FILED SENATE
May 21, 2018
S.B. 726
PRINCIPAL CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL DRS35336-LUa-127A

Short Title:	Go Big for Early Childhood.	(Public)
Sponsors:	Senators J. Jackson, Foushee, and Waddell (Primary Sponsors).	
Referred to:		

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**
2018-2019	$87,877,017
2019-2020	~~$82,001,394~~
	$104,582,345
2020-2021~~and each subsequent fiscal year thereafter~~	~~$91,351,394~~
	$121,287,673
2021-2022	$137,991,673
2022-2023 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 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.

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
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

SECTION 2.(b) For the 2023-2024 fiscal year and each 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 12-18 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 five 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 five 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 five 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 five 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 five years old.

c. For eligible child care staff who has earned a bachelor's degree in Early Childhood or in another concentration, provided the concentration includes at least 24 hours of coursework focused on children aged birth to five years old: one thousand five hundred dollars ($1,500).

d. For eligible child care staff who meets one or more of the sub-sub-subdivisions listed in this sub-subdivision: two thousand dollars ($2,000).

1. Has a current Continuing Birth-Kindergarten license.
2. Has either a current Professional Educator's Initial License or a current Professional Educator's Continuing License issued by the North Carolina Department of Public Instruction in an area that includes Birth-Kindergarten.
3. Has earned a degree, other than one listed in another sub-subdivision of this subdivision, provided the coursework includes at least 18 semester hours of coursework focused on children aged birth to five years old.

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

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

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

(d) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, 2023."

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