Utah Childcare Solutions and Workplace Productivity Plan

December 2024

ACKNOWLEDGMENTS

In 2023, the Utah Legislature approved a recommendation by the Women in the Economy Subcommittee, which is part of the Unified Economic Opportunity Commission, to fund a Childcare Solutions and Workplace Productivity Plan. The report offers 33 recommendations for consideration across five categories to expand access to safe, affordable, quality child care to better meet the needs of Utah families.

The project was undertaken by Early Learning Policy Group, LLC in coordination with the Women in the Economy Subcommittee. ELPG thanks Abby Hunsaker, Program Manager, and Ashleigh Jensen, Program Specialist, at the Governor's Office of Economic Opportunity for their guidance, insight, and coordination of the many aspects of this report. In addition, ELPG thanks Heather Thomas, Department of Workforce Services, Division Director, Office of Child Care for sharing Utah child care data and policy.

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Table of Contents

Introduction

In 2023, the Utah Legislature approved a recommendation by the Women in the Economy Subcommittee[1] to fund a *Childcare Solutions and Workplace Productivity Plan*.[2] The goal was to use the most current data and key stakeholder feedback from candid conversations to better understand and address the needs of working parents. These findings would be integrated in a report to identify innovative solutions leading to greater economic opportunity to sustain Utah's high quality of life and prosperity long term.[3]

The Women in the Economy Subcommittee, which is part of the Unified Economic Opportunity Commission,[4] was interested in the identification of innovative solutions used currently in Utah that could potentially be expanded as well as innovative solutions utilized in other states (including partnerships with employers to expand child care options for parents).

The timing of this report parallels both an increase in Utah mothers in the workforce[5] as well as the expiration of supplemental federal child care funding provided to all states through several federal COVID relief measures passed by Congress between March of 2020 and March of 2021.[6] The last of those dollars were required to be spent by September 30, 2024.[7]

The report explores:

- Utah families with children from birth through age 12 (including families in which all parents are working)
- The supply of child care compared to the potential need
- Child care challenges faced by parents
- Child care challenges faced by child care providers (licensed child care centers and home-based providers)
- Employers impacted by child care challenges for employees
- Strategies in place in Utah and promising strategies across states
- The expiration of federal supplemental child care funding allocated by Congress and unobligated federal funding that the state may want to utilize

The child care supply was mapped statewide by the type of care (e.g., center or home-based, licensed or license-exempt including Head Start programs and public or private school readiness preschool classrooms). In this way, community context for parent choices was closely examined. Twelve focus groups were conducted between July and October 2024 in both English and Spanish.

Child Care Centers

- 7/16/24 Urban Child Care Centers
- 7/16/24 Utah Professional Child Care Association (UPCCA)
- 7/17/24 Rural Child Care Centers
- 7/18/24 Child Care Centers Conducted in Spanish

Family Child Care Home Providers

- 7/6/24 Professional Family Child Care Association (PFCCA)
- 7/17/24 Urban Family Child Care Home Providers
- 7/18/24 Rural Family Child Care Home Providers
- 7/23/24 Family Child Care Home Providers Conducted in Spanish

Parents

- 7/10/24 Urban Parents
- 7/11/24 Rural Parents
- 7/16/24 Parents Conducted in Spanish
- 10/14/24 Rural Parents

In addition, 85 stakeholder and key informational interviews were held between June and September 2024. Federal child care funding and expenditures for the state were reviewed. Federal unobligated balances were identified that could be prioritized for consideration of innovative strategies across Utah.

Over 30 recommendations are offered for consideration to address challenges in five key categories identified through the focus groups, stakeholder conversations, and data review:

- Child care supply
- Child care workforce
- Child Behavior
- Child care affordability and accessibility
- Employer partnerships

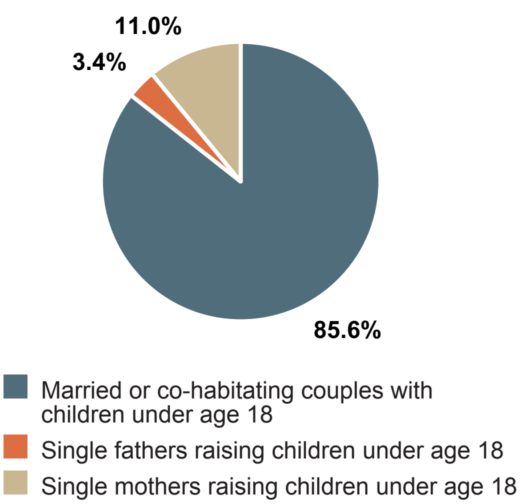
> *"Our State is only as strong as our families."*
>
> Governor Spencer Cox, Ceremonial Bill Signing for Nine Bills Supporting Families, April 11, 2023

The report builds on a decade of Utah child care related studies through August of 2024 (see appendix). Summaries of the focus group findings are also included in the appendix. The report includes information from several employer surveys related to workforce recruitment challenges as well as insight shared by employers and local chambers of commerce. The report uses the most recent data to better understand current challenges and to suggest potential solutions that can best support families, employers and communities.

Overview of Utah Families Today

Most families with children under age 18 in Utah are led by a two-parent household (85.6%).[8] About 11% of households are led by a single mother and 3.4% are led by single fathers.[9]

Utah Families with Children under Age 18 by Household Type



Source: U.S. Census Bureau, Table DP02 Selected Social Characteristics in the United States, 2023 American Community Survey 1-Year Estimates

> *"In Utah, we haven't forgotten the simple truth that when families win, we all win – economically as well as socially."*
> Governor Spencer Cox, 2023 State of the State Address, January 19, 2023

Of the 931,339 children under age 18, 280,377 (30.1%) are under age six.[10]

In 2022, the Kem C. Gardner Policy Institute at the University of Utah conducted a statewide work/life balance survey of Utah families with children under the age of 12.[11] Nearly three-fifths (58%) had at least one child under the age of six at home.[12] Among respondents,[13]

- 89% were part of a two-parent household,
- 11% said they were single parents.

Two-parent sons for working full-time.[14]

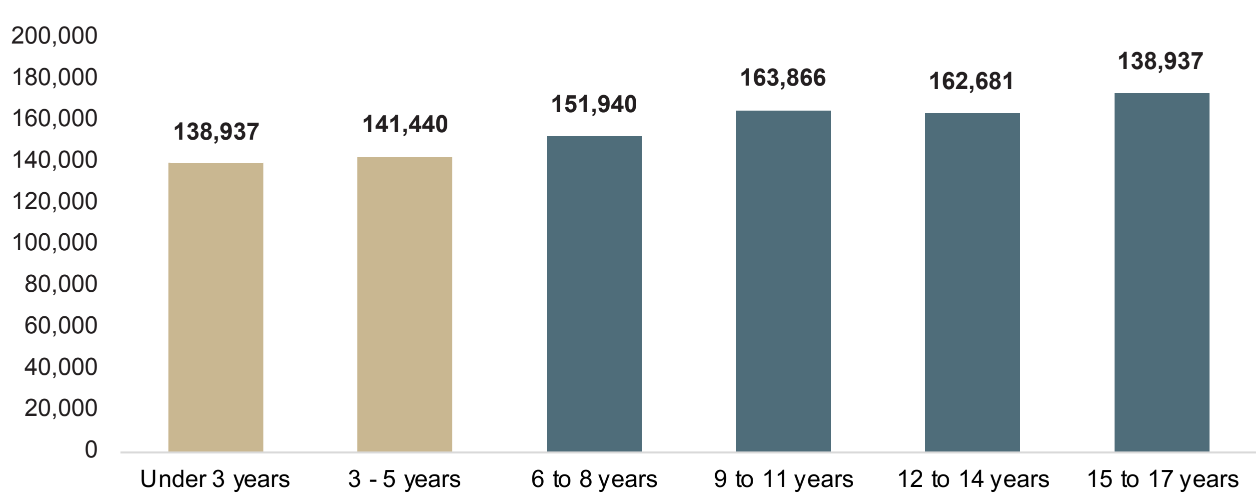
- 66% said they needed two incomes to cover household expenses
- 24% said that both parents desired full-time careers

Two-parent households working full-time with children under six differed in their reasons considerably.[15]

- 74% said they needed two incomes to cover household expenses

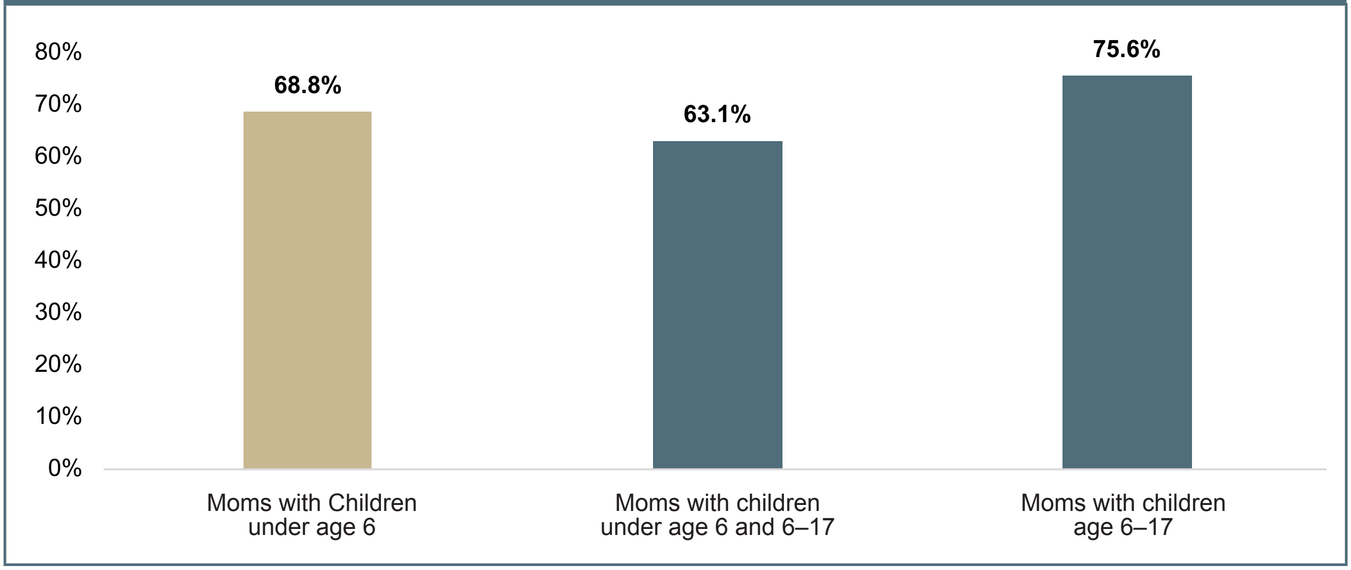
Across the four parent focus groups held in 2024, Utah

Utah Children under Age 18



Source: U.S. Census Bureau, Table B09001 Population Under 18 Years of Age, 2023 American Community Survey 1-Year Estimates

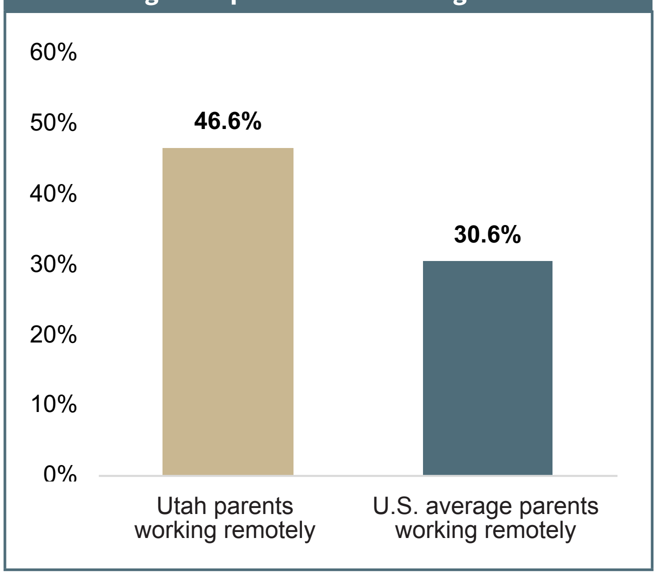
Utah Mothers Participating in the Labor Force, by Child Age



Source: U.S. Census Bureau, Table S2301 Employment Status, 2023 American Community Survey 1-Year Estimates

parents cited the cost of housing as well as child care as top concerns. Some cited the cost of health insurance or rising food costs. Some cited that either they or their spouse were working two jobs. Financial challenges for families with the youngest children seemed to be greatest.[16]

Working Remotely - Families with Children: Utah Average Compared to U.S. Average



Source: U.S. Census Bureau, Household Pulse Survey, Employment Table 4a. Anyone in Household Teleworked or Worked from Home in the Last 7 Days, August 20 - September 16, 2024

In Utah over the past decade, there has been an increase in the percentage of mothers who are working.[17] In 2023, more than two-thirds (68.8%) of mothers with children under age six were working and more than three-quarters (75.6%) of mothers with school-age children were working.[18]

Since the COVID pandemic, the percentage of individuals partially or fully teleworking (working remotely) has tripled.[19] The August 20 – September 16, 2024 Census Bureau Household Pulse Survey found that the percentage of families with children in Utah who are working remotely far exceeds the national average (46.6% compared to the national average of 30.6%).[20] Similar to the U.S. average, the percentage of families with children in Utah who partially or fully work remotely rises as family income increases.[21]

The Census Bureau Household Pulse Survey also found that 418,421 Utah households with children (42.7%) had difficulty paying usual household expenses in the last week.[22] Slightly more than 12% of Utah households with children said they sometimes or often do not have enough to eat – about 118,533 families.[23] While 14,164 (about 19.4%) of single parent households reported food insufficiency, 102,195 (14.1%) of married couple households with children reported food insufficiency.[24]

The majority of mothers in Utah are working, many due to the high costs of raising a family. Where their children are when they work varies. It depends on the community where they live and whether the supply of child care (if it exists) offers them any choices.

One of the parents from a rural focus group said, *"There's a long line in my area. Just a few licensed child cares. We wanted a licensed program."* An urban parent said, *"Our mortgage is a stretch. I don't know how anyone is buying houses. We would like to move to have space, but we are stuck."* Another urban parent said, *"Parents enter the workforce because they don't have another choice. Most are dual income, but they don't have a choice. It's a big issue for families."*

A rural special education teacher said, *"I work in the school system. Child care in this area is incredibly expensive. Also, there are only two licensed child care centers and they are frequently at maximum capacity."* Several parents with children who have special needs said that there is no care for them at all.

Parents felt that the supply of child care fell short of the need. The cost of care was high, not affordable – particularly if families had more than one child. Some parents who said they had jobs involving shift work indicated that child care was not available for the hours they need. Many parents were not aware of the child care subsidy program. Others said that they applied but were denied because their income was too high (in some cases, barely over the income limit). Providers reported that parents stitch together multiple types of child care that they use every week – grandma, another relative, a neighbor, or a spouse. They stitched together what they could so they could go to work.[25] They felt not working was not an option.

Parents frequently mentioned that their preference was for licensed care. They equated licensed care with safety. A rural parent said, *"I check the reports on the state website. See if they have passed inspections. I can't do the inspections. But, someone is going in to see that medicines can't be accessed and I won't be able to see that in just a tour."* Another parent said, *"licensed is very important to me and my spouse. We want to make sure our kid is in good hands, and the environment."*

While cost was a concern, safety and trust were more frequently mentioned as top priorities. A rural parent said, *"There's a Facebook group [name of group]. Weekends and nights are offered, but [it is] unlicensed care, so you don't know who they are, whether you can trust them. Every day people are saying they have no care because unlicensed are not reliable."* A Spanish-speaking parent said, *"I was leaving my kids, but when I picked them up, the boyfriend brought them out, not the woman I left my children with. It wasn't a regulated program, just someone who cared for kids. I stopped taking my child there. She was two. I didn't want the boyfriend taking care of the kids."*

Parents also mentioned that the location of care and the hours of operation were important considerations.

Parents mentioned that the quality of care was a very important factor – although quality was not associated with any type of rating from the state Child Care Quality System.[26] Instead, parents described quality as a caring, loving person or place, where caregivers had training, where they knew their child or children would be safe.[27] These findings consistently tracked a national literature review related to parental child care searches and selections.[28]

Across the parent focus groups, there was broad-based concern about the safety of children in unlicensed care.

Types of Child Care and Definitions

In Utah, the Department of Health and Human Services, Office of Licensing oversees child care regulation and background checks for child care providers. There are six different forms of licensed care. There are another five forms of license-exempt care, which does not include unlicensed homes where individuals care for children in their home for a fee.

Licensed Care

Licensed Child Care Centers. R381-100-3. A place other than the provider's home or the child's home; for five or more unrelated children for compensation

Licensed Commercial Preschools. R381-40-3. A place other than the provider's home or the child's home; for five or more children between the ages of two and four years old (and five years old if the child is not attending school) for compensation; for less than four hours a day

Licensed Child Care Hourly Centers. R381-60-3. A place other than the provider's home or the child's home; for five or more unrelated children for compensation; for four or more hours per day, and no child is cared for on a regular schedule (*i.e., this is "drop-in" care*)

Licensed Child Care Out of School Time Centers. R381-70-3. A place other than the provider's home or the child's home; for five or more children who are at least age 5 for compensation (i.e., *they provide care only for school age children (ages 5 to 12). The care is before and after school and on school holidays*).

Licensed Family Child Care Homes. R430-90-3. In the home where the provider resides; for nine or more children for compensation (individuals caring for fewer children can voluntarily become licensed)

Residential Certificate Homes. R430-50-3. In the home where the provider resides; for eight or fewer children for compensation (*the residential certificate is currently voluntary; HB 153 was enacted on March 14, 2024, which eliminated the requirement for a residential certificate for 5-8 children in care*)

License-Exempt Care

DWS Approved Exempt Centers. They are center-based providers who are not required to have a child care license and want to be eligible for DWS child care subsidy payments and/or DWS grant money from Child Care and Development Funds (CCDF). DWS Approved Center rules.

DWS Approved Exempt School-age Centers. They are center-based providers that serve school-age children who are not required to have a child care license and want to be eligible for DWS child care subsidy payments and/or DWS grant money from Child Care and Development Funds (CCDF). DWS Approved Center rules.

Child Care Alternative Care, Background Checks. These are homes that participate in the federal Child and Adult Care Food Program (CACFP) but are not licensed. They each have background checks and are inspected through the Utah State Board of Education (USBE) CACFP program, not the Office of Licensing.

Child Care Registered Providers (Homes or Centers). They are home or center-based providers who are not required to have a child care license or residential certificate but are required, by another program or agency, to register with Child Care Licensing. *(For example, Head Start programs are not required to be licensed but are required to comply with the federal Head Start Performance Standards, which exceed state licensing requirements and are monitored/inspected by the U.S. Department of Health and Human Services for compliance).*

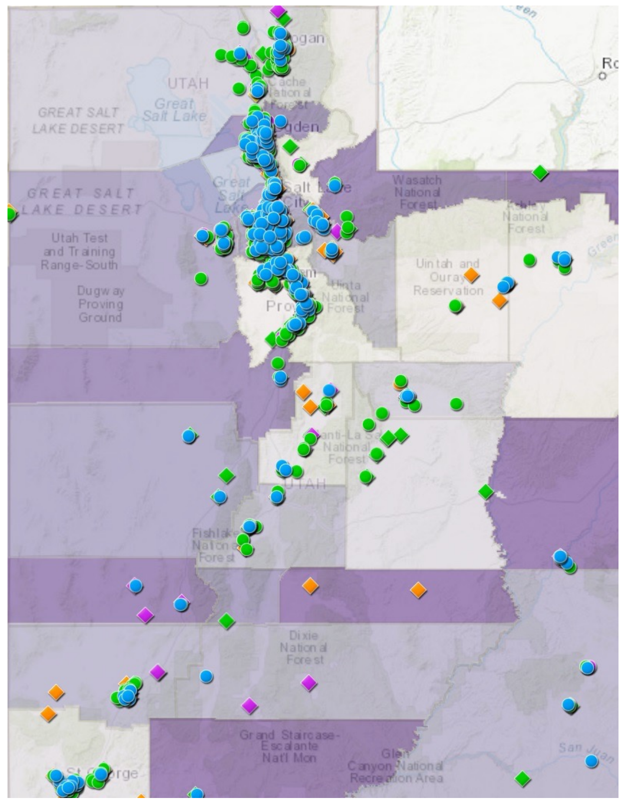
School Readiness Classrooms (public school settings). The School Readiness Initiative awards grants to both private child care centers and public schools to offer preschool classrooms. Private child care centers are licensed and participate in the state Child Care Quality System. Public school classrooms are exempt.

Child Care Landscape: Choices for Parents

In order to better understand family choices in urban and rural communities, child care, preschool, and afterschool data was mapped statewide.[29] The Head Start Collaboration Office shared data related to the location of Head Start and Early Head Start programs. Data from the School Readiness Initiative (Becoming High Quality grantees and Expanded Student Access grantees) was also included to understand the location of state-funded preschool classrooms. Efforts were made to collect data within military bases or installations and tribal reservations with limited success.

The mapping also included locations participating in the federal Child and Adult Care Food Program (CACFP), which reimburses programs for nutritious meals and snacks. This data was included primarily because it is a revenue stream to support business operations for providers but also, given the percentage of children statewide who live in households that sometimes or often do not have enough to eat, understanding the landscape of food program participation can help the state and localities develop strategies to increase participation since the ultimate beneficiaries are the children in care.

Utah Child Care Landscape Map



Source: Childcare Solutions and Workplace Productivity Plan mapping by Early Learning Policy Group, June 2024. Purple shading darkens as the percentage of children in working families increases. Zooming in on the map enables viewers to see child care in neighborhoods with U.S. Census Bureau data related to children in working families by census tract.

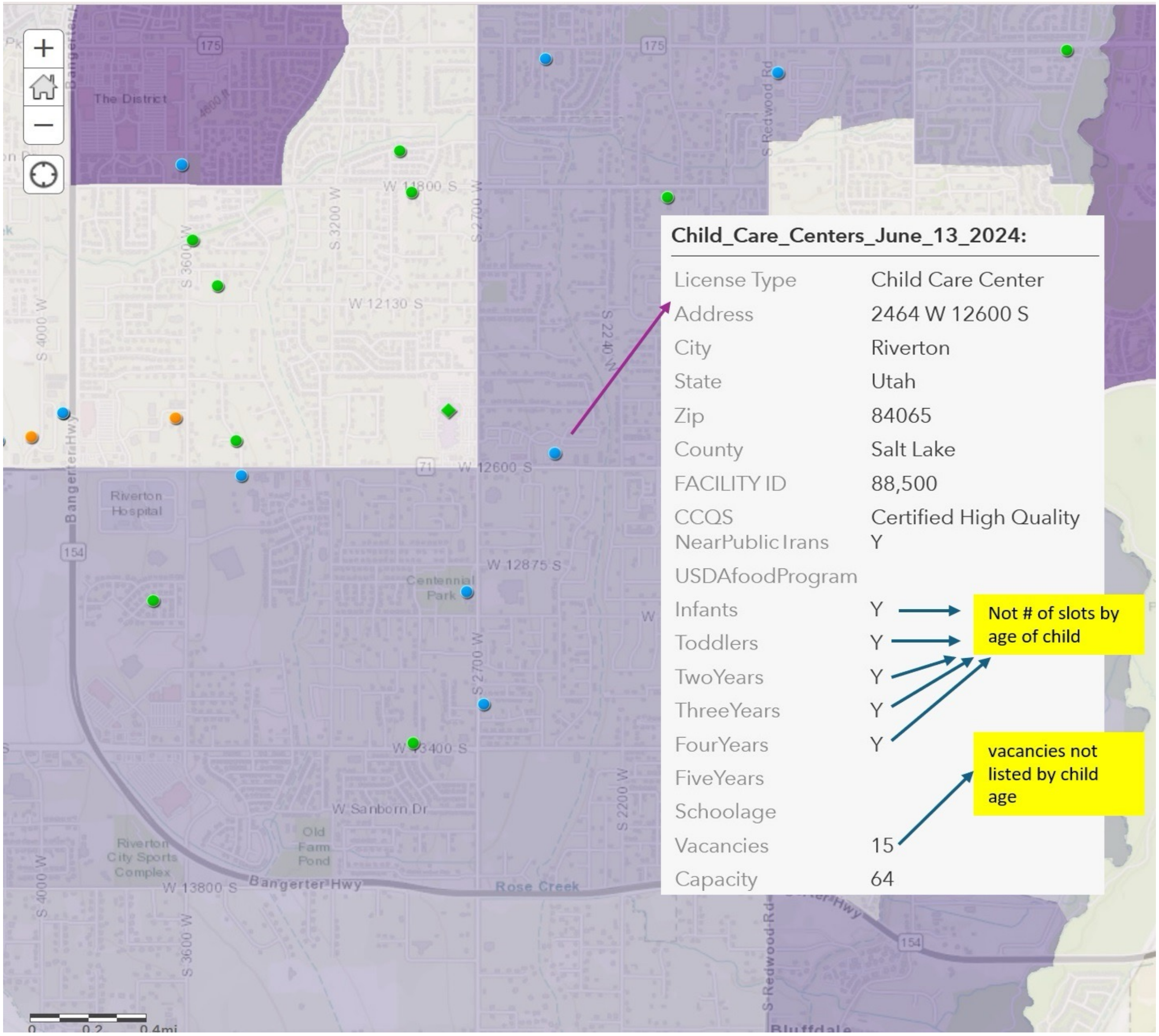
Children in Working Families.

More than 167,000 children (61%) under age 6 statewide live in families where all parents are working (either both parents in married couple families or the single head of household).[30] Another 260,000 school-age children (61.3%) between the ages of 6-13 also reside in families where all parents are working.[31]

The number of children in working families was used for comparison to the supply of licensed care. In addition, estimates were made based on a smaller sub-portion of those children who might need child care. For example, parent polling by the Bipartisan Policy Center (BPC) found that 44% of families are using formal child care and another 24% would use formal care if it were affordable.[32] For this analysis, 68% of children in working families was used as a ballpark estimate for children in families who might need or use child care. In Iowa, Iowa Child Care Connect (a supply and demand dashboard that went live in August) uses 67%.[33]

It is also likely that some families may use child care on a regular basis or intermittently based on enrollment in education or job training or for other purposes, which would expand the potential number of children who could need child care. However for this analysis, the BPC and Iowa percentages were used as pragmatic ballpark estimates.

Utah Child Care Landscape Map, Program "Pop-Up" Detail – Child Care Center



Source: Childcare Solutions and Workplace Productivity Plan mapping by Early Learning Policy Group, June 2024.

Licensed Care.

There are about 60,248 licensed child care slots for children from birth to age 13 who reside in working families.[34] This means that the capacity to serve the full universe of these children in licensed care meets about 14.1% of the need.[35]

- 20.7% of the need is met assuming 68% of the children potentially need child care[36]
- 21% of the need is met assuming 67% of the children potentially need child care[37]

Licensed and License-Exempt Care Combined.

Based on the total universe of children from birth to age 13 who reside in working families, there are about 103,915 licensed and license-exempt slots for this age group.[38] This means that the capacity to serve the full universe of children in either licensed or license-exempt care meets about 24.3% of the need.[39]

- 35.8% of the need is met assuming 68% of the children potentially need child care[40]
- 36.3% of the need is met assuming 67% of the children potentially need child care[41]

Limitations and Observations.

There are four counties in Utah where there is no licensed care (Daggett County, Piute County, Rich County, and Wayne County).[42] The percentage of young children in working families in these counties ranges from 41% in Rich County to 64.2% in Wayne County.[43]

When parents are looking for child care, they are searching for care for a child of a specific age (e.g., searching for infant care or preschool-age care). However, the Office of Licensing retains data by total program capacity – not program capacity by age.

The Utah 2024 Child Care Market Rate Study[44] (which is a survey required by federal law to better understand child care prices) asked programs in the Spring of 2024 about desired capacity by child age. Of child care centers (serving the largest volume of children), 248 of 439 programs provided capacity by age (about 56.5%).[45] Child age capacity data of respondents were not consistent across child age groups (i.e., desired capacity for some age groups might have been entered but not across the board for all age groups).

Without licensed capacity by age, it is difficult to assess child care supply by age, which is the type of data that is needed to understand the supply compared to the potential need. For example, the market could be saturated for preschool-age care but there may be a shortage of infant and toddler care. Or, licensed programs could serve school-age children, which reduces the capacity of care that could be available for younger children (i.e., if a center is licensed for 75 children but 40 of those slots are for school-age children, then only 35 slots are available for younger children).

Child Care within Counties.

For this analysis, and the purpose of understanding supply compared to potential demand for children under age six, licensed capacity was reduced by the number of slots in school-age only programs. In this review, assuming (1) all program slots served children under age six and (2) 68% of children under age six in working families may potentially need care, the gap between available licensed supply and potential demand was high across counties.

Note: The challenge is that licensed care may serve children birth to five and also school-age children. Therefore, the gap is likely an understatement for children under age 6.

Supply gap of 15% - 30% for children under age six

- Carbon County 15.5%
- Summit County 24.3%
- Salt Lake County 29%

Supply gap of 31% - 50% for children under age six

- Sevier County 32.4%
- Iron County 35.6%
- Weber County 37.5%
- Davis County 42.9%
- Washington County 46.1%
- San Juan County 50%
- Sanpete County 50.7%

Supply gap of 51% - 75% for children under age six

- Cache County 53.3%
- Tooele County 53.9%
- Duchesne County 60.5%
- Utah County 61%
- Juab County 64.2%
- Box Elder County 64.7%
- Uintah County 64.8%
- Wasatch County 69.8%
- Millard County 72.3%
- Garfield County 73.8%

Supply gap of 76% - 100% for children under age six

- Beaver County 80.6%
- Kane County 80.9%
- Emery County 84.4%
- Morgan County 94.6%
- Daggett County 100%
- Piute County 100%
- Rich County 100%
- Wayne County 100%

In using 67% of potential demand for licensed care, the supply gap ranged from 23.2% for children under age six in Carbon County to 94.5% in Morgan County (Daggett, Piute, Rich, and Wayne counties had a 100% gap since they have no licensed care).

The supply gaps listed are likely underestimated because many programs serve children under age six and also older school-age children. While the school-age only programs were dropped from the analysis, an assumption that all remaining capacity is available for children under age 6 is likely not the reality on the ground. For example, 177 (71%) of the 248 centers that entered capacity data by age in the 2024 child care market rate survey entered a number for school-age capacity.[46] **Therefore, the listed estimates should be considered an underestimate of the supply gap for children under age six.**

Utah has the framework in place for data collection across a wide array of variables, more variables than most other states. Capacity by age is the most important variable to enable state and local supply planning.

Variables that providers can voluntarily report include: age groups of children, part-time care, full-time care, hours of operation, languages, near public transportation, accepts child care subsidy, participates in the food program, child developmental screenings, and vacancies. The challenge is that the fields are voluntary and as a result are limited in usefulness for either practice or policy purposes.

The child care data was mapped using the voluntary data where entered.[47] The location of programs is a mandatory field enabling accurate mapping.[48] For CACFP, data is reliable reflecting participation lists from the Utah State Board of Education (USBE), not voluntary fields (e.g., about 65.7% of child care centers, 74.4% of family child care homes, and 41.3% of residential certificate homes participate in CACFP).[49]

Head Start and School Readiness Initiative location data is also reliable because the data was supplied by the Office of Head Start Collaboration (which included the number of children enrolled by age)[50] and the Department of Workforce Services, school readiness initiative staff and Utah School Board of Education (USBE) preschool staff.[51]

For variables across other child care programs, it is unclear why fields were left blank, which makes the data less reliable since it is not consistent.

The number of licensed programs has increased since pre-COVID. For example, in 2019, there were 330 licensed child care centers.[52] Currently, there are 453.[53] In 2019, there were 728 licensed family child care homes.[54] Currently, there are 892.[55] In 2019, there were 60 residential certificate homes.[56] Currently, there are 87.[57] Likely, child care stabilization grants and start up grants played a role in the expansion. The challenge is that the supply is still far short in meeting potential parent need and the federal supplemental child care funding has expired.

Parents participating in the focus groups said, *"The wait list was for 2 years."*[58] *"With the lack of places here, that was hard initially, especially when my kids were younger. It was impossible to get them into child care until they were 3 because the spaces were so limited for the birth to 2 age."*[59] *"I have a retired mother. Sandwich generation for me. She's too old to help me with child care. Her health is declining so I really can't ask her. I know some people do, but I can't."*[60] *"I put my child on a wait list even before he was old enough. On a wait list for a year."*[61]

Head Start.

Within communities, parents can also choose to enroll young children in Head Start (primarily 3-4 year-old children) or Early Head Start programs (infants and toddlers). Head Start and Early Head are federally funded and primarily serve families with children living in poverty. They are like a child care+ program because of their comprehensive nature – an early learning setting for children but also a connection to other resources that a low-income family may need.

Statewide, there are 84 Head Start locations serving 2,837 children. There are 44 Early Head Start locations serving 1,029 children. There are six American Indian/Alaska Native (AIAN) locations serving 230 children (five by the Ute Indian tribe – 4 in Uintah County and 1 in Duchesne County) and the Navajo Nation operates a program in San Juan County. There are also five Migrant Head Start and Early Head Start locations serving 446 children in Box Elder, Cache, Davis, Millard, and Utah Counties. Each Head Start and Early Head Start program has a strong family engagement component. Across the state, these programs have long waiting lists of families.[62]

Head Start programs can voluntarily become licensed, but are license-exempt. Many choose not to become licensed because of licensing fees and related costs. Only licensed programs can participate in the state Child Care Quality System (CCQS). This leaves Head Start operating in a separate silo, despite compliance with Head Start performance standards (which far exceed licensing and CCQS requirements)[63] and their required mission of serving impoverished families.

Preschool.

Within communities, parents can also choose to enroll children ages 3-5 in a high-quality preschool program under the School Readiness Initiative Act.[64] The program is jointly administered by the Department of Workforce Services Office of Child Care and the Utah State Board of Education (USBE) preschool staff. Expanded Student Access (ESA) grants fund seats in high-quality preschool programs (either in a public school or private child care center) and Becoming Quality Grants (BQG) support preschool classrooms in training to offer high-quality preschool.[65]

Children are eligible through several categories: Economically disadvantaged; have a parent or legal guardian who reports that the student has experienced at least one risk factor (i.e., having a mother who was 18 years old or younger when the child was born; a member of a child's household is incarcerated; living in a neighborhood with high violence or crime; having one or both parents with a low reading ability; moving at least once in the past year; living with multiple families in the same household; having exposure in a child's home to: physical abuse or domestic violence; substance abuse; the death or chronic illness of a parent or sibling; or mental illness; or having at least one parent who has not completed high school). Other categories for children include being an English learner or having been in foster care.[66]

Since SY2020, funding for the School Readiness (SR) Initiative has been frozen at $12 million.[67] With increased annual costs to operate a classroom, the number of approved seats for SY24-25 is 1,955 compared to 2,258 in SY19-20.[68] Tuition for eligible children is free. Many programs could expand the number of classrooms (and seats for children) and not all programs that applied were able to be funded in the most recent state fiscal year. A list of current grantees is here.

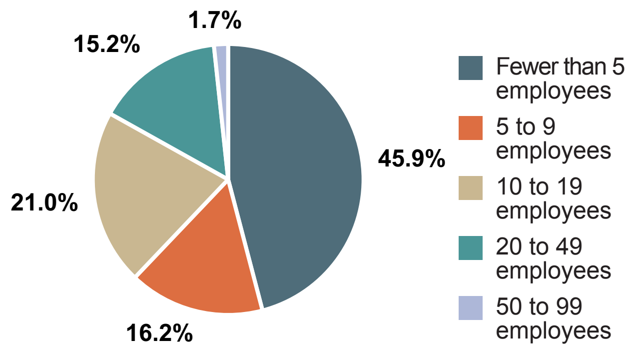
The lack of child care supply in general, and high-quality care specifically, is a serious challenge facing Utah families.

Research shows that access to high-quality preschool has the largest impact on low-income children (as well as children with risk factors such as those identified in the Utah School Readiness Initiative Act).[69] The quality of the programs matters and is directly related to child outcomes.[70] Behavior and learning are related to school readiness.[71] Last, multiple state pre-k programs have resulted in parents being able to work and bring in additional income to the family, which can enhance a child's ability to thrive (e.g., a child living in a better neighborhood, having adequate nutritious foods, having a parent who is less stressed, anxious or depressed, etc.).[72]

Child Care Business Model and Challenges

Child care is a business. In Utah, child care programs are mostly small businesses with fewer than 20 employees (e.g., 83.1% of child care programs have fewer than 20 employees).[73] Nearly half of child care programs (45.9%) have less than 5 employees.[74]

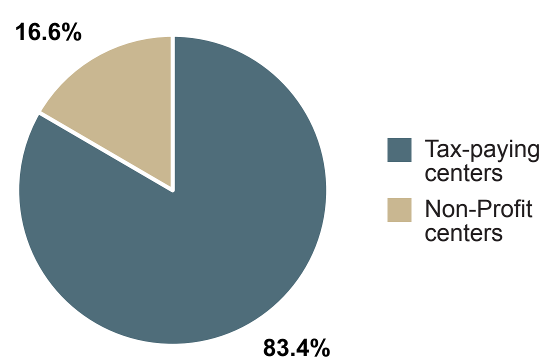
Utah Child Care Businesses by Number of Employees



Source: U.S. Census Bureau, Table CB2200CBP All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies, 2022 Business Economic Survey

Most child care centers in Utah are tax-paying (e.g., 16.6% of child care businesses are nonprofit compared to 83.4% that are tax-paying).[75]

Utah Child Care Businesses by Tax Status



Source: U.S. Census Bureau, Table CB2200CBP All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies, 2022 Business Economic Survey

Child care centers tend to operate in urban areas or communities where the population is dense enough and wealthy enough to afford child care tuition fees. Family child care homes, which have smaller overhead costs, tend to operate in both urban and rural communities.

The average child care center in Utah has 71 children.[76] Daggett, Emery, Morgan, Piute, Rich, and Wayne counties have no licensed centers.[77]

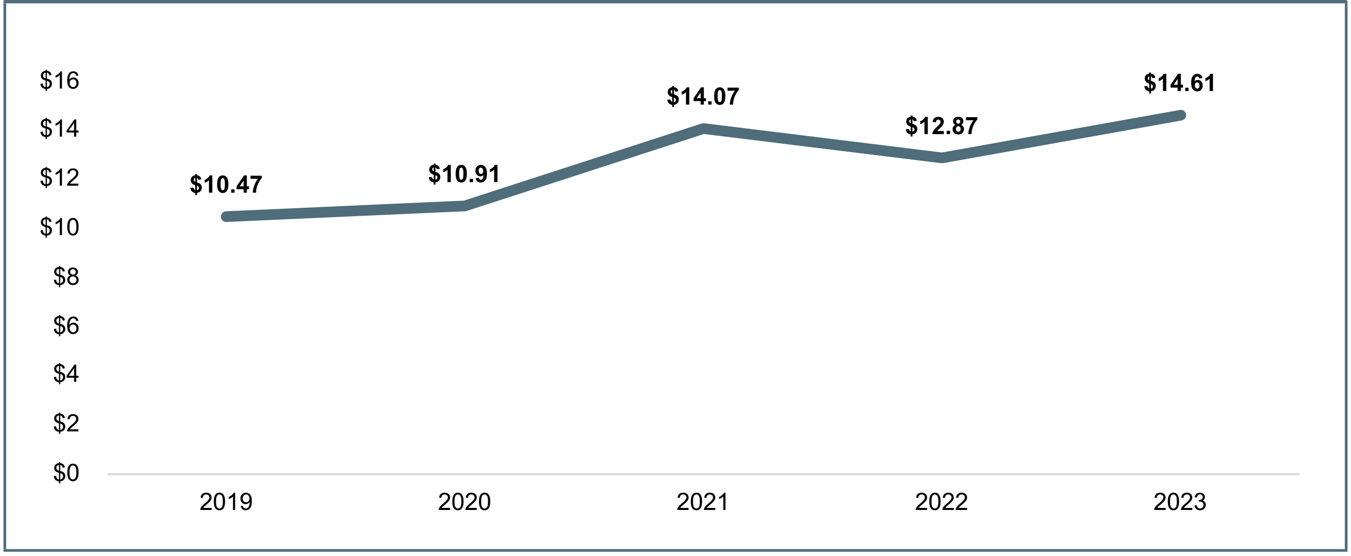
The budget that supports child care programs largely comes from parent fees. In addition, child care centers may also care for children whose tuition is paid by a child care subsidy (i.e., children in low-income families).[78] While most child care programs in Utah accept child care subsidy payments, for many programs, the percentage of enrolled children whose care is paid for with a subsidy is small. This makes private-pay parent fees critical for business operations.

Nationwide, about 9% of programs have 50% or more of their enrolled children whose care is paid for with a subsidy.[79] About 16% of centers have at least one child on subsidy but fewer than 25%.[80] About 30% of centers were missing data, which may mean that they serve a tiny percentage of children on subsidy or do not have children enrolled whose care is paid for with a subsidy.

The largest component of any child care business budget is related to wages for personnel. On average, about 70-75% of revenue from child care businesses supports personnel compensation.[81] Remaining funds are used to pay mortgage or rent, utilities, food, materials, and other expenses related to operating a child care business.

Child care programs operate on razor-thin margins (with revenues closely matching regular expenses) and many have difficulty with capital projects and maintenance (e.g., addressing HVAC, roofing, plumbing, or playground related unplanned expenses). Such risk mitigation can reduce liability insurance costs or if left unattended can result in higher insurance premiums or being dropped by an insurance company (as well as higher long-term costs).

Utah Child Care Median Hourly Wages, 2019–2023



Source: U.S. Bureau of Labor Statistics, Standard Occupational Code, Child Care Workers, 2019 – 2023.

Child Care Wages.

In 2019 (pre-COVID pandemic), the median hourly wage in Utah for child care workers was $10.47 per hour (about $21,777 annually).[82] By 2023, child care wages had increased by $4.14 per hour to $14.61 per hour (about $30,390 annually).[83]

The supply of child care depends on the recruitment and retention of individuals who work or are willing to work in child care. The quality of programs depends on a quality workforce. More than 16,000 individuals (mostly women) comprise the child care workforce of which about 13,700 are teachers and assistant teachers.[84]

The sharp rise in wages is likely attributed to the Department of Workforce Services Office of Child Care strategies to boost child care wages through a workforce bonus program and also child care business stabilization enhanced grants that required at least 51% of staff to be paid $15 per hour or more.[85] Providers received funding through September 30, 2024.[86] Federal funds through the FY2021 Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act[87] enacted in December of 2020 and the American Rescue Plan Act (ARPA)[88] enacted in March of 2021 were utilized to ensure that child care programs could recruit and retain workers in a competitive job market and stay open to serve families whose jobs depended on access to child care.

Utah Child Care Workforce

89% of child care workers in Utah earn less than the state median for all occupations

63% of child care workers have some college or more education

21% of child care workers report working multiple jobs

10.3% of child care workers report sometimes working multiple jobs

52% of full-time child care workers have employer-provided health insurance

42% of child care caregivers and teachers are under the age of 25

20.4% of child care workers earn retirement benefits through their employers

$15 per hour is the median wage for child care workers, compared to $21.38 per hour for all occupations in Utah.

Source: Unveiling the Landscape of Utah's Child Care Workforce: Working Conditions, Wages and Motivations from the Child Care Workforce, Bonus Program Survey. Prepared for the Utah Department of Workforce Services Office of Child Care by Catherine Ruetschlin, PhD and Yazgi Genc, PhD(C), Economic Evaluation Unit, University of Utah, Department of Economics, November 2023. The report reflects all individuals who were eligible to receive the Youth and Early Care Workforce Bonus.

More than one-quarter (26.8%) of all child care workers in Utah have one year or less experience in the field and more than half (54%) have less than five years of experience.[89] Among caregivers and teachers, 63.8% have been in the field for less than five years.[90] Nearly one-third (31.3%) of child care workers report working multiple jobs to make ends meet compared to Utah's overall workforce (5%).[91]

- 21% of Utah's child care workforce report working multiple jobs to cover basic living expenses[92]
- 10.3% of Utah's child care workforce report sometimes working multiple jobs[93]
- In all eight child care provider focus groups, workforce challenges was one of the top two issues raised. Child care providers reported that recruitment and retention of child care workers in a competitive jobs market is extraordinarily difficult. One center-based provider said, *"They can work at McDonalds or Staples for $20 per hour. Even Zupas pays $18.50 per hour. Add the demands of the workforce, and we can't keep people."*[94] Another center-based provider said, *"For us, staff retention is a major struggle, which plays into the number of children. Lose kiddos, lose staff. Lose staff, then lose kiddos."*[95] A rural provider said, *"Everyone wants to make $18-$20 per hour, but I can't afford that. Even raising parent tuition rates doesn't cover it. No way that I can start people at $18 per hour. I'd be out of business in two months."* A Spanish speaking provider said, *"It's all about the wages."*[96]

Among the four family child care home focus groups, providers also mentioned recruiting and retaining staff was a top challenge. Some providers mentioned a state bill (HB 461) that passed in the Spring of 2024 but was never funded/implemented. Providers felt this would be a good recruitment tool to hire mothers who could bring their own children and help staff programs. The belief was that they want to hire staff who are *"good with kids, so who better than moms?"*[97] Providers mentioned that all children under age 4 count against the state cap of allowed children, so when staff bring their own children, this is a revenue loss for their business, which impacts how much they can pay staff and their ability to meet business expenses.

Head Start programs, which generally serve children living in poverty, also face the same wage-related challenges. While Head Start staff tend to earn slightly more than staff working in child care, average hourly wages are still low compared to other jobs in the community. For example, the average Utah lead teacher in a Head Start program earns $18.22 per hour.[98] The average assistant Head Start teacher in Utah earns $16.39 per hour.[99]

The Head Start 2023 Needs Assessment stated, *"We are competing with fast food and lower stress jobs in the community…." "Until the pandemic, we had very low levels of staff turnover (about 5% per year). Since then, we have been experiencing around 30-35% turnover across all departments…"*[100]

Stabilization Grants.

Throughout each provider focus group, everyone was complimentary about the Department of Workforce Services Office of Child Care stabilization grants. When asked about what providers would do when the grants terminate in September 2024, most said they would raise parent tuition rates. However, they worry that could cause a reduction in child enrollment since parents are already struggling with the cost of child care.

Many said they wouldn't reduce staff hourly pay, but they may reduce hours for staff and lay off staff. Some said they would likely close their business. Many said that child enrollment has not returned to pre-COVID levels, which they attribute to changing work trends (more parents working remotely) and the inability of parents to afford child care tuition.

When asked about the impact of the end of the stabilization grants,

An urban provider said, *"We might be gone. We're a high quality center under CCQS, but I don't know if we can maintain it. We've opened part-time slots to fill the slots, but that affects the classroom dynamic."*[101] Another urban provider said, *"We've been planning for the grant* [stabilization] *to come to an end. But, I didn't plan to not be able to fully enroll kids. I didn't plan for parents to not be able to afford child care."*[102] A rural provider said, *"maybe we'll go to all part-time staff. And, that's not good for the children. They need a teacher all day. Consistency. Especially the younger children. That's the part I'm dreading, but to make ends meet, that's probably what we are going to do."*[103]

An urban family child care provider said, *"I can't say that I'll stay open another year. [We are] doing the best we can, health insurance, costs are going up, we have eight kids, feels like we are breaking even."*[104] A Spanish speaking provider said, *"Right now, I'm staying because I love the children. But, I'm contemplating whether to close. It's hard because all other prices have gone up and what parents pay doesn't cover expenses."*[105]

Child Behavior.

Beyond the workforce challenges faced by child care providers, the other top concern was the extraordinary challenges posed by *"child behaviors"*.[106] Across provider groups, it was felt that the intensity, breadth, and depth of child behaviors has changed drastically since the COVID-19 pandemic.

The stabilization grant helped to support program revenue with reduced enrollment, which meant staff had fewer children in the classroom. Even with fewer children, the challenging behaviors were difficult to manage. Many centers mentioned that they work with the Children's Center Utah to address challenging behavior, but directors said that the queue for support was long, the dosage was too little and infrequent, and rural providers mentioned that they had insufficient local support.

There were two issues: challenging behaviors by children and a need to ensure sufficient numbers of staff in the room to handle it. For example, smaller class sizes have been the norm (supported by stabilization grants). With the end of the grants, there is a need to enroll more children to offset budget costs. An urban director explained, *"I'm getting pushback for more children in the classroom from teachers that it is too much. Seasoned amazing staff. Stressed out."*[107] Another director said, *"it's the behaviors. Staff can't go back to the numbers pre-COVID."*[108]

Across the four center-based focus groups, participants described young children with no self-regulation who lacked social and emotional skills, coping skills, and "executive function" skills (listening to and following simple instructions). Two groups of young children were described: *"typically developing"* and children with special needs. Strategies to better support both groups were requested. It was felt that the *"typically developing"* child is no longer defined by what could be expected in the past. Three and four- year-old children regularly hit and kick teachers, throw chairs, melt down on the floor, can't follow rules or share, transition between activities, listen to their peers or follow instructions from staff, or be respectful of other children and teachers.

For example, center directors said,

- "Never used to hear of a 3-year-old hitting a teacher. Just the fear of someone bigger than you it wouldn't happen. Now happens more frequently than not. We had one parent say – how much could it possibly hurt if a 4-year-old hits you? Crazy! We need a resource related to what actually happens in a classroom."
- "I think there's been an overall change in everything since COVID – child behavior, parents, special needs, staff. Lots of things. Getting back to where we were is uncomfortable and staff don't want it. The grants really helped us offer a better environment."
- "I've seen a lot of high behavior kids, but the mindset – personalities of the kids are different now. For the younger ones, the first part of their life, they were told don't share, don't get too close to other kids. They don't know how to play. They don't have socialization. You can see phones and tablets were involved. They try to pick things up like a tablet, but that is not what's

needed. They can't pick up a pencil. Some I've watched trying to play- they think being mean is playing and then laugh about it. Copying videos. Adult videos get humorized. We're seeing a lot of kids nonverbal until 5-6 or aren't potty trained at age 5. Parents that think there's no behavior issue – like choking another kid."

- "There are just more child behavior issues now. Parents have gotten into the habit of having the children be entertained by tablet or tv, being able to work from home by children not getting the attention that they need. That affects child development. We have 4-year-olds that have the social skills of a 2-year-old. And, that is more common than not. Instead of a 4-year-old being able to follow simple 3 step directions- hang up your coat, go wash your hands, and sit at the table – you have to help at every step. If the child's emotional level is at a 2-year-old, then that's the staffing that they need… #1, aggression to the teachers is unacceptable. Not part of the job description."
- "We've worked with the Children's Center. But there are situations where a child needs more 1:1 care than you can give in a group center. You either disenroll a child or you lose two teachers, or you lose other kids. They're terrified."
- "I have made more referrals in the past two years than in my entire career. I've been in the field for 26 years. We are just making more referrals. Children are lacking that emotional regulation. Definitely an increase and it's a real problem."
- "That's consistent across all four of my centers. Increase in challenging behaviors, single most requested training across the country. We've definitely experienced that as well. We have a kiddo who would benefit. Two teachers who say they will leave if that kid comes back. Behavior is a huge factor."
- "No teacher should have to have a chair thrown at their face."
- "We are really needing help. Behavior has changed so much, children hitting adults has just come on – unbelievable that they would even hit. Certain amount of respect, but it's just not there any more. Resources from the Children's Center have been great. But, then parents find out they can't afford it."
- "We have a lot of kids with hard behaviors. Parents blaming the staff instead of taking responsibility for their actions."
- "We're such a small town. We're the only day care center. But, it is really hard to get and keep staff. And, then they can't hack it. I wish we had a bigger employment pool to pull from. And with the whole COVID thing, it's made adults be more withdrawn. People just don't know how to interact anymore. But, kids need interactions."
- "Yelling, screaming, different breed of children. We use the pyramid model but need more."
- "We cut our enrollment in half because of behaviors."

Conversations with Head Start and the DWS/USBE School Readiness Initiative (preschool) staff confirmed that these challenging behaviors are seen across their programs as well.

When provider focus group participants were asked about what they thought the cause was for the increased challenging behaviors demonstrated by young children, one theme emerged across groups – the use of social media or the era of a phone-based generation. For example, parents who are stressed by juggling work and family responsibilities may often turn to a phone or tablet to pacify a child. In turn, that can result in fewer child interactions which impacts the ability for a young child to develop coping skills, self-regulation, and related social and emotional competencies.

The book *The Anxious Generation* says, *"Human children are wired to connect, in part by tuning and synchronizing their movements and emotions with others. Even before they can control their arms and legs, they engage adults in games of turn taking and shared emotions."*[109]

"Smartphones can disrupt this essential face-to-face interaction. Pew research has found that 17% of American parents report they are often distracted by their phone when spending time with their child, with another 52% saying they are sometimes distracted."[110]

With broad-based child behavior challenges exhibited by *"typically developing"* children across child care, Head Start, and the state preschool program, there may not be a single cause. However, it was clear that strategies are needed to address the ability for those in programs working with children to develop stronger techniques for interacting with children to set the stage for a safe, early learning environment that supports the healthy development of children. And, it was also clear that more efforts to educate parents about the link between interactions with their children and early childhood development are critical.

Local Ordinances.

Throughout the family child care home focus groups, providers expressed frustration with local ordinance restrictions that limit the number of children that can be in care compared to the number allowed by state licensure. Providers also shared that local ordinances restrict the number of employees a home-based provider can hire and impose other requirements that are not consistent with state law (e.g., fencing height or banning street parking).[111] A married couple who operate a family child care home said, *"There needs to be better coordination between state and local councils. Consistent regulations and consistency among cities."* Another provider said, *"Our cities don't understand the value we bring to the community."*[112]

The Utah State Legislature passed legislation in 2022 (HB 15) that included a prohibition on county and municipality licensing or certification of child care programs. Also, under HB 15, 10-8-84.6 related to municipalities, section 3 states, *"This section does not prohibit a municipality from: (a) requiring a business license to operate a business within the municipality; or (b) imposing requirements related to building, health, and fire codes."* The same language is included under HB 15, 17-50-339 related to counties.

Upon review of county and city local ordinances, child care is restricted by local ordinances related to home occupation business licenses. These are not specific child care licenses, but rather, conditions or requirements related to a local business license. For example, among cities mentioned in the focus groups, research of local websites found,

Layton City

- Businesses are regulated as either low impact (1 employee) or high impact (no more than 2 employees)
- Signatures of all neighboring property owners are required; local zoning administrators have broad discretion about conditions or requirements
- Home day cares shall meet all state, county, and city requirements for the number of children allowed; the most restrictive applies

Riverton

- Home child care programs are not to exceed 8 children (including employer's own under age 6)
- Home child care programs are restricted to one employee (exceptions under certain conditions)
- No other permitted home child care business within 300 feet
- Care is limited to 12 children (including provider's own under 6) with a traffic plan & three session limit

Salt Lake City

- Home child care programs are restricted to 12 or less children (including provider's own under age 6)
- "permitted use" – maximum of 6 children; no employees
- "conditional use" – maximum of 12 children; no more than 1 employee
- Parking restrictions

Taylorsville

- Home child care programs are limited to 5-12 children (including provider's own children under age 6); Low Impact (4 or fewer children); High Impact (5 or more children)

West Jordan City

- Home child care programs for not more than 4 children, state code for others
- Fencing 6 feet high

Unlicensed Child Care.

Across all child care provider focus groups, concern was raised about the growth in unlicensed child care and the impact on licensed programs. Particularly among licensed family child care home providers, the feeling was that the expansion of unlicensed care undermines their viability as a business. Some providers mentioned that they would close or reduce the number of children in their care to eight children so that they would no longer be required to have a license.

One family child care home provider said, *"Unlicensed care are undermining licensed providers and undermining the tax base. When you report it, nothing is done. Unregulated providers are charging $2-$3 per hour, I can't stop it. It undermines my business."*[113] Another provider said, *"Our kids are going to grow up with problems if there's no quality child care. They can go somewhere cheaper and watch tv all day. But, how does that help the kids?"*[114] Another said, *"Down the road, the kids are having chips for breakfast. But, I care that my food is nutritious. It costs more but I do it."*[115]

The Utah State Legislature passed HB 153 in the Spring of 2024 that retained the requirement for state licensing at nine children. However, a Residential Certificate for home-based providers caring for fewer than eight children was made voluntary.

Provider and parent focus group participants felt that the legislation was passed to reduce child care costs to support parents. Safety protections were included in the bill to limit the number of children in unlicensed care to two or fewer children under three years of age. Unlicensed providers were also required to have background checks. The belief across focus groups was that there was no way to enforce these requirements undermining their effectiveness.

Licensed family child care providers spoke passionately about their interest in providing quality care, which was their reason for opening a child care business. The feeling among licensed family child care home providers was more personal, that they are not respected.

A rural family child care provider said, *"We are treated like babysitters. Every one of these ladies has an educational background but doesn't get respect for it."*[116] Another provider said *"[Government agencies] don't respect us as small business owners. They look at us as babysitters. I am not a babysitter."*[117] A rural family child care provider said, *"This is not a side gig."*[118]

Parent focus group participants expressed that their top concern for their children was safety. A rural father described why licensing meant so much to him, *"They have certain skills that someone without a license may or may not have. Such as first aid skills. It is one thing to have first aid and it is another thing to apply them very well."*[119] The feeling among parents was that state legislators do not need or use child care. Therefore, they may not understand it. An urban parent said, *"[It's as if] We'll throw you a bone. We'll give you more [unlicensed] child care."*[120] But as one rural parent said, *"We need more licensed child care because people prefer licensed child care."*[121] An urban parent said, *"Because the legislature is not in the same situation we are, they don't need to worry about child care. That is why I don't think anything will ever happen."*[122]

Insurance.

Across the center-based focus groups, directors talked about the rising costs for liability insurance and some insurance companies not covering child care centers anymore. Directors said,[123]

- "It's a hard industry to be in right now. A lot of insurance companies are dropping centers."
- "Mine dropped me because we are considered a wildfire zone. It took my insurance guy eight months to cover me. I've never had a claim."
- "My stabilization grant got suspended for a month because we didn't have general liability insurance. Then we got it, but took another three weeks."
- "We were dropped for no reason. Maybe they decided they weren't covering day care anymore. We never filed a claim."

The National Association for the Education of Young Children (NAEYC) surveyed child care providers throughout the country. NAEYC found that across states, liability insurance has become challenging for child care providers (i.e., insurance rate increases are common; insurance companies dropping child care providers from coverage is common).[124]

The Utah Insurance Department includes a Captive Insurance Division that implements the Utah Captive

Insurance Companies Act.[125] A captive insurance company ("Captive") is an insurance company organized to cover the insurable risks of an industry[126] (e.g., child care centers could unite to self-insure or collectively receive more favorable insurance rates). There are different forms of Captive insurance and a state-certified captive manager can help interested employers understand the options.[127]

Temporary Child Care Stabilization Initiatives.

To support the child care market, the Department of Workforce Services, Office of Child Care implemented an array of strategies to support child care providers (and the child care workforce) through federal child care COVID relief funding.

Without these investments, focus group participants said their programs would have permanently closed. Despite these initiatives, providers are still struggling with operating costs and wages to pay staff. Parents are still struggling with affording child care. The temporary investments were critical, but long-term strategies are essential to ensure that working parents have access to quality child care.

Major Investments for Child Care Programs & Workforce

Grants & Initiatives	Impact	Funding Level
Utah – Child Care Slots for Essential Employees (3/20 – 6/20)	649 children of essential workers supported across 153 child care programs	$2.1 million
Summer 2020 Out-of-School Time Grants (6/20 – 9/20)	39 child care programs or community-based organizations served 2,142 children	$3.7 million
Summer 2021 Out-of-School Time Grants (6/21 – 8/21)	40 child care programs or community-based organizations served an average of 1,468 children	$1.8 million
Child Care Operations Grants (4/20 – 12/21)	595 child care programs received 1 or more monthly grants for stabilization	$60.1 million
Youth and Early Care Workforce Bonus (7/22 – 9/22)	$2,000 bonus for 9,366 youth and early care professionals	$18.7 million
School-age Summer Quality Expansion Grant (6/22 – 8/23)	2022. Funding was provided to 148 full-day summer programs serving 6,800 children 2023. Funding was provided to 152 full-day summer programs serving 9,247 children	$6.6 million
Child Care Stabilization Grants (1/22 – 9/24)	1,041 child care programs received 1 or more monthly grants for stabilization. 448 were center-based programs and 593 were home-based programs. Through September 2024, the median grant over the time period was $651,400 for centers and $124,032 for family child care homes. The average monthly grants were $28,428 for centers and $4,080 for homes. Programs received a higher grant amount ("enhanced payment") if they paid at least 51% of their staff at $15 per hour or more.	$414.2 million

Source: Department of Workforce Services, Office of Child Care, October 2024.

Child Care Affordability

Federal child care law requires states to conduct a child care market rate survey (or an alternative cost model approved by the U.S. Department of Health and Human Services) every three years.[128] The Utah child care market rate study was conducted between January and March 2024 and published in May 2024.[129] Federal law requires states to use the survey results (or the cost modeling results) to set child care subsidies for eligible families.[130]

Federal child care regulations recommend that states set child care subsidy rates at the 75th percentile,[131] which means families have access to 75% of providers in a community. Federal regulations were clarified in April 2024 to ensure that states understand that the 75th percentile is not a cap and that states can pay rates that exceed the market to support quality or meet other needs such as for care that is not produced in sufficient amounts by the market.[132] Particularly for families with young children, child care is challenging to afford.

- 14.9% of a three-person family's income would be required to pay for licensed center-based infant care.
- 10.1% of a three-person family's income would be required to pay for licensed home-based infant care.
- 22.8% of a four-person family's income would be required to pay for licensed center-based care for an infant and a preschooler – if the family had two young children.

According to the 2024 Child Care Market Rate survey,[133] parents in Utah would need to pay the following rates by setting and age to access 75% of providers in the community (the bottom 75%).

Utah Price of Child Care Compared to Family Income

Utah Price of Center-based Infant Care Compared to Family Income

Family Income by Family Size	Utah Median Income	% Care for an Infant			% Care for an Infant & 4-Year-Old		
		Statewide Centers	Rural Centers	Urban Centers	Statewide Centers	Rural Centers	Urban Centers
2-person families	$90,038	17.7%	17.8%	17.6%	30.6%	32.2%	30.5%
3-person families	$106,460	14.9%	15.0%	14.9%	25.9%	27.3%	25.8%
4-person families	$120,630	13.2%	13.3%	13.2%	22.8%	24.1%	22.8%

Utah Price of Family Child Care Home Infant Care Compared to Family Income

Family Income by Family Size	Utah Median Income	% Care for an Infant			% Care for an Infant & 4-Year-Old		
		Statewide FCC Homes	Rural FCC Homes	Urban FCC Homes	Statewide FCC Homes	Rural FCC Homes	Urban FCC Homes
2-person families	$90,038	12.0%	11.7%	12.0%	22.1%	21.7%	22.1%
3-person families	$106,460	10.1%	9.9%	10.1%	18.7%	18.3%	18.7%
4-person families	$120,630	9.0%	9.0%	9.0%	16.5%	16.2%	16.5%

Sources: U.S. Census Bureau, Table S1903 Median Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars), 2023 American Community Survey 1-Year Estimates; 2024 Utah Child Care Market Rate Study, Prepared for the Utah Department of Workforce Services Office of Child Care, by Catherine Ruetschlin, PhD, University of Utah, Department of Economics, 2024

Child Care Subsidy.

States set eligibility levels for child care subsidy receipt.[134] Under federal law, federal child care funds can be used to support families earning up to 85% of state median income (SMI) adjusted by family size.[135] Utah sets its income eligibility at 85% (e.g., in Utah a family of three can earn up to $79,644 whereas a family of four can earn up to $94,824).[136]

The average monthly number of children whose care is paid for with a child care subsidy in Utah has increased from 12,643 in 2019 to about 15,136 on average through August 2024.[137] According to the state Preschool Development Grant Birth-Five (PDG B-5) needs analysis, about 14% of eligible children receive assistance.[138]

There could be many reasons for low utilization of child care subsidy. First, under federal law, subsidies can only be used in licensed settings (center-based or home-based) or settings that meet minimum health and safety requirements including background checks for caregivers. There are options for family care, but this is selected by only 3% of those receiving subsidy.[139] Therefore, the lack of licensed child care supply impacts whether or not an eligible family is able to utilize a subsidy.

Second, many lower paid parents may work in a service industry or manufacturing industry where shift jobs are common. The Urban Institute estimates that 49% of low-income children under age six[140] in Utah live in families where parents work at least some nontraditional hours.[141] Few child care providers are open early, open late, or provide care on weekends.

Third, families may not know about the child care subsidy program or may think it is only for families living in poverty. In the parent focus groups, many parents were unaware of the program (the groups were sent links to both the child care subsidy program and Head Start following the focus group discussions. They were also sent a Department of Workforce Services one-page flyer with a table related to income eligibility).[142]

Fourth, some parents said they were *"just over the income limit."* Other parents said *"the process was hard or took too long. It was stressful."*[143]

Fifth, parents could prefer shifting off with a spouse or family member to care for their children.

Some states use federal dollars for families at or below 85% of SMI and state dollars for families exceeding 85% of SMI (e.g., Maine[144] and New Mexico[145]). Some cities and counties have enacted local supplements to support child care affordability.

For example, Park City allocated $1 million to provide child care assistance (scholarships) for families up to 100% of the area median income (AMI). The city's stipend covers expenses up to a combined payment (parent contribution + scholarship) of $1,700 per child per month for each child enrolled in a participating regulated child care provider that is located within Summit County. Park City also offers parents who work in the city limit earning less than 100% AMI a stipend of $200 per month, per child and a regulated child care provider incentive, which is a grant that supports local providers who serve children receiving a child care subsidy from the Utah Department of Workforce Services.[146]

Summit County implemented its own Resident and Workforce Child Care Tuition Scholarship program and provider grants to residents and workers throughout the county in June of 2024.[147] The county hired the same program administrator and offers many of the same scholarships as Park City in order to streamline application processes and gain from economies of scale.[148] By mid-September, the County started a waiting list due to the large number of applications and the exhaustion of funds committed for the project. A county council memo says that *"the program has been wildly successful"* and it is likely additional dollars will be recommended for 2025 to continue funding for the program.[149]

Park City Local Subsidy

The Resident Childcare Tuition Scholarship
for children up to kindergarten age (Utah children are eligible for kindergarten in the year they turn 5 by September 2). Families must live in Park City (zip code 84060) and have a household income less than 100% of Summit County's area median income (AMI). Children must be enrolled at a participating regulated childcare provider in Summit County, and households must contribute 10% of their income toward childcare. The city's stipend covers the remaining expenses up to a combined payment (parent contribution + scholarship) of $1,700 per child per month for each child enrolled in a participating regulated childcare provider that is located within Summit County, excluding expenses eligible for other programs, including State and Federal funding.

Workforce Childcare Tuition Scholarship
addressing the needs of children up to kindergarten eligibility for families with a household income of less than 100% AMI. The scholarship is open to the Park City workforce who live outside the city but work in town (zip code 84060). Eligible families receive $200 per child, per month for each child enrolled in a participating regulated childcare provider that is located within Summit County.

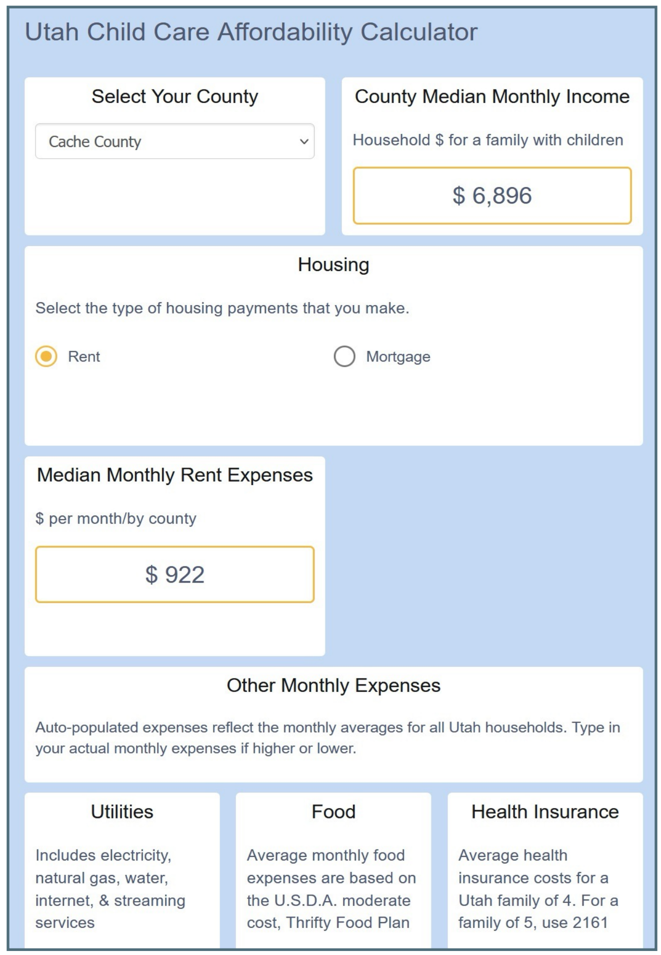
Regulated Childcare Providers Incentive
supports local caregivers. Participating providers in Summit county serving Park City resident or employee children enrolled in the Department of Workforce Services child care assistance program are eligible to receive $300 per child per month.

Park City Municipal Employee Childcare Tuition Scholarship
for children up to kindergarten eligibility age who have at least one parent who is an employee of Park City Municipal. The scholarship is $200 per child per month. The child must be enrolled in a participating regulated childcare provider (but not limited to providers located within Summit County).

Source: Park City Agendas and Minutes, City Council Meeting, September 26, 2024. Eligibility rules and children served since the January 2024 launch of the child care initiative.

To educate state policymakers related to financial challenges of affording child care, VOICES for Utah Children, Promise Partnership of Utah, and the Salt Lake Chamber Utah Community Builders worked with the Committee for Economic Development (CED) of The Conference Board to develop a child care affordability calculator.

The goal is to show average expenses families face such as rent or mortgage, utilities, food, health insurance, car payments, car insurance, and gas. Once these expenses are deducted from county median income, users are asked to select child care with prices by age of the child and setting. The prices are from the 2024 child care market rate survey.[150] The last field in the calculator calculates whether the family would likely be eligible for child care subsidy or not.[151]



Source: VOICES for Utah Children, Promise Partnership of Utah, and the Salt Lake Chamber Utah Community Builders, Child Care Affordability Calculator, 2024.

Across the provider and parent focus groups, when participants were asked what the state could do to better support working families with children, suggestions were made to improve affordability.

Urban providers said, *"Find a way to support families paying for child care."*[152] *"Middle class families need help. Middle class families can't afford it anymore."*[153] *"Agree on middle class. They are struggling the most. Raise the subsidy eligibility level."*[154]

Rural providers said, *"Provide more support for parents so they can afford child care."*[155] *"Families are looking at child care costs – for one child, maybe; for two, very difficult. Housing is high too. People just can't afford it."*[156] *"Family income was too high for subsidy. But, they have to decide – am I going to buy groceries this week or pay for child care? Families are just trying to survive. Housing, food, hard to raise a family."*[157] *"In Carbon County, people can't afford their bills – mom, dad, grandma are working. Every day I hear that it's too expensive. Rural families just don't have funding to pay for child care so the children themselves are suffering."*[158]

Parents said, *"I want four kids. But, I can't have more. Can't support them. The church supports that. [But there is] no structure in case you want to go to work."*[159] *"There are only two routes for women in Utah. They have a pathway to start their own businesses and control their own schedules – if the corporate world doesn't work for you and the other one is being a stay-at-home mom. But, it doesn't feel like a choice. More like a structural problem. Not enough day care facilities, waitlists, and affordability."*[160]

Employers Impacted by Child Care

The U.S. Chamber of Commerce Foundation released a report about how child care impacts Utah's workforce productivity and the state economy.[161] In 2022, the Chamber found a $1.36 billion loss annually to Utah's economy related to child care challenges.[162] Absences and employee turnover related to problems with child care cost Utah employers an estimated $1.1 billion annually.[163] As a result of challenges with child care, the state loses $258 million annually in tax revenue.[164] Related to child care challenges, the report found,[165]

- 43% of parents missed work or class at least once in the past three months
- 10% of parents voluntarily quit their job

The U.S. Chamber Foundation says their study *"is a conservative estimate of the impact that child care has on employers and the state of Utah."*[166]

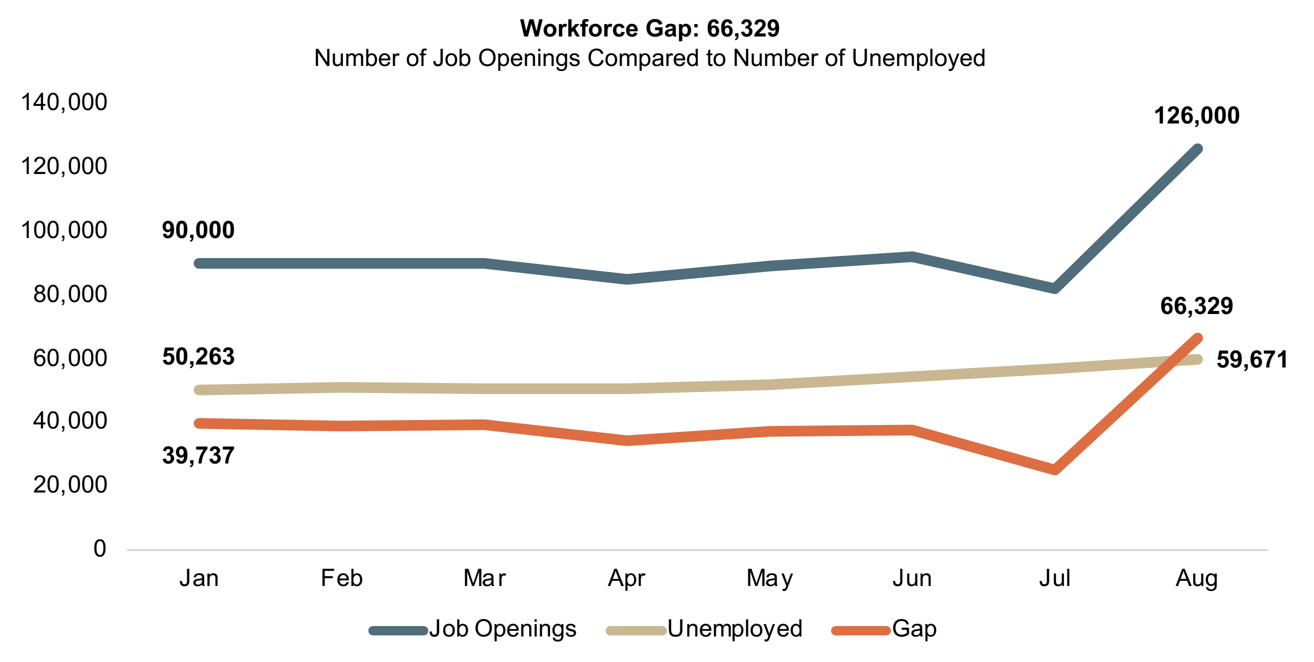
In 2019, the Bipartisan Policy Center estimated that the gap between Utah's supply of child care and potential need has a long term economic impact that ranges between $3.7 billion and $5.7 billion.[167]

In 2023 and 2024, U.S. News & World Report ranked Utah as the #1 state in which to live after review of 70 different metrics across eight broad categories important for families and business.[168] Schweitzer Engineering Laboratories rated Utah #1 in its 2024 50-state business climate index.[169]

Utah's #1 status is related to many factors but a key indicator is its ability to have or attract a workforce to fill job openings and a workforce ready to support new companies potentially seeking to locate in the state.

A review of job openings compared to the number of individuals unemployed shows a gap of 66,329. Employers know that to be competitive, they will need to expand labor force participation with the employment of women a key goal.

2024 Utah Workforce Gap



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey; Local Area Unemployment Statistics, Utah, 2024.

Scott Cuthbertson, President of the Economic Development Corporation of Utah said, *"Child care is definitely on the radar of employers – both those in Utah and those potentially seeking to locate in Utah. Unemployment is low. Finding qualified workers, expanding the workforce, are both key factors for economic development and growth statewide."*

There is growing recognition among Utah employers that recruiting and retaining women in the workforce, particularly mothers, relies on access to child care.

Salt Lake City Chamber President and CEO Derek Miller said, *"The Salt Lake Chamber recognizes that child care is not merely a personal family matter, but a crucial community and business issue influencing how, when and, for many, why we work."*[170] *"The consequences of inaccessible child care and inflexible workplaces are profound."*[171]

Several local chambers of commerce agreed to send out a brief survey to employers as part of this project. In St. George, among 100 responding employers, 45% said that in the past year they have had employees quit or reduce their hours due to child care challenges. In Salt Lake City, among 30 responding employers, 50% said they had employees quit or reduce their hours due to child care challenges.

When asked if employers were offered a state tax credit to expand child care options for parents, 52.4% of responding employers in St. George and 59.9% of responding employers in Salt Lake City said that they would be very likely or somewhat likely to utilize the tax credit.

When asked if employers were offered a matching grant for monthly payments to help support employee child care affordability, 61% of responding employers in St. George and 73.3% of responding employers in Salt Lake City said that they would be very likely or somewhat likely to offer monthly child care support to employees.

Employers were offered a comment area as part of the survey. A sampling of comments from the St. George employer survey said,

"In hospitality, it is becoming one of our largest challenges in recruiting." "Households require two incomes to make it in this economy. Mothers have to work, and need child care in order to work. Lots of parents do not qualify for child care due to "over income" although they are barely getting by…" "This is a very important issue." "Over the last 5 years, my local management has been forward thinking in the accommodations made to new/young mothers within my company. It has been a wonderful thing to witness and very successful in retaining good talent."

A sampling of comments from the Salt Lake City employer survey said,

"Child care should be supported more by business and the government. We lose women, and diverse populations out of the workforce by not directly supporting child care." "The cost of child care is certainly prohibitive and we have seen that. However, having more quality day care providers is just as much of an issue for our employees." "Child care has become so expensive that many cannot afford to work. Expanding child care options will definitely increase the labor force participation rate." "Available slots that meet the time of work schedules are in short supply, even if someone has the funds to pay." "A critical issue and one we need to solve and support at the state level."

One employer from Salt Lake City offered a suggestion, *"Special consideration for small businesses (grant program) or even a heavily discounted child care location for at-home businesses to bring their children. This is for those that can't afford child care, but can't get work done at home with kids. This would be amazing."*

Utah Community Builders

The Salt Lake Chamber Foundation and its program **Utah Community Builders** are committed to addressing community issues that have a direct impact on Utah's workforce. Child care is a key barrier to workforce participation and the Utah Community Builders initiative has worked with many nonprofit partners and state agencies to understand the challenges facing Utah families, the child care sector itself, and business leaders. Utah Community Builders strives to make connections, host conversations, and provide resources to all three audiences so problems can be solved together.

In 2023, Utah Community Builders developed a **Family-Friendly Workplaces Guide**. In addition, the Utah Community Builders created a **podcast** about the child care landscape. The Community Builders continue to look for ways to partner and support mothers in the workplace, including access to child care.

Cache Valley Chamber Partnership with the Boys & Girls Club of Northern Utah and JBS

In Brief
The Cache Valley Chamber of Commerce partnered with the Boys and Girls Club of Northern Utah to receive $259,500 from JBS Hometown Strong for a "JBS Cares Project." The initiative addresses the child care needs of parents employed in the manufacturing industry by creating three high-quality, extended hours, child care centers in Cache County.

Background
In 2022, the Cache Valley Chamber partnered with the Cache Valley Economic Development Alliance to hold a series of discussions with employers and to distribute a child care survey. 80% of employers said child care was a challenge for their employees during the past two years and 53% said they had employees quit or take extended leave options to care for their children. One employer said, *"for many of our swing/2nd shift employees, child care is challenging because shift schedules don't match marketplace childcare availability."*
Parent surveys found,

- 63% of parents have left work early due to child care problems.
- 56% of parents have arrived late for work due to child care problems.
- 54% of parents reported feeling distracted at work because of child care problems.

Utah State University and Utah Economic Development Center conducted multiple focus groups addressing workforce and economic growth in Cache County. Regardless of gender, ethnicity, or socio-economic status, child care was the biggest challenge. Another top issue was the quality of child care available.

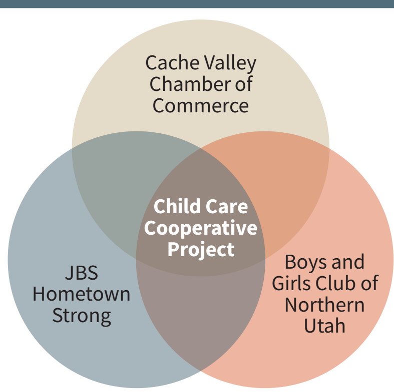
Leadership
Partnerships are born through vision and relationships. Jamie Andrus, CEO and President of the Cache Valley Chamber, took the lead in listening to employers and working to identify a solution that supports both employers and the families who work in the valley. Andrus said, *"Child care is an integral component of economic development in Cache Valley. As a chamber, we needed to focus on it. It's a business and workforce issue."*

JeuneElle Jeffries, CEO of the Boys and Girls Club of Northern Utah explained, *"Pay rates are low here. Housing costs are high. Many in this area work shifts. Families are working and paying their bills and doing what they're supposed to be doing. But they are still struggling. We can do better as a community to help."*

Results
Three child care centers, located at each end of Cache Valley, and one centrally located, opened in August and September of 2024. Each site can serve up to 100 children. Centers use early learning best practice strategies and a curriculum that supports the healthy development and school readiness of children. In addition, each center has a family engagement and parent support program. With JBS funding to cover start-up, training, and building costs, each center can serve low income and hourly employees without having to charge high fees.

Project Sustainability
The project is planned for sustainability. (1) As licensed, high-quality settings, families will have a place to use child care subsidies; (2) The Boys & Girls Club will connect the centers to multiple funding streams (e.g., the federal food program (CACFP), etc.), and (3) fundraising and community events will occur as needed.

Cache Valley Chamber Collaborative Model



Cache Valley Chamber of Commerce
- Workforce Needs
- Business Outreach
- Community Coordination
- Board of Governors

JBS
- JBS Hometown Strong Grant
- Hyrum Beef Leadership
- Connection to Community

Boys and Girls Club
- Respected Non-profit
- Staffing and Administration
- Systems & Structure
- Integrated in Community

Colette Cox, Vice Chair, of the Rural Utah Chamber Coalition, described child care as *"the pillar of our economy."* She described several rural community initiatives, but mentioned housing affordability is a top concern to families as well.

Moab Community Child Care operates two licensed child care centers: one has capacity for 20 infants and toddlers and the other has capacity for 15 preschool-age children. They were able to open the centers with help from GOEO Rural Grants as well as other grants. Rob Walker, Board Chair of Moab Community Child Care said, *"My background is finance. You have to be creative. Kroger pays $21.50 per hour. We pay $23 per hour, you have to be competitive and offer a culture where employees want to work. The challenge is that, particularly for smaller programs, the cost to provide high-quality care is higher than most parents can pay. Nevertheless, we feel strongly about operating high-quality programs."*

In Cedar City, Chris McCormick, President and CEO of the Cedar City Chamber of Commerce said, *"Child care is a challenge here. We hear about it often. The younger families in particular have a really hard time finding and affording care. We have a number of manufacturers, which includes shift work – the hardest to find care for even if it were affordable. Costs for everything are up, particularly housing."*

As part of the Governor's Office of Economic Opportunity *Inspire In Utah* project, 100 Companies Championing Women recognizes and highlights stories of 100 Utah companies offering family-friendly policies and practices, as well as women-specific initiatives known to impact the recruiting, hiring, retaining, and advancing of women employees, managers, and leaders.[172] Begun in 2022, the most recent list of 100 Companies Championing Women was posted in August of 2024.[173]

An analysis by Dr. Susan Madsen found that the 2024 cohort reported more child care related benefits (13% increase) reflecting more than one-third (34%) of the top 100 women's champions.[174]

Child Care Funding Review

Pre-COVID, Utah received $92.6 million from the federal government in FY2019 for child care funding.[175] In addition, the state spent $9.4 million in state matching money for a small portion of that funding that requires a match and spent $4.4 million in "maintenance of effort" or MOE funding, which is required to draw down the federal funds.[176] The maintenance of effort funding reflects the 1996 welfare reform law, which included a MOE requirement (at 1995 spending levels) in return for the new Temporary Assistance for Needy Families (TANF) block grant.[177]

Between March of 2020 and March of 2021 Congress passed several COVID relief measures, which included specific funds for child care, in an effort to (1) ensure the child care market did not collapse and (2) ensure that "essential workers" and parents who work onsite had access to child care so that they could continue to do their jobs. Child enrollment plummeted as parents worked from home, were anxious about the potential spread of COVID among young children, and child care businesses struggled to stay open. Staffing to operate programs was a concern as the economy recovered with many businesses increasing wages in communities to recruit and retain workers generally (exacerbating the challenges of recruiting and retaining staff in child care programs, which typically pay very low wages). On top of the regular annual federal funding under the Child Care and Development Block Grant (CCDBG) Act, Congress appropriated,

- $3.5 billion under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 27, 2020 (P.L. 116-136).[178] Utah received $40.4 million.[179]
- $10 billion under the FY2021 Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, December 27, 2020 (P.L. 116-260).[180] Utah received $108.9 million.[181]
- $38 billion under the American Rescue Plan Act (ARPA), March 11, 2021 (P.L. 117-2).[182] $14.9 billion was flexible child care funding. $23.9 billion was for child care stabilization of which 90% was required to be passed through to providers.[183] Utah received $424.7 million in total ($163.4 million in child care flexible funding and $261.3 million in child care stabilization funding).[184]

A summary of Utah COVID relief child care expenditures is included in the appendix.

Congress also continued to increase the regular annual funding for child care to states. For example, Congress increased the regular annual funding for child care by $718 million in FY2024, which increased Utah's annual funding by $8.4 million for a total of $144.6 million.[185] A summary of federal funding allocated to Utah between FY2020 and FY2024 is included in the appendix.

Business Model Reality.

Pre-COVID, child care programs were a fragile business model. The industry relied on very low paid workers and still operated on a razor-thin margin. COVID exacerbated all of the financial challenges faced by the child care industry. The reality is that the business model doesn't work. Parents cannot afford what the true cost of operating a child care program is. In the free market, a product that cannot pay for itself would largely be terminated. Products do not survive with market failure.

According to the American Public Human Services Association (APHSA), *"Even before the onset of the pandemic, it was evident that the child care sector operated within an unsustainable model market framework. The system has been chronically underfunded, relying on a flawed market model that fails to account for the true costs of providing high-quality care."*[186]

The challenge with child care is that many parents depend upon it in order to work. Employers depend on working parents. Therefore, its role in communities is unlike a failed market product. This is largely the reason that Congress has invested in child care – to stabilize financial operations of programs and to expand support for lower income families to access care. With the expiration of the supplemental federal child care funds in September of 2024,[187] the question for many states, including Utah, will be – what happens next?

Potential Funding Options.

There are several sources of funding that states can use to help ensure access to child care for working families.

The Temporary Assistance for Needy Families (TANF) Block Grant.

Since welfare reform in 1996, states have received annual federal funding for TANF.[188] This funding is flexible and individual states determine how it is spent, within broad guidelines. Federal law allows for 30% of TANF funds to be transferred to either child care or the Social Services Block Grant (SSBG).[189] In FY2023, Utah received $75.3 million in federal TANF funding and transferred about $15 million (20%) to be used for child care expenditures.[190] With $7.5 million transferred to SSBG,[191] the state transfers the maximum allowed (20% for child care; 10% for SSBG).

However, there are multiple ways that the state could utilize TANF funding for child care. The state can choose to spend funding from TANF directly on child care (in addition to transferring TANF funding to the Child Care and Development Block). Utah currently spends about $2.6 million out of the TANF block grant on child care.[192] The state could consider spending additional funding out of TANF directly on child care.

Currently, Utah has unobligated federal TANF funds. Some of this funding could be used for child care.

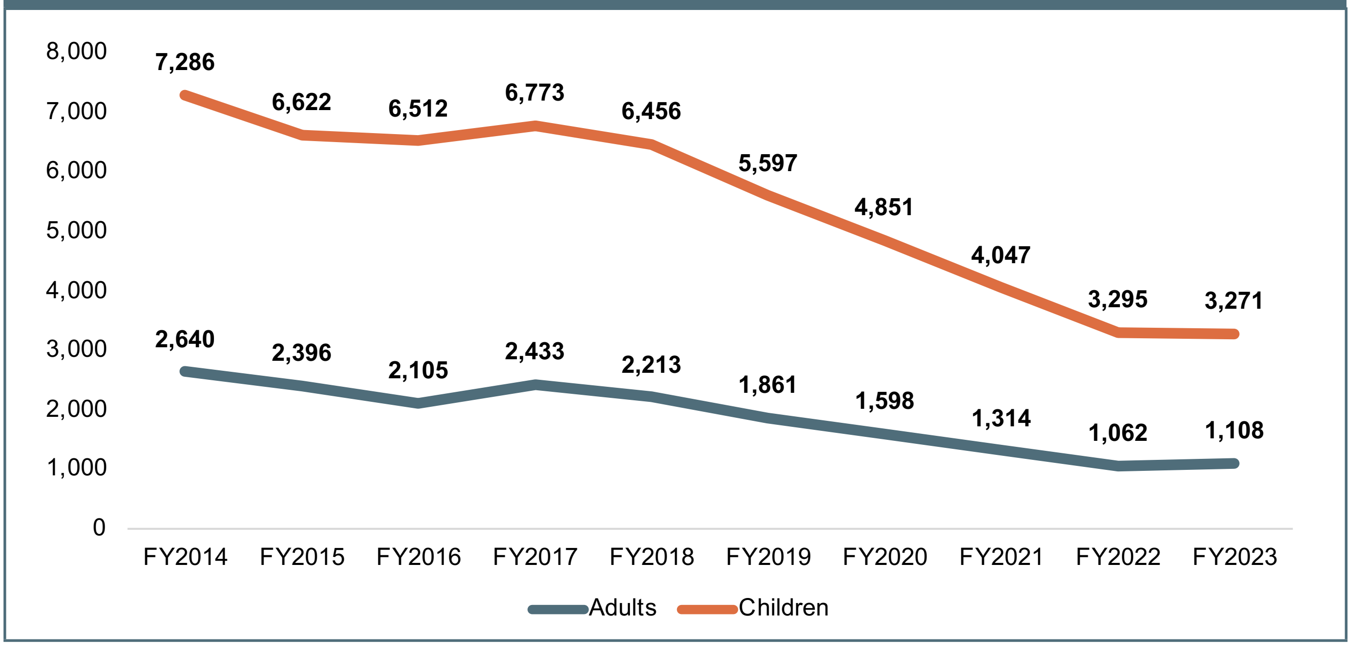
Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, TANF Financial Data - FY 2023.

When welfare reform was enacted, the Aid to Families with Dependent Children (AFDC) program, which was an entitlement to families was terminated. Several other programs were terminated as well such as the Job Opportunities and Basic Skills program and Emergency Assistance, which also served low income families.[193] Instead of individual entitlements, Congress repealed the programs, consolidated the funding previously spent on those programs, and added some additional funding in a flexible block grant to states.

The new block grant, TANF, offered states broad flexibility while also imposing a time limit on the monthly receipt of cash aid for families and requirements for states to ensure that work requirements for families were met.

For states to receive their full annual block grant, they must meet a maintenance of effort (MOE) requirement. In general, this means that they must spend the same amount that they used to spend in 1995 (prior to enactment of

Utah TANF Caseload, Children & Adults, FY2014–FY2023



Source: U.S. Department of Health and Human Services, Administration for Children in Families, Office of Family Assistance, TANF caseloads by state by year.

welfare reform in 1996) on the repealed programs. If they don't, their annual block grant is reduced.

What counts toward "maintenance of effort" or MOE spending? States have many choices on funding that counts toward MOE.[194] In FY2023, Utah spent $4.4 million on child care and an additional $5.2 million on state pre-k that counted toward the state's MOE requirement.[195] In total, the state claimed $24.8 million in MOE funding for FY2023.[196] The state could consider additional funding for child care as part of MOE.

Another option would be to not transfer the $7.5 million annually to the Social Services Block Grant, but instead transfer that funding to the Child Care and Development Block Grant (in addition to the $15 million current transfer to child care). Instead of transferring funds to SSBG, the state could spend TANF funds directly for those same purposes since funds transferred to SSBG are required to be spent in a way that benefits families at or below 200% of the federal poverty level.[197]

Under the TANF block grant, unused funds build. Unlike other federal funds, the TANF funds do not lapse or require a return to the federal government to be re-allocated among other states. In addition, Federal law prohibits states from transferring unobligated balances from a previous fiscal year to the Child Care and Development Block Grant and/or the Social Services Block Grant.[198] Therefore, the unobligated balance can be spent down, but not transferred.

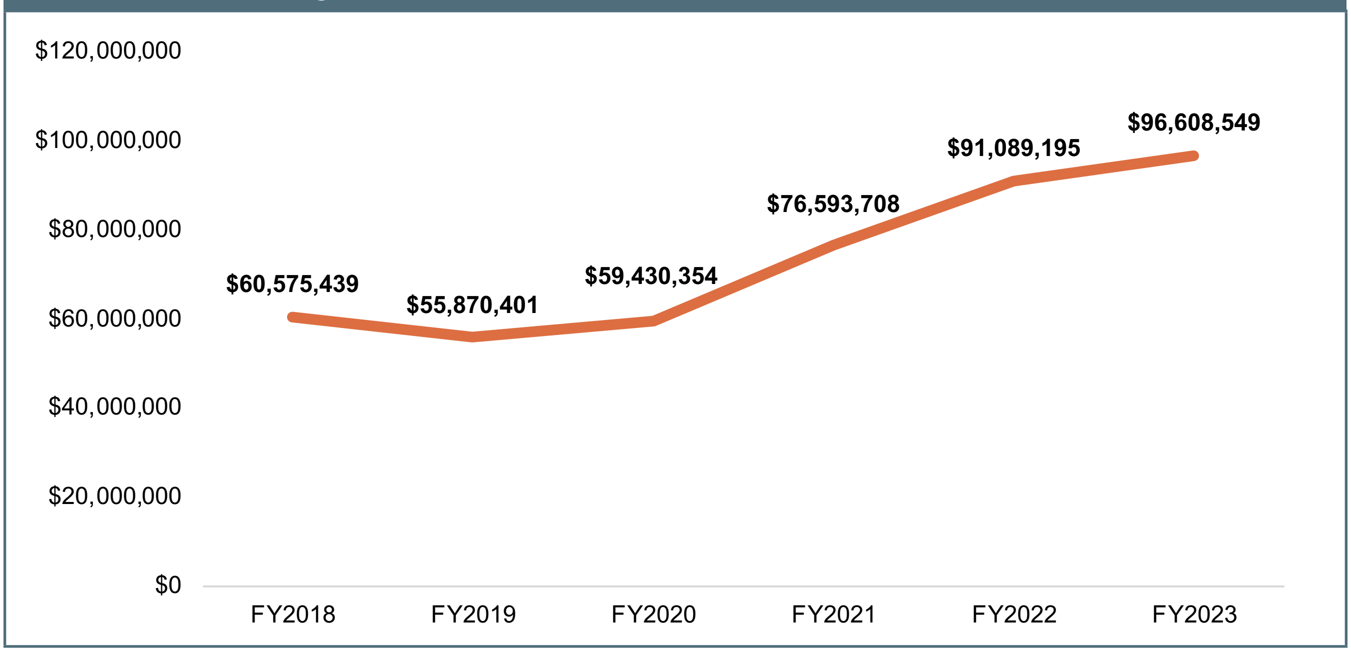
A Legislative Fiscal Analyst brief from January 2024 suggests that half of the annual TANF award amount (approximately $37.7 million) should be maintained as a reserve – based on a 2018 audit that determined that maintaining a reserve equal to roughly 50 percent of the annual TANF award is consistent with national averages.[199]

The state may want to reconsider the amount that is held in reserve. For example, since 2014, the number of adults who receive TANF has declined by 58%. The number of children who receive TANF has declined by 55.1%.

The TANF unobligated balance has grown significantly over the past few years. The LFA brief identifies about $33.1 million in legislatively-directed uses and $19 million in agency-determined uses.[200]

Nevertheless, funds remain within the unobligated TANF balance that could potentially be used for child care investments.

Utah Federal TANF Unobligated Balance, FY 2018–FY2023



Source: U.S. Department of Health and Human Services, Administration for Children in Families, Office of Family Assistance, TANF expenditures by state by year.

Treasury State and Local Fiscal Recovery Funding (SLFRF).

In 2021, Congress appropriated $350 billion to states, counties, cities, and tribes for fiscal recovery, which includes child care strategies and initiatives.[201] The state of Utah received $1.37 billion.[202] In addition, Utah counties received $622.7 million[203] and Utah cities received $289.6 million.[204] Another $186.8 million was received by the state for non-entitlement communities.[205] Funds need to be obligated by December 31, 2024 and spent by December 31, 2026.[206]

To date, 447 child care projects have been undertaken throughout 44 states (including child care projects by counties and cities). Those states include Alabama, Arizona, Idaho, Iowa, Kansas, Louisiana, Missouri, Nebraska, Nevada, Oklahoma, Tennessee, and Wisconsin that face similar child care challenges as Utah.[207]

Through Quarter 2, from state SLFRF funding only, $1.2 billion was obligated. Projects budgeted for $61.39 million have not yet started. In total, that leaves $203.39 million unobligated. Counties have $93.5 million unobligated. Cities have $115 million unobligated.[208] Some of this funding could be used for child care.

Reviewing Current Programs to Prioritize Higher Category Needs.

There may be programs that are currently funded but conditions have changed and other priority needs have arisen.

Supplement child care funding with state funds.

With the anticipated expiration of COVID temporary funding, some states have appropriated state funds to increase child care investments.

For example, Alaska approved $7.5 million to support a round of direct operating grants for child care providers and $5.6 million to increase child care subsidy eligibility for parents to 105% SMI.[209] Arizona approved $12 million for child care.[210] Florida established a “school Readiness Plus Program” to allow families earning up to 100% SMI to be eligible for child care subsidy.[211] Missouri approved $54.8 million to increase child care subsidy rates to the 100th percentile for infants and toddlers and to the 65th percentile for preschoolers and school-age children.[212] North Caolina passed a one-time allocation of $67.5 million to extend stabilization grants for providers.[213]

Child Care Solutions and Workplace Productivity Recommendations

"Utah must lead the nation with bold and innovative solutions." "We can continue to close the divide between rural and urban communities, making sure that opportunity exists in every corner of our state."
Governor Spencer Cox, 2024 State of the State Address, January 18, 2024

Child care access is a complicated challenge. There is no one singular solution. An array of integrated strategies could be considered to ensure that parents who must work or want to work have safe settings for their children. Employers and communities depend on a stable and growing workforce.

#1 Child Care Supply

The supply of child care falls far short of the need. The following solutions are recommended for consideration.

Accountable Supply Data.

The current process for capturing licensed child care capacity by child age is voluntary and inconsistent. While the overall licensed capacity is known, the inability to reliably assess capacity by age makes state and local analysis of the supply compared to the potential demand not possible.

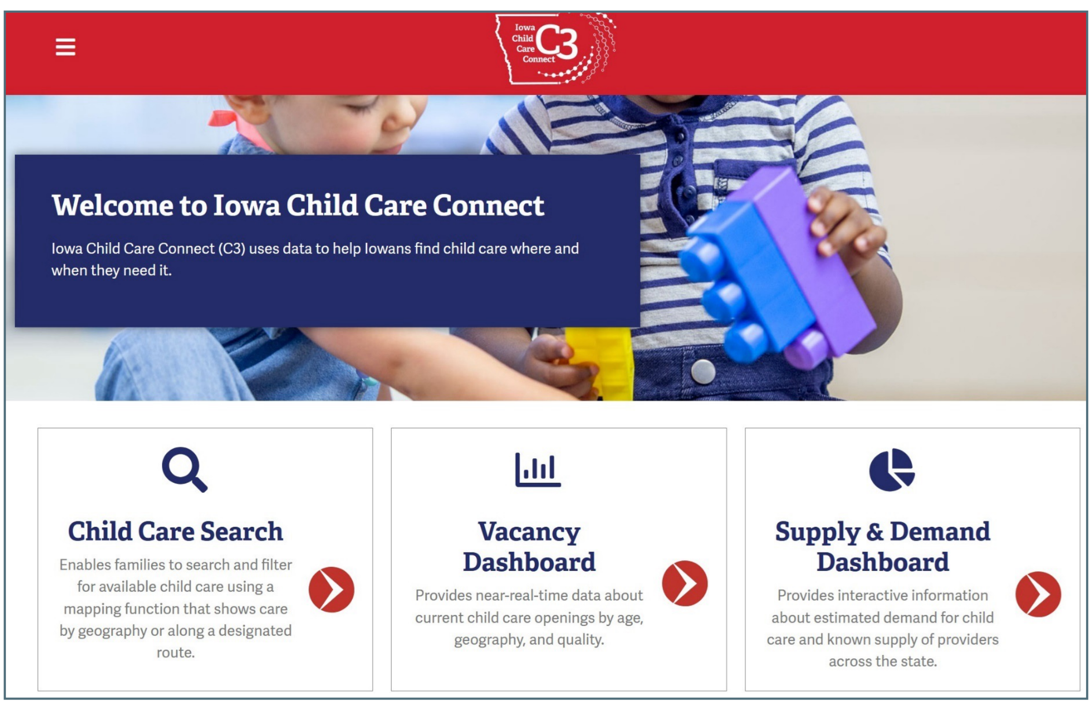
Another current data field related to slot vacancies is also voluntary. A simple fix would be to consider requiring the current data fields for capacity by age and vacancies to be mandatory.

A related strategy used in Iowa would go a step further to enable real-time supply and demand to be known. This helps state and local policymakers to consider data-based supply strategies to expand child care options for parents.

The Iowa Child Care Connect Model.

In Iowa, the Department of Health and Human Services partners with the Child Care Resource & Referral agencies (Care About Childcare organizations in Utah) to support real-time data on both capacity by age and vacancies.

The Supply and Demand Dashboard enables analysis by city, county, and age group, which can be compared to potential demand.



Source: Iowa Child Care Connect – Vacancy Dashboard; Supply & Demand Dashboard.

- A Vacancy Dashboard enables analysis by city, county, and age group in real-time.

Both dashboards also display receipt of child care subsidy. Real-time data is captured in two ways. Iowa DHHS pays for monthly subscriptions to child care management system software for providers who opt to use it (paired with business technical assistance support through the CCR&Rs and software vendors). Software data is synced nightly.

Those who do not choose to use child care management system software are sent a brief monthly survey to update the system (e.g., providers can answer on their phone in just a few minutes; the previous month's information pre-populates). The Child Care Connect model went live in August 2024. While it is a work in progress, it is an innovative solution to support data-driven strategies.

Cost: In discussions with Iowa DHHS there are various cost options from an initial inventory of data sources and potential integration to the creation of the dashboards, provider software and monthly questionnaires to real-time updates. Estimates range from $150,000 to $350,000 to several million dollars depending on the structure of the system and options selected.[214]

Currently in Utah, there are about nine different systems used to retain data related to child care, Head Start, preschool, and the child care workforce. These data systems are housed by three different state agencies (DWS, HHS, and USBE). The state could consider a review of these systems (which is how the Iowa Child Care Connect system started) to better understand options and costs for an integrated system that can be accessed efficiently producing real-time reliable data.

Recommendation. The state could consider requiring current voluntary data system fields related to child care licensing capacity by child age and number of vacancies to be mandatory.

Long-term, the state could contract for an independent review of the data systems used by the three agencies for child care, Head Start, and preschool purposes.

SB 176 from Utah 2024 Legislative Session.

Senator Luz Escamilla and Representative Robert Spendlove introduced SB 176, the Child Care Capacity Expansion Act. The bill would create an employer-based, state-assisted child care capacity expansion grant program. The Division of Facilities Construction and Management Office would partner to identify obsolete state-owned buildings suitable to retrofit for child care facilities. Within available funds, buildings would be retrofitted to expand child care that meets licensing standards. Once retrofitted, the building space would be leased to interested employers. Employer cooperative agreements would be prioritized and commitments to reduce the cost of child care tuition for employees would be required. "No cost leases" would be allowed with employers paying the operational costs or contracting such operations to a licensed child care provider. Child care slots would be split: 60% among employees of employers and 40% for parents in the community. Such facilities must include at least one infant room and one toddler room.

Under current federal child care law,[215] federal child care funds cannot be used for construction and major renovation (defined as costs exceeding $350,000 in center-based renovations).[216] To support viability of this public-private partnership, the state legislature could consider tapping into unobligated TANF funding or other sources to support the renovation of obsolete buildings for child care once an employer or group of employers commits to financing the ongoing operational costs (which include discounted child care rates and willingness to serve low-income children whose care is paid for with a child care subsidy). Employer expenditures would qualify for a 25% federal tax credit (section 45(f), employer sponsored child care).[217]

The fiscal note for SB 176 says that the Division of Facilities Construction and Management (DFCM) can absorb the bill's $2 million cost.[218]

Recommendation. The state could consider enacting SB 176 to turn obsolete public building space into community public-private partnerships to expand child care options for families.

Child Care Facility Health & Safety Grants.

Between February of 2022 and June of 2023, the Department of Workforce Services offered health and safety grants to support providers in meeting health and safety protocols, including meeting health and safety licensing requirements.[219] A total of 1,174 health and safety improvement grants were made. Providers could receive more than one grant over the period.[220] About $8.5 million in federal CRRSA funds paid for this initiative.[221] It is not uncommon for programs struggling financially to defer facility maintenance. Addressing facility maintenance needs could help with risk mitigation, important to insurance companies. Child care providers mentioned the cost of liability insurance as one of the top challenges in focus groups. While not solely the cause of increased costs of liability insurance, there is a connection.

Recommendation. DWS could consider a child care facility needs assessment (survey of child care providers). Based on that assessment, the health & safety grants program could be re-opened.

Insurance.

In the child care center focus groups, providers raised the challenge of the increasing costs of liability insurance and that some companies have decided not to insure child care businesses. The Utah Department of Insurance has a Captive Insurance Division designed to carry out Utah's Captive Insurance law.[222]

Captive insurance companies are organized to cover the insurable risks of the parent organization and/or its affiliates.[223] It's a form of self-insurance for a group. The benefit is that the group can unite to self-insure or leverage discounts from insurance companies. The group could determine risk mitigation steps in order to be part of the company. There are several different ways to structure captive insurance.

Recommendation. The Department of Workforce Services could partner with the Utah Insurance Department to offer a webinar (or series of webinars) to licensed child care providers. Captive Insurance Division experts could offer a presentation outlining the major aspects and benefits of captive insurance, respond to questions, and enable the child care industry in Utah to be better informed about options.

Strengthening Business Practices.

Reed Coombs, Child Care Business Training Manager at Salt Lake Community College has offered a Business Fundamentals class since March of 2022. These courses are offered statewide through Zoom and offer separate sessions for center directors and family child care home providers. The courses cover best business practices related to budgeting, record-keeping, cash-flow, marketing, and more.

About 270 providers have taken the class (145 center directors and more than 120 home-based providers). A Leadership class was started in July of 2023. This class is related to handling employees, working with parents, problem solving, and setting a business culture for success. Nearly 70 providers have taken this class (35 center directors and 32 home-based providers). A Budget series was started in September 2023. This is an add-on deeper dive into business fundamentals. Nearly 70 providers have taken this course (38 center directors and 29 home-based providers).[224]

The COVID pandemic exposed a great need for strengthening business skills. DWS pays for participants as long as they are licensed. Strong business skills enable providers to make data-driven business decisions and operate in an efficient, cost-effective manner to support the economic viability of high-quality programs.

Recommendation. While more than 400 child care providers have completed one or more of these business classes, DWS could consider expanding the contract to offer multiple sessions within each topic.

Local Ordinance Restrictions.

Licensed family child care home providers talked about the impact of local ordinances undermining the operation of state licensed family child care homes. A review of five localities identified by the participants found local restrictions related to operating a home occupation business. These restrictions are related to obtaining a local business license – not specifically a local child care license. Eight states specifically prohibit treating family child care homes any differently than residential dwellings. The state laws pre-empt local ordinances from exceeding state child care licensing requirements. For example, In Connecticut, under Public Act No. 23-142, *"Not later than December 1, 2023, municipalities must submit a sworn statement to the state Office of Planning & Management that the municipality's zoning ordinances are in compliance with state law."*

In Oklahoma, under Okla. Stat. tit. 10 § 425 *"local governing authorities shall not promulgate local regulations that permit or require licensees of family child care homes as defined in Section 402 of Title 10 of the Oklahoma Statutes to exceed or limit the capacity provided by the license granted to the family child care home licensee by the Department of Human Services."*

Recommendation. The state legislature could consider legislation (similar to the measures in Oklahoma and Connecticut) that removes barriers from operating a licensed family child care home and ensures that local ordinances do not undermine state licensing. A summary of the eight state statutes addressing local zoning ordinances is in the appendix.

Early Childhood Shared Resources Online Platform.

The Early Childhood Shared Resources online platform operates in 38 states. It's a knowledge hub to support best business practices for child care centers and family child care homes. The site has more than 2,000 resources for child care providers and can be customized to include resources or links to state specific material or programs.[225] Access to resources are restricted to licensed providers in most states. Resources include business templates, HR materials, quality resources, health and safety information, insurance information, marketing strategies, and more.

The platform includes a family child care toolkit with specific resources for licensed family child care homes (e.g., record-keeping templates, tax explainers, business fundamentals, etc.), which can be downloaded to be used immediately. The platform also includes a module referred to as "Acquire4Hire" – which is an online job posting board that includes editable job descriptions and jobs are posted to top hiring boards (including Google, Indeed, LinkedIn, Zip Recruiter, SimplyHired, careerjet, and others). Another section of the platform offers discounts on frequently purchased products.

Pragmatic resources that can be accessed 24/7 to support a variety of common needs among child care providers could be helpful to these small businesses. Frequently, the platform is funded by states and hosted through a contract with a nonprofit organization that works in the early childhood field. Throughout the country, many child care shared services projects use the platform as a first tier of services. Last, technical assistance coaches who work with providers utilize the platform as a business support when working with programs to link them to resources needed at the moment. Cost. A one-time development fee of $50,000 and annual subscription at $28,250. The Acquire4Hire module is an additional $5,000 per year.

Recommendation. DWS could consider partnering with a Care About Childcare (CAC) organization to host the online early childhood resources platform to support child care businesses.

School Readiness Initiative Expansion.

The School Readiness Initiative is a high-quality preschool program serving disadvantaged children who research shows gain the most from high-quality pre-k. Enrollment is free for families. The program has been frozen at $12 million since SY2020, which means that the number currently served has declined to 1,955 statewide.[226] To be kindergarten ready, children need to develop the concepts behind reading and math. However, research also shows a strong correlation between child behavior and their ability to learn.

Across child care, Head Start, and the Expanded Student Access (ESA) classrooms, young child behavior post COVID has been a top challenge. Strategies are suggested later in this report related to strengthening interactions between individuals working in early childhood programs and children as well as a reduction in "screen-time" for young children, which may be impacting a child's ability to develop skills related to self-regulation, listening and following instructions, and ability to get along with peers.

The state legislature could consider doubling funding for the School Readiness Initiative to significantly expand the number of children who can participate. Doubling funding for a high-quality program with strong interactions with children in a classroom setting could be achieved through no additional cost if state legislators were to consider reducing the UPSTART program in half (which is currently funded at about $24.3 million[227]).

An independent evaluation of UPSTART described about 13,400 children who use an online/software educational program for an average of 36 hours over 38 weeks *(i.e., about 1 hour a week or maybe 15 minutes or less per day).*[228] About 60% of the children have parents with a college degree or advanced degree.[229] Household income and poverty related data were missing for 81% of households.[230] About three-quarters (73%) of the children graduated in the most recent cohort.[231]

The policy question for consideration is not whether children make modest gains with UPSTART, they do. But, rather, whether funding for this strategy post-COVID is a priority for limited resources when (1) challenging child behavior is a top priority to address through adult – child interactions and (2) reducing screen-time for young children helps to increase interactions between adults and children.

Recommendation. The state could consider doubling funding for onsite high-quality preschool classrooms by reducing funding for a state-funded 15-minute a day online preschool program.

Head Start Program Participation.

Head Start plays an integral role in supporting families with young children living in poverty as well as children with disabilities. It is part of the early childhood landscape from which parents can choose to send their children. While federally funded, the state can choose whether the program exists in a separate silo or whether Head Start programs are integrated into the state Child Care Quality System. The program is more than child care, but it is a form of child care for parents who depend on it to work or participate in job training. Including Head Start in the state child care quality system would help de-silo early childhood options for parents and send a message that the state's quality system is inclusive of all quality options for parents.

Recommendation. Given the comprehensive requirements under the Head Start Performance Standards with which programs must comply, the state could consider including Head Start as part of the quality system despite being license-exempt.

#2 Child Care Workforce

Recruitment for and retention within the child care workforce has long been a challenge but is even more challenging in today's competitive job market. At the same time, it is difficult to strengthen the workforce through trainings and the sharing of best practices when staff cycle in and out because of the low wages. The same challenges are faced by Head Start programs.

The following solutions are recommended for consideration.

Utah's Registry for Professional Development.

The Utah Registry for Professional Development tracks those individuals who work in programs participating in the Child Care Quality System, individuals who have undertaken trainings, and those who are interested in financial awards (e.g., the workforce bonus award from 2022). However, a recent Bipartisan Policy Center workforce report found that of 10 key indicators that would be helpful to policymakers in designing state strategies, the Utah registry had data for only four of the 10.[232]

The problem is not with the design of the registry, the fields within it are comprehensive. The challenge is that (1) not everyone working in licensed care is required to participate in the registry and (2) when individuals participate in the registry, most of the fields (e.g., level of education) are voluntary. This presents a challenge in trying to use data from the registry in a consistent manner to support policy options and strategies. The framework is in place. A workgroup could recommend the top 10-12 fields that would be mandatory for all who work in licensed care and Head Start. In this way, policymakers would have consistent and reliable data upon which to build early childhood workforce related policy strategies.

Recommendation. The state legislature could consider requiring participation in the registry for all individuals working in licensed care and Head Start and increasing the number of mandatory fields to support data-driven strategies.

Early Childhood Refundable Wage Credit.

Since 2007, Louisiana has had a refundable tax credit to incentivize early childhood professional development and reward retention in the field.[233] The tax credit is available to those who have worked in a program for six months and who have attained a Child Development Associate (CDA) credential, A.A. in Early Childhood or B.A. in Early Childhood.

The size of the credit increases as the level of higher education increases with one exception – for those who receive a CDA, after two years in the field, they receive the same credit amount as those with a Bachelor's degree. The rationale is to invest in those who obtain a CDA and reward retention in the field.[234] The credit is not only refundable, but it is adjusted for inflation annually. Credit amounts start at $2,727 rising to $4,090.

Cost: In Louisiana, it took time for the workforce to learn about the credit, apply, or complete degree or certifications. Currently in Utah, about 1,903 owners, 1,629 directors and director designees, 11,700 caregivers, and 1,144 others work in child care programs.[235]

However, according to the Bipartisan Policy Center workforce report, 68 individuals have an A.A. in Early Childhood and 87 individuals have a B.A. in Early Childhood. Another 929 individuals have a CDA.[236] Likely because the Registry education fields are voluntary, there could be more individuals meeting those benchmarks.

With regard to lead and assistant teachers working in Head Start, 198 have a Bachelor's degree in early childhood or higher degree in early childhood, 96 have an A.A. in early childhood, and 347 have a CDA.[237]

Recommendation. The state could consider requiring the Utah Registry for Professional Development to make early childhood certifications and level of education mandatory fields within the registry for all participants. This would help to inform cost estimates related to a refundable tax credit strategy.

Supplemental Wage Grants

Maine and Minnesota offer monthly grants to supplement wages of those working in child care. The Maine Early Childhood Educator Workforce Salary Supplement System provides salary supplements to child care providers for eligible workers based on the workers' level of education and experience. To receive a monthly supplement, individuals must work in a licensed center or licensed family child care home and be registered in the Maine Roads to Quality (MRTQ) Registry.[238] Supplements range from $240 to $540 per month. Maine's program began in July 2023.[239]

Minnesota's Great Start Compensation Support Payment Program provides a monthly supplement to individuals caring for children. State legislation was enacted in May of 2023.[240] Providers began to apply to the program to pay staff monthly supplements in July of 2024.[241]

Recommendation. The state could consider a monthly wage supplement for staff working in licensed child care programs and Head Start.

HB 461. Child Care Subsidy for Staff Working in Child Care.

HB 461 was signed into law March 14, 2024.[242] The new law authorizes the use of child care subsidy for a child who has at least one parent or legal guardian working as a full-time employee of a licensed child care provider regardless of family income.[243] The law requires this policy to be undertaken *"in accordance with applicable federal law and regulation; and is subject to available federal funds."*[244] The DWS workforce bonus report found that 59% of workers are employed in early childhood programs full-time. Based on that, DWS estimates that an additional 1,672 children could be eligible for subsidy (about 1,079 households).[245]

The Utah profile in the Bipartisan Policy Center workforce report released in April 2024 leaves employment status (full-time vs part-time) blank. The field for average compensation is left blank as well.[246] This is another example of how the registry could be used to support policymaking decisions if current registry fields were not voluntary.

Federal guidance allows for this policy. Arkansas, Georgia, Indiana, Kentucky, Maine, Massachusetts, North Dakota, and Rhode Island have policies similar to HB 461 related to the recruitment and retention of the child care workforce (identified through their FY2025-2027 CCDF state plans, which are required to receive federal child care funding). Focus group participants mentioned that the policy would be helpful in recruiting and retaining mothers as staff in child care programs.

"If HB461 was implemented, we would first retain the great staff that we have (most leave once they have a second child but some leave when they have their first because infants are so expensive and its more than one of their paychecks). And second, we would be able to attract high-quality staff, potentially with experience and degrees if they didn't have to pay tuition for their children," said a center director in Clearfield in response to a VOICES for Utah Children survey.[247]

Recommendation. The state legislature could consider funding HB 461, the new law, as a recruitment and retention tool to support a workforce upon which parents depend in order to work.

Child Care Substitute Pool Pilot.

Across the country, states and communities are operating child care substitute pools to address staff shortages or cover absences due to staff illness, vacation, medical appointments, etc. Much like the way K-12 substitute teacher pools work, when temporary staff are needed, substitute pools fill the gap.

Typically, a nonprofit organization in the community (often a Child Care Resource & Referral Agency) acts as a coordinating, matching service between substitutes and providers who need them. The CCR&R processes background check clearances and trains the substitutes (CPR & First Aid certification, orientation health & safety training) for subs in the pool. Participating providers utilize subs and pay them for their services.

Several examples include substitute pools in Indiana, Ohio, Montana, New Jersey, and Tennessee where nonprofit organizations operate substitute pools as a community service – not to earn a profit. While some placement agencies may currently exist in states, they are largely for-profit with high placement fees, which makes it unaffordable for child care programs. Cost. The estimated cost for a pilot is $100,000 or less.

Recommendation. The state legislature could consider piloting a nonprofit-led child care substitute pool as one strategy to address child care workforce challenges.

#3 Child Behavior

Child care provider focus groups raised challenging child behaviors as a top issue, particularly in the aftermath of the COVID pandemic. Discussions with Head Start and the School Readiness Initiative preschool staff confirmed *"child behaviors"* were a concern across their programs as well. The increase in challenging behavior of young children is not attributable to a single cause. There is no quick fix. However, integrated strategies across programs serving young children to better support the early care workforce and parents can help address the needs of children (both "typically developing" and those with special needs).

If not addressed in the early childhood years, these challenges could grow into long-term challenges for the K-12 public education system affecting future learning, grade level performance, and high-school graduation rates since a child's earliest years set the foundation for all future social, emotional, cognitive, and physical development. Partnerships with parents are essential.

Utah Pyramid Model.

The Pyramid Model is an evidence-based approach to address challenging child behavior used in early childhood programs across 43 states.[248] In Utah, the Institute for Disability Research, Policy & Practice at Utah State University currently implements the Pyramid Model in 44 programs across 26 counties (21 child care programs, 11 Part C Early Intervention programs (infants and toddlers), 1 home visiting program, 9 Part B Preschool Special Education programs (children ages 3-5 with disabilities), and 2 Head Start & Early Head Start programs).

About 16,000 children benefit with support for more than 600 early childhood practitioners. Each site has an administrator and internal coach who is trained in Pyramid Model techniques to implement strategies at fidelity to improve child outcomes and setting quality. Each is paid a $1,500 stipend for their time upon completion of 60 hours of training. Based on the experience across states, achieving full implementation requires 3-5 years of systemic support and program commitment. The Utah Pyramid Model has 25 sites in year 2 implementation and 19 sites in year 1 implementation.

An additional part of the Pyramid Model is a family engagement component. Families have the opportunity to participate in evidence-based, family friendly workshops as well as have access to materials and home activities (e.g., modeling positive language to improve child behavior, behavior regulation, building friendship skills, reading social skills, and problem-solving skills). Utah State University collects data on training satisfaction and knowledge gained at all parent training sessions with over 90% of parents reporting they are highly satisfied.[249]

Statewide implementation of the Pyramid Model is funded by three short-term funding sources: Utah State University, the Department of Health and Human Services Preschool Development Grant Birth to Five (PDG B-5) and Utah State Board of Education IDEA funds (special education) for a combined total of $1.2 million.[250]

Typically, programs see an immediate positive impact for both teachers and children upon completion of the first year. However, sustainable improvement requires additional support.[251] Strategies to best support staff (and programs) are hampered by teacher turnover, which also affects children in the classroom. As a result, teacher compensation and training strategies to support the workforce should not be considered in separate silos. They are inter-related since turnover undermines the effectiveness of training strategies.

***Cost*.** Several options could be considered.[252]

- Option #1. 20 site expansion. $559,600 per year
- Option #2. 40 site expansion. $1.1 million per year
- Option #3. 3-5 years of ongoing funding for existing Utah Pyramid Model infrastructure, plus 40 sites. $2.3 million per year

Recommendation. The state could consider investing in an expansion of the Utah State University pyramid model to provide additional child care programs with support to address classroom quality and challenging child behaviors.

Classroom Assessment Scoring System (CLASS®) Professional Development Pilots.

The Classroom Assessment Scoring System (CLASS®) is both an evidence-based scored observation of effective interactions and the quality of early learning settings and a professional development system based on the initial observation. CLASS® is used in 27 state quality rating systems as well as by Head Start and the U.S. Army child development programs.[253] CLASS is also used in 24 state pre-k programs and 14 city pre-k programs.[254]

CLASS® is focused on staff interactions with children (to meet the needs of each child as well as to better manage the classroom). Over 200 studies have found CLASS® demonstrates improved outcomes in literacy, math, and self-regulation.[255] Based on an initial observation, each lead and assistant teacher works with a coach to develop a professional development plan. In this way, each teaching team has a uniquely designed plan for the most effective interactions with children that address all aspects of a child's learning from strategies to address behavior to cognitive development.

A component of CLASS® includes parent engagement to share materials related to strengthening interactions between parents and children in effect mirroring strategies utilized in the classroom.

Pilot Design for consideration.

Based on the statewide expansion of CLASS in Arkansas,[256] the state could consider two pilots (one in an urban area and one in a rural area). A local Care About Childcare (CAC) organization could act as the local lead. The CAC would coordinate pilot participation across child care, Head Start, and School Readiness Initiative classrooms (i.e., Expanded Student Access (ESA) classrooms). CAC local leads would hire staff to become certified CLASS® observers and coaches to support an integrated approach to strengthen interactions. CACs would also lead a Community of Practice within each pilot to integrate strategies within a community and to promote cross-program professional development.

An added benefit of an integrated pilot would be that Head Start programs already use CLASS® and have CLASS® coaches. This type of partnership could ensure shared professional development building on partnership strengths. A stipend of $1,500 would be paid to each participant (program director, lead and assistant teachers). Stipends would help incent willing participation where all participants have a stake in the outcome (i.e., pre-empt the perception that *"this would be just another requirement"*). Each pilot would be evaluated after three years.

Cost. Options to consider for annual cost.

Option #1. 1 Urban Pilot (5 centers)
1 Rural Pilot (4 centers and multiple home-based sites). $625,161

Option #2. 1 Urban Pilot (7 centers)
1 Rural Pilot (3 centers and multiple home-based sites). $963,143

Recommendation. The state could consider integrated early childhood program pilots to use CLASS® as a professional development system to support effective interactions in addressing the needs of children and promoting quality settings for all children to thrive.

Child Development Associate (CDA) Credential Infused with CLASS®.

A CDA is an early childhood certification that covers 13 core competencies related to working with children and families. Individuals must complete 480 hours of work experience and 120 hours of coursework in addition to a portfolio that applicants assemble of their work followed by an exam.[257]

The Department of Workforce Services pays $425 to cover the cost of the CDA exam fee charged by the Council for Professional Recognition.[258] DWS also pays $125 for the renewal cost.[259] In addition, DWS covers the cost of pursuing a CDA for applicants through either CAC trainings or online CDA training (with CACs helping with other aspects of obtaining a CDA). In 2024 to date in Utah, there have been 223 individuals who obtained a CDA and 65 who renewed their credential.[260]

KinderCare, a national child care company with centers in 41 states, partners with Teachstone to cover the cost of a CDA infused with CLASS®.[261] Primrose, another national child care company operating across states, also uses the CDA infused with CLASS®.[262]

Teachstone offers an "on demand" CDA infused with CLASS® course that earns child care workers 12 CEUs. The cost is $365 per educator. Some counties in Florida, Georgia, Mississippi, Missouri and some parishes in Louisiana offer the CDA with CLASS® through a cohort model.[263]

Given the need to build effective interactions among staff, the CDA with CLASS® could be considered. The difference is that the CDA with CLASS® has a focus (by child age group) on interactions in addition to early childhood competencies. Teachstone also offers a facilitated CDA with CLASS® course providing 12 CEUs. This option is $600 per educator.

The benefit of a CDA infused with CLASS would be that statewide, individuals working in programs not part of the CLASS pilots, would have a solid foundation in earning a credential that embeds strong interactions along with the coursework on early childhood.

Cost. Depending upon the number of individuals who complete their CDA, the cost would be about $250,000 - $300,000.

Recommendation. The state could consider a scholarship model for individuals to earn a CDA infused with CLASS® that would benefit the individual, the program the individual works in, as well as the children and families who are the ultimate beneficiaries.

The Children's Center Utah.

The Department of Workforce Services, Office of Child Care currently contracts with the Children's Center Utah for Early Childhood Coaching and Consultation. Statewide onsite and virtual services are offered to support child care providers to better meet the needs of children. Provider focus group comments complimented coaching staff for their support but mentioned that the dosage was insufficient and rural providers in particular felt they needed additional local support.

Cost. Adding 4 coaching consultants would cost about $262,500. Adding eight coaching consultants would cost about $525,000.[264]

Recommendation. The state could consider expanding coaching services through the Early Childhood Coaching and Consultation program.

Sammy Center.

The Sammy Center opened in 2020 and offers a strengths-focused program to meet the needs of each child. The children served in the Sammy Center have been expelled from other child care programs, soft-suspended (asked to reduce the hours the children attend), or were not able to flourish in the regular child care setting.

The program has capacity to serve 16 children. None at this time qualify for the state child care subsidy program; they are largely middle income families in crisis with children who need extra help. The Sammy Center offers small classroom sizes and evidence-based social-emotional curricula to support children's social-emotional skills and ability to self-regulate. Families have access to on-site and Zoom wellness offered by a Licensed Clinical Social Worker (LCSW) and regular parenting workshops offered by the Center's Professional Parent Trainer.

Parents at the Sammy Center said, *"They are truly one of a kind and I am forever grateful your love shined on us this past year. Thank you for building the most beautiful and loving school for these special souls to attend and feel safe." "From day one, I was welcomed into a nurturing environment that fostered growth, empathy, and compassion. I loved seeing the kids grow every day and apply these practices by themselves." "The Sammy Center has helped my son gain skills that help him to regulate himself."*

At the Sammy Center, when children graduate, center staff prepare them in advance that they will be "loved and launched" from TSC and go into their new school. A child who made extraordinary progress at the center said, *"I don't want to be launched. I love my Sammy Center school."*[265]

The Sammy Center plays a vital role in Salt Lake City. Yet, families struggle to afford it. Staff work second jobs to make ends meet.

Recommendation. To better support children who cannot thrive in a regular child care setting, the state could consider offering a contract to reduce the costs for parents to make care more affordable and to supplement teacher wages so that staff can focus on their primary job without worrying about when their next job starts.

Child Care Provider Support for Special Needs Children.

Care About Childcare (CAC) staff at Utah State University currently work with child care providers (licensed centers and family child care homes) statewide to obtain a special needs endorsement (All Means All), which requires 40 hours of training related to working with children with special needs.[266]

The program enhances the ability of child care providers to support children with disabilities in a nurturing environment. CAC Special Needs courses have risen to some of the most popular selected by child care providers.[267] An inclusive statement for their program is created and posted as part of a marketing strategy to let families know that they foster an inclusive, respectful and supportive community for all children. Each provider creates a community resource list for parents pertaining to special needs. Caregivers can request up to $500 in materials for their classroom or home. There is also a $400 bonus award for completing the special needs endorsement.[268]

Providers enjoyed the program and as one provider said, *"I loved taking the classes and finding out that I can help families that need child care for their special needs child. I love seeing the relief on the parent's face when they find out that I have an All Means All center for their child."* Several parents across the focus groups talked about the difficulty of finding child care (or care they could trust) for their child with special needs.

Recommendation. The state could consider expanding staff for the All Means All program to support more providers statewide to obtain the All Means All endorsement.

Utah State University Healthy Relationships.

The Department of Workforce Services partners with Utah State University Cooperative Extension to offer Healthy Relationships Utah -- parenting classes, relationship building classes, and ways to de-stress to support stronger relationships and families.

Parents who completed the Home Run Parents class said, "*Great class! I went in very skeptical, I thought I was doing great as a dad. I found some ways to improve the relationships with my kids. There is lots of information that can help dads across the board." "Thanks to the facilitator for letting me participate because this class helped me to get even closer to my kids and do the things that I wish I could have done with my dad." "The topics discussed were exactly what I needed; loved the stories and experiences given." "The instructor was excellent. She helped me clearly understand the concept, the importance of it, and she used excellent examples of real life scenarios that were funny, interesting, and easy to understand."*[269]

Healthy Relationships Utah offers several different free parenting courses. The Department of Workforce Services could tap into the unobligated TANF funding to support an expansion of coursework to include a mini-series related to the impact of social media use through phones and tablets on the next generation (children 0-5) based on the material in the *Anxious Generation* book by Jonathan Haidt.

Currently, a Utah County marriage license is $50. Couples who apply for their license online are also charged an additional $20 that goes to the State Marriage Commission. The $20 can be waived for couples who have participated in pre-marital education and/or counselling.[270]

Recommendation. The state could consider expanding the Healthy Relationships program to offer a new class related to parent-child interactions about the impact of a phone or tablet-based era on early childhood development competencies of young children. The state could also consider offering a marriage license discount for couples who take a course related to the impact of social media through phones and tablets on the next generation (children birth to five).

Parent Campaign.

While social media/technology is not the sole cause of the increase in challenging child behavior, it does play a contributing role. A public campaign to raise visibility among parents that (1) a child's earliest years are when the brain is developing a framework for all future learning; (2) interactions between adults and children best support healthy child development; and (3) immediate pacification with phones and tablets could undermine a young child's ability to learn how to self-regulate, develop coping skills, and communicate could be helpful.

Recommendation. The state could consider partnering with 5B45, a Utah parent awareness and knowledge building center, to wage a public awareness campaign related to the impact of phones and tablets on a child's early development.

#4 Child Care Affordability and Accessibility.

The price of child care is a struggle for many families statewide. There are several strategies the state could consider to make child care more affordable.

Affordable Housing and Access to Child Care Programs.

The Utah Housing Corporation is the designated entity to allocate the federal low income housing tax credit (LIHTC, Section 42 of the Internal Revenue Code), which is an incentive for the construction or rehabilitation of housing for low income tenants.[271]

Typically, developers attract equity investors who commit funding to a low income housing project in return for a share of tax credits over a 10-year period.[272] Tax credits are awarded by the Utah Housing Corporation governed by a Qualified Allocation Plan[273] (which is required by federal law, but QAPs are unique to each state, developed by state rules).

There are strict rules related to eligible costs that can be included in a project (e.g. commercial space is generally disallowed).[274] Construction of a child care facility is allowable if the development is in a "Qualified Census Tract" (QCT) and meets the requirements to be classified as a community services facility.[275] The facility must be used to provide services that will improve the quality of life for community residents, benefit individuals with income at or below 60% of area median income, and any fees charged for services must be affordable to those at or below 60% of area median income.[276]

Twenty states explicitly award points through their QAP for project activities related to child care.[277]

Utah also has a state low income housing tax credit law, which can be taken in addition to the federal credit.[278] Both are guided by the QAP.

Recommendation. Utah could consider two actions.

(1) The Utah Housing Corporation could consider modifying the state QAP to make co-location of a child care center (as a community services project) a stand-alone scored item among other scoring criteria. While not in the current (2025 QAP), prior versions[279] allowed 2 points for child care facilities as long as they were free to residents. The "free" to residents requirement could potentially have

undermined the policy goal of co-location. Current child care subsidy eligibility is 85% SMI,[280] therefore, it's likely that residents would qualify for child care subsidy (which involves a modest co-payment from families, but is not free). By co-locating child care with multi-family housing developments in low income Census tracts, families would have greater access to child care to enable them to obtain and retain employment.

(2) Currently, basis boosts allow state agencies to increase eligible subsidy provided to developers for LIHTC projects by 30% to ensure that tax credits cover more of the total costs for projects proposed in priority areas (e.g., a qualified census tract (QCT)). The state may want to consider a workgroup including at least one Community Development Financial Institution (CDFI) with experience in affordable housing finance and child care facilities development to further review how to integrate economically viable co-location projects. For example, the state could contract with an experienced CDFI to quarterback multiple funding sources to leverage public, private, and philanthropic funds to integrate affordable housing development and child care center projects (either within a qualified census tract or in other areas of the state). A CDFI or other similar intermediary could also help create and maintain a pipeline of developers and child care providers seeking partners, a structure critical in equitably allocating funding to the highest-impact projects that may be least likely to qualify for other forms of capital.[281]

Child Care Subsidy Program Campaign.

Across the parent focus groups, there were parents who were not aware of the child care subsidy program. There were also parents who thought that the program was only available to families living in poverty. Consumer awareness is an allowable expense of federal child care dollars. Awareness may only be part of the challenge, however, since the supply of licensed child care is well below the potential need in many communities.

Recommendation. DWS has been waging a public campaign about the availability of child care subsidies. Additional efforts could be considered.

Military and Tribal Families.

When on-base care is not available at certain locations, or service members' homes are not located near a base, the Department of Defense (DoD) offers fee assistance to families who obtain care at qualifying child care programs in the community.[282]

Since 2019, DoD has offered fee assistance through the Military Child Care in Your Neighborhood (MCCYN-PLUS) program to expand child care options for military families. Such providers must be state licensed and participating in a state quality rating system in order to qualify for fee assistance through DoD.[283]

With the exception of the Piute tribe, tribal child care directors did not respond to requests to meet as part of this project (although a presentation was made at a tribal leaders' meeting in August).[284]

Recommendation. The state could consider creating a Military and Tribal Child Care Liaison position within the Department of Workforce Services, Office of Child Care to form partnerships with military and tribal child care communities to better meet the child care needs of those families.

Child Care Assistance for Refugees.

Utah was home to 3,622 refugees between FY2021 and FY2023.[285] About 43% of arrivals were under age 18; about 15% were five years old or younger.[286] The top five countries from which refugees came included Ukraine, Afghanistan, Congo, Cuba, and Venezuela.[287] Many arrive without knowing English. Some may have families here but many do not. Refugees can receive child care assistance. However, if they work full-time and also want to take job training courses (or English as a second language courses), they cannot receive child care assistance beyond their work hours.

Recommendation. The state could consider a partnership between the Utah Refugee Services Office and the Office of Child Care to ensure that the full need for child care is met. In this way, the long-term self-sufficiency of refugee families would be enhanced.

Child Care Subsidy Eligibility.

Currently, families with income at or below 85% of state median income are eligible for child care subsidy (about $79,644 for a family of three; about $94,824 for a family of four).[288] Some states (such as Maine[289] and New Mexico[290]) and localities (such as Park City[291] and Summit County[292]), use state or local dollars to support working parents whose income exceeds 85% SMI up to 100 SMI%.

Recommendation. Utah could consider appropriating state dollars to support families above 85% SMI, the current maximum income eligibility for the state child care subsidy program.

Child Care Cost Modeling.

The Department of Workforce Services has undertaken child care cost modeling exercises several times (in 2023[293] and most recently as part of the narrow cost analysis in the 2024 child care market rate study).

Those studies found that when child care subsidy is set at the 75th percentile of the market (so that parents have access to 75% of providers), the subsidy paid for families with young children does not cover the cost of care. At the same time, for child care providers participating in the Child Care Quality System at all levels beyond the initial first level, the market price of care does not cover the cost of care for young children.[294]

This happens because the prices that providers charge are more related to what they believe parents in the community can pay, not what the cost of care actually is or what it would be if programs raised wages for those working in child care (e.g., to match the hourly rate at McDonald's, Walmart, Staples, etc.).

Currently, child care subsidy rates paid to providers to care for children are calculated at about the 60th percentile (50th for school-age children).[295] Raising subsidy rates to the 75th percentile would cost an additional $23 - $30 million.[296]

To expand provider participation in the child care subsidy program, the state may want to consider increasing subsidy payment rates to the 75th percentile. However, in doing so, while this provides an incentive for (1) programs to participate in the subsidy program and (2) providers to enroll more children on subsidy as a percentage of their

overall children enrolled, it does not by itself fix the broken child care business model.

Generally, most programs that participate in the child care subsidy program serve a small percentage of children whose care is paid for with a subsidy. For that reason, increasing subsidy rates does not by itself result in a budget high enough to pay for increased wages for all staff, the largest component of the business model's budget.

Therefore, the use of a cost model needs to be closely aligned with the purpose that the cost model is intended to achieve. For example, if the cost model results in a per child price (by age group) that exceeds the private pay rate for families, what is the strategy to fill the gap to achieve the intended outcome or purpose? And, what is the cost of gap filling strategies?

Recommendation. The state may want to consider forming a work group on cost modeling to review options and align cost modeling projections to strategies related to outcome goals.

5 Public-Private Partnerships with Employers

Child care challenges involve supply and affordability. Employers can play a role in helping to expand access to child care and to make it more affordable for families.

The following solutions are recommended for consideration.

Employer Child Care Tax Credits.

The Committee for Economic Development of The Conference Board maintains a list of employer child care related tax credits. Overall, 25 states have an employer child care tax credit or employer tax incentive for child care (some states have more than one type of child care credit).[297] These incentives are intended to support employers in helping to meet supply, affordability, and quality goals.

Most states that offer employer child care tax credits have some type of "piggyback" credit to the federal employer-provided child care tax credit, Section 45(f).[298] The federal tax credit is 25% of expenditures and 10% of expenditures for child care resource & referral support paid or incurred during the tax year. The credit is limited to $150,000 per tax year.

Eligible expenses include costs to acquire, construct, rehabilitate or expand property that is to be used as an employer's child care facility; for the operation of an employer's child care facility, including the costs of training and compensation for employees of the child care facility, and scholarship programs; or (3) under a contract with a licensed child care facility to provide child care services to employees of the taxpayer.[299]

State child care tax credits are designed under the following broad-based categories: employer sponsored care (expanding supply or making child care more affordable), child care contribution tax credits (donations to a fund that re-invest in child care priorities), child care workforce credits (refundable tax credits that increase wages), and child care property tax exemptions (not a tax credit, but reduces the cost of operating a child care program).[300]

Recommendation. The state legislature could consider a "piggyback" tax credit to federal section 45(f), employer provided child care to expand access to child care for employees.

Alabama Employer Tax Credit.

HB 358 was enacted in 2024 to establish an employer child care tax credit, child care provider tax credit, and a nonprofit child care provider grant. Eligible expenses under the employer child care tax credit include expenses for: the construction, renovation, expansion, or repair of a child care facility, or for the purchase of equipment for such facility, or for maintenance and operation; payments made to licensed child care programs or employees for the provision of child care for children of employers; or payments made to child care programs to reserve services for children of employers.

The tax credit is equal to total expenses up to $600,000 per year for small employers (fewer than 25 employees) and 75% of up to $600,000 in expenses for other employers. The employer credit is capped at $15 million in 2025, $17.5 million in 2026, and $20 million in 2027.[301]

Recommendation. Utah could consider enacting a child care employer tax credit such as the recent measure enacted in Alabama.

Childcare Solutions Fund.

In 2023, Iowa created local Childcare Solution Funds (CSF) housed in local chambers of commerce or local economic development agencies. Ten counties were selected to participate. Employers were asked to voluntarily contribute $150 per employee annually to their local solutions fund. The state Department of Health and Human Services (DHHS) matched the private contributions 2:1 (about $1.5 million was raised, the state matched with $3 million). 158 employers invested. A local stakeholder group was named to discuss local challenges and to determine priorities for the CSF.[302]

The state match was required to be spent on child care wages. The initial funding from the state came from federal American Rescue Plan Funding. Currently, 11 communities are operating CSFs and 10 more communities are on deck to implement a similar solutions fund in the next year. Local fund operators seek matching grants from cities, counties, and Tax Increment Financing (TIF).[303]

Each local stakeholder group identifies an array of

Iowa Community Case Study:
Hamilton County's Community Solution Fund Wage Enhancement Program

Problem	Investment Ask	Child Care Wage Increase	Result
2021 All four centers in Hamilton County were operating at 65% capacity (over 125 licensed child care spaces were vacant).	2021 Initial investment ask was $125 per employee per year.	2021 Childcare providers started at $8.50 per hour.	Over 100 additional children were enrolled in Hamilton County child care centers due to improved retention and provider recruitment.
2024 Three of the four centers are operating at 100% capacity. Over 100 additional children were able to enroll in Hamilton County child care centers.	2024 Over $710,000 has been pledged to the fund ($227,000 in public funds; $433,078 in private funds).	2024 Recruitment and retention bonuses started at $2.85 per hour (36% increase for staff).	

Note: Community priorities vary. Rules among communities for wage enhancements vary (e.g., Johnson County IA limits participation to child care workers with income under $23 per hour and eligible employees must work at least 32 hours per week).

Source: Iowa Women's Foundation, October 2024

challenges, and priorities for investment are determined at the local level (e.g., supply expansion incentives; infrastructure, equipment, materials; wages; or other identified needs).

Iowa DHHS pays for a statewide coordinator located at the Iowa Women's Foundation. The position coordinates resources so that local fund implementers do not have to recreate the wheel in each community (e.g., they meet monthly to share budget templates, decision guides, challenges, innovations, etc.). Funds can be used to support licensed child care centers or licensed family child care homes or both.

Recommendation: The state could consider a local Childcare Solutions Fund (CSF) model where state funds match locally raised funds to address locally identified challenges.

Mississippi Tax Credit for Donating to a Community Collaborative Investing in State Pre-k.

In 2013, Mississippi enacted an income tax credit for contributions to community collaboratives to support state pre-kindergarten.[304] In order to qualify for the credit, contributions support the local match requirement of approved child care providers, lead partners or the community collaborative overseeing local pre-k expansion and are approved by the State Department of Education.

The credit is limited to $1 million by any individual, corporation or other entity during any calendar year. Any unused portion of the credit may be carried forward for three years.[305] In 2024, total pre-k tax credits were capped at $29 million.[306]

Recommendation. The Utah legislature could consider a child care donation tax credit to a local child care solution fund (if created).

Employer partnership states.

Beyond tax credits, Iowa, Kentucky, Michigan, New York, North Carolina, North Dakota, Tennessee, Texas, Washington, and Wisconsin have enacted legislation to partner with employers related to some type of matching grant for child care supply, affordability, and/or quality.[307]

For example, in Kentucky, HB 499 was enacted to provide a state match for employer contributions to make child care affordable for employees for use at programs participating in KY All Stars (the state quality rating system).[308]

For families between 85%-100% SMI, 100% match *(85% SMI is the maximum income eligibility for KY state child care subsidy)*

- For families above 100% SMI, the match declines by 10% for every 20% increase in income up to 180% SMI
- Above 180% SMI, state match is 50%
- 25% of the funds are reserved for small businesses
- Money is considered for the promotion of general welfare, not income to the employee.[309] The Kentucky legislature appropriated $15 million annually for this employer grant program.[310]

As a part of this project, employer surveys found 61% of responding employers in St. George and 73.3% of responding employers in Salt Lake City said that they would be very likely or somewhat likely to offer monthly child care support to employees with a state match.

Recommendation. Utah could consider legislation to fund state matching grants for employers to support employee child care affordability.

Conclusion

> *"I want Utah to be the best place to live in the nation. I want Utah to be the best place to start a business. I want Utah to be the best place to have a family."*
>
> Governor Spencer Cox, 2024 State of the State Address, January 18, 2024

The Childcare Solutions and Workplace Productivity Plan offers recommendations for consideration that place families first. Some families may choose to have one parent stay home to care for children. Other families feel that they do not have a choice, that both parents working are a necessity due to the cost of living to raise a family.

For two-parent households working full-time with children under six, 74% said they needed two incomes to cover household expenses.[311]

Access to high-quality child care, Head Start, and preschool classrooms funded through the School Readiness Initiative help promote healthy child development and also support a parent's need or choice to work. While families can participate in Head Start or state preschool regardless of their work status, these programs are options for families within the early childhood landscape.

Employers depend on working parents. A top challenge for many employers is the recruitment and retention of a skilled workforce. The jobs gap in Utah between the number of job openings and the number of people unemployed exceeds 66,000, which leads employers to consider ways in which to expand labor force participation. One way is to review company options to support access to child care in some manner.

The COVID supplemental federal child care funding to Utah enabled the Department of Workforce Services to temporarily undertake an array of strategies to support the child care business model as well as individuals who work in child care. Funds were also used to help make child care more affordable for families.

The supplemental funding has expired, however, the state continues to receive annual federal child care funding through the Child Care and Development Fund (about $144.6 million in FY2024,[312] with FY2025 appropriations pending Congressional action). Another $15 million is transferred annually from TANF to the state's child care fund.[313]

From unobligated TANF funding[314] that is available, the state could consider using some of those funds to invest in child care strategies.

Through 2024 quarter 2, the state share of Treasury State and Local Fiscal Recovery Funding (SLFRF) had an unobligated balance of $203.39 million.[315] SLFRF funding must be obligated (an MOU or a contract) by December 31, 2024, however, the state has an additional two years in which to spend SLFRF money.

Some of the recommendations have no cost (e.g., making fields within current state data systems mandatory rather than voluntary). This would help inform policymakers to consider data-driven strategies. Other recommendations may have a modest or greater cost, however, offer innovative solutions to pressing challenges.

Some of the recommendations tie together two strategies. For example, an early childhood refundable tax credit tied to the attainment of certifications or higher education incentivizes professional development in early childhood competencies with a boost in wages as a reward. When adjusted annually for inflation such as the Louisiana tax credit,[316] this helps attract and retain individuals in the early childhood workforce and the stronger competencies benefit the children in their care. Thinking about ways to connect the low income housing tax credit when used for multi-family housing to child care programs offers communities an integrated strategy to support affordable housing and access to child care.

The comments about the increase in challenging child behavior across early childhood programs since COVID are concerning about the next generation – today's youngest children. There does not appear to be a sole cause, but comments across the focus groups suggested that the increased use of phones and tablets by young children may have a collateral negative impact on child development.

With widespread challenging behaviors of children across child care, Head Start, and state preschool, there is no singular solution. However, strategies to educate parents as well as to support caregivers could be considered to pre-empt long-term challenges for children as they age into the K-12 educational system.

Addressing the supply, affordability, and quality of child care is complicated. While there are many interrelated pieces, there is no one single strategy that solves it all.

Employers can play a role and other states have enacted either tax credit strategies or matching grants to incentivize employers to help make child care more accessible or affordable for employees. Some states, such as Iowa, have created Child Care Solution Funds that incentivize employers to be part of a local community solution.

The data shows a gap in the supply of licensed care compared to the potential need. Child care affordability is a problem mentioned in each of the focus groups. Child care quality is a concern to parents although not tied to the state quality rating system. Parents cite safety and trust as the top two factors related to child care with cost as the next factor. Parents also equated licensed care with safety.

The Child Care Solutions and Workplace Productivity Plan offers 33 strategies for consideration across five categorical areas that are interrelated to the challenges in accessing child care and for the children in child care to thrive.

The vision is to make Utah the best state for families. To do so, investment in innovative strategies can help. The framework is in place. Strategies to support that vision are offered.

> ***"The American dream lives here. You see, in Utah, we still care about our communities. We still care about our neighbors. We still believe that we can solve problems and help those who are struggling. We know that we have a duty to give back and lift others."***
>
> Governor Spencer Cox, 2024 State of the State Address, January 18, 2024

Appendix

Prior Utah Child Care and Early Childhood Reports & Related Information		
Study	**Author/Organization**	**Date**
2024 Maximum Monthly Subsidy Payments (effective October 1, 2024)	Utah Department of Workforce Services, Office of Child Care	10/1/2024
Child Care Subsidy Income Eligibility (effective October 1, 2024)	Utah Department of Workforce Services, Office of Child Care	10/1/2024
Investing in child care and workplace flexibility would strengthen Utah's workforce	Derek Miller, Salt Lake Chamber of Commerce, for the Salt Lake Tribune	10/1/2024
Best Business Climate, Schweitzer Engineering Laboratories Releases 2024 Index of Freedom	Schweitzer Engineering Laboratories	8/1/2024
Why Utah Is the Best State in America – Again	U.S. News & World Report	5/1/2024
Utah Childcare Cost Estimation Model	Prepared for the Utah Department of Workforce Services Office of Child Care by Dr. Catherine Ruetschlin, Economic Evaluation Unit, University of Utah.	2023
Utah FY2025-2027 CCDF State Plan	Department of Workforce Services, Office of Child Care	2024
Utah 2024 Child Care Market Rate Study and Narrow Cost Analysis	Prepared for the Utah Department of Workforce Services Office of Child Care, by Catherine Ruetschlin, PhD, University of Utah, Department of Economics	2024
2024 Utah Preschool Development Grant B-5 Needs Assessment	Sorenson Impact Center, University of Utah; Utah Department of Health and Human Services	2024
2024 PDG B-5 Strategic Plan	Kem Gardner Policy Institute, University of Utah; Sorenson Impact Center, University of Utah; Utah Department of Health and Human Services	
All Means All Annual Report	Utah State University, CAC	2024
Utah School Readiness Initiative	Department of Workforce services	2024
The Complex Childcare Landscape: Public Policy Solutions for Utah	Utah Women & Leadership Project, Utah State University	2024
100 Companies Championing Women: An Analysis of Best Practices for Utah Companies	Utah Women & Leadership Project, Utah State University	2024
Eleven Major Challenges Utah Women Face	Utah Women & Leadership Project, Utah State University	2024
Unpaid Care Work Among Utah Women: A 2024 Update	Utah Women & Leadership Project, Utah State University	2024
Utah Head Start Collaboration Office, 2024 Needs Assessment	Utah Department of Workforce Services, Office of Child Care, Head Start Collaboration Office	2024

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Prior Utah Child Care and Early Childhood Reports & Related Information *(continued)*		
Study	**Author/Organization**	**Date**
State of Utah 2025 Federal and State Housing Credit Program Allocation Plan	Utah Housing Corporation	2024
A rough Legislative Session for Utah Kids (Again) 2024	VOICES for Utah Children	2024
What Happened With Child Care During the 2024 Legislative Session?	VOICES for Utah Children	2024
What We Know, Don't Know, and Should Know About the Child Care Workforce, Utah Profile	Bipartisan Policy Center	2024
State of Afterschool, Year at a Glance	Utah Afterschool Network	2023-324
Utah Afterschool Network Annual Report	Utah Afterschool Network	2022-2023
Quality Progress Report (QPR) For Utah FFY 2023	Department of Workforce Services, Office of Child Care	2023
Unveiling the Landscape of Utah's Child Care Workforce: Working Conditions, Wages, and Motivations from the Child Care Workforce, Bonus Program Survey	Prepared for the Utah Department of Workforce Services Office of Child Care by Catherine Ruetschlin, PhD and Yazgi Genc, PhD(C), Economic Evaluation Unit, University of Utah, Department of Economics	2023
State of Afterschool, Year at a Glance, FY2022-2023	Utah Afterschool Network	2023
Utah Intergenerational Poverty Report	Department of Workforce Services	2023
Impact Report for the 1st of Half of 2023	Moab Community Child Care, Rob Walker	2023
Childcare -- What Utahns Need to Know Now: A 2023 Update	Utah Women & Leadership Project, Utah State University	2023
Utah Head Start Collaboration Office, 2023 Needs Assessment	Utah Department of Workforce Services, Office of Child Care, Head Start Collaboration Office	2023
Introduction to the Low Income Housing Tax Credit Program	Utah Housing Corporation	2023
Low Income Housng Tax Credit Program	Utah Housing Corporation	2023
Title 59, Revenue and Taxation, Chapter 10, Individual Income Tax Act, Part 10, Nonrefundable Tax Credit Act, Section 1010, Utah low-income housing tax credit.	Utah Women & Leadership Project, Utah State University	2024
Utah Preparing Students Today for a Rewarding Tomorrow (UPSTART) Report, Utah Preparing Students Today for a Rewarding Tomorrow (UPSTART) Report, THE UTAH STATE BOARD OF EDUCATION Report to the Education Interim Committee	Evaluation and Training Institute, California	2023

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Prior Utah Child Care and Early Childhood Reports & Related Information *(continued)*		
Study	**Author/Organization**	**Date**
Introduction to the Low-Income Housing Tax Credit Program	Utah Housing Corporation	2023
Work/Life Balance Preferences: Utah Parents	University of Utah, Kem Gardner Policy Institute, David Eccles School of Business	2022
Salary Impacts on Afterschool Staff Retention and Program Quality	Utah Afterschool Network	2022
Untapped Potential in Utah: How Childcare Impacts Utah's Workforce Productivity and the State Economy	U.S. Chamber Foundation	2022
2022 Annual Report	Utah Housing Corporation	2022
A Performance Audit of Tax Increment Financing, Number 2022-10	Utah Office of the Legislative Auditor General	2022
Child Care Access in Utah	Department of Workforce Services, Office of Child Care	2020
2019 Utah Preschool Development Grant, B-5 NEEDS ASSESSMENT	Sorenson Impact Center, University of Utah's David Eccles School of Business	2019
State of Afterschool Programs	Utah Afterschool Network	2019
Refugees in Utah Fact Sheet	University of Utah, Kem Gardner Policy Institute, David Eccles School of Business	2017
Utah Professional Development Registry	Utah Department of Workforce Services, Office of Child Care	

Focus Group Summaries

Utah Child Care Center – Focus Group Summary

(July 16 – July 18, 2024)

Four focus groups were held virtually (via Zoom) with child care centers in Utah between July 16 and July 18, 2024. Focus groups were comprised of 5-9 center-based providers.

- 7/16/24 Urban Child Care Centers
- 7/16/24 Utah Professional Child Care Association (UPCCA)
- 7/17/24 Rural Child Care Centers
- 7/18/24 Child Care Centers Conducted in Spanish

Overall, 26 licensed child care center directors or owners took the time to participate in these groups to have their voices heard. Most of the participants were women. While not representative of all child care centers in Utah, these discussions provide rich insight into the challenges these businesses face, why they do what they do and how the state legislature can more effectively support them and the Utah families that they support.

Who are the participating centers?

The centers participating in these sessions ranged from those who are single site operators to those who have multiple locations. While most were tax-paying businesses, some were nonprofit organizations. One center participated in an Early Head Start-Child Care partnership, serving infants and toddlers according to federal rules. Across the focus groups, the same challenges were raised.

The state of the business and the challenges child care centers face

While some of the child care centers reported being at full child enrollment, many reported lower child enrollment compared to 2019, prior to the COVID-19 pandemic. There were a number of interconnected variables impacting enrollment with staff pay and child behaviors most frequently cited. Also, frequently mentioned was affordability for parents – centers have raised rates to help pay staff and meet higher costs (e.g., food, liability insurance, etc.). However, families struggle with child care prices and tuition charged does not cover the cost of operating programs. Many mentioned that state subsidy payments are too low or that they don't serve sufficient numbers of children whose care is paid for with a subsidy to support competitive wages for staff in their program.

Staffing Challenges

Prior to the pandemic, centers reported paying an average of $9-$10 per hour. In July 2024, centers reported paying $15-$20 per hour, with some higher. The Department of Workforce Services (DWS) stabilization grants were helpful in boosting wages, but those grants ended in September 2024. Centers felt the higher wages were needed to compete with area employers so that programs could have the staff needed to serve children in the community. An urban provider said, "*payroll costs are up 30%*". Another said, "*our biggest struggle is getting our rates high enough to meet payroll*." Yet another said, "*They can work at McDonalds or Staples for $20 per hour. Even Zuppa pays $18.50 per hour. Add the demands of the workforce, and we can't keep people.*"

An urban provider said, "*The issue we have with employment is that we've tried to pay above what the other programs are paying… Trying to meet the pay range between $20 - $30 per hour is tough. That's where some of our numbers [child enrollment] have dropped because we've had to raise rates to pay teachers so we don't lose them. They are good and we just don't want to lose them.*" Another urban provider said, "*We are kind of between a rock and a hard place. The more unlicensed [providers], it undermines us trying to pay comparable salaries to teachers. Parents can't or don't want to pay for that.*" Another urban provided added, *"For us, staff retention is a major struggle, which plays into the number of children. Lose kiddos, lose staff. Lose staff, then lose kiddos."* Across center-based groups, this was a common sentiment. One center director said, *"Everyone wants higher pay than we can offer – [staff say] I need a raise or I'm going to quit. This is a lot more work than I thought it was going to be."* A faith-based provider said, *"We are part of a church and kept our rates low. Now we've had to raise our rates. But, the new employees we've brought in, they are only going to work specific hours. You bring them in to close and then they say they can't. That's becoming the attitude of everyone."* An urban provider said, *"Staffing is hard since the pandemic – [staff say] I want this much money. And, I want these hours. Or, I'm going to Amazon."* A rural provider said, "*Everyone wants to make $18-$20 per hour, but I can't afford that. Even raising parent tuition rates doesn't cover it. No way that I can start people at $18 per hour. I'd be out of business in two months."* A Spanish speaking director said, *"It's all about the wages."*

An urban director said, *"We're giving staff discounts or free child care. We know what we pay them, but they are not qualifying for DWS. That cuts into our ability to pay raises. If you have 20 employees and they have 2-3 kids, that's a lot of spots you are not getting income for. All these home providers are opening where they don't need to be licensed. That undermines us because families go with cheaper. But, cheaper isn't always better. But, parents are struggling."*

A Spanish speaker director said, *"Employees are the heart. They love teaching, love the children. But, they need decent wages."*

Child Behaviors

Across center-based groups, child behaviors were raised as an extraordinary challenge, possibly exacerbated by the COVID-19 pandemic. The stabilization grant helped to support program revenue with reduced enrollment, which meant staff had fewer children in the classroom. Even with fewer children, the challenging behaviors were difficult to manage. Many centers mentioned that they work with the Children's Center to address challenging behavior, but directors said that the queue for support was long, the dosage was too little and infrequent, and rural providers mentioned that they had insufficient local support.

There were two issues: challenging behaviors by children and a need to ensure sufficient numbers of staff in the room to handle it. For example, smaller class sizes have been the norm (supported by stabilization grants). With the end of the grants, there is a need to enroll more children to offset budget costs. An urban director explained, *"I'm getting pushback for more children in the classroom from teachers that it is too much. Seasoned amazing staff. Stressed out."* Another director said, *"it's the behaviors. Staff can't go back to the numbers pre-COVID."*

Directors throughout each of the focus groups said,

- *"I think there's been an overall change in everything since COVID – child behavior, parents, special needs, staff. Lots of things. Getting back to where we were is uncomfortable and staff don't want it. The grants really helped us offer a better environment."*
- *"Never used to hear of a 3-year-old hitting a teacher. Just the fear of someone bigger than you it wouldn't happen. Now happens more frequently than not. We had one parent say – how much could it possibly hurt if a 4-year-old hits you? Crazy! We need a resource related to what actually happens in a classroom."*
- *"There are just more child behavior issues now. Parents have gotten into the habit of having the children be entertained by tablet or tv, being able to work from home by children not getting the attention that they need. That affects child development. We have 4-year-olds that have the social skills of a 2-year-old. And, that is more common than not. Instead of a 4-year-old being able to follow simple 3 step directions- hang up your coat, go wash your hands, and sit at the table – you have to help at every step. If the child's emotional level is at a 2-year-old, then that's the staffing that they need… #1, aggression to the teachers is unacceptable. Not part of the job description. We've had to have families leave because they disagree."*
- *"We've worked with the Children's Center. But there are situations where a child needs more 1:1 care than you can give in a group center. You either disenroll a child or you lose two teachers, or you lose other kids. They're terrified. So, a lot of variables that we try to work through. But, we are kind of over a barrel if a teacher says I can't deal with this, or I'm going to leave, we have to look at the whole situation."*
- *"I have made more referrals in the past two years than in my entire career. I've been in the field for 26 years. We are just making more referrals. Children are lacking that emotional regulation. Definitely an increase and it's a real problem."*
- *"That's consistent across all four of my centers. Increase in challenging behaviors, single most requested training across the country. We've definitely experienced that as well. We have a kiddo who would benefit. Two teachers who say they will leave if that kid comes back. Behavior is a huge factor."*
- *"A 9-year-old was throwing chairs. Ultimately, we had to discharge him because he was so violent. Other families were saying they didn't want to be there. No teacher should have to have a chair thrown at their face."*
- *"Even at the Children's Center, they've got five kids and three staff. How do they expect us to do with 20 kids and two staff? And, these are seasoned experienced staff. We can only do so much in a group environment. Even if I only have 10 kids, if one needs nearly 1:1 all the time, not fair to the other kids and teachers. I feel that's part of the burn out."*
- *"We are really needing help. Behavior has changed so much, children hitting adults has just come on – unbelievable that they would even hit. Certain amount of respect, but it's just not there any more. Resources from the Children's Center have been great. But, then parents find out they can't afford it."*
- *"I think since COVID, kids don't learn the same and don't interact the same. They don't know how to play. They are destructive."*
- *"We have a lot of kids with hard behaviors. Parents blaming the staff instead of taking responsibility for their actions."*
- *We have three kids with severe autism, hitting, scratching, screaming, staff can't handle it. We try to do training for special needs. So, I have to make sure I have two people scheduled all the time. So, one can focus on them and keep them engaged with the group, try to eliminate the hitting and kicking because then it makes the other kids not want to come, which just causes a snowball effect."*

- *"I've seen a lot of high behavior kids, but the mindset – personalities of the kids are different now. For the younger ones, the first part of their life, they were told don't share, don't get too close to other kids. They don't know how to play. They don't have socialization. You can see phones and tablets were involved. They try to pick things up like a tablet, but not what's needed. They can't pick up a pencil. Some I've watched trying to play- they think being mean is playing and then laugh about it. Copying videos. Adult videos get humorized. We're seeing a lot of kids nonverbal until 5-6 or aren't potty trained at age 5. Parents that think there's no behavior issue – like choking another kid."*
- *"I do a lot of work with the Children's Center. We also refer to Help Me Grow Utah, counseling services, our school district comes in and does therapies, social & emotional groups, but it all comes down to funding. Those things stop when funding stops."*
- *"We're such a small town. We're the only day care center. But, it is really hard to get and keep staff. And, then they can't hack it. I wish we had a bigger employment pool to pull from. And with the whole COVID thing, it's made adults be more withdrawn. People just don't know how to interact anymore. But, kids need interactions."*
- *Everything has gone closed off now. Even staff interacting with each other. Everyone gets irritated really easily. Need some kind of assistance. Need some way to hire extra staff to help with the kids so they get the attention they need."*
- *"Parents in high school in COVID are now having kids. Double whammy. The impact on kids and parents. It's much more difficult today."*
- *"We are therapists for the kids and the staff and the parents. There's no self-regulation."*
- *"Yelling, screaming, different breed of children. We use the pyramid model but need more."*
- *"The Children's Center helps us. They send out consultants. With so many behaviors, not enough consultants to help. For here in northern Utah, you have to make a 45-50 minute drive, take off once a week, so it doesn't work. We have to rely on consultants for onsite and action plans, and it costs us to have subs so that teachers can meet. We have newer people in the workforce and we're trying our best, but not enough help."*
- *"We cut our enrollment in half because of behaviors."*
- *"It feels like hamsters on a wheel to keep our staff, to please staff, to work with children, to stay afloat and alive.*

Stabilization Grants helped keep doors open

Across the focus groups, there was great praise for the DWS child care stabilization grants. While they were used for a variety of purposes, most providers reported using the funds to increase staff wages. With the grants ending, providers were asked what will happen related to wages. Most of the providers said that they would not reduce wages or staff would leave. But, they would likely cut jobs and reduce hours. Some providers said they would close. Many said they would raise tuition for parents.

Child enrollment has not returned to pre-COVID levels. Therefore, stabilization grants were helping to provide a budget to retain staffing in addition to wage increases. An urban provider said, *"We might be gone. We're a high quality center under CCQS, but I don't know if we can maintain it. We've opened part-time slots to fill the slots, but that affects the classroom dynamic."* Another urban provider said, *"We've been planning for the grant [stabilization] to come to an end. But, I didn't plan to not be able to fully enroll kids. I didn't plan for parents to not be able to afford child care."* A rural provider said, *"maybe we'll go to all part-time staff. And, that's not good for the children. They need a teacher all day. Consistency. Especially younger children. That's the part I'm dreading, but to make ends meet, that's probably what we are going to do."*

Parent Affordability

Across the focus groups, directors urged that eligibility for child care assistance be increased. Directors said,

- *"If families don't qualify for child care assistance, having to choose between staying home or work to pay child care. The other thing is that families are finding ways to find other people to watch their children. When we started offering part-time, our enrollment went up a lot. Our part-time costs are what full-time used to be about five years ago. Families just can't afford more. So they* *find someone for two days and pay for three."*

- *"Most of our families qualify for DWS but the process is hard for parents who have a lot going on outside of child care. Kind of hinders them from even bringing their kids."*
- *"Cost is prohibitive. Families are looking at child care costs – for one child, maybe; for two, very difficult. Housing is high too. People just can't afford it."*
- *"Family income level was too high for subsidy. But, they have to decide- am I going to buy groceries this week or pay for child care? Just trying to survive. Housing, food, hard to raise a family."*
- *"In Carbon County, there's not enough to facilitate what really needs to happen with our kids. People can't afford their bills – mom, dad, grandma are working. Every day I hear that it's too expensive. Rural families just don't have funding to pay for child care so the children themselves are suffering."*
- *"The cost of living here is outrageous. I don't think they [the state] looks at how much Moab makes compared to the whole state of Utah. How much people can live on outside of Moab is different from living here."*
- *"Unlicensed impacts us. I just lost one mom and two kids because she didn't want to pay when her kid was out sick. But, I still need to pay employees. So, now she's found some mom who just had a baby to watch her kid out of her house. It's so hard in rural communities."*

Nontraditional Hour Care

Providers in communities where parents work in manufacturing jobs or are in the military talked about the need for nontraditional hour care. But, that it wasn't cost effective for them. Directors said,

- *"We are open at 5:00am and not early enough. We are getting families from the base asking us for earlier opening. But, we can't do that. I can't get staff to come in. And, they want us to be open later (until 7:00pm). Now we close at 6:30. Parents say – we have to cut our hours because of your hours."*
- *"Our families need earlier hours. I'm seeing people around me opening at 5:00 and closing at 7:00. I couldn't possibly do that unless I personally covered those hours. So, we are keeping the hours we have. Not the best."*
- *"About 25% of our families are military. Those families work later. But, we also have families who want us to open earlier. If we have 1-2 families, we can't do it. If we had more families, I could arrange staff."*
- *"We do hire for shifts. Anything outside of 7:00am – 7:00pm, parents have to schedule so we have staff. But then I get the calls- I can't get there. I won't be able to make it. So, I have to come in until she can get there. It's really hard to find someone to work overnight shifts even though we pay above everyone else."*

Insurance

Across the focus groups, directors talked about rising costs for liability insurance and some insurance companies not covering child care centers any more. Directors said,

- *"It's a hard industry to be in right now. A lot of insurance companies are dropping centers."*
- *"Mine dropped me because we are considered a wildfire zone. It took my insurance guy eight months to cover me. I've never had a claim."*
- *"My stabilization grant got suspended for a month because we didn't have general liability insurance. Then we got it, but took another three weeks."*
- *"We got dropped and had to rush to get someone to cover us. We finally did but it was a big mess."*
- *"We were dropped for no reason. Maybe they decided they weren't covering day care anymore. We never filed a claim."*

What would you like to tell policymakers?

Urban Centers:

- *"Find a way to support families paying for child care."*
- *"Middle class families need help. Middle class families can't afford it anymore."*
- *"Agree on middle class. They are struggling the most. Raise the subsidy eligibility level."*
- *"Remember the vital role that child care plays in them being able to have people go to work. Our teachers need to make a living wage and be appreciated. Families need affordable child care."*

- *“We need more support so we can support our employees. It’s hard to compete with all the big corporations around us with the wages and benefits they offer.”*
- *“Look at us as early childhood educators, not babysitters.”*

Rural Centers:

- *“Provide more support for parents so they can afford child care.”*
- *“Financial resources are needed for rural areas. Like grants for rural areas (e.g., I wanted CCQS but I don’t get help. I can’t afford to fix things that need to be fixed up. Look at the book – that doesn’t help me. You expect me to do that on no money.”*
- *“For the state to actually pay what child care should be costing on the workforce services end.”*
- *“Need financial assistance to stay open – stay functioning and helping parents work and survive.”*
- *“The cities have all these great resources and groups for special needs children. And we just don’t. We refer out of town. But families can’t afford to travel for weekly sessions or therapies for kids. We need local resources.”*

Utah Licensed Family Child Care Home Providers – Focus Group Summary

(July 6 – July 23, 2024)

Four focus groups were held virtually (via Zoom) with family child care home providers in Utah between July 9 and July 23, 2024. Focus groups were comprised of 6-8 providers.

- 7/6/24 Professional Family Child Care Association (PFCCA)
- 7/17/24 Urban Family Child Care Home Providers
- 7/18/24 Rural Family Child Care Home Providers
- 7/23/24 Family Child Care Home Providers Conducted in Spanish

Overall, 25 licensed family child care home providers took the time to participate in these groups to have their voices heard. Almost all the participating providers were women, although several men who are involved in their wives’ family child care home business also participated. While not representative of all family child care providers in Utah, these discussions provide rich insight into the challenges these business owners face, why they do what they do and how the state legislature can more effectively support them and the Utah families that they support.

Who are the participating providers?

The providers participating in these sessions ranged from relatively new providers (those starting out in the business in the last 2-3 years) to those who have been in the business for 20 years or longer. They were all licensed by the state. Across the focus groups, the same challenges were raised.

The participating providers all have multiple children of their own, although some are now adults. Many providers said that their child care business was their sole source of income. Many were licensed to care for the maximum number of children allowed under Utah law and employed assistants to help with the children in their care. Providers said retaining employees or finding new ones had become harder since the COVID-19 pandemic. As one urban provider said, “*In 2019, I could post a job for $9 an hour and I’d get 40 people. Now I list for $15 and I only get a few. My payroll has doubled since 2020.*” Many providers expressed frustration with the difficulty of recruiting and retaining employees. *“This was the hardest year. I don’t know how I will do it more than 6 months longer. Staffing is hard. Some are getting $15 an hour to work at Walmart, or flip a burger, I can’t compete.”*

Impact of local ordinances

Some of the providers expressed frustration with local ordinance restrictions that limit the number of children that can be in care compared to the number allowed by state licensure. Providers also shared that local ordinances restrict the number of employees a home-based provider can hire and impose other requirements that are not consistent with state law (e.g., fencing, or banning street parking). A married couple who operate a family child care home said, *"There needs to be better coordination between state and local councils. Consistent regulations and consistency among cities."* Another provider said, *"Our cities don't understand the value we bring to the community."*

The state of the business and the challenges family child care businesses face

Most of the providers, especially those that have been in business for some time, noted that they were at full capacity and did not have issues filling their slots. As one rural provider noted, "*there are very few licensed [programs], so we are full. [There is] not a big center, [so] not anywhere else for families to go.*" Providers noted that they have to operate at full capacity in order to break even or make enough to make the business sustainable. One urban provider described opening doors by 6:30 AM and taking care of children till 5:00 PM to earn $600 [per month] for two children. "*I'm doing my part to keep my business open, to at least bring in money.*" Some providers described opening their doors as early as 5:00 AM to accommodate parents with early working hours in manufacturing companies. Almost all the providers described working long hours (10-12 hour days) for not much remuneration. One provider who holds a Bachelor's degree noted that her goal is to make $2,000 per month, which she is currently not making.

Providers also noted that the state's efforts to increase the supply of child care by allowing more unregulated care is impacting their licensed businesses. As one provider said, "*With the encouragement the state was giving to open and expand for home-based providers, and encouragement to stay-at-home moms to operate unlicensed as well, just more and more people who are doing child care. Unlicensed care are undermining licensed providers, [and] not contributing to the tax base. When you report it, nothing is done. Unregulated providers are charging $2-$3 an hour, I can't stop it. It undermines my business. I have had 4 families call me this month, and they backed out, [because I charge] $3.50 an hour. Puts me out, thousands of dollars.*" Another provider said, *"Our kids are going to grow up with problems if there's no quality child care. They can go somewhere cheaper and watch tv all day. But, how does that help the kids?"* Many providers, especially in rural areas, questioned the need to be licensed with all the costs that it entails. The feeling was that licensed providers work to promote safe settings that support the healthy development of children through planned activities and nutritious food. One provider said, *"Down the road, the kids are having chips for breakfast. But, I care that my food is nutritious. It costs more. But, I do it."* A Spanish speaking provider said, *"Right now, I'm staying because I love the children. But, I'm contemplating whether to close. It's hard because all other prices have gone up and what parents pay doesn't cover expenses."* Others said they would close or will only care for eight children, which doesn't require a license. One provider said, "*unlicensed need to have a background check, but who monitors that? Impossible.*" Another said, *"I love the kids and I love what I do. But, I can't say that I'll stay open another year."*

Providers blamed the economic situation in the state and the lack of state support for parents as impacting their business. As one rural provider noted, "*Even though I'm full, with the income in our area so low, what we run into, is that a lot of families make do with part time* [care], *grandma can do one day, sister can do one day, and then they cut hours at day care to reduce costs.*" Another urban provider noted, "*I've had some parents who lost subsidy so I had to lower my rates to help parents who lost subsidy. Just the economy went downhill. Then, the stabilization going away. I feel like I'm not getting paid as much as I should for how many kids I have so parents don't have to struggle as much.*" She mentioned that she lowered her rates just to keep her parents. *"I'd rather be full than just having a few day care kids."*

Many providers have raised their rates to keep up with rising costs (e.g., food, housing). Others have cut their rates to help the parents whose children they care for, as they wanted the children to have stability and continuity, as their parents face economic upheaval. As one urban provider said, "*Two kids I have been watching for several years, [I] have been charging $800 [per month], but dropped by $200 as the husband lost his job. They pay cash. Were struggling. I didn't want them to go to [location] for day care. I've been caring for the daughter since [she was] two weeks old.*"

Other providers talked about the impact of full-day kindergarten, pre-kindergarten programs and other programs cutting into their business. As one rural provider said, "*Some of our difficulties, starting last year, full day kindergarten is cutting our throats. I've had the same kids for the last 5 years here from 7:00-5:30, but headed to kindergarten, don't need those 6-7 hours. They (parents) can come up with a high school kid to fill in for the afternoon.*"

Some providers talked about closing. An urban provider said, "*I can't say that I'll stay open another year. Doing the best we can, health insurance, costs going up, we have 8 kids, feels like we are breaking even.*" Others noted that many children did not come back after the COVID-19 pandemic as many parents are now working from home and cobbling together other options for child care such as caring for their own children while they work. As one provider noted, "*Child care is getting so expensive for families, parents are working opposite shifts or trading off or working from home, because they can't afford it.*" Still parents looking for only part-time care may end up having to pay full-time prices, as providers cannot afford to have their slots unfilled during the times these parents do not want or need care. As one provider said, "*Parents only want to pay for 2 days per week. But, unless I have someone to fill in the other 3 days, then I need to charge the full rate to keep my program operating*." A rural provider described the increase in the demand for part-time care as "*a game of tetris*." For her, she can make it work, but she said it's hard.

The Child and Adult Care Food Program also helps some providers defray costs by reimbursing child care providers for some of the costs for nutritious meals and snacks. A rural provider said that she is "*basically living off of my food program*." Other providers mentioned the low rates paid by USDA and the "unfairness" of food reimbursement for centers compared to homes (even though both face similar price increases) and that homes have a 2-tiered reimbursement system where the lower rate for tier 2 is wholly insufficient. An urban provider said *"the payments were not enough and with rising inflation she had to pay out-of-pocket."* All appeared to be in agreement. One provider from a rural area emphasized that family child care providers received just a 2 cent increase in payment rates while centers received a much larger boost. As she said, "*Centers always get priority. We are in an area where you can't have a center, it's staffing oriented. [We are] treated like a lesser entity. Less pay for child care subsidy, food program. But we have expenses too.*"

Stabilization Grants helped keep doors open

All the providers noted the key role the stabilization grants played in keeping their doors open. They used the stabilization grants to pay for rent or mortgage, utilities, staff salaries, activities and toys for children. With the sunset of these grants, providers noted that they would have to cut costs by offering fewer activities to the children and not replenishing needed supplies. As one rural provider said, *"We have to cut our expenses. [We] won't offer as much art activities. Art supplies have to be replenished all the time. Cuts down on the opportunities for children. Paint, crayons, art supplies, we'll need to reduce."*

Other providers said they had already raised rates and were poised to raise them even further. One urban provider said she raised rates by $100 per month last year and did so again this year. Providers also noted that everyone wants high quality programs, but high quality programs cost money that parents cannot afford and without state support the children will be left without high quality care. As one provider, a recent immigrant from Latin America, observed, "*We need more professionals to handle the initial education. Because when they [inspectors] come in here, they check for health and safety, but they never ask me about learning, goals for kids. …Kids are getting a bad education. So kids getting shortchanged. Kids are losing the most important time to learn. I don't know if this country understands that. Our kids are going to grow up with problems if no quality child care.*"

Child Care Staff Recruitment

Some providers mentioned a state bill (HB461) that passed in the Spring, which enables child care staff to receive child care subsidy. They felt that this would be a good recruitment tool to have mothers who could help staff their programs and bring their own children. *"Our state legislature passed a law for day care workers to qualify for subsidy without income limitation. It would make it easier to hire moms. Would have been great for the workforce. But, the Office of Child Care has decided not to fund it. The state doesn't want to invest in the workforce. But, we need help!"*

Providers mentioned the challenges they have in paying staff. Other jobs in the community pay more. They want to recruit people who are "*good with children*." They also want additional support to better meet the needs of children with challenging behavior or children with special needs.

Participating in the Child Care Quality System

Several of the providers had tried to participate in Utah's Child Care Quality System but they noted that the time commitment required of them for no or little additional remuneration made it difficult for them to continue their participation, especially after having completed a 10-12 hour workday. As one provider from an urban area said, *"I did participate the first year, and it took hours and hours and hours. I was rated high quality but I won't do it again. They have you do all this work and there is no benefit to it. And, I don't have subsidy kids. I am high quality, and I have a waiting list."* One provider with Montessori certification said the requirements for CCQS did not align with Montessori requirements which caused issues for her program, and other providers described the out-of-pocket costs and time commitment for CCQS as not being worth it.

Providers also noted that CCQS is only worth it if they cared for many subsidized children, but noted that parents often did not qualify or lost their subsidy due to small changes in income or other factors. Providers described the child care subsidy process as difficult and often demeaning to parents. As one rural provider said, *"DWS [Department of Workforce Services] is demeaning to the parents. No across the board rule. [They] put them through the ringer for subsidy, so many parents just give up. It's so hard to qualify."* Providers also noted that DWS was slow in processing the paperwork and often payments were not received for the month as the paperwork was not processed in time, thus making accepting subsidized children a risk for the providers.

Furthermore, providers, across rural and urban communities, described feeling disrespected and unvalued in general. As one provider said, "*They want to hold us to a professional standard, but they don't give us respect. We have to have high quality and do all these things, I have a BA in Education. Wanted to stay [in child care] because I thought I could make a bigger difference. We are treated like babysitters. Everyone of these ladies has educational background but doesn't get respect for it.*" This was a common theme across all the groups. For example, another provider said, "[*Government agencies] don't respect us as small business owners. They look at us as babysitters. I am not a babysitter.*" A rural provider said, *"This isn't a side gig."*

What the State can do to help

Providers' recommendations on what the State can do to help them sustain their businesses and help working families in Utah afford child care included:

Fixing the subsidy system so that parents can *"actually afford child care."* A rural provider said, "*Parents are barely making ends meet. It should not be that way. We can' t make a living off it because they* [parents] *can't pay it. The state needs to help more families pay for child care.*"

- Funding state bills that pass and aligning county requirements with state requirements. A rural provider said, "*Follow through on the bills you pass. Don't let cities and counties set their own rules.*"
- Providing grants to child care providers to offer high quality programs rather than subsidies to some parents, as this way more children can benefit from high quality programs at lower costs to parents. An urban provider said, *"Grants could help subsidize employees. Make the CCQS tied to grants, not just subsidy. …* [Currently] *it only really works if you care for a lot of subsidy kids."*
- Most of the providers were concerned about the impact of unlicensed care on their business and the ultimate impact on children.

Utah Parents – Focus Group Summary

(July 10 – October 14, 2024)

Four focus groups were held virtually (via Zoom) with parents of children under age 13 between July 10 and October 14, 2024. Focus groups were comprised of 7-9 parents per discussion.

- 7/10/24 Urban parents
- 7/11/24 Rural parents
- 7/16/24 Parents conducted in Spanish
- 10/14/24 Rural parents

Overall, 34 parents took the time to participate in these groups to have their voices heard. Most of the participating parents were women, however, about half of the rural group consisted of fathers. While not representative of all parents in Utah, these discussions provide rich insight into the challenges parents face in finding care for their children, how they handle those challenges, and how the state legislature can more effectively support them and other Utah families.

Who are the participating parents?

The parents participating in the groups had 1 or 2 children with at least one and often both children being under the age of 6 years. The urban group comprised entirely of mothers while the rural group was divided equally between mothers and fathers. Most of the parents were married. About half of the parents used some type of formal child care arrangement, such as a child care center or a family child care home provider, although a few of them used family members or worked from home and juggled their jobs or home business and their child care responsibilities simultaneously. A parent from the Spanish focus group said her daughter was in a Head Start program and the program had helped her whole family, not just her child. She mentioned there were waiting lists for Head Start in her area, so she drove to one further away but that it was worth it. Because there seemed to be interest within the group, information about Head Start was disseminated following the discussion.

An urban parent said, "*I have worked in five different industries in Utah and I have to say that being a mother has sometimes some negative connotations in the workplace. And it really depends on the culture and environment you are in, the high pressure, especially in male dominated spaces where I was at. A lot of people just look at you and don't give you opportunities. In my last role, I was a technical program manager. There are only two routes for women in Utah. They have a pathway to start their own businesses and control their own schedules – if the corporate world doesn't work for you and the other one is being a stay-at-home mom. But, it doesn't feel like a choice. More like a structural problem. Not enough day care facilities, waitlists, and affordability.* "

Impact of child care challenges on parents lives

Parents in both urban and rural groups lamented the lack of child care support for parents. The high cost and low supply of child care limited the choices these parents, especially mothers, had. Parents described being unable to afford to be stay-at-home mothers. Many parents mentioned the high cost of housing in addition to the cost of child care as being dual problems. An urban mother said, *"Our mortgage is a stretch. I don't know how anyone is buying houses. We would like to move to have more space, but we are stuck."* Another parent said, "*I live in an 800 square foot townhouse with two kids. It's impossible to upgrade. Maybe our house is up $200,000 since we bought it, but it's hard to move up."* A special education teacher in a rural area said, "*I am not from a wealthy family, We don't make a lot of money. I work in the school system. Both I and my partner work. Child care in this area is incredibly expensive. Also there are only two licensed child care centers and they are frequently at maximum capacity. And if we want to go the route of nannies and babysitters, they are making more than what I make an hour and that is really hard to compromise for my family.*"

A few of the parents, both urban and rural, described either losing their jobs, passing up on promotions or getting in trouble at work because of challenges they had with their child care arrangement that led them to either have to take a day off, arrive late or leave early. A few of the mothers described leaving the workforce entirely due

to the lack of child care options. As one mother from an urban area said, "*There are going to be times that you don't have anyone to watch your kids. Then you can lose your job over it.*"

Other mothers also described how motherhood had limited their life choices due to the lack of a structure that supports families. As one urban parent said, "*I applied to a Masters program in 2014. We were expecting fertility problems. I interviewed for this spot, got in, and then found out I was pregnant, so postponed [going to school] for 10 years. No way to work and be a mom at the same time.*"

Some of the mothers said that they wanted more children but were not having any more because they could not afford to do so. As one urban parent said, "I *want 4 kids. But, [I] can't have more. Can't support them. The church supports that. [But there is] no structure in case you want to go to work.*" Other parents noted the need to have to work. An urban parent said, *"Parents enter the workforce because they don't have another choice. Most are dual income but don't have a choice. It's a big issue for families."*

Challenges with child care

Parents mentioned both a lack of supply and the high cost as issues they faced in finding child care. Parents described wait lists of 2 years or longer, lack of center-based care, especially in rural areas, and the difficulty finding reliable, trustworthy, affordable child care. An urban parent said, "*[The] wait list [was] for 2 years. And also how expensive it is -- $2,400 a month for both my kids to go to school. I'm lucky because I have a high-paying job. But otherwise, I would have tough choices.*"

Even if parents could afford the cost of child care, it is often hard for them to find care, particularly in rural areas. One father described driving 40 minutes in the opposite direction from his work to drop-off his child at child care. Another parent with a special needs child described the lack of spaces for her child. An urban parents aid, "*I think of my students with disabilities who have a real hard time accessing respite care and care for their child in general. That's a population that definitely needs more attention.*"

Parents also noted difficulties finding spaces for their children, especially young children. As one rural mother said, *"With the lack of places here, that was hard initially, especially when my kids were younger. It was impossible to get them into child care till they were 3 because the spaces were so limited for the birth -2 age. I stopped working (when they were young)."*

An urban parent said, *"I have a retired mother. Sandwich for me. She's too old to help me with child care. Her health is declining so I really can't ask her. I know some people do, but I can't."* Another parent said, *"I put my child on a wait list even before he was old enough. On a wait list for a year."*

Parents prefer licensed care

Parents in both the urban and rural groups wanted licensed child care as they associate licensed care with safety and security, and a basic level of skill training and experience. Trust and safety were the top two concerns shared by parents, followed by affordability. As one rural mother said, *"Licensed is very important to me and my spouse. We want to make sure our kid is in good hands, and the environment."* A rural father described why licensing meant so much to him, *"[They] have certain level of skills that someone without a license may or may* *not have. Such as first aid skills. It is one thing to have first aid and it is another thing to apply them very well. You have gone through a certain process that has equipped you with certain skills like first aid skills, communication skills as it revolves around kids of different age groups. Communicating with children 3-4 years old is very different than 9-10 year olds. All of these skills are very important.*" Another rural mother noted, *" I checked their reports on the state websites. See if they have passed inspections. I can't do the inspections. But someone is going in to see that medicines they can't access and I won't be able to see that in just a tour. The other big thing is access to child care subsidy through the state. You can only get that if you go with a licensed provider."*

A rural parent said, *"There's a long line in my area. Just few licensed child cares. We wanted a licensed program."* Another rural parent said, *"There's a Facebook group Utah Nanny and babysitter jobs. Weekends and nights – but, unlicensed care, so you don't know who they are, whether you can trust them. Every day people are saying they have no care because unlicensed are not reliable."*

A parent in the Spanish focus group said, *"I was leaving my kids, but when I picked them up, the boyfriend brought them out, not the woman I left my children with. It wasn't a regulated program, just someone who cared for kids. I stopped taking my child there. She was two. I didn't want the boyfriend taking care of the kids."*

Parents said that the state was allowing more unlicensed child care in an attempt to increase supply. But across the parent groups that was not viewed as helpful.

There was broad concern that state legislators do not need or use child care. Therefore, they may not understand it. An urban parent said, "[It's as if] *We'll throw you a bone. We'll give you more [unlicensed] child care*." But as one rural parent said, *"[We need] more licensed child care because people prefer licensed child care*."

How state legislators help

Parents noted the need for higher prioritization of child care. One urban parent said, "*Because the legislature is not in the same situation we are, they don't need to worry about child care. They don't have any empathy. Can never really sympathize with us. That is why I don't think anything will ever happen."* A rural parent said, "*I live in a very recreation and touristy area and we spend soooo much money, and I really wish they will prioritize child care. I try to write to them and I don't know if they are listening because child care is not where the money is but that is where the people are and how we make our world go around*."

Other parents noted the need for systemic change. An urban parent said, "*For me, it's a comfort and scary about what goes into making a child care program run in a high quality way. It kind of makes sense as to why parents have all these issues, access to care, affordability, but also a matter of child care centers not receiving the support that they need. A much larger systemic issue*."

Parents overall felt that the way to tackle the issue was to provide more support to child care providers. An urban parent said, "*If the state paid the child care facility rather than giving a subsidy to families, then no one would have to worry. Totally subsidize all licensed facilities… Rather than bureaucracy and paperwork. Or, there's a credit that you can apply for and it's x a year. I pay $35,000 or so a year in child care. So, whatever the child care help is, it has to be reasonable, pragmatic. I don't think they [legislators] really understand how much it really costs*." Similarly, a parent from a rural area said, "*Most of us talked about cost, so it would be very favorable if there could be increased funding for child care programs and providers*."

Parents suggested various ways to invest in child care to expand the supply and to make it more affordable. An urban parent said, "*Just like we have taxes for stadiums and hospitals, why can't we help with day care facilities? Vote on it, percent of sales tax for a day care facility*."

Parents mentioned the need for subsidized child care and health care. As one parent from a rural area said, "*I would like for more [child care] facilities. We need expansion, we need more health care facilities, more children [child care] facilities to help them learn and grow. We need more funding*." Similarly, an urban parent said, "*We need universal health care, universal child care, pay through some type of tax, subsidized by government, and the ability for students to attend university without tuition."*

An urban parent asked, "*Why don't the legislators help make parenting easier in Utah?*" Another parent responded, *"They need to stop checking the boxes and do something real."*

States with Zoning Laws to Reduce Barriers for Family Child Care Homes

In Brief: Eight States specifically prohibit treating family child care homes any differently than residential dwellings. The state laws pre-empt local ordinances from exceeding state child care licensing requirements.

State Laws:

California

California Health and Safety Code § 1597.30 et seq.

Summary: The Act preempts local laws, regulations, and rules governing the use and occupancy of family daycare homes. Local laws, regulations, or rules shall not directly or indirectly prohibit or restrict the use of a facility as a family daycare home, including, but not limited to, precluding the operation of a family daycare home. A local jurisdiction shall not impose a business license, fee, or tax for the privilege of operating a small or large family daycare home.

The law does not preclude a city, county, or other local public entity from placing restrictions on building heights, setback, or lot dimensions of a family daycare home, as long as those restrictions are identical to those applied to all other residences with the same zoning designation as the family daycare home. The law does not preclude a local ordinance that deals with health and safety, building standards, environmental impact standards, or any other matter within the jurisdiction of a local public entity, as long as the local ordinance is identical to those applied to all other residences with the same zoning designation as the family daycare home. The law also does not prohibit or restrict the abatement of nuisances by a city, county, or city and county. However, the ordinance or nuisance abatement shall not distinguish family daycare homes from other homes with the same zoning designation, except as otherwise provided in this chapter.

Connecticut

Conn. Gen. Stat. § 8-2.

Summary: No zoning regulation shall treat any family child care home registered pursuant to **section 17b-733** in a manner different from single or multifamily dwellings. No such regulations shall prohibit the operation of any family child care home or group child care home in a residential zone.

Enacted June 2023 (amending the above Act): No zoning regulation shall treat any family child care home or group home, located in a residence and licensed by the Office of Early Childhood in a manner different from single or multifamily dwellings. Not later than December 1, 2023, and annually thereafter, each municipality shall submit to the Office of Policy and Management a sworn statement from the Chief Executive Officer of the municipality stating (1) that the municipality's zoning ordinances are in compliance with the above and (B) that if not in compliance, the municipality will do so. The Act prohibits zoning regulations from prohibiting family child care homes in a residential zone. Also, the Act prohibits any special zoning permit or special zoning exception for the operation of a family child care home.

Kentucky

Kentucky Revised Statutes § 199.8982

Summary: This Act supersedes all local government ordinances or regulations pertaining to the certification, licensure, and training requirements related to the operation of family child-care homes and no local government shall adopt or enforce any additional licensure, certification, or training requirements specifically applicable to family child-care homes. This subsection shall not be interpreted or construed to exempt family child-care homes from compliance with local government ordinances and regulations that apply generally within the jurisdiction.

Because the availability of adequate child-care as an essential business is vital to the Commonwealth's state and local economies, by January 1, 2022, a local government that has adopted land use regulations pursuant to KRS Chapter 100 shall specifically name family child-care homes in the text of its zoning regulations to authorize the board of adjustments to separately consider the applications of proposed family child-care homes for conditional use permits within the residential zones of the planning unit where they are not a fully permitted use pursuant to KRS 100.237.

New Jersey

Section 40:55D-66.5b

Summary: Family day care homes shall be a permitted use in all residential districts of a municipality. The requirements for family day care homes shall be the same as for single family dwelling units located within such residential districts. Any deed restriction that would prohibit the use of a single family dwelling unit as a family day care home shall not be enforceable unless that restriction is necessary for the preservation of the health, safety, and welfare of the other residents in the neighborhood. The burden of proof shall be on the party seeking to enforce the deed restriction to demonstrate, on a case-by-case basis, that the restriction is necessary for the preservation of the health, safety and welfare of the residents in the neighborhood who were meant to benefit from the restriction.

New York

N.Y. Soc. Serv. Law § 390(12)(a)

Summary: Notwithstanding any other provision of law, except as may be required as a condition of licensure or registration (related to state licensing), no village, town (outside the area of any incorporated village), city or county shall adopt or enact any law, ordinance, rule or regulation which would impose, mandate or otherwise enforce standards for sanitation, health, fire safety or building construction on a one or two family dwelling or multiple dwelling used to provide group family day care or family day care than would be applicable were such child day care not provided on the premises.

Note: Nothing in this paragraph shall preclude local authorities with enforcement jurisdiction of the applicable sanitation, health, fire safety or building construction code from making appropriate inspections to assure compliance with such standards.

Oklahoma

Okla. Stat. tit. 10 § 425 (H.B. 2452, enacted 4/27/23)

Summary: Local governing authorities shall not promulgate local regulations that permit or require licenses of family child care homes to exceed or limit the capacity provided by the license granted to the family child care home licensee by the Department of Human Services. This act became effective November 1, 2023.

Oregon

O.R.S. § 329A.440

Summary: A registered or certified family child care home shall be considered a residential use of property for zoning purposes. The registered or certified family child care home shall be a permitted use in all areas zoned for residential or commercial purposes, including areas zoned for single-family dwellings. A city or county may not enact or enforce zoning ordinances prohibiting the use of a residential dwelling, located in an area zoned for residential or commercial use, as a registered or certified family child care home.

Washington

RCW 36.70A.450

Summary: Except as provided in subsections (2) and (3) below, no county or city may enact, enforce, or maintain an ordinance, development regulation, zoning regulation, or official control, policy, or administrative practice that prohibits the use of a residential dwelling, located in an area zoned for residential or commercial use, as a family day-care provider's home facility. Nothing in this Act shall be construed to prohibit a county or city from imposing zoning conditions on the establishment and maintenance of a family day-care provider's home in an area zoned for residential or commercial use, so long as such conditions are no more restrictive than conditions imposed on other residential dwellings in the same zone. Note: (2) requires compliance with all building, fire, safety, health code, and business licensing requirements; (3) requires written notification by the provider that the immediately adjoining property owners have been informed.

FY2020 - FY2024 Utah Child Care and Development Funds (CCDF)					
Funding	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Federal CCDF Mandatory Funds	$12,591,564	$12,591,564	$12,591,564	$12,591,564	$12,591,564
Total Federal Share Matching Funds	$21,163,352	$27,683,063	$27,561,554	$27,743,233	$27,623,716
State Maintenance of Effort (MOE)	$4,474,923	$4,474,923	$4,474,923	$4,474,923	$4,474,923
State Share CCDF Matching Funds Including Redistributed	$7,636,371	$7,532,769	$7,771,094	$11,145,499	$13,967,400
Federal CCDF Discretionary Funds	$64,667,482	$61,553,122	$74,629,956	$95,913,285	$104,395,321
Federal CARES Act Funds (P.L. 116-136)	$40,414,976				
Federal CRRSA Act Funds (P.L. 116-260)		$108,969,353			
Federal ARP Act Discretionary Funds (P.L. 117-2)		$163,429,739			
Federal ARP Act Stabilization Funds (P.L. 117-2)		$261,389,459			
Total CCDF Federal-Only Funds	$138,837,374	$635,616,300	$114,783,074	$136,248,082	$144,610,601

Sources:
U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY2020 CCDF Allocations
https://www.acf.hhs.gov/occ/data/pre-final-gy-2020-ccdf-allocations-including-redistributed-funds

U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY2021 CCDF Allocations
https://www.acf.hhs.gov/occ/data/gy-2021-ccdf-allocations-including-redistributed-funds-state-share-matching-funds

U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Care, GY 2022 CCDF Allocations (Based on Appropriations)
https://www.acf.hhs.gov/occ/data/gy-2022-ccdf-allocations-based-appropriations

U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Care, Grant Year (GY) 2023 Child Care and Development Fund (CCDF) Allocations (Based on Appropriations)
https://www.acf.hhs.gov/occ/data/gy-2023-ccdf-allocations-based-appropriations

U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Care, GY2024 CCDF Funding Allocations (Based on Appropriations)
https://www.acf.hhs.gov/occ/data/gy-2024-ccdf-allocations-based-appropriations

Preliminary CCDF COVID Funding Overall Outcomes and Spending SFY2020 - SFY2025					
Project Name	**Start Date**	**End Date**	**Impact and Outcomes**	**Funding Source(s)**	**Expenditures**
One Utah - Child Care Slots for Essential Employees	3/2020	6/2020	Across both One Utah programs, 649 children of essential workers across the state were provided with child care during the beginning of the pandemic. In total, 153 child care programs provided care through this program.	CARES	$2,150,064
One Utah - Individual Caregivers for Essential Employee Child Care	3/2020	6/2020	Across both One Utah programs, 649 children of essential workers across the state were provided with child care during the beginning of the pandemic. Twenty individual caregivers participated in this program.	CARES	$25,524
Rainbow's End Child Care and Training Center	4/2020	6/2020	Throughout the time this center was operating as a One Utah program, 18 children of essential workers were cared for.	CARES	$31,466
Summer 2020 Out-of-School Time Grant	6/2020	9/2020	This grant supported the efforts of 39 child care facilities or community-based organizations with an overall average attendance of 2,142 individual children.	CARES	$3,754,513
Summer 2021 Out-of-School Time Grant	6/2021	8/2021	This grant supported 40 programs who served an average of 1468 students. The majority of programs reported increase in social and emotional learning competencies by the end of the summer	CRSSA	$1,864,141
Child Care Operations Grant	4/2020	12/2021	In total, 595 child care providers received one or more monthly payments as part of this grant in order to contiue to operate and provide care for working families during the first part of the pandemic.	CARES and CRSSA	$60,934,945
Youth and Early Care Workforce Bonus	7/2022	9/2022	In total, 9,366 youth and early care professionals received the workforce bonus.	CRSSA	$18,765,677
Child Care COVID-19 Coordinator	12/2020	11/2022	In total, 173 hours of training offered to child care centers and local health departments. Seven-nine child care facilities were provided with direct support and responded to within 24 hours. A manual providing guidance around the Covid-19 pandemic and how to handle exposures, quarantines, etc. was created as a resource for child care facilities and local health departments.	CRSSA	$279,219
Subsidy Copayment Waiver	10/2021	1/2023	DWS copays were waived for families who were initially approved or renewed their child care assistance between October 2021 and January 2023. This represents a monthly average of 7,510 families and 14,325 children across all months. After January 31, 2023, copayments continued to be waived for previously approved applications until their recertification date.	CRSSA, ARPA-D	$17,083,253
Health & Safety Grants	2/2022	6/2023	A total of 1,174 health and safety improvement grants were given to eligible child care providers to comply with health and safety protocols. Providers were eligible to apply for and may have recieved more than one grant over the grant period	CRSSA	$8,579,165
T.E.A.C.H. Scholarship Expansion	7/2021	6/2023	UAEYC supported 13 additional scholars in the Associate Degree program and 6 additional scholars in the Bachelor's Degree program.	CRSSA	$79,545
Translation of Consumer Education Documents	7/2023	7/2023	In total, 26 documents related to child care quality, developmental screening, school readiness, grants and subsidy were translated into Spanish.	ARPA-D	$2,427

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Preliminary CCDF COVID Funding Overall Outcomes and Spending SFY2020 - SFY2025 *(Continued)*					
Project Name	**Start Date**	**End Date**	**Impact and Outcomes**	**Funding Source(s)**	**Expenditures**
Language Empowers All People (LEAP) Pilot	8/2022	7/2024	Thirty-two participants attended a six-part series of parent workshops for families who have immigrated to the United States. One cohort was held for families from Somalia and one for families from Mexico, Venezuela, and El Salvador. Workshop topics included: culture and education; language development and bilingualism; special education in American schools; language and reading; language and early math and science; and communication effectiveness.	CRSSA	$48,995
School Age Summer Quality Expansion Grant	6/2022	8/2023	In Summer 2022, funding was provided to 148 full-day summer programs serving an unduplicated enrollment of 6,800 youth to support working families. In Summer 2023, funding was provided to 152 full-day summer programs, serving an unduplicated enrollment of 9,247 youth to support working families. All programs had students participate in social and emotional learning sessions at least twice a week and reported an increase in positive behaviors in the program."	CRSSA	$6,647,387
Adminstrative Costs for Stabilization Grant and Expansion	8/2022	9/2023	An online system was developed by the Division of Technology Services to operationalize and administer the Stabilization Grant funding to child care providers. This funded also provided the wages and benefits for the time-limited staff that was hired to administer the Stabilization Grant through September 2023.	ARPA-S, ARPA-D	$2,329,812
Cover Licensing-Related Fees	6/2020	6/2024	"In total, more than 37,024 background check fees, 31,863 fingerprint fees, 4,448 licensing fees for facilities, 203 new center license fees and 1,512 centers per child license fees were covered with this funding."	CRSSA, ARPA-D	$2,326,766
Online Annual Training Membership Scholarships	7/2021	6/2024	In total, there were 6,725 first-time or renewal online annual training memberships at no cost; 24,203 courses were completed for a total of 84,571 professional development hours.	CRSSA and ARPA-D	$644,600
Early Education Payback Program for College Degrees	11/2021	6/2024	In total, 440 higher education degree scholarships were awarded through this program.	CRSSA and ARPA-D	$1,156,473
Non-Matriculated Career Ladder Approved College Course Scholarships	11/2021	6/2024	In total, 28 college course scholarships were awarded through this program.	CRSSA and ARPA-D	$39,738
Covid Early Childhood Professional Development Incentive Bonus	7/2021	6/2024	"In total, 5,313 Professional Development Incentive bonuses were awarded to professionals completing new Career Ladder levels."	CRSSA and ARPA-D	$1,426,425
Conference Registration Scholarships	11/2021	6/2024	"In total, 548 youth and early learning professionals were awarded this scholarship to attend professional development conferences related to the youth and early care and education field."	CRSSA and ARPA-D	$163,522
Program Accreditation Reimbursement Grants	7/2021	6/2024	In total, 22 child care programs took advantage of this grant program to reimburse fees related to national program accreditation.	CRSSA and ARPA-D	$42,189

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Preliminary CCDF COVID Funding Overall Outcomes and Spending SFY2020 - SFY2025 *(Continued)*					
Project Name	**Start Date**	**End Date**	**Impact and Outcomes**	**Funding Source(s)**	**Expenditures**
"Regional efforts: Care About Childcare - Children's Service Society (Salt Lake and Tooele Counties)"	7/2021	6/2024	In total, 35 child care programs successful completed the Child Care Quality System coaching cohort program. Start-up funding was provided for 30 new child care programs. An updated fingerprint machine was purchased so the agency could continue offering fingerprint services to programs. Marketing included ads on KSL, UTA buses, Tooele Transcript Bulletin and a digital billboard.	CRSSA and ARPA-D	$528,577
Infant and Toddler Quality Support Grant	1/2023	6/2024	In total, 119 applications were received and processed. 85 grants were awarded to centers and 34 were awarded to family child care programs.	ARPA-D	$723,236
Mental Health Benefit for Child Care Professionals	7/2023	6/2024	In total, 1,012 applications were approved for child care professionals to receive mental health services through an employee assistance program or their local health department. Of those approved applications, 326 professionals, or about 32.3%, followed through to receive at least one service.	ARPA-D	$196,319
"Regional efforts: Care About Childcare - Five County Association of Governments (Millard, Sanpete, Sevier, Beaver, Piute, Wayne, Iron, Garfield, Washington and Kane Counties)"	7/2021	6/2024	"In total, 34 child care programs (both center and family child care) received start-up grants. The Nature Explore certification training was held five times with a total of 161 child care provider participants. Southwest Technical college provided a business course specific to regional child care providers. In FY23, a business track was offered in conjunction with the Southern Utah Early Childhood Conference. Eight child care programs completed a staff recruitment and retention cohort using assessment and mentoring. Marketing included booths at community events and working with TownSquare to increase traffice to their website and on social media."	CRSSA and ARPA-D	$352,864
"Regional efforts: Care About Childcare - Weber State University (Davis, Weber and Morgan Counties)"	7/2021	6/2024	Leadership staff from 16 centers and 10 family child care programs participated in business cohort training and received resources to help support strong business practices. Twenty-four providers obtained memberships to a professional organization. Twenty-four new center and family child care programs received start-up grants. Twenty-eight providers attended a business conference. Ten programs received a quality environment grant. An updated fingerprint machine was purchased so the agency could continue offering fingerprint services to programs. Marketing included ads in local movie theaters, botths at local fairs and flyers in Davis county and bus tailboard ads in Davis and Weber counties.	CRSSA and ARPA-D	$181,520
"Regional efforts: Care About Childcare - Weber State University (Davis, Weber and Morgan Counties)"	7/2021	6/2024	Six centers completed the recruitment and retention cohort. Nine family child care programs completing the accessibility and stabilization cohort. Thirty-five programs received start-up grants. The Nature Explore Certification training was held three times with a total of 69 attendees. Marketing included flyers and posters in libraries, government agencies, schools and medical offices, local radio ads, ads on public transportation buses and booths at local fairs, town halls, and other community events.	CRSSA and ARPA-D	$233,977
"Regional efforts: Care About Childcare - Utah State University (Box Elder, Cache and Rich Counties)"	7/2021	6/2024	Sixty-four caregivers received the professional start incentive and materials for completing professional development. One individual with disabilities received on-the-job training. 218 child care professionals statewide completed the "All Means All" special needs program requirements regionally and statewide. Twenty-four child care programs received a start up grant. Two programs received the environment design grant. Twenty providers received materials for completing support offered for CCQS. Twenty-six child care providers participated in the new course "Understanding the Business of Family Child Care". Thirty-one providers attended a Disaster Training conference. Eighty-four child care professionals completed first aid and CPR courses. Marketing included ads in the local newspaper, radio and theatre and booths at fairs and other community events.	CRSSA and ARPA-D	$648,481

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Preliminary CCDF COVID Funding Overall Outcomes and Spending SFY2020 - SFY2025 *(Continued)*

Project Name	Start Date	End Date	Impact and Outcomes	Funding Source(s)	Expenditures
"Regional efforts: Care About Childcare - Utah State University - Eastern (Daggett, Duchesne, Uintah, Carbon, Emery, Grand and San Juan Counties)"	7/2021	6/2024	Thirty-five child care programs (both center and family child care) received start-up grants, including new programs in Monticello, which previously had no regulated child care facilities. One provider received an incentive for recruiting a new family child care provider. Marketing included radio ads, newspaper ads, billboards, commericals, fair program ads, posters, theatre commercials, flyers, handouts and brochures.	CRSSA and ARPA-D	$428,480
DHHS - CCL Migration to AWS	7/2023	6/2024	Funding was spent to help with the licensing system changes and migration to AWS server. The project is still in the process of being completed.	ARPA-D	$498,494
Out-of-School Time (OST) Needs Assessment	7/2023	8/2024	"UEPC has been in the process of conducting the statewide out-of-school time needs assessment. The draft needs assessment has been completed by the UEPC and is currently under review by the Department of Workforce Services. The report will be publicly released in later in FY25. Below are some of the high-level findings from the report: * OST program are heavily concentrated along the Wasatch front where the child population density is the highest. * OST programs are operating at full or near full capacity, while some reported waitlists. * Challenges included transportation, staffing and rising program expenses, particularly in rural areas of the state. * OST program staff and families identified the need for mental health resources for staff and children a high priority. Many programs reported being unable to keep up with this increasing need as they lack adequate resources and training for their staff. * OST program staff identified additional topic areas and suggestions for professional learning around cultural competence, supporting students with post-secondary opportunities, preventation education/strategies and family engagement. * Partnerships with local organizations supplement critical services that many OST program teams cannot provide on their own due to limited resources. * OST staff and families reporetd how much they valued academic support and enrichment activities the OST program provided. * Opportunities exist within the OST/school day alignment work to focus on developing and maintaining reciprocal relationships with OST program and school teams. * State and federal funding sources are available to OST programs to consider, with most involving a highly competitive review process. * OST programs recognize need to be more creative with local, state and federal funds to sustain their program services. The considerations in the report are briefly as follows: * Data-Driven Allocation of State and Federal Funds: Funders are encouraged to use multiple sources of data to allocate competitive OST grant resources for specific regions of the state. * Opportunities to Leverage Multiple Sources of Funding for OST Programs: State and LEA leaders who manage federal and state funds are encouraged to talk with local school, community and OST leaders about opportunities to explore additional state and federal funds that could supplement OST budgets. * Mental Health Supports and Resources: Funders, programs and communities are encouraged to think differently about mental health resources for children in OST programs and explore opportunities to expand resources more broadly and create new possible partnerships with institutes of higher education. * Alignment with the School Day: State and community leaders should continue to support OST/school day alignment work. "	ARPA-D	$110,878

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Preliminary CCDF COVID Funding Overall Outcomes and Spending SFY2020 - SFY2025 *(Continued)*					
Project Name	**Start Date**	**End Date**	**Impact and Outcomes**	**Funding Source(s)**	**Expenditures**
Child Care for DWS Training Customers	2/2023	9/2024	A total of 10 (unduplicated) families received child care assistance in order to complete training or educational activities leading to greater self-suffiency.	ARPA-D	$141,912
Employer Child Care Start-Up Grants	11/2022	9/2024	Outreach for this program has included hosting monthly town halls, vendor booths at conferences, business networking events, meeting with potential businesses as well as potential current and new child care providers. Twenty-six programs received grant funding: 20 centers and 6 family child care programs. Each program has a minimum three year contract with a local business to provide child care benefits to employees, such as priority enrollment. Twenty-three are new programs and three programs expanded their capacity for a total increase of 1,488 child care slots.	ARPA-D	$2,343,129
Child Care Stabilization Grant	1/2022	9/2024	Across both the Child Care Stabilization Grant and Stabilization Grant Expansion, 1041 child care programs received at least one monthly payment. Of those programs, 448 were center-based programs and 593 were home-based programs.The median total grant amount for center-based programs was $651,400, while the median total grant amount for home-based programs was $124,032 during the time period.	ARPA-S and ARPA-D	$384,763,265
Child Care Stabilization Grant Expansion	5/2022	9/2024	Across both the Child Care Stabilization Grant and Stabilization Grant Expansion, 1041 child care programs received at least one monthly payment. Of those programs, 448 were center-based programs and 593 were home-based programs.The median total grant amount for center-based programs was $651,400, while the median total grant amount for home-based programs was $124,032 during the time period.	CRRSA and ARPA-D	$49,334,403
Developmental Screening Project	7/2021	9/2024	"17,342 ASQ screenings were completed across the Office of Child Care, Department of Health and Human Services, Help Me Grow and the Utah Head Start Association. Help Me Grow held 789 outreach events where families could participate in on-site screenings and referred 1,434 families to possible services for their child. 179 individuals were trained in administering the ASQ screenings. 255 ASQ screening kits were provided in English or Spanish to child care providers. DHHS has continued to work to integrate developmental screening data into ECIDS and the CHARM system for better statewide coordination. UDRC has received developmental screening data into their longitudinal data system to conduct research to inform policy decisions and improve school readiness outcomes with an expected completion date in FY25."	ARPA-D	$1,859,821
The Children's Center Therapeutic Preschool	1/2022	9/2024	In total, 364 children received services at least once. On average, children received services for 9-12 months. Based on the Devereux Early Childhood Assessment (DECA) standardized scores, 82.99% of children showed progress in attachment/relationships; 83.67% showed progress in initiative; 69.73% showed progress in self-regulation; 83.33% showed progress in total protective factors; 48.70% showed progress in behavioral concerns.	ARPA-D	$2,785,692

Source: Department of Workforce Services, Office of Child Care, Preliminary estimates, November 2024.
Note: Spending reflects supplement federal funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 27, 2020 (P.L. 116-136); the FY2021 Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, December 27, 2020 (P.L. 116-260); and the American Rescue Plan Act (ARPA), March 11, 2021 (P.L. 117-2). ARPA D = ARPA CCDF Discretionary Funding; ARPA S = ARPA CCDF Stabilization Funding

Endnotes

1 Women in the Economy Subcommittee. In the Utah 2022 General Legislative Session, the Women in the Economy Commission became a subcommittee of the Unified Economy Opportunity Commission (UEOC).

2 Appropriations: SB0003 - Item: 333, Childcare Solutions & Workforce Productivity Plan, 2023

3 Ibid.

4 Utah Unified Economic Opportunity Commission

5 U.S. Census Bureau, Table S2301 Employment Status, 2023 American Community Survey, 1-Year Estimates.

6 The Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 27, 2020 (P.L. 116-136); The FY2021 Coronavirus Response & Relief Supplemental Appropriations (CRRSA) Act, December 27, 2020 (P.L. 116-260); and the American Rescue Plan Act (ARPA), March 11, 2021 (P.L. 117-2).

7 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, American Rescue Plan Supplemental CCDBG Discretionary Fund Guidance, CCDF-ACF-IM-2021-03 (June 11, 2021)

8 U.S. Census Bureau, Table DP02 Selected Social Characteristics in the United States, 2023 American Community Survey, 1-Year Estimates.

9 Ibid.

10 U.S. Census Bureau, Table B09001 Population Under 18 Years by Age, 2023 American Community Survey, 1-Year Estimates.

11 Work/Life Balance Preferences: Utah Parents, Kem C. Gardner Policy Institute, University of Utah, 2022.

12 Ibid.

13 Ibid.

14 Ibid.

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