Supplemental Nutrition Program for Women, Infants, and Children (WIC). This comes at a time when states must address the reckless federal budget cuts.

This memo outlines research [takeaways](#), communication [guidance](#), suggested [talking points](#), social media [posts](#), and shareable [graphics](#), based on this research.

### TAKEAWAYS

- **Kansans feel these are challenging times for families raising young children.** Kansans recognize that while times are hard for everyone, they're especially difficult for families with children. More than 80% of Kansans feel the economy is negatively impacting these families.
- **Kansans see a role for government, specifically when it comes to helping children.** Have confidence engaging voters on this—the majority are open to hearing messages about kids and families. 86% of Kansans agree we should make it easier for families raising young children to enroll in government programs when they need help.
- **Most value government programs that help children and families, and don't want them cut.** Kansans are in favor of government programs like Head Start (93%), Medicaid (92%), WIC (90%), SNAP (88%), and state-funded preschool (86%).
- **There is an appetite for more support for children and families.** The majority of Kansans want paid leave for new parents, tax credits to help with childcare expenses, and higher wages for childcare providers to retain and increase the workforce.
- **Kansans have concerns about waste and abuse. At the same time, Kansans think many struggling families aren't getting the benefits they should.** Kansans feel there are lots of folks who are struggling who should get benefits, but earn a little too much to qualify. Kansans support raising income limits on government assistance while also supporting efforts to reduce waste and abuse.
- **Most Kansans oppose the funding cuts that are part of the recently passed "One Big Beautiful**

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# Thank you!

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