

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**SENATE BILL 677**

Short Title:   SOS (State Owned Structures) Childcare Act. (Public)

Sponsors:     Senators Chitlik, Chaudhuri, and Everitt (Primary Sponsors).

Referred to:   Rules and Operations of the Senate

March 26, 2025

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, CREATE A PILOT PROGRAM FOR USE OF STATE-OWNED  
PROPERTY FOR CHILDCARE FACILITIES FOR STATE EMPLOYEES, TO CREATE  
A PILOT PROGRAM FOR COUNTY GRANTS FOR THIRD-SHIFT CHILDCARE FOR  
FIRST RESPONDERS, REQUIRE FEASIBILITY STUDY FOR ONSITE CHILDCARE  
AT EACH NORTH CAROLINA COMMUNITY COLLEGE AND COLLEGE IN THE  
UNIVERSITY OF NORTH CAROLINA SYSTEM, ESTABLISH WORKGROUP TO  
EXAMINE STREAMLINING LICENSURE REQUIREMENTS FOR PHYSICAL  
STRUCTURES FOR COMMERCIAL CHILDCARE FACILITIES.

The General Assembly of North Carolina enacts:

**PART I. USE OF STATE-OWNED PROPERTY FOR 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:

- (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. ONSITE CHILDCARE FOR THIRD-SHIFT FIRST RESPONDERS**

**SECTION 3.(a)** There is appropriated from the General Fund to the Department of Health and Human Services the sum of six million dollars (\$6,000,000) for the 2025-2026 fiscal

year for a pilot program to provide counties grants to establish third-shift childcare for first responders, with priority to be given to third shift facilities operated in unused or underutilized county-owned buildings. By April 1, 2027, the Department of Health and Human Services 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 regarding the implementation of the pilot program including successes, concerns, problems encountered, enrollment, and expenditures.

**SECTION 3.(b)** Section 3(a) of this act is effective July 1, 2025.

#### **PART IV. ONSITE CHILDCARE AT EACH NORTH CAROLINA COMMUNITY COLLEGE AND COLLEGE IN THE UNIVERSITY OF NORTH CAROLINA SYSTEM**

**SECTION 4.1.(a)** Report. – The State Board of Community Colleges shall study and report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division of the General Assembly, no later than March 31, 2026, on the feasibility and advisability of implementing a publicly available child care program on every community college campus that offers priority enrollment to the children of community college employees and students. The report shall include the following:

- (1) Recommendations for implementing the childcare program.
- (2) Estimated costs for implementation and maintenance of the childcare program.
- (3) Return on investment of the childcare program.
- (4) Issues related to historical and ongoing utilization of grants or other funding.
- (5) Barriers to implementation of the childcare program.

**SECTION 4.1.(b)** There is appropriated from the General Fund to the Community College System Office the sum of one hundred thousand dollars (\$100,000) for the study required by Section 4.1(a) of this act.

**SECTION 4.1.(c)** Section 4.1(b) of this act is effective July 1, 2025.

**SECTION 4.2.(a)** The Board of Governors of the University of North Carolina shall study and report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division of the General Assembly, no later than March 31, 2026, on the feasibility and advisability of implementing a publicly available childcare program at each constituent institution campus that offers priority enrollment to the children of university employees and students. The report shall include:

- (1) Recommendations for implementing the childcare program.
- (2) Estimated costs for implementation and maintenance of the childcare program.
- (3) Return on investment of the childcare program.
- (4) Issues related to historical and ongoing utilization of grants or other funding.
- (5) Barriers to implementation of the childcare program.

**SECTION 4.2.(b)** There is appropriated from the General Fund to the Board of Governors the sum of one hundred thousand dollars (\$100,000) for the study required by Section 4.2(a) of this act.

**SECTION 4.2.(c)** Section 4.2(b) of this act is effective July 1, 2025.

#### **PART V. ESTABLISH WORKGROUP TO EXAMINE STREAMLINING LICENSURE REQUIREMENTS FOR PHYSICAL STRUCTURE OF COMMERCIAL CHILDCARE FACILITIES**

**SECTION 5.(a)** The Division of Child Development and Early Education shall establish the Commercial Childcare Licensure Workgroup to examine streamlining requirements

related to the physical structure of commercial childcare centers. The workgroup shall consist of one representative from each of the following to be chosen by the North Carolina Child Care Commission:

- (1) The Division of Child Development and Early Education.
- (2) The Office of the State Fire Marshal.
- (3) The Department of Insurance.
- (4) The North Carolina Building Code Council.
- (5) The Division of Public Health.
- (6) The League of Municipalities.
- (7) The North Carolina Association of County Commissioners.

The North Carolina Child Care Commission shall also appoint two commissioners to the workgroup who shall also serve as co-chairs of the workgroup.

**SECTION 5.(b)** The workgroup shall develop findings and recommendations related to at least the following:

- (1) Streamlining the licensing requirements related to the physical facilities related to commercial childcare facilities, including building codes, fire codes, and sanitation codes.
- (2) Developing statewide, uniform application of the commercial childcare licensing requirements related to the physical facility including building codes, fire codes, and sanitation codes and statewide, uniform inspections related to those codes.
- (3) Resolving conflicts between various code requirements for commercial childcare licensing.

**SECTION 5.(c)** By January 1, 2026, the Division of Child Development and Early Education shall report the findings and recommendations of the work group to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division.

## **PART VI. EFFECTIVE DATE**

**SECTION 6.** Except as otherwise provided, this act is effective when it becomes law.