



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 791**

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H791-ABC-81 [v.3]

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Amends Title [YES]
Second Edition

Date _____, 2022

Senator _____

1 moves to amend the bill on page 1, lines 3-4, by rewriting the lines to read:

2 "PRACTICE OF PROFESSIONAL COUNSELING AND TO IMPLEMENT PROCEDURES
3 FOR CONTRACT REFORM WITHIN THE DEPARTMENT OF HEALTH AND HUMAN
4 SERVICES.";

6 and on page 14, line 50 through page 15, line 8, by rewriting the lines to read:

7 **SECTION 2.(a)** Contract Time and Continuity. – In efforts to support the continuity
8 of services provided by nonprofit grantees receiving state and federal funds, the Department of
9 Health and Human Services (Department) shall enter into a minimum of a two-year contract
10 agreement with nonprofit grantees/recipients if all of the following requirements are met:

11 (1) The nonprofit grantee/recipient is receiving nonrecurring funding for each
12 year of a fiscal biennium.

13 (2) The nonprofit grantee/recipient is receiving recurring funding.

14 (3) Multi-year contracts are not otherwise prohibited by the funding source.

15 Nonprofit grantees/recipients receiving recurring federal grant funding shall have the
16 option to extend the contract up to one additional year at the end of the contract's initial term if
17 all of the following requirements are met:

18 (1) The extension is mutually agreed upon by the Department and the nonprofit
19 grantee, through a written amendment as provided for in the General Terms
20 and Conditions.

21 (2) Funding for the contract remains available.

22 The Department shall allow any nonprofit grantee/recipient receiving recurring or
23 non-recurring state and/or federal funding for each year of a fiscal biennium to automatically
24 activate limited-time extensions of up to three months for continuity of services when a formal
25 extension or renewal process has not been completed within 10 business days of the subsequent
26 contract start date if all of the following requirements are met:

27 (1) The nonprofit grantee/recipient is receiving recurring funding or
28 non-recurring state and/or federal funding for each year of a fiscal biennium.

29 (2) The nonprofit grantee/recipient has received an unqualified audit report on its
30 most recent financial audit when an audit is required by G.S. 159-34 or 09
31 NCAC 03M.



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1 (3) The nonprofit grantee/recipient has a track record of timely performance and
2 financial reporting to the Department as required by the contract.

3 (4) The nonprofit grantee/recipient has not been identified by the Department as
4 having a record of noncompliance with requirements of any funding source
5 used to support the contract and has not received an undisputed notice of such
6 noncompliance from the Department. For purposes of this requirement,
7 noncompliance does not include issues stemming from late execution of a
8 contract or mutually agreed upon changes to scope of work or deliverables,
9 and undisputed notice of noncompliance does not include notice of
10 noncompliance where the grantee has provided written evidence of actual
11 compliance to the Department within 30 days of receipt of notice of
12 noncompliance.

13 (5) The nonprofit grantee/recipient has been in operation for at least five years.

14 **SECTION 2.(b)** Directed Grant Contacts. – Within 15 days after the date the
15 Appropriations Act of 2022 (the "Act") becomes law, the Fiscal Research Division shall provide
16 the Department of Health and Human Services, Division of Budget and Analysis, with a list of
17 preliminary information for all non-State entities receiving directed grants through the Act. At a
18 minimum, this list shall include all of the following information:

19 (1) The legal name of the non-State entity.

20 (2) The mailing address of the non-State entity.

21 (3) The name, email address, and phone number for each of the non-State entity's
22 points of contact for communications related to the directed grant contracting
23 and funds disbursement process.

24 **SECTION 2.(c)** Negotiated Overhead Rates. – The negotiation, determination, or
25 settlement of the reimbursable amount of overhead under cost-reimbursement type contracts is
26 accomplished on an individual contract basis and is based upon the federally approved indirect
27 cost rate. For vendors who do not have a federally approved indirect cost rate, in accordance with
28 2 CFR 200.414(f), the de minimis rate of ten percent (10%) of modified total direct costs shall
29 apply.

30 **SECTION 3.** Section 1 of this act becomes effective when at least 10 states have
31 enacted the Professional Counseling Licensure Compact set forth in Section 1 of this act. The
32 North Carolina Board of Licensed Clinical Mental Health Counselors shall report to the Revisor
33 of Statutes when the Professional Counseling Licensure Compact set forth in Section 1 of this
34 act has been enacted by the 10 member states. Section 2 of this act is effective July 15, 2022. The
35 remainder of this act is effective when it becomes law."

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SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____