

**Side-by-Side Comparison: Select Provisions**  
**SB 105 APPROPRIATIONS ACT of 2021**  
**August 13, 2021**

The House passed their version of the state budget, SB 105, on Thursday August 12. The tables below highlight similarities and differences between what the Governor, the Senate, and the House have proposed for the state's budget this year.

**Toplines:**

The House and Senate are both prioritizing **tax cuts** over sustainable investments in state programs that serve kids and families. While the House's tax cut proposal is a little more restrained than the Senate's, it will still result in billions of reduced revenue in future budget years. NC Child and others advocated instead for an approach to "tax relief" that focused on the lowest income earners.

The historic level of funding from the **American Rescue Plan**, coupled with a huge revenue balance, meant legislators had the chance to use one-time dollars to fund many long-standing needs, such as infrastructure and capital improvement projects. All that one-time spending seemed to make legislators shy about allocating the state's recurring funds for the programs that serve our kids and families.

**Good News from the House budget:**

- Creation of a separate **Juvenile Justice Division** within the Department of Public Safety;
- **Rate increase for foster parents**, including \$3.5M in FY 2021-22, and \$3.2M in FY 22-23, in efforts to recruit and retain qualified foster parents;
- Includes language from **SB 93, Assisting NC Families in Crisis**, that would allow parents who have lost temporary custody of their children to retain Medicaid coverage;
- The House budget includes **8 weeks of parental paid time off for public school employees**;
- The House budget also includes **raises for school support staff** (such as custodians and bus drivers) to \$15/hour over 2 years;
- Raises for **private duty nurses** serving some Medicaid populations;

- Includes language from HB 736 that gives the state’s lab a little more time to implement new newborn screening tests, once they are added to the **Recommended Uniform Screening Panel (RUSP)**; and
- The House budget included language from **H608, Dignity for Women Who are Incarcerated**, to prohibit shackling and provide reasonable postpartum care for pregnant inmates who deliver while incarcerated.

**One-Time ARPA Spending**

- \$150M in short-term **American Rescue Plan** funds to test and remove **lead and asbestos** from child care centers and schools;
- **Broadband** investments to increase access in all 100 counties, using one-time ARPA funds;
- Increased access to **telehealth and telepsychiatry** in the wake of the public health emergency; and
- Funding for **school psychiatrists**, as well as various investments in resources for students in crisis.

**Bad News from the House budget:**

- **Tax Cut package** would reduce the corporate tax rate, already the lowest in the region, as well as the income tax rate for all income levels. This will result in significant lost revenue in future years.
- The House budget did *not* include a provision from the Senate budget extending **Postpartum Medicaid** for new moms from 60 days to 12 months.
- Legislators did not raise the state’s **child care subsidy** rate, or increase the availability of child care subsidy, as widely requested by the early childhood community;
- **No Medicaid expansion** or other efforts to provide health coverage to low-income North Carolinians in the “coverage gap;” and
- The legislature did not take steps to merge the **NC Health Choice (CHIP)** with NC Medicaid programs for children.

**Health - State Appropriations**

Program	Governor’s Budget	Senate Budget	House Budget
Public School Instructional Support Staff & Crisis Supports for Students	\$80M annually (recurring)	Recruitment Bonus for Small Counties – up to \$2,000 to match local funds	Recruitment Bonus for Small Counties – up to \$1,000 to match local funds 1:1

<p><i>Allows districts to hire more school nurses, counselors, psychologists, and social workers to support student physical and mental health</i></p>	<p><i>\$40M for 500 FTE in FY 2021-22 and \$80M for 1,000 FTE in FY 2022-23</i></p>	<p>1:1 to recruit instructional support personnel</p> <p>\$10M (recurring) for school safety grants to serve students in crisis</p>	<p>to recruit instructional support personnel</p>
<p>School Nurses</p> <p><i>Address student mental health, suicide prevention, and physical health needs by appropriating at least \$10M to decrease the dire shortage of school nurses in North Carolina.</i></p>	<p>Restore Master’s pay monthly</p> <p>Supplement 10% of school nurse salaries; \$80 a month for certified school counselors; and \$500 a month for licensed psychologists</p>	<p>\$40.9M each year of the biennium for school psychologists</p>	<p>\$2.5M (non-recurring) for suicide prevention via the internet. Schools must establish suicide risk protocols.</p> <p>\$11.4 million to tie school counselor pay to the salary schedule applied to school psychologists, speech pathologists, and school audiologists.</p> <p>\$3.5 million to increase the base salary amount by \$1,000 to school psychologists, speech pathologists, school audiologists, and school counselors.</p>
<p>Medicaid Coverage for 12 Months Post-Partum (S.B. 530)</p>	<p>No</p>	<p>Yes</p> <p>\$12,344,000 (recurring) in FY 21-22</p> <p>\$50,816,000 (recurring) in FY 22-23</p>	<p>No</p>
<p>Close the Coverage Gap</p>	<p>\$86M</p>	<p>\$0</p>	<p>\$0</p>

<i>Expand Medicaid to North Carolinians</i>			
NC Dental Society	\$0	\$200,000 (non-recurring)	\$200,000 (non-recurring)
Additional Medicaid Innovations Waiver Slots	Yes, 520 new slots.	Yes, 1,000 new slots.	Yes, 1,000 new slots.
Parents of Children in Foster Care <i>Allow parents to maintain Medicaid eligibility when child is temporarily placed into the foster care system</i>	\$0	\$26.1M (recurring) \$8.1M in FY 2021-22 and \$18M in FY 22-23	\$26.1M (recurring) \$8.1M in FY 2021-22 and \$18M in FY 22-23
Early Intervention <i>Provide more access to early intervention services for children 0-3 at risk for developmental delay or with a diagnosed disability</i>	\$18.4M	\$0	\$0

## Health - ARPA State Fiscal Recovery Funds

<b>Program</b>	<b>Governor's Budget</b>	<b>Senate Budget</b>	<b>House Budget</b>
Lead and asbestos remediation <i>Testing and remediation specifically in schools and licensed child care facilities</i>	\$35M (non-recurring ARPA state fiscal \$) for lead testing and mitigation in drinking water at licensed child care facilities and public schools  \$125M (non-recurring ARPA state fiscal \$) for lead paint and asbestos abatement in public schools and licensed child care facilities.	\$32.8M (non-recurring ARPA state fiscal \$) for testing & mitigation in drinking water  \$117.2M (non-recurring ARPA state fiscal \$) for lead & asbestos abatement	\$30.8M (non-recurring ARPA state fiscal \$) for testing & mitigation in drinking water  \$109M (non-recurring ARPA state fiscal \$) for lead & asbestos abatement  \$10M (non-recurring ARPA state fiscal \$) for

			lead paint abatement in residential homes of children and pregnant women with elevated blood lead levels
Expansion of telepsychiatry services <i>Additional investments in the NC Statewide Telepsychiatry Program (NC-STeP) to respond to the public health emergency by providing virtual psychiatric assessments and consultations</i>	\$0	\$1.5M (non-recurring ARPA state fiscal \$) for the NC-STeP	\$1.5M (non-recurring ARPA state fiscal \$) for the NC-STeP
School-based virtual health pilot program <i>Atrium Health school-based virtual care pilot program utilizing telehealth services in Anson and Forsyth counties to address health disparities in areas hard-hit by COVID-19.</i>	\$0	\$0	\$1M (non-recurring ARPA state fiscal \$)

### Family Economic Security - State Appropriations

Program	Governor's Budget	Senate Budget	House Budget
Earned Income Tax Credit (EITC) and Child and Dependent Care Tax Credit (CDCTC) <i>Reenact refundable state EITC, equal to 5% of the federal EITC, to help 880,000 low-and-moderate income families</i>  <i>Create non-refundable CDCTC, equal to 100%, of the federal CDCTC, to help nearly 200,000 families pay for child an ddependent care expenses</i>	(\$570.8M)	No	No
Paid Parental Leave for Public School Employees	\$0	\$0	\$18M (recurring) \$9M each year of the biennium

<i>Provides 8 weeks of paid parental leave when an employee gives birth to a child, or 4 weeks of paid parental leave for new parents that did not give birth to their child.</i>			
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## Child Welfare - State Appropriations

<b>Program</b>	<b>Governor's Budget</b>	<b>Senate Budget</b>	<b>House Budget</b>
Foster Care Rate Increase	\$0	\$5.7M (recurring) \$2.4M in FY 2021-22 and \$3.3M in FY 22-23 – effective October 1, 2021	\$6.8M (recurring) \$3.3M in FY 2021-22 and \$3.3M in FY 22-23 – effective December 1, 2021 and covers county share of increase for FY 2021-22
SaySo <i>Provides funding for Strong Able Youth Speaking Out (SaySo), a statewide organization of youth ages 14-24 who are or have been in the out-of-home care system in NC</i>	\$0	\$0	\$320,000 (non-recurring)

## Early Childhood Education - State Appropriations

<b>Program</b>	<b>Governor's Budget</b>	<b>Senate Budget</b>	<b>House Budget</b>
Child Care Subsidy Rate Increase <i>H574</i>	\$0	\$0	\$0
NC Pre-K Slot Rate Increase <i>Increase the slot rate reimbursement by over the biennium</i>	\$50.3 (recurring) 16% increase over biennium	\$5.2M (recurring) 2% increase each year of the biennium (total of 6%)	\$5.2M (recurring) Same as Senate
Child Care Subsidy <i>Reduce the subsidy waiting list</i>	\$20M (recurring)	\$0	\$0

Child Care WAGE\$ <i>Expand WAGE\$ statewide – ongoing salary supplement programs for early childhood teachers currently operating in only 58 of NC’s 100 counties</i>	\$36M	\$0	\$0
Reach Out and Read <i>Evidence-based early literacy program</i>	\$0	\$1M (non-recurring)	\$0
Ready for School, Ready for Life <i>Guilford-based organization focused on early childhood systems</i>	\$0	\$0	\$1.8M (non-recurring)
Smart Start <i>Expand access statewide to high-quality early childhood education and a continuum of evidence-based services for young children and families</i>	\$40M (recurring) \$20M each year of the biennium	\$30M (non-recurring) \$15M each year of the biennium	\$30M (recurring) \$15M each year of the biennium

### Early Childhood Education - ARPA Child Care Development Funds

<b>Program</b>	<b>Governor’s Budget</b>	<b>Senate Budget</b>	<b>House Budget</b>
Child Care Subsidy <i>Reduce the waitlist and prioritize infants and toddlers</i>	\$200M (non-recurring ARPA CCDBG \$)	\$502.8M (non-recurring ARPA CCDBG \$)	\$206M to \$215M (non-recurring ARPA CCDBG \$)
Parent Co-Pays for Subsidized Care <i>Cover the cost of parent fees through end of 2021</i>	\$0	\$0	\$30M (non-recurring ARPA CCDBG \$)
Early Education Pipeline Development <i>Recruitment and retention strategies to build the educator pipeline for recovery</i>	\$211.3M (non-recurring ARPA)	\$0	\$172.8M (non-recurring ARPA CCDBG \$)
Child Care WAGE\$ <i>Expand WAGE\$ statewide – ongoing salary supplement programs for early childhood teachers currently operating in only 58 of NC’s 100 counties</i>	\$0	\$0	\$35M (non-recurring ARPA CCDBG \$)
Modernize Databases & IT <i>Improve user experience and data reporting functions in child care subsidy, NC Pre-K, and child care licensing</i>	\$59M (non-recurring ARPA CCDBG \$)	\$0	\$50M to \$59M (non-recurring ARPA CCDBG \$)

## Early Childhood Education - ARPA State Fiscal Recovery Appropriations

Program	Governor's Budget	Senate Budget	House Budget
NC Pre-K Start Up Grants <i>Grants to private child care centers for start-up costs and small capital expenditures in counties with low NC Pre-K access</i>	\$44.5M (non-recurring ARPA state fiscal \$)	\$20M (non-recurring ARPA state fiscal \$)	\$10M (non-recurring ARPA state fiscal \$)