

1 **Child Care Pilot Program Amendments**  
 2026 GENERAL SESSION  
 STATE OF UTAH  
**Chief Sponsor: Ashlee Matthews**  
 Senate Sponsor:

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 3 **LONG TITLE**

4 **General Description:**

5 This bill creates the Child Care Employee Subsidy Pilot Program.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms;
- 9 ▶ creates the Child Care Employee Subsidy Pilot Program within the Office of Child Care;
- 10 ▶ creates the Child Care Center Employee Subsidy Restricted Account;
- 11 ▶ makes technical and conforming changes; and
- 12 ▶ provides intent language that provides for funds appropriated to the Child Care Center

13 Employee Subsidy Restricted Account be nonlapsing.

14 **Money Appropriated in this Bill:**

15 This bill appropriates \$3,000,000 in operating and capital budgets for fiscal year 2027,  
 16 all of which is from the various sources as detailed in this bill.

17 This bill appropriates \$3,000,000 in restricted fund and account transfers for fiscal year 2027,  
 18 all of which is from the General Fund.

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **35A-3-209**, as last amended by Laws of Utah 2024, Chapter 308

24 ENACTS:

25 **35A-3-211**, Utah Code Annotated 1953

26 **35A-3-211.1**, Utah Code Annotated 1953

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

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

30 **35A-3-209 . Award of child care subsidy services.**

- 31 (1) As used in this section, "child care provider" means an entity that holds a license or  
32 certificate from the Department of Health and Human Services in accordance with Title  
33 26B, Chapter 2, Part 4, Child Care Licensing.
- 34 (2)(a) On or before June 30, 2023, the office shall award a full child care subsidy or  
35 grant for an income-eligible child.
- 36 (b) The office shall make the award described in Subsection (2)(a):  
37 (i) in accordance with applicable federal law~~[-and regulation];~~ and  
38 (ii) subject to available funds.
- 39 (3)(a) Beginning on July 1, 2023, and subject to Subsection (3)(b), the office may award:  
40 ~~[(i) a full child care subsidy or grant for:]~~  
41 ~~[(A) an income-eligible child whose family income is equal to or below 75% of~~  
42 ~~state median income; or]~~  
43 ~~[(B) a child who has at least one parent or legal guardian working as a full-time~~  
44 ~~employee of a child care provider; and]~~  
45 [(ii) (i) a full child care subsidy or grant for an income-eligible child whose family  
46 income is equal to or less than 75% of state median income; or  
47 (ii) a progressively lower child care subsidy or grant for each tenth of a percentage  
48 point by which the income-eligible child's family income exceeds 75% of state  
49 median income up to 85% of state median income.
- 50 (b) The office shall make the award described in Subsection (3)(a):  
51 (i) in accordance with applicable federal law and regulation; and  
52 (ii) subject to available federal funds.
- 53 (4)(a) On or before June 30, 2023, and subject to Subsection (4)(b), the office shall  
54 determine the amount of a child care subsidy or grant based on the income-eligible  
55 child's enrollment in child care.
- 56 (b) To qualify for a child care subsidy or grant under Subsection (4)(a), an  
57 income-eligible child shall be enrolled in child care for a minimum of eight hours per  
58 month.
- 59 (c) On or after July 1, 2023, and subject to Subsection (4)(d), the office shall determine  
60 the amount of a child care subsidy or grant based on the income-eligible child's  
61 attendance in child care.
- 62 (d) To qualify for a child care subsidy or grant under Subsection (4)(c), an  
63 income-eligible child shall attend child care for a minimum of eight hours per month.
- 64 Section 2. Section **35A-3-211** is enacted to read:

65 **35A-3-211 . Child Care Center Employee Subsidy Pilot Program.**

66 (1) As used in this section:

67 (a) "Center based child care" means the same as that term is defined in Section  
68 26B-2-401.

69 (b) "Child Care Center Employee Subsidy Pilot Program" means the child care subsidy  
70 program created in Subsection (2).

71 (c) "Eligible employee" means an individual that:

72 (i) works at an eligible employer;

73 (ii) enrolls at least one qualifying child for child care with the eligible employer; and

74 (iii) applies for the child care subsidy in accordance with Section 35A-3-209.

75 (d) "Eligible employer" means a center based child care provider that:

76 (i) holds a license from the Department of Health and Human Services in accordance  
77 with Title 26B, Chapter 2, Part 4, Child Care Licensing;

78 (ii) provides a reduced tuition employee benefit to an eligible employee for a  
79 qualifying child; and

80 (iii) accepts the child care subsidy services for an income-eligible child as described  
81 in Section 35A-3-209.

82 (e) "Qualifying child" means a child of an eligible employee who:

83 (i) is enrolled for child care with an eligible employer;

84 (ii) meets attendance requirements for the child care subsidy services described in  
85 Section 35A-3-209; and

86 (iii) does not meet the income eligibility requirements for an award of child care  
87 subsidy services described in Section 35A-3-209.

88 (f) "Reduced tuition employee benefit" means a child care tuition reduction benefit that  
89 is equal to or more than 50% of an eligible employer's average monthly child care  
90 tuition provided to an eligible employee for each qualifying child.

91 (2) There is created the Child Care Center Employee Subsidy Pilot Program administered  
92 by the office.

93 (3)(a) Beginning on July 1, 2026, and subject to legislative appropriations, the office  
94 may award a child care center employee subsidy under this section to an eligible  
95 employer for each qualifying child.

96 (b) The subsidy award may not exceed 50% of the average cost of monthly child care  
97 tuition, as determined by the office.

98 (c) An eligible employer may not receive a subsidy award for the same child who

99 receives a subsidy award under this section and Section 35A-3-209.

100 (4) The office may make rules in accordance with Title 63G, Chapter 3, Utah  
101 Administrative Rulemaking Act, to implement this section.

102 Section 3. Section **35A-3-211.1** is enacted to read:

103 **35A-3-211.1 . The Child Care Center Employee Subsidy Restricted Account.**

104 (1) As used in this section, "account" means the Child Care Center Employee Subsidy  
105 Restricted Account created under Subsection (2).

106 (2) There is created in the General Fund a restricted account known as the Child Care  
107 Center Employee Subsidy Restricted Account to fund the Child Care Center Employee  
108 Subsidy Pilot Program created in Section 35A-3-211.

109 (3) The account shall consist of:

- 110 (a) gifts, grants, donations, or any other conveyance of money that may be made to the
- 111 fund from private sources;
- 112 (b) additional amounts as appropriated by the Legislature; and
- 113 (c) all income and interest derived from the deposit and investment of money in the
- 114 account.

115 (4) The account shall be administered by the office.

116 (5) The state treasurer shall invest the money in the account according to the procedures  
117 and requirements of Title 51, Chapter 7, State Money Management Act, except that  
118 interest and other earnings derived from the account shall be deposited into the account.

119 (6) The funds in the account shall be nonlapsing.

120 Section 4. **FY 2027 Appropriations.**

121 The following sums of money are appropriated for the fiscal year beginning July 1,  
122 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
123 fiscal year 2027.

124 Subsection 4(a). **Operating and Capital Budgets**

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

128	ITEM 1	To Department of Workforce Services - Operations and Policy	
129		From General Fund Restricted - Child Care Center	
130		Employee Subsidy Restricted Account	3,000,000
131		Schedule of Programs:	
132		Child Care Assistance	3,000,000

133 Subsection 4(b). **Restricted Fund and Account Transfers**

134 The Legislature authorizes the State Division of Finance to transfer the following  
135 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
136 the funds to which the money is transferred must be authorized by an appropriation.

137 ITEM 2 To General Fund Restricted – Child Care Center Employee Subsidy Restricted  
138 Account

139 From General Fund, One-time 3,000,000

140 Schedule of Programs:

141 General Fund Restricted – Child Care Center

142 Employee Subsidy Restricted Account 3,000,000

143 In accordance with Section 63J-1-603 of the  
144 Utah Code, the Legislature intends that up to \$3,000,000  
145 of the one-time general funds provided in Item 2 for the  
146 Child Care Center Employee Subsidy Restricted Account  
147 shall not lapse at the close of fiscal year 2027. The use of  
148 any nonlapsing funds is limited to the child care center  
149 employee subsidy.

150 Section 5. **Effective Date.**

151 This bill takes effect on May 6, 2026.