



Utah Childcare Solutions and Workplace Productivity Plan

Child Care Affordability & Accessibility Overview

In Brief.

The price of child care is a struggle for many families statewide.

High-Level Findings

- Center-based care for one infant is 14.9% of state median income for a three-person family; 13.2% for a four-person family
- Center-based care for two children (an infant and a preschooler) is 25.9% of state median income for a three-person family; 22.8% for a 4-person family
- Many focus group families said they didn't know about the state child care subsidy program
- Head Start has long waiting lists

This brief provides a summary of the recommendations contained in the **Child Care Affordability & Accessibility** section of the 2024 [Utah Child Care Solutions and Workplace Productivity Report](#).

Recommendations for consideration have been grouped by no cost/low cost, modest cost, or significant investment.

No Cost/Low Cost Recommendations

- **Affordable Housing & Access to Child Care Programs.** The federal low income housing tax credit ([LIHTC, Section 42 of the Internal Revenue Code](#)) offers an incentive for multi-family housing projects. Tax credits are awarded by the Utah Housing Corporation governed by a Qualified Allocation Plan (QAP). Utah also has a [state LIHTC](#) governed by the rules of the QAP.

Recommendation. The state could consider awarding more points to an application that co-locates multi-family housing and child care programs. A workgroup could review additional potential incentives such as contracting with an experienced Community Development Financial Institution (CDFI) to quarterback multiple funding sources to leverage public, private and philanthropic funds to integrate affordable housing development and child care projects. A CDFI or other similar intermediary could also help create and maintain a pipeline of developers and child care providers seeking partners for shovel-ready projects.

- **Child Care Subsidy Program Campaign.** Many focus group families were not aware of the state child care subsidy program. Some parents thought that the subsidy program was restricted to families living in poverty.

Recommendation. The Department of Workforce Services has been waging a public campaign about the availability of child care assistance. Additional efforts could be considered.

- **Child Care Assistance for Refugees.** Refugees can receive child care subsidy assistance. However, if they work full-time and also want to take job training courses (or English as a second language), 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.

- **Military and Tribal Family Assistance.** 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 qualified child care programs in the community. With the exception of the Piute tribe, tribal child care directors did not respond to requests to meet as part of the Child Care Solutions project.

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

Modest Cost Recommendations

- **Child Care Cost Modeling.** The Department of Workforce Services has undertaken child care cost model exercises several times (in 2023 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, the subsidy paid for families with young children does not cover the cost of care.

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.

Significant Investment Recommendations

- **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). Some localities (such as Park City and Summit County) use state or local dollars to support working parents whose income exceeds 85% SMI up to 100%.

Recommendation. The state legislature could consider appropriating state dollars to support families above 85% SMI.

- **Child Care Subsidy Rates.** Currently, child care subsidy rates paid to providers to care for children are calculated at about the 60th percentile (50th percentile for school-age children). Subsidy rates affect provider willingness to enroll children whose care is paid for with a subsidy and overall operations (such as staff pay).

Recommendation. The state may want to consider increasing subsidy rates to the 75th percentile.

For more information contact:

Abby Hunsaker
Program Manager
ahunsaker@utah.gov
(385) 867-4627

Ashleigh Jensen
Program Specialist
ashleighjensen@utah.gov
(385) 515-0084



**Governor's Office of
Economic Opportunity**



**Unified Economic
Opportunity Commission**