

# Childcare Stabilization Grants

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## Requester Information

**Legislator: Stoddard, Andrew**

Creation Date: 2024-01-25

Submission Date: 2024-01-25

## Section 1: Request Details

### Description:

Funding will allow for a one-year extension of stabilization grants currently received by hundreds of licensed child care providers in Utah, funded with lapsing federal dollars. These grants have allowed child care programs to remain open across the state, bucking negative national trends, and allowing countless Utahns to contribute to the workforce. Grant program is already designed and has been administered to eligible programs for more than one year. While many aspects of Utah's economy have recovered from pandemic challenges, child care businesses remain in a precarious position, making at least one more full year of these stabilization grants necessary. Without support, programs will close, tuition costs will increase precipitously, and staff turnover will worsen.

### Legislative designee contact information:

- Name: Anna Thomas
- Organization: Voices for Utah Children
- Position: Senior Policy Analyst

## Section 2: Funding Information

### How will the appropriation be used?

	One-time	Ongoing
Personnel Services	2024: \$0.00 2025: \$0.00	\$0.00
In-State Travel	2024: \$0.00 2025: \$0.00	\$0.00
Out-of-state Travel	2024: \$0.00 2025: \$0.00	\$0.00
Supplies and Equipment	2024: \$0.00 2025: \$0.00	\$0.00
Technology Purchases	2024: \$0.00 2025: \$0.00	\$0.00
Infrastructure/Capital Investments	2024: \$0.00 2025: \$0.00	\$0.00
Other Charges/Pass Thru	2024: \$0.00 2025: \$120,000,000.00	\$0.00

**Expenditure Total**

One-time 2024	One-time 2025	Ongoing 2025
\$0.00	\$120,000,000.00	\$0.00

**Funding Sources:**

## General Fund

- Amount Requested 2024 (One-time) \$0.00
- Amount Requested 2025 (One-time) \$120,000,000.00
- Amount Requested 2025 (Ongoing) \$0.00

## Revenue Total

One-time 2024	One-time 2025	Ongoing 2025
\$0.00	\$120,000,000.00	\$0.00

**Should unused funding be returned to the state at the end of the fiscal year?**

Yes

**Is this project scalable if the Legislature does not fund the full requested amount?**

Yes

**A short explanation describing how the project might be scaled**

Stabilization grants are currently calculated by enrollment, covering part of the costs associated with providing care for each child per month (\$350/child/month). This amount constitutes only a portion of the true cost of care. However, if funds are limited, stabilization grants could be calculated at a lower rate per child per month. This could result in some programs raising tuition or lowering wages, though.

**Section 3: Agency Information****Subjects:**

Economy  
Labor and Employment

**Agency:**

600 / Workforce Services

**Type of entity to receive pass-through funding**

- State Government

**Section 4: Performance Outcome Measurement****Who would benefit from this request (who is the target audience)?**

Childcare providers would obviously benefit from this program. But everyone who takes their child to private childcare would also benefit.

**What is this project or program intended to accomplish?**

This program is intended to prevent the catastrophic collapse of Utah's already insufficient stock of available licensed child care to support Utah workforce participation. Child care providers have indicated that lack of ongoing stabilization funding will result in one or more of the following three outcomes: due to persistent market failure, child care programs will close; due to the high cost of care per child incurred by providers, tuition will have to be raised for families already struggling to pay; and employers will have to lower wages from \$15/hr to a pre-pandemic standard of \$10/hr, resulting in staff turnover, program closure and underutilization of licensed child care slots.

**How will the Legislature know whether the project or program achieved its intended purpose?**

If this program is successful, Utah will not experience in 2024 the kind of mass program closures seen in other states earlier in the pandemic. Child care providers will stand a better chance of recruiting and retaining front-line workers in a competitive economic environment, resulting in fewer unoccupied licensed child care spots due to persistent staffing issues. This intervention should prevent the staggering child care tuition increase for most Utah families anticipated by early 2024 without intervention.

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**Section 5: Other Supporting Documents****Intent Language****Previous State Funding**