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**Fwd: ExCEL NC re Gov, Budget, Child Care & Workforce**

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To: Molly Steur <msteur@ednc.org>

Tue, Jul 7, 2026 at 2:01 PM

From: **Billy Warden** <billy.warden@gmail.com>  
Date: Tue, Jul 7, 2026 at 11:59AM  
Subject: ExCEL NC re Gov, Budget, Child Care & Workforce  
To: <mosborne@ednc.org>

Greetings. **ExCEL NC** -- a coalition of business leaders working to staunch NC's **child care crisis** -- weighs in below on the **state budget**. First, please find our **statement**. Second, please find a **summary of the child care provisions**. We can also provide county-specific child care stats and connect you with biz leaders eager to talk about the crisis -- as in [this recent op-ed](#) by EDPNC Chair Gene McLaurin. Interested?:

### **1.) STATEMENT**

*“Child care in North Carolina is nearly impossible to find and often unaffordable, forcing many parents out of the workforce at a time when our businesses need them most.*

*By establishing a statewide subsidy reimbursement floor, North Carolina's elected leaders are taking an important step toward addressing one of the root causes of the crisis. Aligning reimbursement rates more closely with the actual cost of care will help stabilize providers, especially those in rural communities, preserve access for families, and strengthen the workforce that North Carolina's economy depends on.*

*The ExCEL NC coalition applauds members of the General Assembly for advancing this important policy and thanks Governor Josh Stein for signing it into law. Together, they have recognized that child care is essential economic infrastructure and taken meaningful action to strengthen the state's child care system. While more work remains, this investment represents significant progress toward a child care system that better supports families, employers, and communities.”*

- Kristi Maida, PhD, Director, ExCEL NC

### **2.) BUDGET SUMMARY**

Below please find information on child care provisions in the budget:

#### **Subsidy Floor** (Section 9D.4 - Page 256):

This provision will create a reimbursement rate floor at the 2021 market rate, with a hold harmless clause that allows for counties who would receive a higher reimbursement at

the 2023 market rate to receive the higher of the two reimbursements. For providers in rural communities, this means that in the coming months, reimbursement rates will increase substantially. The increase in reimbursement for services rendered means that programs will be able to keep their doors open, increasing access for working families to participate in high-quality child care.

**Child Care Academies (Section 9D.8 - Page 260):**

This provision appropriates \$1.5 million in nonrecurring funding to the North Carolina Partnership for Children to launch a Career-Ready Lead Teacher Academy Pilot Program, expanding existing academies in Johnston and Wayne Counties to 10 additional Smart Start partnerships across the state. The pilot will provide free, accelerated training for individuals with no prior early childhood experience to become credentialed lead teachers, along with completion stipends and a \$500 retention incentive for graduates who remain employed as lead teachers for one year, helping strengthen the child care workforce pipeline.

**Expansion of Mental and Behavioral Health Services (Section 9D.9 - Page 263):**

This provision appropriates \$7.3 million in nonrecurring funding to the North Carolina Partnership for Children to expand mental and behavioral health services for children, families, and staff in child care settings and out-of-school programs. Funds will be distributed through local Smart Start partnerships to support services such as on-site behavioral health supports, parent education, and home visiting, while supplementing existing investments, with required reporting on implementation, reach, and recommendations for future expansion.

**Liability Insurance Study (Section 32.2 - Page 502):**

This provision appropriates \$350,000 in nonrecurring General Fund dollars to the Department of Insurance in FY 2026–27 to study the feasibility of creating a liability insurance program for North Carolina child care providers. The study will examine options such as captive insurance, risk pools, or reinsurance models; evaluate market conditions, costs, and coverage needs (including sexual abuse and molestation coverage); estimate startup funding requirements; and provide recommendations on the most viable approach, including any legislative or funding changes needed for implementation

Please don't hesitate to get in touch with questions or requests to talk to members of the ExCEL NC coalition.

Thanks!,  
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