July 14, 2026

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent:

On behalf of the United Methodist Health Ministry Fund, I write to express our support for the family- and child care-related tax provisions included in H.R. 1, the One Big Beautiful Bill Act, and particularly the improvements to the Child and Dependent Care Tax Credit, Dependent Care Assistance Plans, and the Employer-Provided Child Care Credit under Section 45F of the Internal Revenue Code.

The Health Fund works throughout Kansas to strengthen the systems that help children and families thrive. A central focus of our work is expanding access to affordable, high-quality early care and education; we do this in part by engaging employers as active partners in developing sustainable solutions. We believe the recent federal enhancements to Section 45F represent one of the most significant opportunities in years to accelerate employer investment in child care.

Additionally, Kansas recently modernized its own employer child care tax credit through Senate Bill 82 with broad bipartisan support. The legislation significantly expanded the types of employer investments that qualify for the state credit, recognizing that employer-supported child care can take many forms beyond constructing or operating a stand-alone child care center. The Health Fund strongly supported this legislation because we believe employers should have flexible tools to invest in solutions that meet the unique needs of their workforce and communities.

With both the federal and Kansas tax credits now substantially strengthened, timely Treasury guidance is essential. Employers across Kansas are actively exploring child care partnerships, but many are hesitant to move forward until they better understand how the revised federal credit will be implemented. Clear guidance will provide certainty, reduce unnecessary risk, and allow businesses to invest confidently in child care solutions that support working families and strengthen Kansas' economy.

As Treasury develops guidance for the revised Section 45F, we respectfully encourage consideration of the following principles:

- First, we encourage Treasury to provide flexibility when considering guidance related to "third-party intermediaries." Many successful child care initiatives rely on organizations that coordinate employer investments, contract with child care providers, administer shared services, facilitate child care navigation, or otherwise connect employers with child care solutions. Flexibility will encourage innovation while allowing communities to design approaches that reflect local needs rather than forcing employers into a single delivery model.

- Second, we encourage Treasury to provide both clarity and maximum flexibility regarding "jointly owned or operated facilities." Many Kansas employers, particularly small and mid-sized businesses, cannot independently develop or operate child care facilities. However, multiple employers working collaboratively through shared ownership arrangements, partnerships with nonprofit organizations, local governments, economic development organizations, health systems, chambers of commerce, or other community entities can often create viable child care solutions. Guidance should recognize these collaborative approaches as fully consistent with congressional intent.

- Finally, Treasury should clarify the statutory requirement that participating child care providers satisfy all applicable state and local laws and regulations. We support maintaining high standards for health and safety while ensuring that employers have a clear understanding of the compliance expectations associated with child care providers participating in Section 45F-supported arrangements. Straightforward guidance will improve consistency and reduce uncertainty for employers seeking to invest in child care solutions.

The Health Fund appreciates Congress' recognition that employers have an important role to play in addressing the nation's child care challenges. We encourage Treasury to issue guidance as expeditiously as possible so employers can begin taking full advantage of these expanded incentives. Thoughtful implementation that emphasizes flexibility, clarity, and innovation will maximize the impact of this important investment and help expand access to child care for working families.

Thank you for your consideration of these recommendations. We appreciate your leadership and would welcome the opportunity to provide additional information or discuss how these provisions can best support employers, families, and communities.

Respectfully submitted,

David Jordan
President and CEO
United Methodist Health Ministry Fund