

Office of Child Care Advisory Committee

Meeting Minutes

Location: Department of Workforce Services
720 South 200 East
SLC, UT 84111
Conference Room 100

The following link will take you to the power point which was shared throughout the meeting which may be helpful while reading through the minutes: <https://www.utah.gov/pmn/files/1418125.pdf>

Link to the agenda:

<https://www.utah.gov/pmn/files/1418123.pdf>

Link to the audio recording:

<https://www.utah.gov/pmn/files/1420133.mp3>

Link to the handout of the CCDF Budget Adjustment Proposal:

<https://www.utah.gov/pmn/files/1418127.pdf>

Committee: Joyce Hasting, Holly Kingston, Cristina Barrera, Jody Zabriskie, Johnny Anderson, Kelly Noorda, Kristen Schulz, Shauna Tiatia, Rhonda Dossett, Crystal Knippers (for Florencia Schapira de Grout), Rhonda Dossett, Ben Trentleman, Bree Murphy, Jennifer Floyd

Excused/Absent: Florencia Shapira, Alex Wade, Anna Robbins-Ek, Liliam Llanos and Katie Ricord

Interested Parties and Guests: Heather Thomas, Camie Galt, Kari Haugsoen, Jamie Foster, Emma Moench, Ann Stockham Mejia, Juone Kadiri, Joe Edman, Colin Crebs, Stacy Fuller, Becky Wickstrom, Betzy Mulwee, Vickie Becker, Heidi Petersen, Amber Mabey, Allison Sprague, Leah Schilling, Sara Jane Schenk, Trina Valdez, Vanessa Lowe, Jerica Casper, Carrie Stott, Hillary Christensen, Broc Huntsman, Charlotte Tanner, Colin Crebs, Brian Zabriskie, Nichole Gaffney, Samantha Mafua, Heather Hughes, Missy Sparks, Kathleen Brown, Jamie Allen, Kim Melville, Jamie Galloway, Melea Rogers, Monica Gailey, Rosemary, Rita, Heidi Petersen, Joanne Albrecht, Carolyn Lawson, Allison Keller, Kim Melville, Melissa Westbroek, Heidi Preator

Agenda Item	Discussion	Recommendations/Actions
Welcome	A. Joyce Hasting welcomed the Committee and called for attendance. B. Approval of 3/11/2026, Meeting Minutes	Joyce Hasting called for a motion to approve the 3/11/2026 minutes. Rhonda Dossett motioned. Kelly Noorda seconded. The motion was carried unanimously, and the meeting minutes were approved.

**Development Fund
(CCDF) Budget
Reduction Proposal**

The Office of Child Care Director Heather Thomas begins the meeting by thanking the committee and explaining its purpose. She intends to thoroughly cover the background, program operations, and associated costs so all members can fully understand the proposal. She encourages questions and pauses for discussion throughout her presentation, reminding the committee that this is not the full proposal.

Utah's CCDF Funding Allocation - Heather Thomas

PowerPoint slides 4-6 correspond with this portion of the presentation.

- A. Heather Thomas reviews how funding primarily comes from the federal Department of Health and Human Services and is divided into five specific components.
 - a. Mandatory funds serve as a guaranteed, 100% federal base of approximately \$12.6 million each year.
 - b. Matching funds, Utah maximizes its Federal Medical Assistance Percentage (FMAP) by matching about \$15 million—utilizing state preschool funds and community grantee contributions—to successfully draw down \$27.4 million in federal money.
 - c. Discretionary funding is also 100% federal but fluctuates annually based on congressional appropriations and federal formulas.
 - d. Temporary Assistance for Needy Families (TANF) transfer: Utah elects to move approximately \$15 million in federal TANF funds into the child care fund, subjecting those dollars to standard CCDF regulations.
 - e. State Maintenance of Effort (MOE) is a \$4.5 million state-funded requirement designed to maintain historical childcare spending levels, ensuring federal dollars do not supplant state contributions.
- B. The cause of the budget reductions primarily stems from the mechanics of the discretionary funding formula. This formula, which is updated annually and dictates the specific percentage of discretionary funds allocated to Utah, relies on three comparative factors: Utah's per capita income versus the national average, the state's population of children under age five, and local participation rates in the federal free and reduced lunch program.
- C. An increase of \$1 million is anticipated for Utah's FFY26 budget, driven by recent formula adjustments and an additional \$85 million in funding at the national level.
- D. States have three years to spend each annual grant; The department is able to operate using multiple grants simultaneously. Utilizing these overlapping grants, along with savings from previously underspent years, creates a vital financial buffer. This flexibility helps manage the drastic funding shifts and allows the newly proposed budget reductions to be phased in gradually.

Discussion

- A. No discussion

Core Purpose of CCDF- Heather Thomas

[PowerPoint](#) slide 7 corresponds with this portion of the presentation.

- A. Heather Thomas gives a brief overview of the federal guidelines governing this funding, noting that these foundational goals heavily influenced the department's decisions regarding the proposed budget reductions.

Discussion

- A. No Discussion

Budget Reduction Considerations - Heather Thomas

[PowerPoint](#) slide 8 corresponds with this portion of the presentation.

- A. Heather Thomas spoke about how determining the necessary budget reductions was a difficult and challenging process. To ensure these decisions had a minimal possible impact on both families and providers, the department actively consults with internal teams and external partners. During this process, best estimates were carefully formulated to project the financial outcomes of the proposed adjustments.

Discussion

- A. No Discussion

Communication Plan for Changes - Heather Thomas

[PowerPoint](#) slide 9 corresponds with this portion of the presentation.

- A. Heather Thomas summarizes the department's strategy for communicating these reductions, ensuring that clear information and resources are distributed to those affected by the changes.

Discussion

- A. No Discussion

[CCDF Budget Adjustment Proposal](#) The remainder of the presentation follows this handout for a breakdown of the budget proposal.

Office of Child Care Administrative Costs - Heather Thomas

[PowerPoint](#) slide 10 corresponds with this portion of the presentation.

- A. To reduce internal expenses, out-of-state travel is limited to required federal meetings, and two administrative positions are consolidated. An employee will work in a newly combined role in order to cover all programming, ensuring no major impact to services.

Discussion

- A. No Discussion

6 Child Care Resource Agencies - Heather Thomas

[PowerPoint](#) slides 11-12 correspond with this portion of the presentation.

- A. The proposed budget adjustments include the discontinuation of the underutilized Kids in Care program; however, job search childcare services continue through the Family Employment Program (FEP) and remain fully available for families experiencing homelessness or current assistance recipients who lose employment. Similarly, fingerprinting services and grants are cut from the budget, as

purchasing and maintaining the equipment is costly and falls outside of core CCDF funding, though accessible alternative vendors exist. Lastly, regarding the Nature Explore program, while class participation is high, funding is eliminated because providers largely do not follow through with obtaining the final endorsement required to receive points in the Child Care Quality System.

Discussion

- A. No Discussion

Child Care Quality System - Heather Thomas

[PowerPoint](#) slides 13-16 correspond with this portion of the presentation.

- A. Observation and Coaching Specialists (CCRAs and TCCU) staffing are proposed to be minimally reduced through role combination and natural attrition. Because the specific staff positions affected by this reduction are currently vacant, these proposed adjustments are anticipated to have a minor impact on ongoing services.
- B. Quality Observation Awards (URPD) are proposed to be restructured, as these awards are designed as modest incentives for programs working toward high-quality status or those serving few to no subsidized children. Because programs averaging five or more subsidized children already benefit from the much larger Enhanced Subsidy Grant, the proposed budget adjustment would discontinue the Quality Observation Award for these specific providers. This reduction is anticipated to impact approximately 75% of high-quality programs, preserving the award solely for the remaining 25% that serve fewer than five subsidized children. Additionally, this proposed change aligns with previous committee discussions to transition programs with three consecutive years of high-quality status to a biennial observation schedule, which would naturally eliminate the award during their non-observation years.
- C. Professional Development Cost Sharing budget adjustments are proposed to align with the same rationale as the Quality Observation awards. This award is granted per certification period when programs achieve specific annual training point goals. Under the proposal, because programs averaging five or more subsidized children already receive the Enhanced Subsidy Grant—which can be utilized to cover professional development costs—they would no longer be eligible for this specific award. Moving forward, the award would intentionally target programs that have not yet achieved high-quality status but are actively demonstrating effort in their annual training, alongside high-quality programs serving fewer subsidized children to help them maintain their rating. This proposed change is estimated to affect the same 75% of high-quality programs as the Quality Observation award proposal.
- D. Intensive Coaching Grants are proposed to undergo a budget reduction to remove surplus funding that previously existed within this specific line item. This adjustment strictly aligns the budget with current workforce capacity and does not negatively impact services, ensuring that all programs currently receiving coaching continue to be fully supported.

Discussion

- A. Kristen Schulz expressed appreciation for the thorough and thoughtful approach taken in reviewing the budget reductions. She specifically commended the effort to carefully evaluate each program and identify alternative services that can fulfill similar needs.

Professional Development - Heather Thomas

PowerPoint slides 17-24 correspond with this portion of the presentation.

- A. Utah Registry for Professional Development (URPD) administrative costs are proposed for reduction, with a significant portion of the savings stemming from a decrease in indirect costs. These costs typically cover university overhead expenses, such as building maintenance. Because URPD would administer fewer programs under the broader budget proposal, these associated university fees decrease accordingly. Additionally, it is noted that the URPD registry—which manages specific administrative tasks such as transcript approvals—remains housed on the Care About Childcare website.
- B. Credential Scholarships and Cohorts (URPD and CAC) are proposed for reduction by targeting the National Administrator Credential (NAC) scholarship and the Child Development Associate (CDA) cohort budgets. The NAC scholarship reduction is based on historical underutilization, while savings in the CDA cohorts stem from the transition of the credential's portfolio process to an online format. This shift reduces the necessity for physical materials and allows for operational efficiencies within the Child Care Resource Agencies (CCRAs) that administer the programs.
- C. Professional Development Incentive (URPD) budget adjustments are proposed based entirely on current program utilization rates and actual incentive expenses. This program, which rewards professionals for achieving specific levels on the Career Ladder system, will continue to function without change. Because this adjustment simply aligns the budget with actual historical spending, there is no anticipated impact on services.
- D. Annual Online Training Membership Scholarships (URPD) are proposed to be removed from the budget entirely for the current period. Because the department currently maintains a supply of prepaid memberships through Quorum Learning and Teaching Strategies expected to last through June 2028, further purchases are unnecessary at this time. Additionally, a policy change is proposed to maximize usage by preventing automatic renewals for individuals who do not actively use the platform after starting a course. The department intends to reevaluate future funding needs once the current inventory of memberships is exhausted.
- E. Business Training and Coaching (SLCC) budget reductions are proposed to reflect current utilization as the initial surge of interest in the program has stabilized over time. This adjustment aligns funding with actual participation levels and brings the budget below last year's without impacting core coaching and training services.
- F. Utah Early Childhood Conference (UAEYC) contribution is proposed to be adjusted to \$35,000. This figure remains \$10,000 above the conference's highest advertised sponsorship tier, ensuring the

department continues to provide significant support for the event. This adjustment brings the funding closer to standard sponsorship levels while maintaining the department's commitment to providers and educators attending the conference.

- G. T.E.A.C.H. College Degree Scholarships (UAEYC) budget adjustments are proposed to include the elimination of the contract renewal bonus, as it is not a requirement of the national program. Proposed reductions in funding for tuition, travel, and materials would scale the program from 32 to approximately 28 scholarship recipients.
- H. Curriculum translation and updated media budget reductions are proposed to reflect a decreased need for new media resources. This minor adjustment ensures that the department continues to prioritize and maintain the essential translation of curriculum into Spanish for use by Child Care Resource Agencies.

Discussion

- A. Holly Kingston requested clarification regarding the Professional Development Incentive, inquiring whether the department is proposing to reduce the actual reimbursement and incentive amounts for the professional development career ladder, or if the budget savings are strictly coming from reduced administrative costs.
 - a. Heather Thomas clarified that the actual incentive amounts would not be reduced. She explained that because the program is not currently utilizing its full budget following previous adjustments, the proposal simply aligns the overall funding with actual usage.

Expanding Access Grants- Heather Thomas

[PowerPoint](#) slide 25 corresponds with this portion of the presentation.

- A. Expanding Access Grants are proposed to be adjusted to prioritize federal CCDF requirements for supply building among special populations, such as infants, toddlers, and underserved geographic areas. Under this proposal, start-up and rural outreach grants would be reduced to align with current utilization levels. Additionally, the refugee-specific start-up grants would be discontinued, as they do not fall under a federally mandated category.

Discussion

- A. No discussion

Out-of-School Time - Heather Thomas

[PowerPoint](#) slides 26-29 correspond with this portion of the presentation.

- A. Utah Afterschool Network (UAN) budget adjustments are proposed to be offset by the organization's ability to utilize alternative funding sources. Because UAN recommended these specific reductions and can shift operational costs to other grants, the proposal ensures that support for school-age programs and families continues without a major impact on services.
- B. The Utah Education Policy Center (UEPC) contract is slated for elimination, with its capacity-building functions being absorbed by the Utah Afterschool Network (UAN) and the Office of Child Care. Because these entities assisted in developing the current data and

survey frameworks, they are positioned to take over grantee support and outcome analysis directly, allowing the department to maintain these services without an external contract.

- C. School-Age Quality Grant with Match budget is proposed to be reduced by a single contract following the termination of a program that is no longer in operation. Maintaining the remaining grants is essential for meeting state match requirements, which allow the department to draw down \$27.4 million in federal funding. Because the reduction only applies to a non-operating program, there is no anticipated impact on existing grants currently finishing their three-year cycle.
- D. Intergenerational Poverty - Supplemental Grant funding is proposed for elimination following the conclusion of its final three-year project-based contract this year. The original grant from the Utah State Board of Education that this grant was built as a supplement for are no longer funded. Because the project cycle is naturally ending, this adjustment reflects the expiration of the current grant commitment.

Discussion

- A. No discussion

School Readiness - Heather Thomas

[PowerPoint](#) slides 30-31 correspond with this portion of the presentation.

- A. Becoming High Quality Grants funding is proposed for elimination as the final three-year contract concludes this year. Due to legislative mandates that prioritize High Quality School Readiness Grants, the "Becoming High Quality" cycle was not opened last year as demand for higher-priority initiatives exceeded available funding. This adjustment removes the \$150,000 CCDF portion of the budget.
- B. External Coaches budget adjustments are proposed to focus on reducing administrative overhead while retaining the program's two dedicated staff members. Through this partnership with The Children's Center Utah, the approach ensures that core training and coaching services for internal coaches and grantees remain largely unaffected despite the reduction in administrative funding.

Discussion

- A. Johnny Anderson inquired about the specific breakdown of state funding versus other sources for the school readiness initiatives, noting that the total budget for these lines appeared to be roughly \$15 million.
 - a. Heather Thomas clarified that while the budget overview includes all funding sources, the \$14 million total for the Becoming High Quality and High Quality School Readiness grants currently comprises \$6 million in CCDF funds, \$6 million in state funds, and \$2 million in TANF funds. She noted the Pay for Success and Independent Evaluator programs are phasing out at the end of this year. She clarified that these specific items are supported by state funds rather

than CCDF, so their conclusion is separate from the CCDF adjustment proposal.

Developmental Screening - Heather Thomas

[PowerPoint](#) slides 32-33 correspond with this portion of the presentation.

- A. ASQ Data Integration into CHARM (DHHS) funding is proposed to be discontinued as the department can no longer support the system's ongoing maintenance following the expiration of COVID stimulus funds. While the CHARM system is expected to cease operations due to a lack of sustainable funding sources, the department will continue hosting online accounts for providers to facilitate developmental screenings and result sharing with families. Furthermore, the Office of Child Care remains partnered with the Office of Early Childhood to integrate non-identifying screening data into the "ECIDS" early childhood integrated data system for statewide analysis.
- B. Help Me Grow Utah (United Way of Utah) funding is proposed to be transitioned back to pre-COVID levels while maintaining the core functions required by federal CCDF guidelines. This includes providing developmental screening information to families during the child care assistance intake process and offering technical assistance to help providers navigate the statewide Ages and Stages Questionnaires (ASQ) system. While the proposed reduction is significant, United Way has indicated the potential to leverage alternative resources to cover some of the costs. This ensures the program remains focused on its primary mission: increasing developmental screening rates and providing necessary referrals for low-income children.

Discussion

- A. Jennifer Floyd commented on the discontinuation of CHARM, clarifying that the change does not result in a loss of active services since ASQ data integration was never fully completed. She noted that the system's closure stems from larger budgetary issues rather than the reduction in OCC funding. Additionally, she shared that the department is exploring integration with the MyUtah platform to ensure parents can still access and share identifiable developmental screening data with ease.

Other Budget Items - Heather Thomas

[PowerPoint](#) slides 34-41 correspond with this portion of the presentation.

- A. Division of Technology Systems - eREP, Provider Portal, CAC Web App budget adjustments are proposed to be achieved by refining the percentage of staff time allocated to the project and capitalizing on operational efficiencies. Because these adjustments reflect a more efficient use of resources within the Division of Technology Services (DTS), the platforms—including the public child care search, the professional development registry, and the Child Care Quality System (CCQS)—will continue to operate without impacting services..
- B. Child Care Licensing (DHHS) budget adjustments are proposed to specifically target technology costs that are no longer required on an

ongoing basis. Because licensors are currently at maximum capacity, staffing levels will remain the same to ensure child care providers continue meeting foundational health, safety, and federal CCDF requirements. This approach ensures that the vital oversight of child care facilities continues without any interruption to services.

- C. Office of Early Childhood (DHHS) budget adjustments involve a minor reduction proposed to align with current operational expenses, resulting in no impact to ongoing services. Following the DHHS merger, the office continues to function as the primary collaborative hub for aligning early childhood services across state agencies. It also maintains essential support for the Early Childhood Utah Advisory Council, which oversees systemic strategies and needs assessments, and fulfills requirements for the Head Start Collaboration Office housed within the department.
- D. Early Childhood Consultation Services (TCCU) budget adjustments are proposed to include a minor reduction, primarily by leaving a vacant half-time position unfilled. Given the critical need and existing waiting list for these on-site classroom consultations, this minimal adjustment is designed to ensure that essential mental health support and training for educators and families continues without disrupting active services.
- E. ARISE Automated Attendance System (CITI) funding is proposed for elimination following the decision to end the contract. Despite this system change, expectations for licensed providers remain the same, as they are still required to maintain accurate electronic attendance tracking. The department is shifting toward alternative approaches to proactively monitor compliance, ensuring providers continue to meet criteria and retain their attendance records for the mandated three-year period.
- F. Consumer Education budget adjustments are proposed to specifically target community outreach campaigns to align with current operational expenses. Despite this minor reduction, sufficient funding is retained to continue necessary outreach efforts. This ensures that the department can maintain its translation services and the vital email communication system used to support child care programs without interruption.

Discussion

- A. Kristen Schulz asked for clarification regarding how child care licensing is typically funded in Utah, specifically questioning why CCDF is responsible for covering these costs and whether the licensing division receives partial funding from other state sources.
 - a. Heather responded by explaining that the department only partially funds the broader Office of Licensing. She clarified that CCDF contributions are strictly allocated to the child care licensing portion to ensure programs meet mandated federal CCDF health and safety regulations, while other funding sources cover the office's remaining Human Services and Health programs.
 - b. Crystal Knippers added that the specific use of these funds ensures the department is doing exactly what is required to meet and follow CCDF regulations.

Child Care Assistance - Heather Thomas

PowerPoint slides 42-43 correspond with this portion of the presentation.

- A. Heather Thomas noted, as previously communicated via email, that the committee will not be reviewing the entirety of the proposed cuts for the Child Care Assistance category today. Because the larger reductions represent significant funding and policy shifts, they are still undergoing final approval from department leadership and the Governor's office. Instead, the presentation is limited to two specific, pre-approved policy changes. These two adjustments can be implemented quickly to achieve immediate budget savings, largely because they do not require immediate IT or system updates.
- B. Registration Fees coverage is proposed to be limited to one payment per child per 12-month period. Under this change, the department would no longer cover multiple registration fees if a family switches providers within the same year, making the family responsible for those subsequent costs. Exceptions would be granted for situations like child endangerment or expulsion. This proposal aims to achieve budget savings and promote continuity of care. Data indicates this would only impact about 3% of subsidized children.
- C. Job Search Child Care is proposed to be limited to a 90-day period following a reported job loss. Currently, child care cases remain open for the full 12-month eligibility period, allowing families to utilize assistance continuously while searching for work. Under the proposed change, parents would be given up to three months from the end of their employment to secure a new job during their 12-month eligibility period. If they remain unemployed, their child care case would close at the end of the month in which the 90th day falls. This adjustment aligns with federal CCDF rules, which only mandate three months of job search coverage, ensuring the state remains fully compliant while achieving budget savings.
- D. Enhanced Subsidy Grants are proposed to undergo adjustments to align with the state's newly simplified Child Care Quality System (CCQS) framework. Currently, these monthly grants help offset the higher costs of providing quality care based on the number of subsidized children a program serves. Under the proposal, the "High Quality Plus" tier and its higher monthly rates would be eliminated, transitioning to a single "High Quality" designation. To protect continuity, the eight programs currently holding the "High Quality Plus" rating would retain their existing funding levels until their next recertification. Additionally, the proposal would cap the average number of subsidized children counted for this grant at the program's maximum licensed capacity.
- E. Director Heather Thomas concluded the presentation by noting that the majority of the necessary budget reductions will come from additional child care subsidy changes planned for Fall 2026. This timeline strategically aligns with scheduled Division of Technology Services (DTS) system updates and the annual adjustment of income tables based on new state median income data. Because these future adjustments represent a significant funding and policy shift, all proposed changes will be brought back to the Advisory Committee

for review and feedback prior to implementation. To protect continuity of care, any new policies will be phased in at each family's annual review month to maintain their 12-month eligibility. Due to this gradual phase-in approach, the actual budget reductions will be smaller in the first year, which the department will buffer using funding from previous grant years. Finally, families will receive a minimum of 30 days' advance notice before any policy or eligibility changes affect their individual cases.

Discussion

- A. Kristen Schulz requested clarity regarding the committee's role in the upcoming subsidy reduction discussions. She asked whether the department would present a finalized plan for the remaining \$16 million in necessary cuts or if the committee would be provided with various data-driven options—such as adjustments to Area Median Income (AMI) eligibility levels or subsidy rates—to evaluate the expected fiscal impact of different policy choices.
 - a. Heather Thomas responded that the department intends to present a formal proposal while remaining open to committee feedback and potential shifts. She committed to bringing specific data so the committee can see the logic behind the department's direction. This data will include the impact of adjusting income eligibility groups, the budgetary effect of changing subsidy rates, and the complexities surrounding entry versus exit income thresholds.
 - b. Kristen Schulz comments that seeing the data will help the committee weigh the trade-offs between maintaining higher subsidy rates versus reducing income eligibility.
- B. Johnny Anderson spoke about concerns regarding the timeline and process for identifying the remaining \$16 million in required budget cuts. He noted that presenting finalized reductions for non-subsidy programs left the impression that the entirety of the remaining cuts would inevitably fall on direct childcare subsidies, which support working families. He argued that there are additional opportunities to reduce funding in non-subsidy (quality) areas before resorting to cuts that directly impact families.
 - a. Heather Thomas clarified that the current budget presentation is a proposal, not a final decision, and that the department is open to feedback and written recommendations for further cuts in other areas. She explained that she brought the current \$5 million in cuts to the committee now because they had already cleared internal approvals, with the intent of bringing the full subsidy picture to a subsequent meeting. She also noted that subsidy spending currently accounts for approximately 92% of the annual budget, meaning it is over budget and must be adjusted regardless.
 - b. Johnny Anderson stated that while he recognizes the value of quality programs like the High Quality School Readiness and School Age Quality Grants, he believes employment-based childcare support must be the priority. He noted he was unaware that half of the School Readiness funding came

from CCDF. While acknowledging that School Age Quality Grants are used to provide the state match for federal funding, he argued that since those are ultimately state taxpayer dollars, the department should still explore reducing them before resorting to cutting subsidy rates, reducing income eligibility, or implementing waitlists. He suggested that finding even a portion of the required cuts (e.g., \$8 million) in these non-subsidy areas would significantly lessen the impact on working families.

- c. Heather Thomas followed up by clarifying the structural constraints surrounding those specific funds. She emphasized that the School Age Quality Grants are essential because they provide the majority of the state match required to draw down the federal funding, making them highly difficult to reduce without losing the associated federal dollars.
 - d. Jennifer Floyd expanded on the discussion regarding match funding, clarifying the rules for using other agencies' funds to draw down federal dollars. She explained that the department cannot simply claim any state tax dollars as its match. To legally use Utah State Board of Education (USBE) expenses as a federal match, the department must be actively partnering with them on a specific project. Without that direct programmatic partnership, it is very difficult to utilize those external state funds.
 - e. Joe Edman, DWS Financial Manager, confirmed this requirement, explaining that the department must obtain explicit permission to utilize funds from other entities—whether state, county, or city sources—as a federal match, since those entities could potentially claim the match for themselves. He noted that providing grants to these after-school programs serves as the necessary incentive to secure that permission.
 - f. Heather Thomas added further context regarding federal fiscal constraints, noting that rules cap the amount of match funding derived from preschool services at 30%. She explained that the state is required to provide approximately \$15 million in matching funds to draw down \$27.4 million in federal funding. Because the state is already contributing \$6 million toward preschool services, the department has maximized that 30% allowance, severely limiting the flexibility to make budget adjustments in this area.
- C. Brian Zabriskie inquired about the projected percentage of the new budget that will be allocated to quality programs. He asked whether it will align with the 9% federal requirement and if the CCQS enhanced subsidy payments are included in that quality calculation.
- a. Heather Thomas stated that the department will present the proposed budget percentages at the May meeting once all the figures are consolidated. She explained that the CCQS enhanced subsidy grant is unique because it serves as a crossover between direct child care assistance and quality improvement. While previously categorized under subsidy, federal guidance permits it to be classified as quality

spending. She noted that the department is considering shifting it to the quality category—specifically by calculating the percentage of the grant that serves infants and toddlers—to ensure the state consistently meets its mandatory infant-toddler quality spending thresholds.

- D. Kristen Schulz requested that the department provide information at the May meeting regarding how much funding remains in the reserve, given the current three-year grant cycles. Additionally, she commended the department for keeping administrative costs below 5% and asked if they have explored using Artificial Intelligence (AI) to further reduce those administrative expenses.
 - a. Heather Thomas agreed to look into providing the reserve funding data. Regarding AI, she noted that the Division of Technology Services (DTS) has begun discussing how such tools could streamline processes and decrease technology costs. While acknowledging that government adoption often lags behind the private sector, she confirmed that leveraging AI for operational efficiency is an active part of their ongoing conversations.
- E. Heather Thomas encouraged the committee to suggest any additional information they might need to ensure they have sufficient context for decision-making. She then summarized the data points the department is already preparing to bring, which include information regarding the remaining reserve funding, a percentage breakdown of the proposed budget allocations, a more comprehensive view of the full department budget, and data modeling the fiscal impact of various policy levers to guide the required subsidy reductions.
- F. Jennifer Floyd suggested reviewing where current grantees are within their funding cycles. She noted that understanding whether grantees are in the first, second, or third year of their cycle could help the committee analyze how the budget might be adjusted over the next three years.
 - a. Heather Thomas clarified that all High-Quality School Readiness Grants are currently on the exact same timeline, having almost finished the first year of their three-year cycle. She agreed that evaluating these grants is an important consideration for future planning and noted that adjusting these grants could be a formal recommendation made by the committee.
- G. Joyce Hasting acknowledged the difficulty of navigating budget discussions and expressed appreciation for the detailed information provided to the committee. She also confirmed that members can continue to share their thoughts and feedback with the department via email prior to the next meeting.
 - a. Heather Thomas encouraged members to submit any written feedback or recommendations within the next week. She noted that receiving suggestions promptly will give the department adequate time to thoughtfully consider adjustments prior to the May meeting and requested that feedback be emailed to her at heatherthomas@utah.gov or to cgalt@utah.gov or khaugsoen@utah.gov.

	<p>H. Jody Zabriskie thanked Heather Thomas for her hard work on the budget and expressed appreciation that she prioritized finding alternative savings first before turning the discussion toward the subsidy portion of the budget.</p> <p>I. Kristen Schulz asked if there are any other potential funding sources—specifically within the broader state budget—that could be utilized to help close the current budget gap.</p> <ul style="list-style-type: none"> a. Heather Thomas noted that while the department was able to use one-time TANF reserve funds this year to buffer expenses, those funds are difficult to predict for future use. b. Kristen reiterated her interest in exploring any additional state funding options beyond TANF. 	
<p>Other Business</p>	<p><u>No other business or public comment.</u></p> <p><u>Discussion</u></p> <ul style="list-style-type: none"> A. No Discussion 	
<p>Adjournment</p>	<p style="text-align: center;"><u>Upcoming Meeting:</u> Wednesday, May 13, 2026 ~ 1:00 pm – 3:00 pm</p>	<p>Joyce Hasting called for a motion to adjourn. Kristen Schulz motioned. Rhonda Dossett seconded. The motion was carried unanimously, and the meeting adjourned.</p>