



INDIANA
COMMUNITY ACTION
POVERTY INSTITUTE
Research and Public Policy

Testimony before the House Ways and Means Committee

In Support of HB 1177

January 21, 2026

Good afternoon Chairman Thompson and members of the committee,

My name is Olivia Smith and I am a policy analyst with the Indiana Community Action Poverty Institute. We envision an Indiana where financial security allows Hoosiers to better contribute to their families, communities, and the world.

I will be brief in my remarks, but we rise in support of HB 1177.

Through our community-needs-driven research, we've found that one basic need that increasingly jeopardizes financial security for many households is child care. We recently launched our 2026 needs assessments, and while we anticipate hearing from several thousand Hoosiers before the process is completed, so far more than half of respondents with children have identified **cost** as being their biggest barrier to getting the child care that their family needs.

HB 1177 addresses that community need in part by expanding eligibility and criteria for claiming the state's **employer child care expenditure income tax credit**, which, to echo Sam's remarks, we feel brings a straightforward, budget-neutral approach to alleviating the escalating child care shortage across our state.

While we are hopeful that this committee will consider further policy options to provide more direct and immediate relief to Hoosier families struggling to afford child care, we want to thank Representative Cash for finding a zero-cost tax incentive adjustment that will hopefully grow the supply of employer-based child care in Indiana.