

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 1117  
May 26, 2022  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40766-LUa-115B

Short Title: Increase Funding for Subsidized Child Care. (Public)

Sponsors: Representative Lofton.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO APPROPRIATE FUNDS TO INCREASE ACCESS TO SUBSIDIZED CHILD  
3 CARE AND TO STUDY EXPANDING ELIGIBILITY CRITERIA FOR CHILD CARE  
4 SUBSIDY TO THREE HUNDRED PERCENT OF THE FEDERAL POVERTY LEVEL.

5 Whereas, the COVID-19 pandemic has greatly impacted working families; and  
6 Whereas, child care assistance is important to a child's well-being; and  
7 Whereas, the provision of child care assistance is important to continue reopening the  
8 economy and allowing individuals to return to work; and

9 Whereas, there are numerous challenges working families face on a daily basis; and  
10 Whereas, the cost of child care is continuing to increase; and

11 Whereas, North Carolina should commit to expanding eligibility up to three hundred  
12 percent (300%) of the federal poverty level as funds become available from the federal  
13 government; Now, therefore,

14 The General Assembly of North Carolina enacts:

15 **SECTION 1.** There is appropriated from the General Fund to the Department of  
16 Health and Human Services, Division of Child Development and Early Education, the sum of  
17 one hundred eighty million dollars (\$180,000,000) in recurring funds for the 2022-2023 fiscal  
18 year to provide funding to expand the number of eligible children served in the child care subsidy  
19 program. From funds appropriated under this section, the Division shall allocate the sum of  
20 fifty-eight million dollars (\$58,000,000) in recurring funds for the 2022-2023 fiscal year to cover  
21 copays for families eligible for subsidized child care.

22 **SECTION 2.** Section 9C.4 of S.L. 2021-180 reads as rewritten:

23 **"SECTION 9C.4.(a)** The maximum gross annual income for initial eligibility, adjusted  
24 annually, for subsidized child care services ~~shall be determined based on a percentage of the~~  
25 ~~federal poverty level as follows:~~

26 AGE	INCOME PERCENTAGE LEVEL
27 0—5	200%
28 6—12	133%

29 ~~The eligibility for any child with special needs, including a child for any child who is 12 years~~  
30 ~~of age or younger or any child with special needs, including a child who is 13 years of age or~~  
31 ~~older, shall be two hundred percent (200%) of the federal poverty level.~~

32 **"SECTION 9C.4.(b)** Fees for families who are required to share in the cost of care are  
33 established based on ten percent (10%) of gross family income. When care is received at the  
34 blended rate, the copayment shall be eighty-three percent (83%) of the full-time copayment.  
35 Copayments for part-time care shall be seventy-five percent (75%) of the full-time copayment.  
36 Families receiving subsidized child care services whose gross annual income increases beyond



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1 the initial eligibility thresholds set forth in subsection (a) of this section shall share in the cost of  
2 care based on a percentage of their gross annual income as follows:

<u>AGE</u>	<u>CHANGE IN GROSS ANNUAL INCOME/PERCENTAGE LEVEL</u>	<u>PARENT CO-PAY</u>
0 – 12	Up to 200% of Federal Poverty Level	0%
...."	85% of State Median Income	2.5%

8 **SECTION 3.** There is appropriated from the General Fund to the Division of Child  
9 Development and Early Education (Division) the sum of two hundred fifty thousand dollars  
10 (\$250,000) in nonrecurring funds for the 2022-2023 fiscal year to conduct a feasibility study to  
11 plan for and determine the costs associated with expanding eligibility criteria for the child care  
12 subsidy program to three hundred percent (300%) of the federal poverty level. In conducting the  
13 study, the Division shall consider administrative and technology requirements to serve families  
14 with incomes over eighty-five percent (85%) of the State Median Income. The Division shall  
15 submit a report on the study to the Joint Legislative Oversight Committee on Health and Human  
16 Services by December 1, 2023.

17 **SECTION 4.** This act becomes effective July 1, 2022.