



NORTH CAROLINA
EARLY EDUCATION COALITION

Coalition Legislative Update on the House Budget

August 11, 2021

Goals for the Webinar

- Update on federal policy action and advocacy
- Update and analysis on the House budget proposal
- Answer your questions
- Advocacy opportunities and next steps



What's in the budget for young children and families?



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Federal Updates

Child Care in the American Jobs and Families Plan

- Congress is considering major legislative proposals that include a transformative investment in child care:
 - Increase access to child care in every community
 - Ensure families can afford child care (adding up to no more than 7% of income)
 - Ensure a living wage for early educators
- American Jobs Plan:
 - \$25 billion proposal for child care facilities
- American Families Plan:
 - \$225 billion investment to support families and providers
 - \$200 billion to expand preschool access to all 3-4-year-olds
 - Extension of Child and Dependent Care Tax Credit and the Child Tax Credit.
- Full implementation would result in an estimated 8.27 million more young children having access to child care nationwide - that's [247,422 additional children in North Carolina alone!](#)



Additional Think Babies™ NC priorities in the American Jobs and Families Plan

- Paid Family and Medical Leave
 - A permanent, comprehensive paid family and medical leave benefit available to all families
 - Gives adequate time off (12 weeks)
- Expanded Child Tax Credit
 - Makes the benefits in the American Rescue Plan permanent
 - Increased amount and monthly payments
 - If made permanent, estimated to cut child poverty in half!



How to Take Action

- American Jobs and Families Plan is most likely to go through the reconciliation process
- Connect with your Members of Congress now while they are on recess!
- Tell Congress to invest in child care:
 - <https://nearlyeducationcoalition.org/take-action/tell-congress-child-care-needs-a-significant-sustained-investment/>
- Join on social media using [#SolveChildCare](#)
- Tell Congress to Think Babies and Act:
 - <https://nearlyeducationcoalition.org/take-action/think-babies-and-act-tell-congress-to-pass-the-american-families-plan/>

Call Congress:
#ThinkBabiesAndAct
for child care





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House Budget

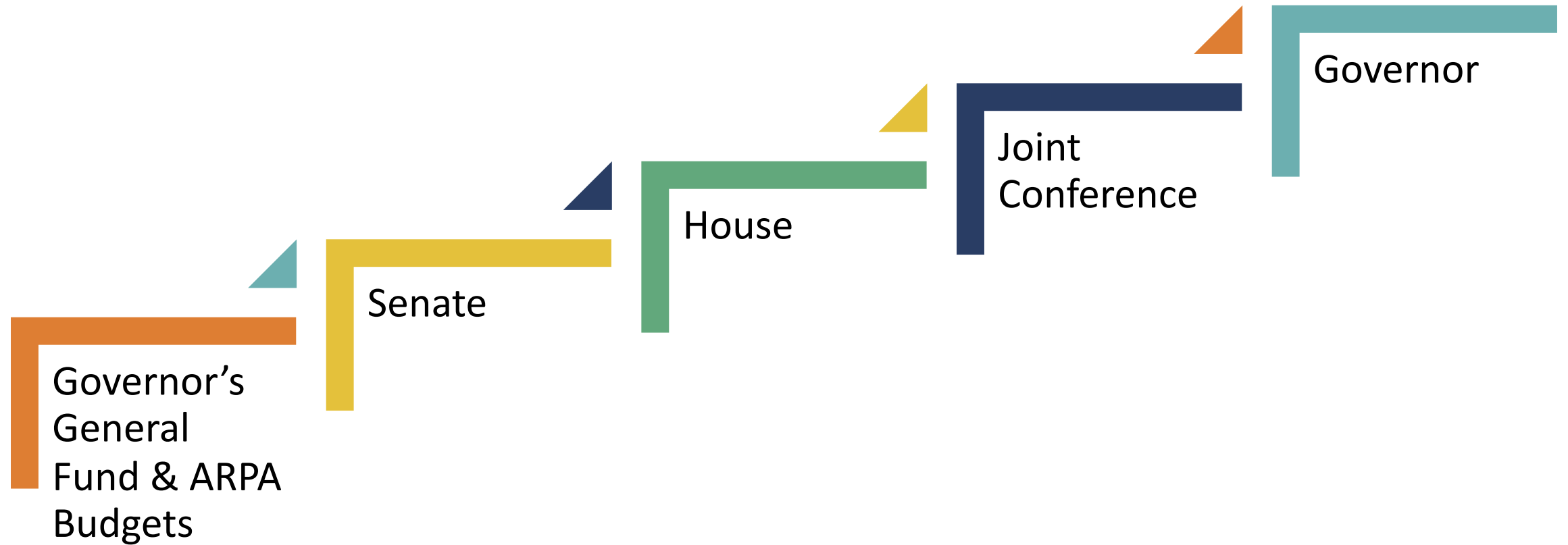
NC Early Education Coalition Policy Priorities



Top Line – Child Care is Essential!

- **Expand funding for all early childhood programs!**
 - Smart Start, NC Pre-K, Child Care Subsidies
- **Fund and Implement Leandro Action Plan**
- **COVID Child Care Funding**
 - Stabilize and sustain the child care industry
 - Expand child care subsidy assistance to families on the wait list and additional eligible families
 - Support the workforce
- **Child Care Workforce Compensation**
 - Expand Child Care WAGE\$ statewide + retention bonuses

Budget Process



House Budget Overview



- Very similar to the Senate Priorities
 - Smart Start
 - NC Pre-K
 - Appropriation of federal American Rescue Plan funds

House Budget Early Childhood Summary

Good News

- Smart Start
- NC Pre-K Rate
- Child Care Subsidy Assistance
- Federal American Rescue Plan \$500M

Bad News

- Child Care Subsidy Rates
- NC Pre-K expansion
- Leandro Plan funding
- Future revenue picture due to tax cut proposals

ECE Bright Spots in the House Budget

- **Smart Start:**

- \$15 M in recurring state funds for Smart Start for both years of the biennium

- **NC PreK:**

- 2% rate increase supported by \$1.7M in recurring state funds for FY 21-22 and FY 22-23, focus on salaries for NC PreK teachers in private child care programs
- \$10 M in non-recurring federal state-level ARPA funding to support start-up and capitol grants for child care programs and NC Pre-K classrooms, particularly in communities with child care deserts or low-performing or high poverty school districts

ECE Bright Spots in the House Budget

- **\$503M Child Care Subsidy Assistance (ARPA)**
 - \$274 million for:
 - \$206-\$215 million to reduce child care subsidy wait list
 - \$50-\$59 million to improve child care licensing and subsidy management systems
 - \$30M parent copayment fees through the end of 2021.
 - \$207.7 million to build child care workforce supply through bonuses and other teacher pipeline programs inc. apprenticeships, stackable course, and fast tract programs, and \$35M for Child Care WAGE\$
- **\$16 M in federal Child Care Entitlement Grant**
 - Becomes part of the child care subsidy assistance program, unless specifically designated otherwise

Other Child Care Action in the House budget

- **Hold Harmless Child Care Ratings bill (S570):**
 - Includes the bill as it passed the Senate, appropriation for the workforce pipeline development included in ARPA funding
- **Child Care Lead Abatement**
 - \$150M in non-recurring funding for lead abatement in child care programs and public schools.

What's Missing (Completely!)

- **Child Care Subsidy Rates improvements**
- **NC Pre-K expansion**
- **Early Intervention**

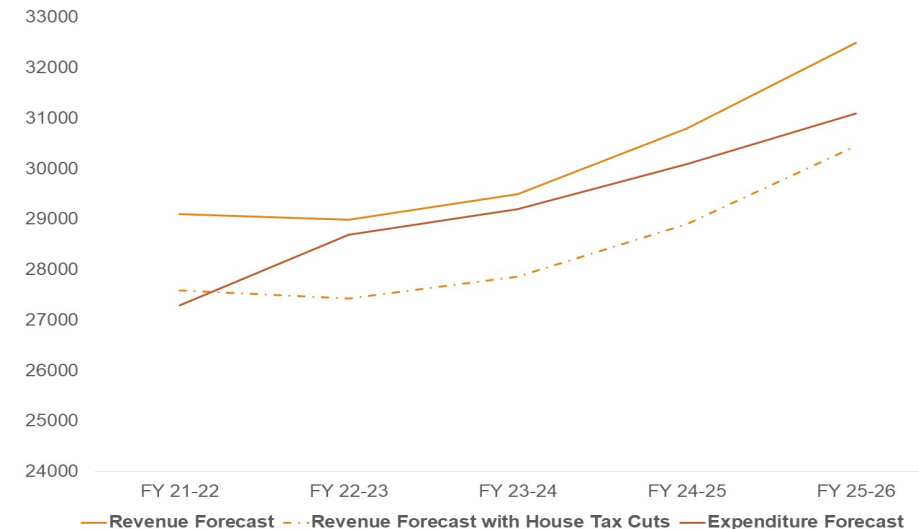


Overall Spending and Impact of Proposed Tax Cuts

- Relies heavily on federal and non-recurring funding
- State spending would reach a historic low
- Proposed tax cuts would lead to reduced revenue
- This hinders NC's ability to invest in what young children, their families, and their educators need now and in the future

NC House tax cuts would fall behind in funding public services

IN MILLIONS



Sources: OSBM, March 2021, Governor's Budget Summary and Fiscal Research Division, Fiscal Note on Senate Bill 105 version 4.

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Coalition Bottom Line Summary

- House budget, like Senate budget:
 - Missed opportunity!
 - Invests too little – not sufficient to address the child care crisis!



Still To Come...

Critical Advocacy Timeframe –

Now through end of August/early September

- House budget will pass this week
- Joint Conference Committee will start soon
- Final budget will go to Gov. Cooper





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Advocacy Tips, Tools and Resources

The Time is Now!

- Elected officials want to represent the best interests of their constituents who live in their counties and districts.
- Help your policymakers understand the issues
- Don't assume they know – they don't unless you tell them.
- This is crunch time - educate and activate!



Advocacy Actions To Take Right Now

- Contact your NC House Representative!
 - Call first, then email
- Visit www.ncleg.gov or our website to find out who represents you and their contact information
 - <https://ncearlyeducationcoalition.org/take-action/who-represents-me/>
- Use our Action Center to contact your Representative about rates:
 - <https://bit.ly/housebudgetalert>
- Stay tuned for more during Joint Conference!



Thank you!

www.NCEarlyEducationCoalition.org

For more information:

Jenna Nelson

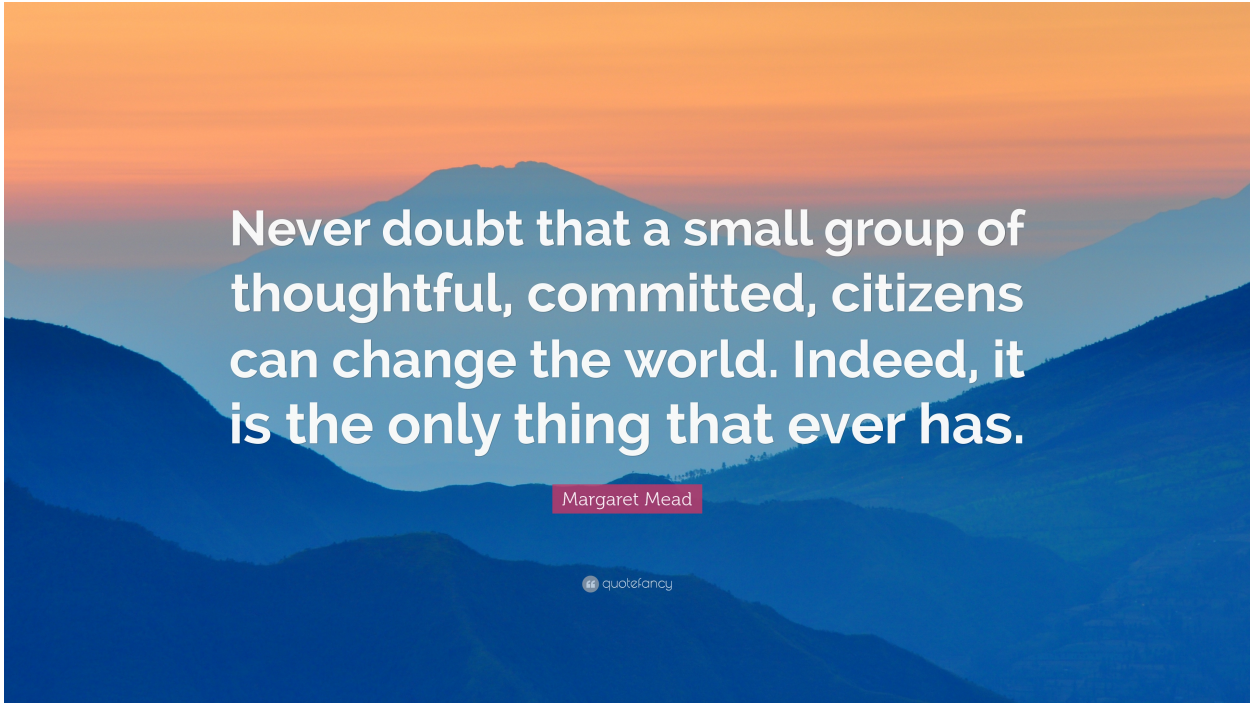
JennaN@NCEarlyEducationCoalition.org

Michele Rivest

michele.rivest@NCEarlyEducationCoalition.org


Elaine Zukerman

elainez@NCEarlyEducationCoalition.org



Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has.

Margaret Mead

 quote fancy