



**Overland
Park
Chamber™**

To: Chairman Adam Smith and Members of the House Taxation Committee
From: Kevin Walker, Senior Vice President of Public Policy
Overland Park Chamber of Commerce
Date: 24 March 2021

On behalf of the members of the Overland Park Chamber of Commerce thank you for the opportunity to present testimony in support of HB 2414 which expands the Child Care Tax Credit Program in Kansas.

Despite COVID-related increases in unemployment, some sectors experienced little change in their employment needs. For these employers - and others as they return to more normal levels of unemployment – the demand for qualified workers is high. Employers often use their benefits package as a recruiting tool to give them an edge in finding the best and brightest workers in their respective industries.

It is important that we look for solutions that connect qualified workers with these vacant jobs and one way to do that is to address a critical barrier – access to affordable and quality childcare.

Childcare issues are among the most common concerns for people in the workforce and employers who offer innovative solutions often find themselves in a very enviable position. Whether it is onsite childcare or other shared options, providing employees with a safe and stimulating environment for their children is seen as a major benefit to working moms and dads.

I had the opportunity to visit with some of our members who provide childcare benefits to their employees. They tout the overwhelming demand as one example of how important of a benefit this is to their employee's productivity and retention. One

employer told me they have an 18-month waiting list to get children into their onsite program and with each expansion, the waiting list barely changes.

Their industry is involved in long-standing efforts to recruit more women and this benefit has helped in that regard. However, they are also finding that their male employees find this to benefit to be equally important. In situations where the male employee's spouse travels frequently for their job, having a stable, reliable, and nearby childcare option is equally important. Either way, these employers point to overwhelming demand and high satisfaction ratings among their employees as major benefit to the productivity of their employees.

We believe the provisions of HB 2414 present several viable solutions to help address a major need and provide Kansas employers with an edge when it comes to recruiting top talent.

The bill addresses three areas which we support:

- It expands the types of entities that can participate in the program whereas it is currently limited to C-corps and privilege taxpayers.
- It extends the 50% tax credit beyond the first year encouraging more employers to offer a childcare option to their employees.
- It extends the program to shared services so that employers who may not have the capacity or volume to support an on-site service can still provide the benefit through other community-based options.

When we remove barriers to employment, we are creating a scenario in which employees can focus on their work, businesses can grow, and the state's economy thrives. These are goals we all share, and I encourage your support of HB 2414.