

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

FILED SENATE  
Apr 7, 2021  
S.B. 713  
PRINCIPAL CLERK

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SENATE BILL DRS45375-LUa-63B

Short Title: Go Big for Early Childhood Education.

(Public)

Sponsors: Senators J. Jackson, Foushee, and Waddell (Primary Sponsors).

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 NORTH CAROLINA  
4 PREKINDERGARTEN (NC PRE-K) PROGRAM AND THE NORTH CAROLINA  
5 PARTNERSHIP FOR CHILDREN, INC., TO INCREASE THE REIMBURSEMENT  
6 RATE FOR NC PRE-K SLOTS BY THREE PERCENT FOR THE 2021-2022 FISCAL  
7 YEAR, AND TO PROVIDE A TAX CREDIT TO CERTAIN EARLY EDUCATION  
8 TEACHERS AND DIRECTORS.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.(a)** Notwithstanding G.S. 143B-168.10C, there is appropriated from the  
11 General Fund to the Department of Health and Human Services, Division of Child Development  
12 and Early Education, the following amounts for each fiscal year for five years, and subsequent  
13 fiscal years thereafter, to increase funding for the North Carolina Prekindergarten (NC Pre-K)  
14 program as follows:

Fiscal Year	Appropriation
2021-2022	\$87,877,017
2022-2023	\$104,582,345
2023-2024	\$121,287,673
2024-2025	\$137,991,673
2025-2026 and each subsequent fiscal year thereafter	\$154,695,673

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

25 **SECTION 1.(b)** For the 2021-2022 fiscal year, the Department of Health and Human  
26 Services, Division of Child Development and Early Education, shall increase the per-slot  
27 reimbursement rate for the NC Prekindergarten (NC Pre-K) program by three percent (3%). The  
28 Division of Child Development and Early Education shall use the average amount paid per  
29 facility type in the 2020-2021 fiscal year to determine the base rate before applying the three  
30 percent (3%) increase in the 2021-2022 fiscal year.

31 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of  
32 Health and Human Services, Division of Child Development and Early Education, the following  
33 amounts each fiscal year for five years to increase funding for the North Carolina Partnership for  
34 Children, Inc., by the sum of twenty million dollars (\$20,000,000), as follows:

Fiscal Year	Appropriation
2021-2022	\$167,013,453



1	2022-2023	\$187,013,453
2	2023-2024	\$207,013,453
3	2024-2025	\$227,013,453
4	2025-2026	\$247,013,453

5           **SECTION 2.(b)** For the 2026-2027 fiscal year and each subsequent fiscal year  
6 thereafter, there is appropriated from the General Fund to the Division of Child Development  
7 and Early Education the sum of two hundred sixty-seven million thirteen thousand four hundred  
8 fifty-three dollars (\$267,013,453) to be used for the North Carolina Partnership for Children, Inc.

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

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

14       "**§ 105-153.11. Credit for early education professionals.**

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

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

19           a. One year of service or more, but less than three years of service: five  
20 hundred dollars (\$500.00).

21           b. Three years of service or more, but less than five years of service: one  
22 thousand dollars (\$1,000).

23           c. Five years of service or more, but less than seven years of service: one  
24 thousand five hundred dollars (\$1,500).

25           d. Seven years of service or more: two thousand dollars (\$2,000).

26           (2) For level of professional educational achievement:

27           a. For eligible child care staff who meets one or more of the  
28 sub-sub-subdivisions listed in this sub-subdivision: five hundred  
29 dollars (\$500.00).

30           1. Has completed 12 to 18 semester credit hours for which an  
31 Early Childhood Certificate issued by the North Carolina  
32 Community College System was awarded.

33           2. Has completed at least 12 semester hours of coursework  
34 focused on children aged birth to five years old.

35           3. Has completed at least 18 semester hours of general education  
36 coursework and at least nine additional semester hours of  
37 coursework focused on children aged birth to five years old.

38           b. For eligible child care staff who meets one or more of the  
39 sub-sub-subdivisions listed in this sub-subdivision: one thousand  
40 dollars (\$1,000).

41           1. Has earned an associate degree in Early Childhood or in  
42 another concentration, provided the concentration includes at  
43 least 24 semester hours of coursework focused on children  
44 aged birth to five years old.

45           2. Has completed at least 60 semester hours of general education  
46 coursework for purposes of obtaining a bachelor's degree,  
47 provided the completed semester hours include at least 12  
48 semester hours of coursework focused on children aged birth  
49 to five years old.

- 1 3. Has earned a bachelor's degree, provided the coursework
- 2 includes at least six semester hours of coursework focused on
- 3 children aged birth to five years old.
- 4 c. For eligible child care staff who has earned a bachelor's degree in Early
- 5 Childhood or in another concentration, provided the concentration
- 6 includes at least 24 hours of coursework focused on children aged birth
- 7 to five years old: one thousand five hundred dollars (\$1,500).
- 8 d. For eligible child care staff who meets one or more of the
- 9 sub-sub-subdivisions listed in this sub-subdivision: two thousand
- 10 dollars (\$2,000).
- 11 1. Has a current Continuing Birth-Kindergarten license.
- 12 2. Has either a current Professional Educator's Initial License or
- 13 a current Professional Educator's Continuing License issued by
- 14 the North Carolina Department of Public Instruction in an area
- 15 that includes Birth-Kindergarten.
- 16 3. Has earned a degree, other than one listed in another
- 17 sub-subdivision of this subdivision, provided the coursework
- 18 includes at least 18 semester hours of coursework focused on
- 19 children aged birth to five years old.
- 20 (b) Definitions. – The following definitions apply in this section:
- 21 (1) Eligible child care director. – A child care administrator, as defined in
- 22 G.S. 110-86.
- 23 (2) Eligible child care facility. – A child care facility, as defined in G.S. 110-86.
- 24 (3) Eligible child care staff. – An individual employed at an eligible child care
- 25 facility as a director, lead teacher, teacher, or teacher assistant, as those terms
- 26 are defined in G.S. 110-86.
- 27 (4) General education coursework. – Courses from the areas of humanities, fine
- 28 arts, social sciences, behavioral sciences, natural sciences, and mathematics.
- 29 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
- 30 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
- 31 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
- 32 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In
- 33 computing the amount of tax against which multiple credits are allowed, nonrefundable credits
- 34 are subtracted before refundable credits.
- 35 (d) Sunset. – This section is repealed effective for taxable years beginning on or after
- 36 January 1, 2026."

37 **SECTION 4.** Sections 1 and 2 of this act become effective July 1, 2021. Section 3  
38 of this act is effective for taxable years beginning on or after January 1, 2022. The remainder of  
39 this act is effective when it becomes law.