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

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**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

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*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 2. 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 3. 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.

109 Section 4. 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 Construction
- 138 and Management by rule;
- 139 (e) the employer sponsor to require a contracted licensed provider to maintain general
- 140 liability and workers' compensation in minimum amounts established by the Division
- 141 of Facilities Construction and 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 5. 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 6. 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 7. 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 8. Section **63N-22-201** is enacted to read:

225 **Part 2. Reporting**

226 **63N-22-201 . Reporting requirement.**

227 (1) The office shall provide, by October 1 of each year, a report to the Economic  
 228 Development and Workforce Services Interim Committee, the Health and Human  
 229 Services Interim Committee, and the Government Operations Interim Committee on the  
 230 following:

231 (a) the progress and status of identifying obsolete state buildings for potential  
 232 retrofitting;

233 (b) the progress and status of retrofitting state buildings into expanded child care

- 234 opportunity facilities;
- 235 (c) the number of leases with employer sponsors;
- 236 (d) the number of children and families served at expanded child care opportunity
- 237 facilities;
- 238 (e) the number of child care spots created by the program established in this chapter;
- 239 (f) the demand in the business community to participate in the program;
- 240 (g) the demand by political subdivisions, if any, to participate in the program or create a
- 241 similar program;
- 242 (h) the projected economic growth created by the program; and
- 243 (i) the program's progress at achieving the goals described in Section 63N-22-102.
- 244 (2) In addition to the report described in Subsection (1), beginning January 1, 2026, the
- 245 office shall report on:
- 246 (a) a proposed plan to implement a sliding fee scale to allow economically
- 247 disadvantaged children living with community member families to secure child care
- 248 through the program while ensuring the continued economic viability of contracted
- 249 licensed providers; and
- 250 (b) any recommended funding mechanisms to implement the sliding fee scale described
- 251 in Subsection (2)(a).
- 252 (3) The Division of Facilities Construction and Management, Department of Workforce
- 253 Services, and Department of Health and Human Services shall assist the office in the
- 254 creation of the reports described in Subsections (1) and (2).
- 255 **Section 9. Effective date.**
- 256 This bill takes effect on May 7, 2025.