Promising Child Care Bill Faces Roadblock in Agency Implementation

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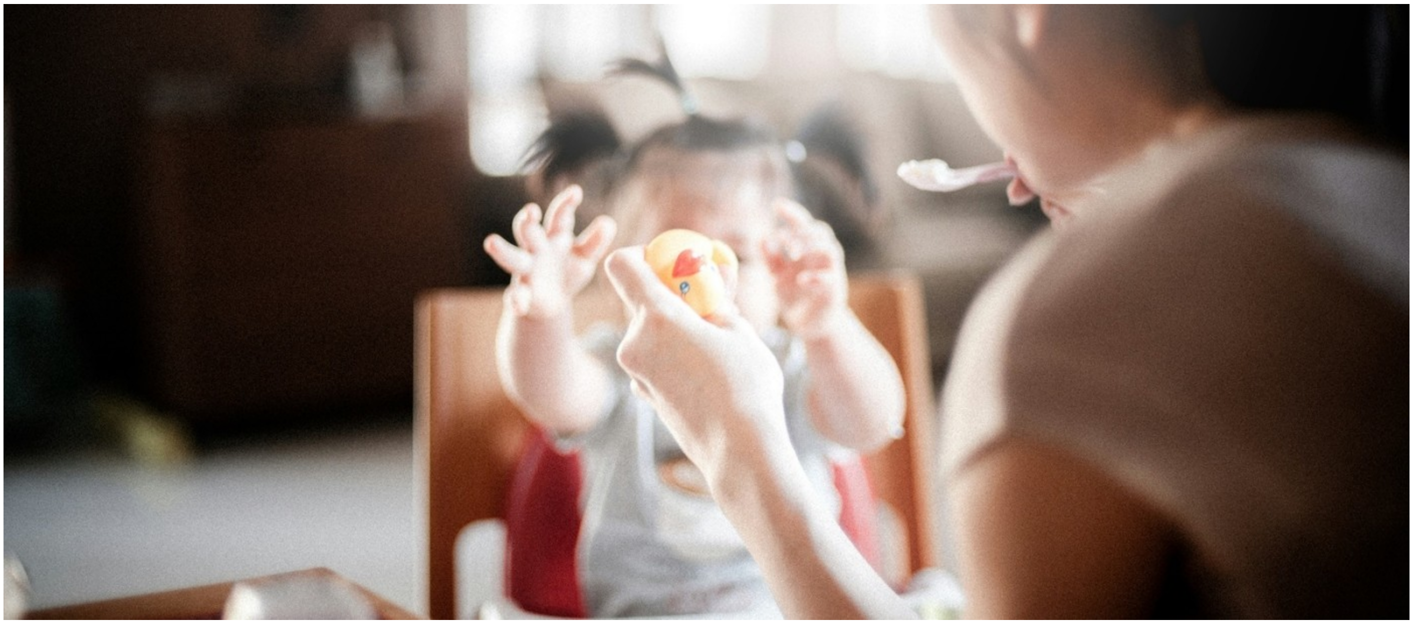

Our childcare system has been in crisis for years. Families can't afford to pay, and costs keep climbing. Childcare providers struggle to make a living, with only their passion for kids to keep them going.

So, what is the state government going to do about it? **Maybe nothing, it turns out.**

In early 2024, the Utah legislature passed a law inspired by a clever model from Kentucky to bring more childcare professionals back into the field. The "Kentucky Model" supports childcare workers by covering their childcare costs even if their income is above typical thresholds. Multiple states have followed Kentucky's lead and implemented this approach.

HB461 "Child Care Grant Amendments," sponsored by Rep. Ashlee Matthews (D-Kearns), was the only proactive, positive step Utah's legislature took this year to address the child care crisis. The law went into effect on May 1, *technically.*

However, the state's Office of Child Care (OCC) has no plan or timeline for implementing Utah's "Kentucky Model" policy. Leaders within OCC and the Department of Workforce Services (DWS) say that the legislation's language

—"subject to available federal funds"— allows them to decide whether the "Kentucky Model" will ever be put into practice. [In a story about the policy aired on June 27], DWS Deputy Director Rebecca Banner told Ben Winslow of FOX13 News that the Child Care Development Fund (CCDF) money Utah receives from the federal government is "already spoken for." "[HB461 implementation] was contingent on being allowed by our federal rules and regulations and also by funding availability. We spent time over the last couple of months looking to see if we could implement this program, and we did not receive any additional funding."

The new program was not included in the Fiscal Year 2025 (FY25) Budget that OCC presented to the Office of Child Care Advisory Committee on May 8, one week after the law was meant to go into effect. The policy was also not included in Utah's draft CCDF State Plan, which sets plans for child care subsidies in the years ahead. These omissions suggest that OCC does not intend to implement the program, regardless of the statutory direction to do so.

When HB461 went before the House Business and Labor Committee, legislators balked at spending any state funds on the program, though the estimated cost of a fully implemented Kentucky Model policy was only $2.5 million. That's less than 2% of OCC's projected $130.5 million subsidy budget for FY25.

After confirming that federal guidelines permit such use of subsidy funding, Rep. Norm Thurston (R-Provo) added language indicating the program should be implemented with federal dollars if that funding is available and the program is approved by federal administrators. With this understanding that federal, not state, funding would be used to implement Utah's "Kentucky Model," the bill passed through the committee and legislature with overwhelming support and was signed by Governor Cox in March.

Despite strong legislation support and an increase in federal subsidy funding of over $9 million for FY25, Utah's OCC told advocates in May that they may choose not to follow the state law at all, prioritizing other expenses instead of workforce recruitment and retention.

This workforce-oriented, high-return strategy was conceived in another "red" state, making it a solid choice for state government in addressing Utah's childcare crisis. For every childcare worker who is able to work in the field due to this policy, between four and eight childcare spots become available to other Utah families. There is a clear and substantial return on investment when states use the "Kentucky Model.".

Many childcare programs in Utah are operating below capacity due to staffing issues. A center licensed for 80 children may be able to care for only 50 due to vacant staff positions. A paid childcare benefit to attract new workers could help that center reach full capacity, supporting more Utah families.

In Kentucky, where this innovative "child care support for child care workers" approach was initially born, it was the state's Office of Child Care that conceived and initiated the idea. In Utah, though, elected officials and childcare advocates will need to do a lot of extra work to get our own Office of Child Care to follow the law.