

Sent on behalf of Marta Hester, Public Policy Director

Good evening,

It's been another busy week at the NC General Assembly! Amy delivered a presentation on Wednesday, March 19, 2025, on Tri-Share at the request of The Hunt Institute to the Legislative Early Childhood Caucus. Melanie Booth, Executive Director, and Ashley Perkins, Enrollment & Community Growth Director from Sunshine Schools, were also outstanding speakers, as both delivered remarks on behalf of Tri-Share as a program employer/participant. Representative Brandon Lofton (D – District 104, Mecklenburg) has officially been named as a co-chair to help lead the Caucus and replace former Representative Ashton Wheeler-Clemmons. Senators Jim Burgin (R – District 12, Harnett, Lee, Sampson) and Jay Chaudhuri (D – District 15, Wake) and Representative David Willis (R – District 68, Union) will also continue to serve as co-chairs this legislative session. Others in attendance at Wednesday's meeting included: Representatives Tim Longest (D-District 34, Wake), Sara Crawford (D, District 66, Wake), Aisha Dew (D – District 107, Mecklenburg), and Julie von Haefen (D District 36, Wake) on the House side. On the Senate side, the members included Senators Dana Jones (R – 31, Forsyth, Stokes), Jay Chaudhuri (D – District 15, Wake), and Sophia Chitlik (D – District 22, Durham). I will provide a list of the Caucus membership as soon as it becomes available. Amy also spoke this week at a wonderful policy event planned by Smart Start of Forsyth County, and along with others here at NCPC, is ready and willing to support your local bipartisan/non-partisan events focused on early childhood policy.

STATE UPDATES:

Disaster Relief Funding and WNC Update

Session Law [2025-2](#) was signed by Governor Stein on Wednesday, March 19, 2025, to appropriate an additional \$528 million in disaster relief efforts to address the impact Hurricane Helene. Candace Witherspoon, Director, NC Division of Child Development and Early Education, provided an update this week on the current state of child care facilities in Western North Carolina (WNC):

- 800 of 825 facilities have reopened
- 4 facilities have reopened temporary in a different facility
- 3 facilities are currently closed but plan to reopen
- 3 facilities will not reopen
- 10 facilities have closed; however, it is not because of Hurricane Helene
- 11 new centers have open in WNC since December 2024

Governor's Budget Proposal

Governor Stein also released his budget recommendation for 2025 this week. [Governor's Budget Recommendations | NC OSBM](#)

- The recommendations included investments of over \$630 million in 2025-26 and \$660 million 2026-2027 in child care and early education in each year of the next biennium, respectively, to support families and strengthen North Carolina's economy.
- This includes programs that are administered, managed, and enhanced through Smart Start's infrastructure as we support children 0-5 statewide, such as child care subsidy and NC Pre-K.
- Governor Stein is also proposing to maintain the current income tax rates while providing over \$500 million annually in targeted tax cuts to working families.
- While the Governor's Office expressed support directly to Amy for Smart Start, they shared that with the very tight state budget and focus on WNC recovery, they were not able to include an increase in the general approps. NCPC's statement on the budget was included in their press release [here](#).

House Bill 171 – DEI Bill

The DEI Bill (House Bill 171) passed the Judiciary I committee this week and is currently scheduled to be heard in the House Committee on State and Local Government in coming weeks before going to Senate. The bill bars state agencies from promoting, supporting, funding, or maintaining DEI programs, including in hiring, staffing, or training. Moreover, the measure prohibits state agencies, local governments, and non-state entities from using state funds for DEI initiatives, and from applying for federal funds that require DEI compliance. The measure also directs the state auditor to conduct compliance audits, with violations resulting in possible removal from office or employment and a potential class 1 misdemeanor charge.

Proposed Early Childhood Education Legislation

The Smart Start Network will be closely monitoring [HB 389](#) on the Child Care Workforce Pilot Program/Funds (Child care Academies), which we discussed at the last Smart Start Network Public Policy Meeting. We are also following closely [HB 412](#), Child Care Regulatory Reforms, another early care and education bill recently filed by Representative Dean Arp. House Bill 412 includes both deregulation and decoupling provisions, such as:

- By May 1, 2026, DHHS required to submit a plan to separate QRIS from requirements and payments for participation in state's subsidized child care program using 2026 market rate study
- NC General Statute change to reflect a rated license shall have no impact on rate at which a child care facility is reimbursed for care.
- Lead teacher can plan and implement daily activities for two groups instead of one.
- Group size for staff/child ratios increased for age groups
 - 0 – 12 months
 - 12 – 24 months
- NC Early Childhood Credential based on 5 years of work experience in a licensed facility as equivalent to a credential earned through other pathways.
- Establishes a workgroup to examine developing group liability insurance plan for all child care providers
- The proposed legislation also includes reporting requirements.

FEDERAL UPDATES:

Federal Budget

The U.S. Congress passed a Continuing Resolution (CR), which serves as FY25 appropriations to fund the federal government through September 30th, 2025. The bill cuts funding for nondefense programs and services by \$13 billion while increasing defense spending by \$6 billion compared to fiscal year 2024 enacted levels. This is just another reminder that Congress is conducting two separate budget processes. They are concurrently working on annual appropriations for FY26, which determines discretionary yearly spending (e.g., CCDBG Head Start), and a reconciliation bill, which affects mandatory spending (e.g., Medicaid, CCES, and SNAP).

U.S. Department of Education

President Trump issued an executive order to close the U.S. Department of Education, but it cannot be officially closed without congressional action. The order was being challenged by approximately 20 state attorneys general, who filed a lawsuit seeking to block executive order to prevent the department from dismantling and halt planned layoffs, even before the order was filed.

Executive Orders on DEI

Last Friday, a federal appellate court issued a ruling ending a nationwide preliminary injunction that had blocked two Executive Orders (EOs) (EO 14151 and EO 14173) directing federal agencies to terminate or change federal grants and contracts for programs related to diversity, equity, and inclusion. The appellate court's ruling means that both EOs are now in effect again.

Federal Government Downsizing

Two federal judges issued orders requiring the Trump Administration to rehire thousands of probationary workers due to way the mass terminations were carried out.

Protecting Sensitive Locations Act of 2025 (H.R. 1061/S. 455)

Representative Jesús "Chuy" García (IL-04) joined Representative Adriano Espaillat (NY-13) and Senator Richard Blumenthal (CT) to reintroduce the landmark, bicameral bill, [Protecting Sensitive Locations Act](#), during the 119th Congress. The *Protecting Sensitive Locations Act* is co-led by Representatives Sylvia Garcia (TX-29), Suzanne Bonamici (OR-01), Pramila Jayapal (WA-07), Don Beyer (VA-08), Delia C. Ramirez (IL-03), and Jasmine Crockett (TX-30). The bill includes the language outlined below:

- Prohibits immigration enforcement actions by DHS officers or agents at or within 1,000 feet of sensitive locations, including:
- *Medical treatment and health care facilities, such as hospitals, community health centers, and accredited health clinics; Public and private schools and other education-related locations, such as pre-schools, Head Start programs, early care and education programs, K-12 schools, colleges, universities, trade schools, school bus stops, and during school field trips; Places where children gather, such as playgrounds, recreation centers, and child care facilities; Places providing social services, including disaster or emergency response relief, such as food banks and pantries, shelters, the office of an individual's lawyer, community-based organizations, public libraries, union halls, and other organizations and centers that provide assistance; Places of worship, such as churches, mosques, and synagogues; Religious or civil ceremonies or observances, such as sites of funerals and weddings; During public demonstrations, such as a march, rally, or parade; Government buildings, such as federal, state, or local courthouses, Congressional district offices, Social Security offices, public assistance offices, and the Department of Motor Vehicles.*
- Establishes exceptions for sensitive locations in the case of exigent circumstances, such as imminent risk of death, violence, or threat to public safety.
- Additionally, sensitive locations do not apply to the transportation of an individual apprehended at the border to a medical facility to receive care.
- Requires annual training for DHS officers on the sensitive locations policy and annual reporting from DHS regarding enforcement actions or complaints of enforcement actions at sensitive locations. Prevents information from being entered into the record in a removal proceeding resulting from a violation of the sensitive.

Thank you for your continued excellent work in connecting with policymakers and community members about Smart Start and for continuing to keep me posted about your advocacy and community outreach. The next Smart Start Network Public Policy Meeting will be held on Friday, March 28, 2025 to include a speaker from the NC Office of State Budget and Management.

Have a pleasant weekend,

Marta



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