

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Mar 25, 2025
S.B. 593
PRINCIPAL CLERK

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SENATE BILL DRS35229-LUa-64B

Short Title: Grant Our Kids Care Act.

(Public)

Sponsors: Senators Chaudhuri and Chitlik (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A PILOT PROGRAM THAT
PROVIDES CHILD CARE EXPANSION ASSISTANCE GRANTS FOR CHILD CARE
PROVIDERS WHO ARE EMPLOYED FULL TIME BY A LICENSED CHILD CARE
PROGRAM IN THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of thirty million dollars (\$30,000,000) in nonrecurring funds for each year of the 2025-2027 fiscal biennium. These funds shall be used to establish a two-year, statewide pilot program that provides child care expansion assistance grants for child care providers providing direct care and employed full time by any licensed child care program in this State to assist in recruiting and retaining employees necessary to expand the supply of licensed child care to additional children from birth through five years of age by ensuring that unaffordable child care is not a barrier to work for these employees. For purposes of this act, "child care provider" includes lead teachers, teachers, teacher assistants, and administrators.

SECTION 2. A child care provider providing direct care who are eligible for a child care expansion assistance grant pursuant to this section shall earn at or below eighty-five percent (85%) of the State median income and be employed full time at a licensed child care center or family child care home. For purposes of this act, "full time" means at least 32 hours per week. If a licensed family child care home provider applies for a child care assistance grant for the provider's own children, that provider must provide care for additional children in the provider's program equal to the number of the provider's own children for which a child care expansion assistance grant is provided.

SECTION 3. Any licensed child care program may apply to the Division of Child Development and Early Education (Division) for a child care expansion assistance grant for eligible employees only when there is capacity at the program to serve an eligible employee's child without displacing other children already in care in the program. When a child care program's application for a child care expansion assistance grant is approved, the Division shall pay seventy-five percent (75%) of the published child care tuition rates to the licensed program for each eligible staff member for up to two children. Child care program employers shall cover a minimum of twenty-five percent (25%) of the published tuition rate for each child. Child care expansion assistance grants may be distributed monthly or quarterly, at the Division's discretion, so long as the eligible employee remains employed full time at the licensed child care program. The program operator or administrator is responsible for informing the Division when an eligible employee is no longer employed at the program. Failure to inform the Division of such departure



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1 within 30 days of separation may result in the program being required to return distributed grant
2 funds for the eligible employee post-separation from employment.

3 **SECTION 4.** The Division of Child Development and Early Education (Division)
4 shall make the child care expansion assistance grants provided in accordance with the pilot
5 program available statewide in all counties. However, the Division shall prioritize counties with
6 the highest unmet demand or longest wait lists for subsidized child care funded by the federal
7 Child Care Assistance Program and shall work to ensure that child care expansion assistance
8 grants are distributed to geographically diverse areas across the State. A child care program
9 licensed in this State does not have to participate in the federal Child Care Assistance Program
10 to apply for a child care expansion assistance grant for eligible employees.

11 **SECTION 5.** The Division of Child Development and Early Education (Division)
12 shall submit a progress report to the Joint Legislative Oversight Committee on Health and Human
13 Services and the Fiscal Research Division of the General Assembly by March 31, 2026, with a
14 final report by December 31, 2027, on the pilot program that includes the following:

- 15 (1) The number of licensed child care programs participating in the pilot program,
16 by setting (center or family child care home) and county.
- 17 (2) The number of child care providers participating in the pilot program, by
18 position or title, hire date (newly employed versus already employed), and
19 county.
- 20 (3) The number of new licensed child care slots created as a result of the pilot, by
21 age group and county.
- 22 (4) The number of additional children ages birth to five years served as a result of
23 the pilot, by age group and county.

24 **SECTION 6.** This act becomes effective July 1, 2025.