

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 726

Short Title: Go Big for Early Childhood. (Public)

Sponsors: Senators J. Jackson, Foushee, Waddell (Primary Sponsors); Chaudhuri, Clark, Fitch, and Smith.

Referred to: Rules and Operations of the Senate

May 23, 2018

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO PROVIDE AN ONGOING, INCREASED SOURCE OF FUNDS ABOVE THE BASE BUDGET FOR THE NC PREKINDERGARTEN (NC PRE-K) PROGRAM AND THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC., TO INCREASE THE REIMBURSEMENT RATE FOR NC PRE-K SLOTS BY THREE PERCENT (3%) FOR THE 2018-2019 FISCAL YEAR, AND TO PROVIDE A TAX CREDIT TO CERTAIN EARLY EDUCATION TEACHERS AND DIRECTORS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 143B-168.10B, as enacted in Section 7 of S.L. 2018-2, reads as rewritten:

"§ 143B-168.10B. NC Prekindergarten Program Funds.

The General Assembly finds that due to the continued growth and ongoing need in this State to provide early childhood services and education to North Carolina children from birth to five years, it is imperative that the State provide an increase in funds to the General Fund for ~~two~~five fiscal years for the NC Prekindergarten (NC Pre-K) program. To that end, there is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the following amounts each fiscal year to provide funds for NC Pre-K slots for the NC Pre-K program:

Fiscal Year	Appropriation
<u>2018-2019</u>	<u>\$87,877,017</u>
2019-2020	\$82,001,394
	<u>\$104,582,345</u>
2020-2021 and each subsequent fiscal year thereafter	<u>\$91,351,394</u>
	<u>\$121,287,673</u>
<u>2021-2022</u>	<u>\$137,991,673</u>
<u>2022-2023 and each subsequent fiscal year thereafter</u>	<u>\$154,695,673</u>

When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this section, the Director of the Budget shall include the appropriated amount specified in this section for that fiscal year."

SECTION 1.(b) For the 2018-2019 fiscal year, the Department of Health and Human Services, Division of Child Development and Early Education, shall increase the per-slot reimbursement rate for the NC Prekindergarten (NC Pre-K) program by three percent (3%). The Division of Child Development and Early Education shall use the average amount paid per facility type in the 2017-2018 fiscal year to determine the base rate before applying the three percent (3%) increase in the 2018-2019 fiscal year.



1 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of
 2 Health and Human Services, Division of Child Development and Early Education, the following
 3 amounts each fiscal year for five years to increase funding for the North Carolina Partnership for
 4 Children, Inc., by the sum of twenty million dollars (\$20,000,000), as follows:

Fiscal Year	Appropriation
2018-2019	\$167,013,453
2019-2020	\$187,013,453
2020-2021	\$207,013,453
2021-2022	\$227,013,453
2022-2023	\$247,013,453

11 **SECTION 2.(b)** For the 2023-2024 fiscal year and each fiscal year thereafter, there
 12 is appropriated from the General Fund to the Division of Child Development and Early Education
 13 the sum of two hundred sixty-seven million thirteen thousand four hundred fifty-three dollars
 14 (\$267,013,453) to be used for the North Carolina Partnership for Children, Inc.

15 **SECTION 2.(c)** When developing the base budget, as defined by G.S. 143C-1-1, for
 16 each fiscal year specified in this section, the Director of the Budget shall include the appropriated
 17 amount specified in this section for that fiscal year.

18 **SECTION 3.** Part 2 of Article 4 of Subchapter I of Chapter 105 of the General
 19 Statutes is amended by adding a new section to read:

20 "**§ 105-153.11. Credit for early education professionals.**

21 (a) Credit. – A taxpayer who is an eligible early education teacher or director is allowed
 22 a credit against the tax imposed by this Part equal to the sum of the highest applicable
 23 sub-subdivision of each of the following:

24 (1) For years of service uninterrupted by more than six months:

- 25 a. One year of service or more but less than three years of service: five
 26 hundred dollars (\$500.00).
- 27 b. Three years of service or more but less than five years of service: one
 28 thousand dollars (\$1,000).
- 29 c. Five years of service or more but less than seven years of service: one
 30 thousand five hundred dollars (\$1,500).
- 31 d. Seven years of service or more: two thousand dollars (\$2,000).

32 (2) For level of professional educational achievement:

- 33 a. For eligible child care staff who meets one or more of the
 34 sub-sub-subdivisions listed in this sub-subdivision: five hundred
 35 dollars (\$500.00).
 - 36 1. Has completed 12-18 semester credit hours for which an Early
 37 Childhood Certificate issued by the North Carolina
 38 Community College System was awarded.
 - 39 2. Has completed at least 12 semester hours of coursework
 40 focused on children aged birth to five years old.
 - 41 3. Has completed at least 18 semester hours of general education
 42 coursework and at least nine additional semester hours of
 43 coursework focused on children aged birth to five years old.
- 44 b. For eligible child care staff who meets one or more of the
 45 sub-sub-subdivisions listed in this sub-subdivision: one thousand
 46 dollars (\$1,000).
 - 47 1. Has earned an Associate degree in Early Childhood or in
 48 another concentration, provided the concentration includes at
 49 least 24 semester hours of coursework focused on children
 50 aged birth to five years old.

- 1 2. Has completed at least 60 semester hours of general education
2 coursework for purposes of obtaining a bachelor's degree,
3 provided the completed semester hours include at least 12
4 semester hours of coursework focused on children aged birth
5 to five years old.
- 6 3. Has earned a bachelor's degree, provided the coursework
7 includes at least six semester hours of coursework focused on
8 children aged birth to five years old.
- 9 c. For eligible child care staff who has earned a bachelor's degree in Early
10 Childhood or in another concentration, provided the concentration
11 includes at least 24 hours of coursework focused on children aged birth
12 to five years old: one thousand five hundred dollars (\$1,500).
- 13 d. For eligible child care staff who meets one or more of the
14 sub-sub-subdivisions listed in this sub-subdivision: two thousand
15 dollars (\$2,000).
- 16 1. Has a current Continuing Birth-Kindergarten license.
17 2. Has either a current Professional Educator's Initial License or
18 a current Professional Educator's Continuing License issued by
19 the North Carolina Department of Public Instruction in an area
20 that includes Birth-Kindergarten.
- 21 3. Has earned a degree, other than one listed in another
22 sub-subdivision of this subdivision, provided the coursework
23 includes at least 18 semester hours of coursework focused on
24 children aged birth to five years old.
- 25 (b) Definitions. – The following definitions apply in this section:
- 26 (1) Eligible child care director. – A child care administrator, as defined in
27 G.S. 110-86.
- 28 (2) Eligible child care facility. – A child care facility, as defined in G.S. 110-86.
- 29 (3) Eligible child care staff. – An individual employed at an eligible child care
30 facility as a director, lead teacher, teacher, or teacher assistant, as those terms
31 are defined in G.S. 110-86.
- 32 (4) General education coursework. – Courses from the areas of humanities, fine
33 arts, social sciences, behavioral sciences, natural sciences, and mathematics.
- 34 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
35 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
36 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
37 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In
38 computing the amount of tax against which multiple credits are allowed, nonrefundable credits
39 are subtracted before refundable credits.
- 40 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
41 January 1, 2023."

42 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2018. Section 3
43 of this act is effective for taxable years beginning on or after January 1, 2019. The remainder of
44 this act is effective when it becomes law.