

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

D

BILL DRAFT 2017-LUa-127A [v.12]

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
05/10/2018 02:44:27 PM

Short Title: Omnibus Early Childhood Education Act/Funds. (Public)

Sponsors: Senator J. Jackson (Primary Sponsor).

Referred to:

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

8 The General Assembly of North Carolina enacts:

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

11 "**§ 143B-168.10B. NC Prekindergarten Program Funds.**

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

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

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

30 **SECTION 1.(b)** For the 2018-2019 fiscal year, the Department of Health and Human
31 Services, Division of Child Development and Early Education, shall increase the per slot
32 reimbursement rate for the NC Prekindergarten (NC Pre-K) program by three percent (3%). The
33 Division of Child Development and Early Education shall use the average amount paid per



* 2 0 1 7 - L U A - 1 2 7 A - V - 1 2 *

1 facility type in the 2017-2018 fiscal year to determine the base rate before applying the three
 2 percent (3%) increase in the 2018-2019 fiscal year.

3 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of
 4 Health and Human Services, Division of Child Development and Early Education, the following
 5 amounts each fiscal year for five years to increase funding for the North Carolina Partnership for
 6 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

13 **SECTION 2.(b)** For the 2023-2024 fiscal year and each fiscal year thereafter, there
 14 is appropriated from the General Fund to the Division of Child Development and Early Education
 15 the sum of two hundred sixty-seven million thirteen thousand four hundred fifty-three dollars
 16 (\$267,013,453) to be used for the North Carolina Partnership for Children, Inc.

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

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

22 **"§ 105-153.11. Credit for early education professionals.**

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

- 26 (1) For years of service uninterrupted by more than six months:
 - 27 a. One year of service or more but less than three years of service: five
 28 hundred dollars (\$500).
 - 29 b. Three years of service or more but less than five years of service: one
 30 thousand dollars (\$1,000).
 - 31 c. Five years of service or more but less than seven years of service: one
 32 thousand five hundred dollars (\$1,500).
 - 33 d. Seven years of service or more: two thousand dollars (\$2,000).
- 34 (2) For level of professional educational achievement:
 - 35 a. For eligible child care staff who meets one or more of the
 36 sub-sub-subdivisions listed in this sub-subdivision: five hundred
 37 dollars (\$500).
 - 38 1. Has completed 12-18 semester credit hours for which an Early
 39 Childhood Certificate issued by the North Carolina
 40 Community College System was awarded.
 - 41 3. Has completed at least 12 semester hours of coursework
 42 focused on children aged birth to five years old.
 - 43 4. Has completed at least 18 semester hours of general education
 44 coursework and at least nine additional semester hours of
 45 coursework focused on children aged birth to five years old.
 - 46 b. For eligible child care staff who meets one or more of the
 47 sub-sub-subdivisions listed in this sub-subdivision: one thousand
 48 dollars (\$1,000).
 - 49 1. Has earned an Associate's degree in Early Childhood or in
 50 another concentration, provided the concentration includes at

- 1 least 24 semester hours of coursework focused on children
2 aged birth to five years old.
- 3 2. Has completed at least 60 semester hours of general education
4 coursework for purposes of obtaining a Bachelor's degree,
5 provided the completed semester hours include at least 12
6 semester hours of coursework focused on children aged birth
7 to five years old.
- 8 3. Has earned a Bachelor's degree, provided the coursework
9 includes at least six semester hours of coursework focused on
10 children aged birth to five years old.
- 11 c. For eligible child care staff who has earned a Bachelor's degree in
12 Early Childhood or in another concentration, provided the
13 concentration includes at least 24 hours of coursework focused on
14 children aged birth to five years old: one thousand five hundred dollars
15 (\$1,500).
- 16 d. For eligible child care staff who meets one or more of the
17 sub-sub-subdivisions listed in this sub-subdivision: two thousand
18 dollars (\$2,000).
- 19 1. Has a current Continuing Birth-Kindergarten license.
20 2. Has either a current Professional Educator's Initial License or
21 a current Professional Educator's Continuing License issued by
22 the North Carolina Department of Public Instruction in an area
23 that includes Birth-Kindergarten.
- 24 3. Has earned a degree, other than one listed in another
25 sub-subdivision of this sub-division, provided the coursework
26 includes at least 18 semester hours of coursework focused on
27 children aged birth to five years old.
- 28 (b) Definitions. – The following definitions apply in this section:
- 29 (1) Eligible child care director. – A child care administrator, as defined in
30 G.S. 110-86.
- 31 (2) Eligible child care facility. – A child care facility, as defined in G.S. 110-86.
- 32 (3) Eligible child care staff. – An individual employed at an eligible child care
33 facility as a director, lead teacher, teacher, or teacher assistant, as those terms
34 are defined in G.S. 110-86.
- 35 (4) General education coursework. – Courses from the areas of humanities, fine
36 arts, social sciences, behavioral sciences, natural sciences, and mathematics.
- 37 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
38 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
39 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
40 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In
41 computing the amount of tax against which multiple credits are allowed, nonrefundable credits
42 are subtracted before refundable credits.
- 43 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
44 January 1, 2023."
- 45 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2018. Section 3
46 of this act is effective for taxable years beginning on or after January 1, 2019. The remainder of
47 this act is effective when it becomes law.