Testimony on SB 2

Special Session 2022

July 26, 2022

Jessica Fraser and Andy Nielsen

Thank you Mr. Chairman and Members of the committee,

Good afternoon, Jessica Fraser Director of the Indiana Community Action Poverty Institute, a program of the Indiana Community Action Association. We appreciate the opportunity to weigh in on SB 2. My research focuses on supportive services so I am going to address those aspects of SB2 and then turn it over to my colleague Andy to talk about the tax provisions.

We are supportive of investing Indiana’s surplus dollars on Hoosier families and we think the purposes that Senators Holdman and Mishler have listed in SB 2, rightly identify the needs faced by vulnerable families in Indiana. However, some areas could be improved.

First, we would like to see some more detail regarding the process for allocating the funds to the agencies and for the agencies to approve funding requests. I understand the desire for flexibility but with so many issues to fund across four agencies and 8 purposes, I worry without a little more guidance from this body, and some oversight and transparency measures the funds may not be used as strategically as I am certain this committee would want.

Secondly, while funds appropriated to the “Hoosier Families First Fund” seem like an awful lot, the scope of current need in each of the eight purposes is extensive. I am going to focus on purposes 3 and 4. We estimate that nearly 200,000 Hoosier kids might fall under purpose 3 and they have a host of needs. As we continue talk about how we tackle them, we would like to be partners in identifying the full scope and cost of these needs and how we might address them.

Regarding increasing childcare, a much larger investment is needed. Childcare is expensive even for moderate income families the Official (HHS) measure of affordability is no more than 7% of a family’s income. Current average infant care is 19% of Indiana’s median income in 2020. The CCDF Voucher program is vital but has limitations; income eligibility is low, there are waitlists (nearly 1200 according to current reporting), and families still have co-pays and overage costs to providers.

I would also like to mention that we support the sales tax exemptions for utility customers, in SB 3, but we would also like you to consider adding some state funds to our LIHEAP program for Summer Cooling. These funds have been depleted and this would be an immediate relief to families who struggle during the heat of the summer.

Whether you tackle these issues now or in the budget session, we hope you will allocate Indiana’s surplus on increasing the important investments you have started in SB 2.