

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 1033
May 2, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40562-MGa-161

Short Title: Taxpayer Accountability/Crisis Pregnancy Ctrs. (Public)

Sponsors: Representative Cervania.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT ENHANCING TAXPAYER ACCOUNTABILITY FOR CRISIS PREGNANCY
3 CENTERS BY REQUIRING THE ESTABLISHMENT OF A COMPETITIVE GRANT
4 PROCESS TO AWARD CERTAIN GRANT FUNDS TO CRISIS PREGNANCY
5 CENTERS; AND ESTABLISHING PERFORMANCE STANDARDS AND
6 ADDITIONAL REPORTING REQUIREMENTS FOR CRISIS PREGNANCY CENTERS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Section 9H.11 of S.L. 2023-134 reads as rewritten:

9 **"SECTION 9H.11.(a)** Of the funds appropriated in this act to the Department of Health and
10 Human Services, Division of Public Health, the sum of six million two hundred fifty thousand
11 dollars (\$6,250,000) in recurring funds for the 2023-2024 fiscal year and the sum of six million
12 two hundred fifty thousand dollars (\$6,250,000) in recurring funds for the 2024-2025 fiscal year
13 shall be allocated to Carolina Pregnancy Care Fellowship (CPCF), a nonprofit corporation, to be
14 used as follows:

- 15 (1) The sum of two million nine hundred thousand dollars (\$2,900,000) in
16 recurring funds for the 2023-2024 fiscal year and the sum of two million nine
17 hundred thousand dollars (\$2,900,000) in recurring funds for the 2024-2025
18 fiscal year shall be used to provide grants for services to pregnancy centers
19 located in this State.
- 20 (2) The sum of one million dollars (\$1,000,000) in recurring funds for the
21 2023-2024 fiscal year and the sum of one million dollars (\$1,000,000) in
22 recurring funds for the 2024-2025 fiscal year shall be used to provide the
23 following grants to pregnancy centers located in this State:
- 24 a. Grants to purchase durable medical equipment.
25 b. Grants to pay for pregnancy care training and training on the use of
26 durable medical equipment.
- 27 (3) The sum of two hundred fifty thousand dollars (\$250,000) in recurring funds
28 for the 2023-2024 fiscal year and the sum of two hundred fifty thousand
29 dollars (\$250,000) in recurring funds for the 2024-2025 fiscal year shall be
30 used to provide grants to pregnancy centers located in this State to cover the
31 cost of nonreligious, nonsectarian educational training and resources
32 regarding pregnancy.
- 33 (4) The sum of two million one hundred thousand dollars (\$2,100,000) in
34 recurring funds for the 2023-2024 fiscal year and the sum of two million one
35 hundred thousand dollars (\$2,100,000) in recurring funds for the 2024-2025



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1 fiscal year shall be allocated to fund operation of the CPCF Circle of Care
2 Program.

3 **"SECTION 9H.11.(b)** ~~The CPCF shall establish an application-a competitive grant process~~
4 ~~for awarding the grants authorized by subdivisions (a)(1) through (a)(3) of this section, and any~~
5 ~~pregnancy center located in this State that applies for these grant funds through the established~~
6 ~~application process is eligible to receive these grant funds-section. The plan for administering the~~
7 ~~competitive grant process shall include all of the following:~~

8 (1) A request for application (RFA) process to allow pregnancy centers located in
9 this State to apply for and receive a grant authorized by this section on a
10 competitive basis. The RFA application shall include at least all of the
11 following components:

12 a. An explanation of the applicant's operations and staff, including all of
13 the following:

14 1. The hours of operation.

15 2. The full name, official position, credentials, specialties, and
16 salaries of all staff and volunteers.

17 3. Required qualifications, trainings, and credentials for all
18 employees, volunteers, contractors, and consultants.

19 4. An explanation of the application process for employees,
20 volunteers, and consultants, including whether the application
21 requires a disclosure about religious beliefs and if any answer
22 or failure to answer will disqualify an applicant.

23 5. What vendors and materials are used for training employees,
24 consultants, and volunteers.

25 6. Whether licensed health care providers are required to be
26 on-site during operating hours and, if so, an explanation of the
27 requirement and what arrangements are made if the
28 requirement cannot be met.

29 7. Whether any employees, contractors, or volunteers are
30 unlicensed health care providers.

31 8. Whether ultrasounds are performed on-site and, if so, the
32 qualifications of those performing and interpreting the
33 ultrasounds.

34 9. Whether testing for sexually transmitted infections is
35 performed on-site and, if so, the names and qualifications of
36 those performing such testing.

37 b. The specific activities, services, and programs provided by the
38 applicant during any part of the year.

39 c. A description of all medical equipment, the purposes of the equipment,
40 and funding sources for all of the equipment.

41 d. An explanation of the applicant's best practices with respect to the use
42 of medical equipment and the provision of any medical testing,
43 medical procedures, or counseling services.

44 e. A description of the applicant's advertising and marketing practices.

45 (2) A plan to evaluate the effectiveness, including measurable impact or
46 outcomes, of the activities, services, and programs for which the grant funds
47 are being requested.

48 (3) A plan to monitor compliance with applicable law and the grant agreement,
49 with respect to the grantee's expenditure of grant funds.

50 (4) A plan to detect fraud and abuse by grantees.

1 "SECTION 9H.11.(b1) No later than July 1 of each year, beginning July 1, 2025, the CPCF
2 shall announce the recipients of the competitive grant awards and allocate funds to the grantees
3 for the respective grant period pursuant to the amounts designated under subsection (a) of this
4 section. After awards have been granted, the CPCF shall submit a report to the Department of
5 Health and Human Services, the Joint Legislative Commission on Governmental Operations, and
6 the Fiscal Research Division on the grant awards that includes at least all of the following
7 information:

- 8 (1) The identity and a brief description of each grantee and each activity, service,
9 and program offered by the grantee.
- 10 (2) The amount of funding awarded to each grantee.
- 11 (3) The number of persons served by each grantee, broken down by activity,
12 service, and program.
- 13 (4) The number of persons served by the Circle of Care Program.
- 14 (5) A copy of each grantee's RFA application.

15 "SECTION 9H.11.(c) The CPCF may not use more than ten percent (10%) of the total
16 amount of funds allocated by this section for each year of the 2023-2025 fiscal biennium—the
17 2023-2024 fiscal year and not more than fifteen percent (15%) of the total amount of funds
18 allocated by this section for the 2024-2025 fiscal year and subsequent fiscal years for
19 administrative purposes.

20 "SECTION 9H.11.(d) Funds allocated under this section shall be used for nonsectarian,
21 nonreligious purposes only.

22 "SECTION 9H.11.(e) By July 1, 2025, and each July 1 of each odd-numbered year
23 thereafter, the CPCF shall report to the Joint Legislative Oversight Committee on Health and
24 Human Services Department of Health and Human Services, the Joint Legislative Commission
25 on Governmental Operations, and the Fiscal Research Division on the use of funds allocated
26 under this section. The report shall include at least all of the following: following information for
27 the preceding fiscal year:

- 28 ~~(1) The identity and a brief description of each grantee and the amount of funding~~
29 ~~awarded to each grantee.~~
- 30 ~~(2) The number of persons served by each grantee.~~
- 31 ~~(3) The number of persons served by the Circle of Care Program.~~
- 32 (1) A description of any monitoring activities undertaken by the CPCF to ensure
33 that grant funds awarded under the competitive grant process authorized by
34 this section are being spent for the purposes for which they were requested.
- 35 (2) A description of any technical assistance provided by the CPCF to grant
36 applicants or grantees.
- 37 (3) A detailed breakdown of the funds expended by the CPCF for administrative
38 purposes related to the competitive grant process authorized by this section.

39 "SECTION 9H.11.(f) Annually on July 1, beginning July 1, 2025, each pregnancy center
40 awarded grant funds pursuant to the competitive grant process authorized by this section shall
41 report to the Department of Health and Human Services, the Joint Legislative Commission on
42 Governmental Operations, and the Fiscal Research Division on its use of the grant funds. The
43 report shall include at least all of the following information for the preceding fiscal year:

- 44 (1) A report of its activities and services, broken down by funding source that
45 includes the number of clients served by each pregnancy center by county of
46 residence and the following age categories:
 - 47 a. Less than 16 years old.
 - 48 b. 16 years old through 20 years old.
 - 49 c. 21 years old through 25 years old.
 - 50 d. 26 years old through 30 years old.
 - 51 e. 31 years old through 35 years old.

- 1 f. 36 years old through 40 years old.
2 g. 41 years old through 45 years old.
3 h. 46 years old and older.
4 (2) The number of visits by client for each of the previously defined age
5 categories, broken down by type of visit.
6 (3) The number of services, supports, and referrals provided to clients for each of
7 the previously defined age categories, broken down by type of service,
8 support, or referral provided, including pregnancy counseling, pregnancy
9 testing, ultrasounds, and testing for sexually transmitted diseases.
10 (4) The number of service requests received by the pregnancy center.
11 (5) The race and ethnicity data associated with clients receiving services.
12 (6) The number of clients that fall under each of the following income ranges:
13 a. Less than \$20,000.
14 b. \$20,000 to \$34,999.
15 c. \$35,000 to \$49,999.
16 d. \$50,000 to \$74,999.
17 e. \$75,000 to \$99,999.
18 f. Over \$100,000.
19 (7) The total number of unduplicated clients served by the pregnancy center and
20 the total number of unduplicated new clients served during the fiscal year."

21 **SECTION 2.** Chapter 131E of the General Statutes is amended by adding a new
22 section to read:

23 **"§ 131E-269.5. Crisis pregnancy centers; performance standards; recovery of State funds**
24 **for noncompliance.**

25 (a) As used in this section, the term "crisis pregnancy center" means any nonprofit
26 organization other than a hospital, ambulatory surgical facility, or clinic that performs abortions,
27 that holds itself out as a facility that provides care for pregnant women, including pregnancy
28 counseling services, pregnancy testing, and other nonmedical pregnancy services.

29 (b) The Department shall adopt rules establishing performance standards for crisis
30 pregnancy centers operating in this State. The rules shall, at a minimum, establish a monitoring
31 mechanism and reporting requirements to facilitate the Department periodically assessing
32 whether crisis pregnancy centers are adhering to the established performance standards. The
33 reporting requirements shall, at a minimum, require crisis pregnancy centers to annually report
34 to the Department at least all of the following information for the preceding five-year period:

- 35 (1) All contracts and agreements entered into with the State of North Carolina or
36 Carolina Pregnancy Care Fellowship (CPCF), a nonprofit organization, during
37 the preceding five-year period.
38 (2) A list of all monetary transactions between the pregnancy center and State of
39 North Carolina or CPCF.
40 (3) Itemized annual expenditures for all of the following:
41 a. Individual employees, with a breakdown of the number of full-time
42 and part-time staff, the number of hours worked by each full-time and
43 part-time staff member, and the salaries and wages paid to each staff
44 member.
45 b. Administrative supplies and materials, with an explanation of the
46 purposes for these items.
47 c. All supplies and materials provided to individuals served by the
48 pregnancy center, including:
49 1. Pregnancy tests.
50 2. Diapers.
51 3. Medicines.

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- 4. Baby food.
 - 5. Baby formula.
 - d. Marketing and promotional materials, including all of the following:
 1. Flyers.
 2. Print advertisements.
 3. Broadcast advertisements.
 4. Digital and social media advertisements.
 5. Promotions for fundraisers.
 - e. Educational materials for clients or patients, including pamphlets and audiovisual seminars.
 - f. Travel expenses.
 - g. Medical equipment, including ultrasound machines.
 - h. Events sponsored by the pregnancy center.
 - i. Medical training and medical equipment training offered by the pregnancy center.
 - j. Contracted services, including staffing services, event services, information technology services, and cleaning services.
 - k. Rent or mortgage and utilities.
- (4) Documentation of applications for employment and applications for volunteers.
 - (5) Copies of Internal Revenue Service Form 990.
- (c) The Department shall take appropriate administrative action to recover any amount of grant funds or State appropriations disbursed to a crisis pregnancy center for any fiscal year in which the Department determines that the crisis pregnancy center is out of compliance with the performance standards adopted under this section. A crisis pregnancy center aggrieved by a final determination of the Department pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes."

SECTION 3. This act becomes effective July 1, 2024.