

Statement on the North Carolina Senate Budget

Throughout this legislative session, the NC Early Education Coalition has focused on ensuring that children have access to high-quality early learning experiences, that parents can afford child care so that they can work, that early educators can afford to keep teaching, and that child care programs receive adequate funding to sustain their services.

On Monday, May 15th, the Senate released its state budget for the 2023-2025 biennium. Similar to the House budget, this proposal spends approximately \$30 billion each year. Also similar is the lack of investment in child care and other policies to support young children, their families, and their educators.

Despite bipartisan support in both the House and Senate for large investments in early education - including a \$300 million [bipartisan bill](#) to support the early childhood workforce - the budget does not include any of the crucial funding or policies proposed.

The Senate budget does include a provision instructing the Division of Child Development and Early Education (DCDEE) to spend any remaining federal American Rescue Plan Act (ARPA) funds to extend the compensation grants for early educators. However, the budget does not include any new or additional funds for this purpose. Instead, it would pull funding away from other early childhood priorities previously identified by this legislature, such as providing Child Care Subsidy Assistance to low-income working families on the waitlist.

With ample state funding available and very large reserves, legislators have more than enough to address all of the various aspects of our current child care crisis, and we view this budget as a huge disappointment for early education.

Here is what is in the Senate budget for early education:

- Instructs DCDEE to use any remaining federal ARPA funds from the 2021 appropriation of \$206-215M to extend compensation grants; does not include any new or additional funding
- \$1.5 million each year of the biennium (non-recurring) for the Dolly Parton Imagination Library program administered by Smart Start
- Allows Smart Start to charge 10% administrative overhead of their total allocation, up from the previous cap of 8%
- \$1.2 million recurring to provide child care support for parents who are enrolled in community colleges

Additional non-budgetary provision:

- Increases the number of children allowed to be enrolled in Family Child Care Homes

North Carolina continues to need a state budget that invests in the long-term sustainability of a strong early childhood system. With federal relief funding coming to an end soon and no new state investments included in this budget, our child care system is on a precarious path, the impacts of which will be felt by everyone in our state.

We remain committed to working with state policymakers during the Joint Conference Committee process to secure funding to help stabilize and sustain child care programs and teachers and to make child care more accessible for young children and working families across the state. Our young children, families, communities, businesses, economy, and our future are all depending on it.