

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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SENATE BILL 825

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

Sponsors: Senators Smith, Batch, and Garrett (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 6, 2024

A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE FUNDS TO PROVIDE AN ONGOING, INCREASED SOURCE
OF FUNDS ABOVE THE BASE BUDGET FOR THE NORTH CAROLINA
PREKINDERGARTEN (NC PRE-K) PROGRAM AND THE NORTH CAROLINA
PARTNERSHIP FOR CHILDREN, INC., TO RAISE THE BASE REIMBURSEMENT
RATES FOR NC PRE-K SITES BY THREE PERCENT FOR THE 2024-2025 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) 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 in recurring funds for each fiscal year for five years, and subsequent fiscal years thereafter, to increase funding for the North Carolina Prekindergarten (NC Pre-K) program as follows:

Fiscal Year	Appropriation
2024-2025	\$87,877,017
2025-2026	\$104,582,345
2026-2027	\$121,287,673
2027-2028	\$137,991,673
2028-2029 and each subsequent fiscal year thereafter	\$154,695,673

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

SECTION 1.(b) For the 2024-2025 fiscal year, the Department of Health and Human Services, Division of Child Development and Early Education, shall raise the base reimbursement rates for child care centers, public schools, and Head Start Centers participating in the NC Prekindergarten (NC Pre-K) program by three percent (3%).

SECTION 2.(a) 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 for five years to increase funding for the North Carolina Partnership for Children, Inc., by the sum of twenty million dollars (\$20,000,000), as follows:

Fiscal Year	Appropriation
2024-2025	\$167,013,453
2025-2026	\$187,013,453
2026-2027	\$207,013,453



2027-2028 \$227,013,453

2028-2029 \$247,013,453

SECTION 2.(b) For the 2029-2030 fiscal year and each subsequent fiscal year thereafter, there is appropriated from the General Fund to the Division of Child Development and Early Education the sum of two hundred sixty-seven million thirteen thousand four hundred fifty-three dollars (\$267,013,453) to be used for the North Carolina Partnership for Children, Inc.

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

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

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

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

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

(2) For level of professional educational achievement:

- a. For eligible child care staff who meets one or more of the sub-sub-subdivisions listed in this sub-subdivision: five hundred dollars (\$500.00).**
 - 1. Has completed 12 to 18 semester credit hours for which an Early Childhood Certificate issued by the North Carolina Community College System was awarded.**
 - 2. Has completed at least 12 semester hours of coursework focused on children aged birth to 5 years old.**
 - 3. Has completed at least 18 semester hours of general education coursework and at least nine additional semester hours of coursework focused on children aged birth to 5 years old.**
- b. For eligible child care staff who meets one or more of the sub-sub-subdivisions listed in this sub-subdivision: one thousand dollars (\$1,000).**
 - 1. Has earned an associate degree in Early Childhood or in another concentration, provided the concentration includes at least 24 semester hours of coursework focused on children aged birth to 5 years old.**
 - 2. Has completed at least 60 semester hours of general education coursework for purposes of obtaining a bachelor's degree, provided the completed semester hours include at least 12 semester hours of coursework focused on children aged birth to 5 years old.**
 - 3. Has earned a bachelor's degree, provided the coursework includes at least six semester hours of coursework focused on children aged birth to 5 years old.**

- 1 c. For eligible child care staff who has earned a bachelor's degree in Early
2 Childhood or in another concentration, provided the concentration
3 includes at least 24 hours of coursework focused on children aged birth
4 to 5 years old: one thousand five hundred dollars (\$1,500).
5 d. For eligible child care staff who meets one or more of the
6 sub-subdivisions listed in this sub-subdivision: two thousand
7 dollars (\$2,000).
8 1. Has a current Continuing Birth-Kindergarten License.
9 2. Has either a current Professional Educator's Initial License or
10 a current Professional Educator's Continuing License issued by
11 the North Carolina Department of Public Instruction in an area
12 that includes Birth-Kindergarten.
13 3. Has earned a degree, other than one listed in another
14 sub-subdivision of this subdivision, provided the coursework
15 includes at least 18 semester hours of coursework focused on
16 children aged birth to 5 years old.

17 (b) Definitions. – The following definitions apply in this section:

- 18 (1) Eligible child care director. – A child care administrator, as defined in
19 G.S. 110-86.
20 (2) Eligible child care facility. – A child care facility, as defined in G.S. 110-86.
21 (3) Eligible child care staff. – An individual employed at an eligible child care
22 facility as a director or a lead teacher, as those terms are defined in
23 G.S. 110-86, or a teacher or teacher assistant.
24 (4) General education coursework. – Courses from the areas of humanities, fine
25 arts, social sciences, behavioral sciences, natural sciences, and mathematics.

26 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
27 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
28 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
29 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In
30 computing the amount of tax against which multiple credits are allowed, nonrefundable credits
31 are subtracted before refundable credits.

32 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
33 January 1, 2028."

34 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2024. Section 3
35 of this act is effective for taxable years beginning on or after January 1, 2024. The remainder of
36 this act is effective when it becomes law.