

# CHILDCARE POLICY RECOMMENDATIONS

Current childcare policy serves some of the most low-income Utahns via federal dollars, though the need for childcare is widespread. States have significant discretion on how they spend federal dollars, giving Utah a lot of options to consider.

Not one of these policy options alone will effectively solve the childcare affordability issue in our state. Ideally, childcare would be a robust mixed-delivery system that prioritizes parent choice regarding whether to rely on care, and if so, what type and setting of care best meets that family's needs. Considering the complexity of childcare issues facing state policymakers, we propose the following recommendations for Utah.

## 1 Expand Support for Childcare Business Owners

- Analyze rate-setting methodology to ensure that providers who care for subsidy-eligible children are being reimbursed with federal dollars at the level it costs them to provide care, rather than current market rate.
- Continue the COVID-19 policy change that allows providers to be reimbursed with federal dollars for every enrolled subsidy-eligible child even if they are occasionally absent; providers incur costs based on anticipated enrollment, not day-to-day attendance.
- Decrease regulatory barriers for home-based/family childcare providers without compromising safety.
- Direct state funding to establish a package of financial supports intended to mitigate market failure conditions.

## 2 Prepare an Education Childcare Workforce

- Establish higher education and certificate standards paired with pay standards. Pay increases should be supported with public investment to avoid further cost burdens on providers and families.
- Establish work environment standards to ensure those caring for Utah's children are safe and supported.
- Partner with institutions of higher learning to establish and strengthen formal career pathways and programs for early childhood educators.
- Invest in pay parity for preschool teachers who have substantially similar education and qualifications as their K-12 public teachers peers. Wage increases should be simultaneously accompanied with increased public investment in preschool or pre-K programs for all families who need or want this option.

## 3 Help Childcare Consumers (Parent, Family, Guardian)

- Create a state-level childcare tax credit or deduction.
- Increase the income eligibility threshold for families to qualify for federal subsidies.
- Allocate state funding to increase outreach and ensure that every low-income family who is eligible for federal financial childcare assistance is aware of the resource.
- Decrease co-payment amounts and include more subsidy families in co-payment exemptions.

## 4 Increase Support for Employers

- Implement tax credits for businesses that offer various types of childcare benefits.
- Implement tax credits for businesses that donate to childcare providers.

## 5 Pass Land Use Policies

- Mandate the inclusion of childcare needs as part of local planning policies.
- Offer incentives to developers to provide space for childcare in residential, office, mixed-use, and commercial projects.

For more detail and background, see the [executive summary](#) or the [full report](#) of the associated white paper titled: "The Complex Childcare Landscape: Public Policy Solutions for Utah."