

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:

<b>Fiscal Year</b>	<b>Appropriation</b>
<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>

22  
23  
24  
25  
26  
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



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.