



## Select Birth-to-Eight Provisions in Governor’s 2021-23 Budget Proposal

		<b>Governor’s Recommendations</b>
<b>Early Care and Education</b>	NC PreK	Increases the NC Pre-K slot reimbursement rates by 16% using lottery receipts (\$23M/\$28M). Increases the NC Pre-K local administrative rate to 10% using lottery receipts (\$3.8M/\$8.1M). Expands slots by 1500, beginning in the second year of the biennium using lottery receipts (\$9.8M).
	Early educator pay increases	Expands participation statewide in the Child Care WAGE\$ program that provides educational attainment-based salary supplements for early childhood educators to enhance compensation and retention (\$10M/\$26M). Provides compensation based on the K-12 Teacher Salary Scale for all B-K licensed Pre-K educators working in private child care settings (\$250k/\$9M).
	Early educator pipeline	Increases quality of early childhood educator pipeline by providing funding to leverage professional development and scale innovative strategies in the Educator Workforce Program, providing opportunities for 1,000 new early educators in the first two years (\$500k/\$1.2M). Provides funding to develop and implement a real-time Early Childhood Workforce Data System to support building the pipeline of early childhood educators, by organizing data such as credentials and continuing education as well as facilitating communication between DHHS and early childhood educators (\$1.3M/\$500k).
	Smart Start	Invests lottery receipts in Smart Start (\$20M/\$20M).
	Child care subsidies	Provides approximately 1,700 additional slots for child care subsidy payments for children from low-income working families (\$10M/\$10M).
	Preschool expulsion	Provides funding to decrease the impact of implicit bias on children of color and children with disabilities (\$500k/\$1M). Research indicates that Black boys account for 48% of preschool expulsions while comprising 18% of preschool students. This initiative will work directly with program administrators and educators to decrease the impact of implicit bias and to reduce or eliminate preschool expulsion.

<b>Family Economic Support</b>	Earned Income Tax Credit	Reenactment of the EITC to help more than 850,000 North Carolina families, nearly all of whom earn less than \$50,000 a year. The proposed credit is equal to 5% of the federal EITC and is refundable to cover more of low-income families, which means eligible families will receive the full credit even if it exceeds their state income tax liability. The state EITC would be effective starting in tax year 2021 and would provide a benefit of \$147M in 2021 and \$121M in 2022 to NC families.
	Child and Dependent Care Tax Credit	Enactment of a CDCTC for families with eligible care expenses for children and other dependents. The non-refundable credit would be equal to 100% of the federal child and dependent care credit for children and other eligible dependents. The proposed credit gradually phases out for married-couple families with incomes between \$75,000 and \$200,000 (and for head-of-household and single filers with incomes at 75% and 50% of these levels, respectively). This credit, effective beginning in tax year 2021, would benefit nearly 200,000 North Carolina families, reducing their child and dependent care expenses by an estimated \$219M in 2021 and \$87M in 2022.
<b>K-12 Education</b>	Teacher, admin and staff pay increases	10% increase in teacher pay over the biennium (\$267M/\$437M), more than 10% increase in administrator pay (\$20.6/\$38.8M), 7.5% increase in staff pay (\$75.6M; \$115.2M), and 5% increase in DPI state employee pay (\$2M/\$3.7M). Restores Master’s pay for some teachers (\$7M/\$7M).
	Living wage for public school employees	Raises minimum wage for public school employees to \$15/hour (\$22M/\$22M)
	Educator recruitment efforts	Funds studies to improve the recruitment and retention of teachers and staff (\$500k/\$25k). Funds the TeachNC centralized online teacher recruitment tool (\$500k/\$500k). Provides funding for research-based Grow-Your-Own and 2+2 programs in all regions of the State (\$2M/\$2M). Establishes a pilot grant program to increase the recruitment, retention, and support for educators of color (\$2M; \$2M). Establishes pilot programs for district-level grant program for multi-year recruitment bonuses for certified teachers who commit to teach in a low wealth or high needs district or school (\$3M/\$6M), and a grant program providing support for high quality teacher preparation residency programs in high need rural and urban districts (\$5M in 2021).
	Special populations	Removes funding caps and increases funding for the Children with Disabilities (\$40M/\$70M) and Limited English Proficiency (\$10M/\$20M) allotments and increases funding for the Disadvantaged Student Supplemental Funding (\$35M/\$70M) and Low Wealth (\$20M/\$40M) allotments.

<b>K-12 Education</b>	High poverty districts	Expands funding for the NC State Board of Education’s district and regional support model to provide direct and comprehensive assistance for the improvement of low performing and high poverty schools and districts (\$10M/\$19M). Establishes pilot grant program providing funding to high poverty schools that adopt an evidence-based model to address out of school barriers to learning, including funding a full-time school-based coordinator to assess local needs/assets and to integrate social, academic, and health supports in coordination with school support personnel. Provides funding for up to 20 FTE in 2021 and 77 FTE in 2022 (\$1.5M/\$6M).
	Student support staff	Provides funding for an additional 500 school counselors, nurses, social workers, and psychologists in 2021 and 1,000 in 2022 (\$40M/\$80M).
	Equity	Establishes DPI Office of Equity, Inclusion, and Diversity Affairs to direct recruitment and retention of diverse educator workforce and ensure compliance with <i>Leandro</i> (\$400k/\$400k).
	School lunches	Provides funds to offset the co-pays for students eligible for reduced price lunches, providing free meals for up to an additional 97,500 students (\$3.9M in 2022).
	Social-Emotional Learning pilot	Provides funding to expand the NC Preschool Pyramid PreK/Kindergarten Social Emotional Learning (SEL) model to low performing and/or underfunded LEAs (\$250k/\$250k).
	Science of Reading training	Provides funding to support retraining of current teachers and to transition NC Educator Preparation Programs to early literacy instruction based around the science of reading (\$4M in 2022, in addition to \$12M in federal ESSER funds already committed).
	Professional development for teachers	Creates new allotment for professional learning for all personnel in areas such as digital literacy, personalized learning, and computer science and to implement literacy training and mentoring programs for beginning educators (\$10M/\$20M). Provides additional funds to the North Carolina Center for the Advancement of Teaching (NCCAT) to support continued PD of teachers (\$825k/\$1.7M).
	Teacher Assistants	Budgets additional receipts to provide additional teacher assistants to support K-3 students (\$20M/\$30M).
	BOND for public school infrastructure	Supports the authorization, subject to a vote of the people, of up to \$2.5 billion in General Obligation Bonds for construction and renovation of public school facilities to begin to address the estimated \$8 billion in statewide public school facility need.

<b>Healthcare</b>	Early Intervention	Increases funding for individualized early intervention services and supports to families with children birth to age three with developmental delays and established medical conditions currently eligible for the NC Infant Toddler Program (Early Intervention). Funding will support increases in state and local staffing, establish a centralized provider network system, provide professional development focused on infant mental health, and address salary inequities that affect retention and recruitment of necessary providers (\$8.2M/\$10.2M).
	Close the coverage gap	Supports expanding Medicaid eligibility beginning October 1, 2021 to provide healthcare access for more than 600,000 North Carolinians, help prevent rural hospitals from closing, reduce the number of uninsured veterans, help fight the opioid epidemic, and secure NC's share of federal resources that will inject over \$5 billion in direct investment into the state (\$1.7B in federal funds through the American Rescue Plan Act of 2021).
	Behavioral health services for children	Provides funds for Mobile Crisis Management services to decrease wait times, enhance family engagement, and provide stabilization services up to four weeks post-acute crisis event to better connect children to behavioral health services (\$2M/\$2M).
	Health equity	Expands the Office of Minority Health and Health Disparities by 6 positions to increase efforts to eliminate health disparities among racial and ethnic minorities and other underserved populations in NC (\$845k/\$845k).
<b>Child Welfare</b>	Implementation of Rylan's Law	Provides funding for 15 new positions to provide support, training, and technical assistance to counties under the regional support model directed by Rylan's Law, and to staff a Child Protective Services (CPS) technical hotline (\$2M; \$2M)
	Child Protective Services staff	Provides funding for more than 100 additional Child and Adult Protective Services staff (\$8.5M/\$10M).