

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Child Care Services Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Luz Escamilla
House Sponsor: Karianne Lisonbee

LONG TITLE

General Description:

This bill enacts the Child Care Capacity Expansion Act.

Highlighted Provisions:

This bill:

- defines terms;
- creates the Child Care Capacity Expansion Act (act);
- describes the purpose of the act;
- directs certain state departments to collaborate on implementing the act;
- provides for certain limitations on liability from operations of an expanded child care facility; and
- requires an annual report to certain legislative committees.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

- 63N-22-101**, Utah Code Annotated 1953
- 63N-22-102**, Utah Code Annotated 1953
- 63N-22-103**, Utah Code Annotated 1953
- 63N-22-104**, Utah Code Annotated 1953
- 63N-22-105**, Utah Code Annotated 1953
- 63N-22-106**, Utah Code Annotated 1953
- 63N-22-107**, Utah Code Annotated 1953
- 63N-22-201**, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

31 Section 1. Section **63N-22-101** is enacted to read:

32 **CHAPTER 22. CHILD CARE CAPACITY EXPANSION ACT**

33 **Part 1. Employer-based, State-assisted Child Care Capacity Expansion Program**

34 **63N-22-101 . Definitions.**

35 As used in this chapter:

- 36 (1) "Capacity limit" means the same as that term is defined in Section 26B-2-401.
- 37 (2) "Center based child care" means the same as that term is defined in Section 26B-2-401.
- 38 (3) "Child care" means the same as that term is defined in Section 26B-2-401.
- 39 (4) "Child care program" means the same as that term is defined in Section 26B-2-401.
- 40 (5) "Community member" means an individual who:
- 41 (a) resides no more than 30 miles from an expanded child care opportunity facility;
- 42 (b) works at a location no more than 15 miles from an expanded child care opportunity
- 43 facility;
- 44 (c) is a state employee;
- 45 (d) is a member of the National Guard; or
- 46 (e) is a member of the armed forces as defined in Section 68-3-12.5.
- 47 (6) "Economically disadvantaged" means a child who is:
- 48 (a) experiencing intergenerational poverty;
- 49 (b) a member or foster child of a family with an annual income at or below 200% of the
- 50 federal poverty level; or
- 51 (c) living with a legal custodian or legal guardian who can attest that the child or the
- 52 child's household is receiving services benefiting low-income households or
- 53 individuals.
- 54 (7) "Employer cooperative" means three or more private employers who have entered into a
- 55 formal agreement to share resources.
- 56 (8) "Employer sponsor" means a private, for-profit entity that leases an expanded child care
- 57 capacity facility from the state at no cost.
- 58 (9) "Expanded child care opportunity facility" means a building:
- 59 (a) that is state-owned;
- 60 (b) that has been retrofitted to meet the licensing requirements for child care established
- 61 by the Department of Health and Human Services; and
- 62 (c) in which one or more licensed providers may operate a private child care business
- 63 pursuant to a contract with an employer sponsor.

64 (10) "Licensed child care provider" means a person who holds a license from the
 65 Department of Health and Human Services to provide center based child care, whether
 66 in a for-profit or non-profit model.

67 (11) "Program" means the employer-based, state-assisted child care capacity expansion
 68 program described in Section 63N-22-102.

69 (12) "Young child" means a child six years old or younger.

70 Section 3. Section **63N-22-102** is enacted to read:

71 **63N-22-102 . Employer-based, state-assisted child care capacity expansion**
 72 **program created.**

73 (1) This section creates an employer-based, state-assisted child care capacity expansion
 74 program.

75 (2) The goal of the employer-based, state-assisted child care capacity expansion program is
 76 to:

77 (a) expand the state's supply of high quality and affordable child care seats;

78 (b) support employers seeking to secure a reliable workforce;

79 (c) support the economic prospects of parents of young children in the workforce;

80 (d) promote economic growth; and

81 (e) utilize obsolete state property.

82 Section 4. Section **63N-22-103** is enacted to read:

83 **63N-22-103 . Retrofitting state-owned buildings for center based child care.**

84 (1) The Division of Facilities Construction and Management and office shall partner to:

85 (a) identify an obsolete state-owned building suitable for retrofitting as an expanded
 86 child care opportunity facility;

87 (b) once an obsolete state-owned building is identified as suitable, establish a timeline
 88 by which the building may be retrofitted to serve as an expanded child care
 89 opportunity facility;

90 (c) identify state-owned property suitable for a new building to serve as an expanded
 91 child care opportunity facility;

92 (d) once state-owned property is identified as suitable, establish a timeline by which the
 93 expanded child care opportunity facility may be built; and

94 (e) within available funds, ensure the retrofitting process or building process results in
 95 an expanded child care opportunity facility that complies with licensing standards
 96 established by the Department of Health and Human Services.

97 (2) The Division of Facilities Construction and Management shall be responsible for

98 ongoing maintenance of an expanded child care opportunity facility, as more fully
 99 detailed in a lease between the Division of Facilities Construction and Management and
 100 an employer sponsor described in Section 63N-22-104.

101 (3) Once an obsolete state-owned building has been successfully retrofitted to serve as an
 102 expanded child care opportunity facility, or an expanded child care opportunity facility
 103 has been built on state-owned property, the Department of Health and Human Services
 104 shall work with the Division of Facilities Construction and Management and the office
 105 to determine:

106 (a) the expanded child care opportunity expansion facility's maximum capacity limit; and
 107 (b) if the expanded child care opportunity expansion facility is appropriate to house
 108 more than one licensed child care program.

108a **(4)(a) ⚡→ Upon identifying a property described in Subsections (1)(a) through**
 108b **(c), the Division of Facilities Construction and Management shall conduct a study of**
 108c **potential market impacts of an expanded child care opportunity facility on private**
 108d **child care centers in the surrounding area.** ←⚡

108e **(b) ⚡→ The Division of Facilities and Construction Management and the office shall take**
 108f **into consideration the impact study described in Subsection (4)(a) before retrofitting**
 108g **or building an expanded child care facility described under this part.** ←⚡

109 Section 5. Section 63N-22-104 is enacted to read:

110 **63N-22-104 . Leasing expanded child care opportunity facilities.**

111 (1) The office shall:

112 (a) identify a potential employer sponsor to lease an expanded child care opportunity
 113 facility; and
 114 (b) recommend the Division of Facilities Construction and Management seek to enter
 115 into a lease with a potential employer sponsor at an expanded child care opportunity
 116 facility.

117 (2) If the office identifies more potential employer sponsors than there are available leasing
 118 opportunities, the office shall prioritize recommendations that the Division of Facilities
 119 Construction and Management enter into leases with employer sponsors:

120 (a)(i) that self-report having 50 or more employees;
 121 (ii) that self-report being part of an employer cooperative agreement with a minimum
 122 of 50 employees collectively; or
 123 (iii) that self-report having 25% or more of the employer sponsor's workforce made
 124 up of parents of young children; and

- 125 (b) with a proposal to reduce the cost of child care tuition to employer employees and
 126 community members.
- 127 (3) The Division of Facilities Construction and Management may enter into a no-cost lease
 128 with an employer sponsor as described in this section.
- 129 (4) A lease authorized by this section shall, at a minimum, require:
- 130 (a) the employer sponsor to utilize the leased space only for child care purposes;
- 131 (b) the employer sponsor to contract with a licensed provider to operate the center based
 132 child care at the leased space, as described in Section 63N-22-105;
- 133 (c) the employer sponsor to contract with a licensed provider:
- 134 (i) doing business solely in Utah; or
- 135 (ii) primarily doing business in Utah;
- 136 (d) the employer sponsor to maintain general liability and workers compensation
 137 insurance in minimum amounts established by the Division of ~~Facilities~~
 138 ~~Construction~~ ~~and Management~~ Risk Management by rule;
- 139 (e) the employer sponsor to require a contracted licensed provider to maintain general
 140 liability and workers' compensation ~~insurance~~ in minimum amounts established by
 140a the Division
 141 of ~~Facilities Construction and Management~~ Risk Management by rule;
- 142 (f) that the employer sponsor reserve no more than 60% of capacity limit of the leased
 143 space for the children of employer sponsor employees and no less than 40% of
 144 capacity limit of the leased space for the children of community members;
- 145 (g) automatic relinquishment of the leased space in the event the employer sponsor fails
 146 to maintain a licensed provider operating in the leased space, as described in Section
 147 63N-22-105, for a time period of more than 90 consecutive calendar days; and
- 148 (h) a provision to ensure that the cost savings incurred by the no-cost lease and the
 149 Division of Facilities Construction and Management maintaining the leased property:
- 150 (i) result in reduced tuition for employer sponsor employees and community
 151 members at the center based child care in the leased space; and
- 152 (ii) facilitate in whole or in part, over time, the implementation of a sliding fee scale
 153 proposed by the office, as described in Subsection 63N-22-201(2).
- 154 (5) The Division of Facilities Construction and Management and the office shall make
 155 rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to
 156 implement the provisions of this section.

157 Section 6. Section **63N-22-105** is enacted to read:

158 **63N-22-105 . Contracts with licensed providers -- Expectations of licensed**
159 **providers.**

160 (1) No later than 60 days after the day on which a lease between an employer sponsor and
161 the Division of Facilities Construction and Management takes effect, the employer
162 sponsor shall enter into a contract with a licensed provider for the licensed provider to
163 operate a center based child care facility in the leased space.

164 (2)(a) The Division of Facilities Construction and Management, in consultation with the
165 office, shall establish a contract template to be used between an employer sponsor
166 and licensed provider.

167 (b) The employer sponsor and licensed provider may modify the template described in
168 Subsection (2)(a) to meet specific needs, subject to the requirements of this section.

169 (3) The contract between the employer sponsor and licensed provider shall establish, at a
170 minimum:

171 (a) the amount of tuition reduction guaranteed by the employer sponsor as described in
172 Subsection 63N-22-104(4)(g), broken down by age of child receiving care;

173 (b) the number of overall spots set aside for employer sponsor employees;

174 (c) the expected hours of operation of the licensed provider;

175 (d) the insurance amounts that the licensed provider is required to maintain while
176 conducting business in accordance with the contract;

177 (e) that the state is providing the space and related utility costs at the expanded child
178 care opportunity facility free-of-charge to the employer sponsor, and that the
179 employer sponsor may not pass along any facility costs, whether rent or cost of
180 utilities, to the licensed provider;

181 (f) that a licensed provider at an expanded child care opportunity facility shall:

182 (i) no later than one year after the date the contract described in this section is
183 effective, earn a certified quality rating of "Building Quality," "High Quality," or
184 "High Quality Plus" in the Child Care Quality System from the Department of
185 Workforce Services, as described by Department of Workforce Services rule, and
186 thereafter maintain that rating or better;

187 (ii) accept community member families who receive child care subsidy from the
188 Department of Workforce Services, if space is available; and

189 (iii) maintain at least one infant room and one toddler room at the expanded child
190 care opportunity facility; and

191 (g) that in the event the licensed provider's license is suspended or revoked by the
 192 Department of Health and Human Services, the contract shall be immediately
 193 terminated.

194 (4) The contracted licensed provider shall be responsible for collecting tuition, complying
 195 with licensing requirements, managing and compensating the licensed provider's
 196 employees, managing any potential waitlist of families hoping to secure a spot at the
 197 program, and all other child care provider business activities.

198 (5) In addition to the tuition reduction described in Subsection (3)(a), a contracted licensed
 199 provider may not charge an employer sponsor employee or community member tuition
 200 in excess of what the licensed provider charges at other child care programs that the
 201 licensed provider operates within a 50 mile radius of the expanded child care
 202 opportunity facility.

203 Section 7. Section **63N-22-106** is enacted to read:

204 **63N-22-106 . Promotion of the employer-based, state-assisted child care capacity**
 205 **expansion program.**

206 (1) The office shall promote the program created in this chapter to the business community.

207 (2) The Department of Workforce Services shall promote the program created in this
 208 chapter to licensed child care providers, with particular outreach to licensed child care
 209 providers that have been rated "Building Quality," "High Quality," or "High Quality
 210 Plus" in the Child Care Quality System by the Department of Workforce Services.

211 (3) Beginning January 1, 2026, the Department of Workforce Services shall provide a list
 212 of high quality center based child care providers in the geographic region of an
 213 expanded child care opportunity facility to the Division of Facilities Construction and
 214 Management on a quarterly basis.

215 (4) The Division of Facilities Construction and Management shall provide the list described
 216 in Subsection (3) upon request to an employer sponsor seeking a licensed provider with
 217 whom the employer sponsor may contract, as described in Section 63N-22-105.

218 Section 8. Section **63N-22-107** is enacted to read:

219 **63N-22-107 . Limitation on liability.**

220 (1) Nothing in this chapter creates an employer-employee relationship between the state or
 221 any department of the state and an employer sponsor or a licensed provider.

222 (2) The state is not liable for any civil damages for acts or omissions resulting from the
 223 operations of an expanded child care opportunity facility.

224 Section 9. Section **63N-22-201** is enacted to read:

225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256

Part 2. Reporting

63N-22-201 . Reporting requirement.

- (1) The office shall provide, by October 1 of each year, a report to the Economic Development and Workforce Services Interim Committee, the Health and Human Services Interim Committee, and the Government Operations Interim Committee on the following:
 - (a) the progress and status of identifying obsolete state buildings for potential retrofitting;
 - (b) the progress and status of retrofitting state buildings into expanded child care opportunity facilities;
 - (c) the number of leases with employer sponsors;
 - (d) the number of children and families served at expanded child care opportunity facilities;
 - (e) the number of child care spots created by the program established in this chapter;
 - (f) the demand in the business community to participate in the program;
 - (g) the demand by political subdivisions, if any, to participate in the program or create a similar program;
 - (h) the projected economic growth created by the program; and
 - (i) the program's progress at achieving the goals described in Section 63N-22-102.
- (2) In addition to the report described in Subsection (1), beginning January 1, 2026, the office shall report on:
 - (a) a proposed plan to implement a sliding fee scale to allow economically disadvantaged children living with community member families to secure child care through the program while ensuring the continued economic viability of contracted licensed providers; and
 - (b) any recommended funding mechanisms to implement the sliding fee scale described in Subsection (2)(a).
- (3) The Division of Facilities Construction and Management, Department of Workforce Services, and Department of Health and Human Services shall assist the office in the creation of the reports described in Subsections (1) and (2).

Section 2. Effective date.

This bill takes effect on May 7, 2025.