

Governor Spencer J. Cox
Utah Legislature
350 N. State Street, Suite 200
P.O. Box 142220
Salt Lake City, Utah 84114-2220

November 14, 2024

Re: Critical State Investments \$3,000,000.00 Needed to Ensure Access to High-Quality Child Care

Dear Governor Cox and Utah Legislature,

On behalf of the Child Care Advisory Committee charged to provide “recommendations on how the [Department of Workforce Services’ Office of Child Care] might best respond to child care needs throughout the state” pursuant to [Utah Code 35A-3-205](#), we hereby request significant state investment in our child care industry to support the workforce of today and develop the workforce of tomorrow.

The [mission](#) of the Office of Child Care is “to provide accessible, affordable, and quality child care for Utah children. Quality child care is a key component of Utah’s economy; supporting employment and economic stability for communities and promoting the safety and health of developing children.” Unfortunately, Utah is currently failing at this mission. Utah ranked last and earned an F grade for its work and family practices, in large part because of its low score on the child care index.¹

Investments in early childhood care and education “support children’s healthy development and early learning starting at birth, which cascades into longer-term and broader benefits for them, their communities, and the economy.”² Since high-quality early education supports the growth and development of the child, thereby setting him or her up for future success and wellness, while simultaneously providing parents the option to participate more fully in the workforce, the developmental and economic benefits derived from high-quality early care and education are immense. In order to support families with young children and our economy, Utah must ensure access to high-quality early care and education.

¹ Institute for Women’s Policy Research. (2023b). Utah: Work & Family. Status of Women in the States. <https://statusofwomendata.org/explore-the-data/state-data/utah/#work-family>.

² Economic Report of the President, 125 (March 2023) available at: <https://www.whitehouse.gov/wp-content/uploads/2023/03/ERP-2023.pdf>.

Childcare has always been expensive, but the costs are increasing.

Child-care inflation is rising even as overall inflation is declining

Annual inflation rate

Day care and preschool All items



Source: Bureau of Labor Statistics

ABHA BHATTARAI / THE WASHINGTON POST

“According to Bank of America internal data, the average childcare payment per household has risen over 30% since 2019 with middle- and upper-income families (annual income of \$100k to \$250k) seeing the biggest increase.”³ Utah’s [2024 Child Care Market Rate Study](#) similarly found a significant increase in market rates that still do not cover the costs to provide high-quality care and found that “the role of subsidies, grants, and donations is critical to sustaining markets.” The State of Utah plays a key role in this dynamic and many states⁴ are increasing their investments in early care and education as federal dollars decrease.

The federal benchmark⁵ for adequate payment rates of the child care subsidy program is the 75th percentile⁶ of the most recent market-rate study. In our prior [state plan](#), Utah paid at the 90th percentile for infant and toddler care, and the 80th percentile for preschool and school-aged care. The most recent [state plan](#), however, reduced the payment rates for child care subsidies to the

³ Bank of America Institute, *Rising Childcare Costs Starting to Bite*, (October 27, 2023), available at: [Rising childcare costs starting to bite \(bankofamerica.com\)](#).

⁴ Several states are investing in their early care and education system including: Massachusetts (\$475 million), Illinois (\$130 million), Minnesota (\$316 million), New Hampshire (\$15 million), New Jersey (\$112 million), New York (\$500 million), Washington (\$256 million), Kentucky (\$50 million), California (\$600 million).

⁵ 81 Federal Register at 67512.

⁶ This is the price at or below which 75 percent of child care providers reported charging for services-it is not an average of the reported charges.

60th percentile for children ages 0-5 and the 50th percentile for school-aged children. This is not sustainable and will further decrease access to high-quality child care for Utah's children.

According to [KPMG](#), "lack of access to childcare results in millions of lost work hours, which have downstream effects on productivity." This issue disproportionately affects women.

Chart 1

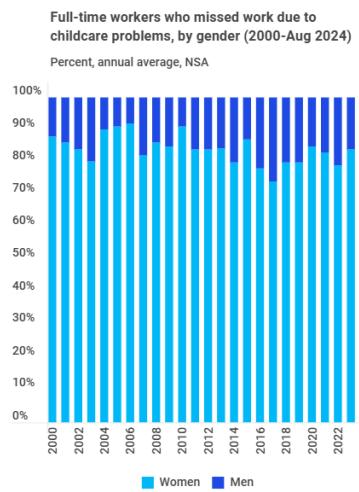


Chart 2

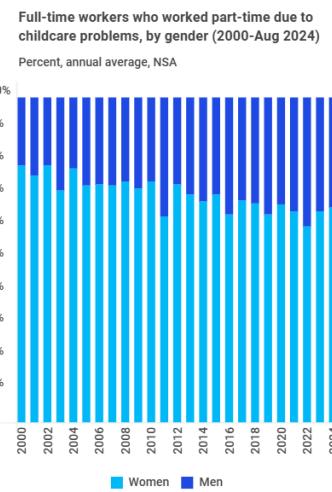
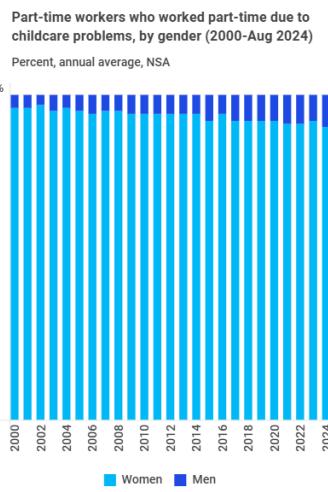


Chart 3



In order to meet the federal benchmark and raise the payment rates to the 75th percentile, Utah must invest an additional **\$3,000,000.00**.

The early care and education industry must be able to pay its workforce a thriving wage in order to this system to support children, families, and the economy. According to the [The Early Childhood Workforce Index of 2024](#):

- Utah's early care and education workforce was four times more likely to live in poverty than elementary and middle school teachers.
- 97% of other occupations are paid more than early educators.
- 43% of early educator families must rely on public safety net programs like Medicaid and food stamps in order to get by.

In order to support the early care and education workforce, Utah must invest **\$3,000,000.00** to allow this entire workforce to access child care subsidies as a recruitment and retention tool.

These investments in our small businesses that support all of the other businesses in Utah are critical and should be a priority in our state. As the statutory committee charged with identifying the child care needs in our state, we draw your attention to this critical issue and ask for significant and meaningful investments that demonstrate Utah's commitment to its children and families.

Thank you in advance for your support,

Ben Trentelman
Chair
Office of Childcare Advisory Committee