

**Child Care Modifications**  
**2025 GENERAL SESSION**  
**STATE OF UTAH**  
**Chief Sponsor: Ashlee Matthews**  
**Senate Sponsor: Luz Escamilla**

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to child care.

**Highlighted Provisions:**

This bill:

- requires the Office of Child Care (office) to prepare and present an annual report on the development and implementation of child care subsidies to certain legislative

committees;

- provides that the Office of the Legislative Auditor General shall conduct an audit of the office for certain purposes; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates \$9,000,000 in operating and capital budgets for fiscal year 2026, all of which is from the General Fund.

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**35A-3-209**, as last amended by Laws of Utah 2024, Chapter 308

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

Section 1. Section **35A-3-209** is amended to read:

**35A-3-209 . Award of child care subsidy services.**

(1) As used in this section, "child care provider" means an entity that holds a license or certificate from the Department of Health and Human Services in accordance with Title 26B, Chapter 2, Part 4, Child Care Licensing.

~~[(2)(a) On or before June 30, 2023, the office shall award a full child care subsidy or grant for an income-eligible child.]~~

31 ~~[(b) The office shall make the award described in Subsection (2)(a):]~~  
 32 ~~[(i) in accordance with applicable federal law and regulation; and]~~  
 33 ~~[(ii) subject to available funds.]~~  
 34 ~~[(3)]~~ (2)(a) ~~[Beginning on July 1, 2023 and subject to Subsection (3)(b)]~~ Subject to  
 35 Subsection (2)(b), the office may award:  
 36 (i) a full child care subsidy or grant for:  
 37 (A) an income-eligible child whose family income is equal to or below 75% of  
 38 state median income; or  
 39 (B) a child who has at least one parent or legal guardian working as a full-time  
 40 employee of a child care provider; and  
 41 (ii) a progressively lower child care subsidy or grant for each tenth of a percentage  
 42 point by which the income-eligible child's family income exceeds 75% of state  
 43 median income up to 85% of state median income.  
 44 (b) The office shall make the award described in Subsection ~~[(3)(a)]~~ (2)(a):  
 45 (i) in accordance with applicable ~~[federal law and regulation]~~ state and federal laws;  
 46 and  
 47 (ii) subject to available state or federal funds.  
 48 (3) On or before November 1 of each year, the office shall prepare and present an annual  
 49 report on the development and implementation of this section to:  
 50 (a) the Economic Development and Workforce Services Interim Committee; and  
 51 (b) the Office of Child Care Advisory Committee as described in Section 35A-3-205.  
 52 (4)(a) Subject to prioritization by the Legislative Audit Subcommittee, the Office of the  
 53 Legislative Auditor General, shall, in any fiscal year, conduct an audit of the office's:  
 54 (i) financial operations;  
 55 (ii) compliance with this section; and  
 56 (iii) general performance.  
 57 (b) The Office of the Legislative Auditor General shall prepare and submit a written  
 58 report for an audit described in this section in accordance with Section 36-12-15.  
 59 ~~[(4)(a) On or before June 30, 2023, and subject to Subsection (4)(b), the office shall~~  
 60 ~~determine the amount of a child care subsidy or grant based on the income-eligible~~  
 61 ~~child's enrollment in child care.]~~  
 62 ~~[(b) To qualify for a child care subsidy or grant under Subsection (4)(a), an~~  
 63 ~~income-eligible child shall be enrolled in child care for a minimum of eight hours per~~  
 64 ~~month.]~~

65 ~~[(e)]~~ (5)(a) ~~[On or after July 1, 2023, and subject]~~ Subject to Subsection ~~[(4)(d),]~~ (5)(b),  
 66 the office shall determine the amount of a child care subsidy or grant based on the  
 67 income-eligible child's attendance in child care.

68 ~~[(d)]~~ (b) To qualify for a child care subsidy or grant under Subsection ~~[(4)(e),]~~ (5)(a), an  
 69 income-eligible child shall attend child care for a minimum of eight hours per month.

70 **Section 2. FY 2026 Appropriation.**

71 The following sums of money are appropriated for the fiscal year beginning July 1,  
 72 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for  
 73 fiscal year 2026.

74 Subsection 2(a). **Operating and Capital Budgets**

75 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
 76 Legislature appropriates the following sums of money from the funds or accounts indicated for  
 77 the use and support of the government of the state of Utah.

78 ITEM 1 To Department of Workforce Services - Operations and Policy

79 From General Fund, One-time 9,000,000

80 Schedule of Programs:

81 Child Care Assistance 9,000,000

82 The Legislature intends that the \$9,000,000  
 83 provided in the Department of Workforce Services -  
 84 Operation and Policy Line item for the Child Care  
 85 Assistance Program from the General Fund be spent by  
 86 the Office of Child Care Advisory Committee over the  
 87 following years in the following amounts: FY 2026 -  
 88 \$3,000,000; FY 2027 - \$3,000,000; and FY 2028 -  
 89 \$3,000,000.

90 **Section 3. Effective Date.**

91 This bill takes effect on July 1, 2025.