

Summary of House Health & Human Services Appropriations Budget Passed on May 3, 2019

Overall Budget Trends

- Division of Child Development and Early Education (DCDEE) funding increased by approximately \$15M in both budget years, but mostly from federal funding. The DCDEE state funding was actually decreased by \$1.9M FY 19-20 and \$1.3M for FY 20-21.
- New state money was added for Smart Start and rate increases for NC Pre-K.
- Increased federal funding in the DCDEE budget, and swapping of state funds for federal child care subsidy with funds for NC Pre-K.

NC Division of Child Development and Early Education		
Current Base 2018-19 Budget	FY 19-20	FY 20-21
Requirements	\$793,277,135	\$802,627,135
Receipts	\$555,637,868	\$555,637,868
Net State appropriation	\$237,639,267	\$246,989,267
House Budget Changes		
Increase to total appropriations	\$14,740,793	15,143,533
Receipts (Federal)	16,645,776	16,448,516
State	(\$1,904,983)	(\$1,304,983)
Revised Total Budget		
Requirements	\$808,052,594	\$817,864,179
Receipts (Federal)	\$572,283,644	\$572,283,644
Net State Appropriation	\$235,768,950	\$245,777,795

Smart Start

- Increased Smart Start funding state appropriations by \$5M non-recurring for FY 19-20 and \$2M non-recurring for FY 20-01.
- The funding increases are directed to child care related, child care health, and family support; NOT child care subsidies.

Code	Smart Start	Amount Change	Source	FY 2020-21
1381	SS Subsidy	No change	NA	NA
1162	SS Child care-related	3,500,000 NR	State	1,400,000 NR
1271	SS Family Support	750,000 NR	State	300,000 NR
14AQ	SS Health	750,000 NR	State	300,000 NR
Total		\$5,000,000 NR		\$2,000,000 NR

NC Pre-K

- Maintains overall requirements and commitments. Replaces net General Fund with federal TANF block grant; decreases state funds by \$2.5M recurring in FY 19-20 and by \$4.5M recurring FY 20-21.
- Maintains increase in state funding by \$9.028 for slots (appropriated in FY 18-19 budget).
- Increases NC Pre-K rates by 2% with \$1.7M recurring state fund increase in FY 19-20 and 6% with \$5.3M recurring in FY 20-21.

- Note: special budget provision indicates rate increase intended for salary increases for private child care salaries
- **Pre-K Related:** Upstart Virtual PreK \$1M non-recurring FY 19-20 only

Child Care Subsidies

- Overall increase of \$7M recurring for FY 19-20 and \$7M for FY 20-21. Source: federal CCDBG and TANF
- Special budget provision reduces parent co-pay from 10% to 9%. Estimated cost is \$600,000 which will likely reduce number of total slots.
- Quality set-aside - reduced by \$565,189; will now only meet the minimum requirement.
- Eliminating 3 positions, stating these are unfilled. (DCDEE say they are filled, or about to be filled).

Nurse-Family Partnership

- Provides an additional \$3.8M non-recurring in FY 2019-20 and \$1.8M non-recurring in FY 2020-21 for Nurse-Family Partnership, raising the total requirements to \$7.25M in FY 2019-20 and \$5.25M in FY 2020-21.