

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



- 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.

- 1                                   4.     Baby food.  
2                                   5.     Baby formula.  
3                           d.     Marketing and promotional materials, including all of the following:  
4                                   1.     Flyers.  
5                                   2.     Print advertisements.  
6                                   3.     Broadcast advertisements.  
7                                   4.     Digital and social media advertisements.  
8                                   5.     Promotions for fundraisers.  
9                           e.     Educational materials for clients or patients, including pamphlets and  
10                                   audiovisual seminars.  
11                           f.     Travel expenses.  
12                           g.     Medical equipment, including ultrasound machines.  
13                           h.     Events sponsored by the pregnancy center.  
14                           i.     Medical training and medical equipment training offered by the  
15                                   pregnancy center.  
16                           j.     Contracted services, including staffing services, event services,  
17                                   information technology services, and cleaning services.  
18                           k.     Rent or mortgage and utilities.  
19                   (4)    Documentation of applications for employment and applications for  
20                                   volunteers.  
21                   (5)    Copies of Internal Revenue Service Form 990.  
22           (c)    The Department shall take appropriate administrative action to recover any amount  
23   of grant funds or State appropriations disbursed to a crisis pregnancy center for any fiscal year  
24   in which the Department determines that the crisis pregnancy center is out of compliance with  
25   the performance standards adopted under this section. A crisis pregnancy center aggrieved by a  
26   final determination of the Department pursuant to this subsection may appeal the decision as  
27   provided under Article 3 of Chapter 150B of the General Statutes."  
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**SECTION 3.** This act becomes effective July 1, 2024.