

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS35242-CIa-5

Short Title: Onsite Childcare for State Employees Act. (Public)

Sponsors: Senators Chitlik and Chaudhuri (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ALLOW THE USE OF STATE-OWNED PROPERTY FOR THE USE OF
CHILDCARE FOR STATE EMPLOYEES, REQUIRE RENOVATIONS OR NEW
BUILDS OF STATE-OWNED PROPERTY TO INCLUDE A CHILDCARE CENTER OR
ADULT CARE CENTER ONSITE, CREATE A PILOT PROGRAM FOR USE OF
STATE-OWNED PROPERTY FOR CHILDCARE FACILITIES FOR STATE
EMPLOYEES.

The General Assembly of North Carolina enacts:

**PART I. USE OF STATE-OWNED PROPERTY FOR ONSITE CHILDCARE CENTERS
FOR STATE EMPLOYEES.**

SECTION 1.(a) The Department of Administration shall report to the Joint
Legislative Oversight Committee on Health and Human Services and the Joint Legislative
Commission on Governmental Operations, no later than March 31, 2026, on the feasibility and
advisability of using obsolete or underutilized State-owned buildings (available buildings) to
house childcare facilities giving childcare priority to State employees. The report shall include
the following:

- (1) Location of each available building.
- (2) Estimated costs for upfitting each property to meet daycare licensing
standards.
- (3) Estimated costs for asbestos and lead remediation.
- (4) Barriers to the available buildings' use as a childcare facility.

SECTION 1.(b) Any project undertaken by the State to build or renovate property
having a budget greater than five million dollars (\$5,000,000) shall include a child care center or
adult day care center if more than 250 people would work in the building. This requirement
includes current projects which have not broken ground by July 1, 2025, unless one or both of
the following exceptions apply:

- (1) Inclusion of either type of center would delay the project by six months or
more.
- (2) Inclusion of either type of center would increase the project cost by 10% or
more.

PART II. CHILDCARE FOR STATE EMPLOYEES

SECTION 2.(a) The Division of Child Development and Early Education shall
establish a pilot program for onsite childcare for State employees as follows:



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- (1) The Division of Child Development and Early Education shall contract with a private commercial childcare provider to establish three childcare centers for State employees use to be established on State-owned property that is unused or underutilized.
- (2) Priority in contracting shall be given to commercial childcare providers who currently operate five or fewer facilities and provide high quality childcare.
- (3) The Division of Child Development and Early Education must include the following terms in the contract with the commercial childcare providers:
 - a. The childcare facility must operate an apprenticeship program in conjunction with a public or private university or community college who operates an early childcare education program.
 - b. The childcare center must comply with the requirements established by the Division of Child Development and Early Education for apprenticeship program.
 - c. The childcare center must maintain the operation of the apprenticeship program for so long as the childcare center is housed in state-owned property and the university or community college is willing to continue the partnership.
 - d. The State will provide the upfit cost of the space to meet the licensure requirements at reasonable levels that are customary at the operators' other facilities and those similarly situated and provide use of the space rent free, notwithstanding the provisions of G.S. 146-29.1.
 - e. The lease terms for state-owned property must be approved as required by G.S. 146-27.

SECTION 2.(b) The Division of Child Development and Early Education shall create the requirements for the apprenticeship program and pair the childcare centers with a university or community college early education program utilizing parameters similar to the Durham Childcare Apprenticeship Program.

SECTION 2.(c) There is appropriated from the General Fund to the Department of Health and Human Resources the sum of five million dollars (\$5,000,000) for the 2025-2026 fiscal year for the Division of Child Development and Early Education's use in establishing the childcare centers as required by Section 2(a) of this act.

SECTION 2.(d) If any expenses are incurred by the State for asbestos or lead remediation in establishing the childcare centers required by Section 2.(a) of this act, the State shall be eligible for reimbursement from the Asbestos and Lead Remediation Fund subject to the rules of the fund for up to five hundred thousand dollars (\$500,000).

SECTION 2.(e) By April 1, 2027, the Division of Child Development and Early Education shall report on and make recommendations to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division the status of the implementation of the pilot program including successes, concerns, problems encountered, enrollment, and expenditures.

SECTION 2.(f) Sections 2(c) and 2(d) of this act are effective July 1, 2025.

PART III. EFFECTIVE DATE

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.