

May 21, 2008

H 2437. MODIFY APPROPRIATIONS ACT OF 2007. Filed 5/21/08. *TO MODIFY THE CURRENT OPERATIONS AND CAPITAL APPROPRIATIONS ACT OF 2007.*

Blank bill.

Intro. by Michaux, Haire, Jeffus.

APPROP

June 30, 2008

H 2437. CONTINUING APPROPRIATIONS (NEW). Filed 5/21/08. House committee substitute deletes the provisions of the 1st edition and replaces it with *AN ACT TO MAKE CONTINUING APPROPRIATIONS AND EXTEND CERTAIN BUDGET PROVISIONS UNTIL JULY 15, 2008, AT 11:59 P.M..*

BUDGET CONTINUATION

SECTION 1. Prohibits the Director of the Budget from allocating funds for any purposes set out in the budget reductions contained in H 2436, fourth edition, and H 2436, seventh edition, that are not in controversy. Prohibits vacant positions subject to the proposed budget reductions in H 2436, fourth edition, and H 2436, seventh edition, from being filled. Provides that, except as otherwise provided by this act, the limitations and directions for 2007-08 set out in SL 2007-323, as amended, remain in effect.

NO AUTOMATIC STEP INCREASE FOR STATE AND PUBLIC SCHOOL EMPLOYEES

SECTION 2. Prohibits state employees, subject to GS 7A-102(c), GS 7A-171.1, or GS 20-187.3, and public school employees paid on the teacher or school-based administrator salary schedules from moving up on salary schedules or receiving automatic increases, until authorized by the General Assembly.

CONTINUATION REVIEWS/ALLOTMENTS

SECTION 3. Allows the Director of the Budget to allot funds for 2008-09 for programs and services identified in Section 6.21 of SL 2007-323 at 2007-08 appropriation levels except that: (1) the Director of the Budget is prohibited from allocating funds for any purposes set out in the budget reductions contained in H 2436, fourth edition, and H 2436, seventh edition, that are not in controversy; and (2) vacant positions subject to the proposed budget reductions in H 2436, fourth edition, and H 2436, seventh edition, are prohibited from being filled. Provides that appropriations and allocations set out in this section are in effect until the Current Operations and Capital Improvements Appropriations Act of 2008 becomes law. Directs the Director of the Budget to adjust allotments to give effect to that act from July 1, 2008.

FUNDS SHALL NOT REVERT

SECTION 3.1. Effective June 30, 2008, requires that if provisions of H 2436, fourth edition, or H 2436, seventh edition, provide that funds do not revert, then such funds will not revert on June 30, 2008. Prohibits the unencumbered funds as of that date from being expended, except as provided by a law enacted after June 30, 2008.

STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30

SECTION 4. Prohibits, for 2007-08 only, funds from being reserved to the Repairs and Renovations Reserve Account and the State Controller from transferring funds from the unreserved credit balance to that account on June 30, 2008.

Prohibits, for 2007-08 only, funds from being reserved to the Savings Reserve Account and that the State Controller from transferring funds from the unreserved credit balance to that account on June 30, 2008.

Effective June 30, 2008.

DHHS BLOCK GRANTS

SECTION 5. Makes the following appropriations from federal block grants for the fiscal year ending June 30, 2009:

TEMPORARY ASSISTANCE TO NEEDY FAMILIES
(TANF) BLOCK GRANT

Local Program Expenditures

Division of Social Services

01. Work First Family Assistance (Cash Assistance)
\$90,857,234

02. Work First County Block Grants
94,453,315

03. Work First Functional Assessment
2,721,787

04. Child Protective Services – Child Welfare
Workers for Local DSS
14,452,391

05. Work First – Boys and Girls Clubs
2,000,000

06. Work First – After-School Services for
At-Risk Children
2,049,642

07. Work First – After-School Programs for
At-Risk Youth in Middle Schools
500,000

08. Work First – Connect, Inc.
550,000

09. Work First – Citizens Schools Program
600,000

10. Adoption Services – Special Children's
Adoption Fund
3,000,000

11. Family Violence Prevention
2,200,000

Division of Child Development

12. Subsidized Child Care Program
61,087,077

Division of Public Health

13. Teen Pregnancy Prevention Initiatives
450,000

DHHS Administration

14. Division of Social Services
995,142

15. Office of the Secretary
66,101

16. Office of the Secretary/DIRM – TANF
Automation Projects
595,541

17. Office of the Secretary/DIRM – NC FAST

Implementation
 1,200,000
 Transfers to Other Block Grants
 Division of Child Development
 18. Transfer to the Child Care and
 Development Fund
 84,330,900
 Division of Social Services
 19. Transfer to Social Services Block Grant for
 Department of Juvenile Justice and Delinquency
 Prevention – Support Our Students
 2,649,642
 20. Transfer to Social Services Block Grant for Child
 Protective Services – Child Welfare Training in
 Counties
 2,738,827
 21. Transfer to Social Services Block Grant for
 Maternity Homes
 838,000
 22. Transfer to Social Services Block Grant for Teen
 Pregnancy Prevention Initiatives
 2,500,000
 23. Transfer to Social Services Block Grant for County
 Departments of Social Services for Children's Services
 4,620,619
 24. Transfer to Social Services Block Grant for
 Foster Care Services
 2,372,587
 25. Transfer to Social Services Block Grant for
 Medically Fragile Children
 190,000
 TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES
 (TANF) BLOCK GRANT
 \$378,018,805
 SOCIAL SERVICES BLOCK GRANT

Local Program Expenditures
 Divisions of Social Services and Aging and Adult Services
 01. County Departments of Social Services \$
 28,868,189
 (Transfer from TANF – \$4,620,619)
 02. State In-Home Services Fund
 2,101,113
 03. State Adult Day Care Fund
 2,155,301
 04. Child Protective Services/CPS Investigative

Services – Child Medical Evaluation Program
 238,321
 05. Foster Care Services
 2,372,587
 (Transfer from TANF)
 06. Child Protective Services – Child Welfare Training
 for Counties
 2,738,827
 (Transfer from TANF)
 07. Maternity Homes
 838,000
 (Transfer from TANF)
 08. Special Children Adoption Incentive Fund
 500,000
 Division of Aging and Adult Services
 09. Home and Community Care Block Grant (HCCBG)
 1,834,077
 Division of Mental Health, Developmental Disabilities, and Substance
 Abuse Services
 10. Mental Health Services Program
 422,003
 11. Developmental Disabilities Services Program
 5,000,000
 12. Mental Health Services – Adult and
 Child/Developmental Disabilities Program/
 Substance Abuse Services – Adult
 3,234,601
 Division of Child Development
 13. Subsidized Child Care Program
 3,150,000
 Division of Vocational Rehabilitation
 14. Vocational Rehabilitation Services – Easter Seal
 Society/UCP
 188,263
 Division of Public Health
 15. Teen Pregnancy Prevention Initiatives
 2,500,000
 (Transfer from TANF)
 16. Services to Medically Fragile Children
 290,000
 DHHS Program Expenditures
 Division of Aging and Adult Services
 17. UNC-CARES Training Contract
 247,920
 Division of Services for the Blind

18.	Independent Living Program	
	3,633,077	
	Division of Health Service Regulation	
19.	Adult Care Licensure Program	
	411,897	
20.	Mental Health Licensure and Certification Program	
	205,668	
	DHHS Administration	
21.	Division of Aging and Adult Services	
	675,593	
22.	Division of Social Services	
	869,058	
23.	Office of the Secretary/Controller's Office	135,093
24.	Office of the Secretary/DIRM	
	82,009	
25.	Division of Child Development	
	15,000	
26.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	
	28,860	
27.	Division of Health Service Regulation	
	216,418	
28.	Office of the Secretary – NC Inter-Agency Council For Coordinating Homeless Programs	
	250,000	
29.	Office of the Secretary – Housing Coalition	
	100,000	

30.	Office of the Secretary	
	46,819	
	Transfers to Other State Agencies	
	Department of Administration	
31.	NC Commission of Indian Affairs In-Home	
	Services for the Elderly	
	203,198	
	Department of Juvenile Justice and Delinquency Prevention	
32.	Support Our Students	
	2,649,642	
	(Transfer from TANF)	
	Transfers to Other Block Grants	
	Division of Public Health	
33.	Transfer to Preventive Health Services Block Grant for	
	HIV/STD Prevention and Community Planning	
	145,819	
	TOTAL SOCIAL SERVICES BLOCK GRANT	\$
	66,347,353	

LOW-INCOME ENERGY BLOCK GRANT

	Local Program Expenditures	
	Division of Social Services	
01.	Low-Income Energy Assistance Program (LIHEAP)	\$ 19,510,559
02.	Crisis Intervention Program (CIP)	
	14,588,514	
	Office of the Secretary – Office of Economic Opportunity	
03.	Weatherization Program	
	6,268,946	
04.	Heating Air Repair & Replacement Program (HARRP)	2,923,950
	Local Administration	
	Division of Social Services	
05.	County DSS Administration	
	2,259,757	
	Office of the Secretary – Office of Economic Opportunity	
06.	Local Residential Energy Efficiency Service	
	Providers – Weatherization	
	268,146	
07.	Local Residential Energy Efficiency Service	
	Providers – HARRP	
	125,067	
	DHHS Administration	
08.	Division of Social Services	
	219,410	
09.	Division of Mental Health, Developmental	

Disabilities, and Substance Abuse Services		
7,389		
10.	Office of the Secretary/DIRM	
245,395		
11.	Office of the Secretary/Controller's Office	11,211
12.	Office of the Secretary/Office of Economic Opportunity – Weatherization	
268,146		
13.	Office of the Secretary/Office of Economic Opportunity – HARRP	
125,067		
Transfers to Other State Agencies		
14.	Department of Administration –	
	N.C. State Commission of Indian Affairs	60,947
TOTAL LOW-INCOME ENERGY BLOCK GRANT		\$
46,882,504		

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

Local Program Expenditures	
Division of Child Development	
01.	Subsidized Child Care Services
\$148,484,960	
02.	Child Care Services Support – Contract
504,695	
03.	Subsidized Child Care Services (TANF to CCDF)
84,330,900	
DHHS Program Expenditures	
Division of Child Development	
04.	Quality and Availability Initiatives
27,298,901	

Local Administration

Division of Social Services

05. Administrative Expenses (Nondirect Subsidy
Services Support)

15,813,021

DHHS Administration

06. DCD Administrative Expenses

6,540,707

DHHS Central Management and Support

07. DHHS Central Administration – DIRM
Technical Services

749,081

TOTAL CHILD CARE AND DEVELOPMENT FUND

BLOCK GRANT

\$283,722,265

MENTAL HEALTH SERVICES BLOCK GRANT

Local Program Expenditures

01. Mental Health Services – Adult

\$

6,854,932

02. Mental Health Services – Child

3,921,991

03. Comprehensive Treatment Service
Program

1,500,000

04. Mental Health Services – UNC School of Medicine,
Department of Psychiatry

300,000

Local Administration

05. Division of Mental Health

100,000

TOTAL MENTAL HEALTH SERVICES BLOCK GRANT

\$

12,676,923

SUBSTANCE ABUSE PREVENTION
AND TREATMENT BLOCK GRANT

Local Program Expenditures

01. Substance Abuse Services – Adult

\$

21,938,080

02. Substance Abuse Services – ADATC
One-Time Expenses

70,000

03. Substance Abuse Treatment Alternative for
Women

8,069,524

04. Substance Abuse – HIV and IV Drug
5,116,378

05. Substance Abuse Prevention – Child
7,186,857

06. Substance Abuse Services – Child
4,940,500

Division of Public Health

07. Risk Reduction Projects
633,980

08. Aid-to-Counties
209,576

09. Maternal Health
37,779

DHHS Administration

10. Division of Mental Health
500,000

TOTAL SUBSTANCE ABUSE PREVENTION
AND TREATMENT BLOCK GRANT
48,702,674

\$

MATERNAL AND CHILD HEALTH BLOCK GRANT

Local Program Expenditures

Division of Public Health

01. Children's Health Services
7,415,569

02. Women's Health
7,504,019

03. Oral Health
35,951

DHHS Program Expenditures

Division of Public Health

04. Children's Health Services
1,554,428

05. Women's Health
121,285

06. State Center for Health Statistics
120,364

07. Quality Improvement in Public Health
14,646

08. Health Promotion
84,843

09. Office of Minority Health
51,562

10. Immunization Program – Vaccine Distribution
310,667

11. Task Force on Preventing Childhood Obesity
100,000

DHHS Administration

12. Division of Public Health Administration
631,966

TOTAL MATERNAL AND CHILD

HEALTH BLOCK GRANT

\$

17,945,300

PREVENTIVE HEALTH SERVICES BLOCK GRANT

Local Program Expenditures

01. NC Statewide Health Promotion

\$1,755,653

02. Services to Rape Victims

197,112

03. HIV/STD Prevention and Community Planning
(Transfer from Social Services Block Grant)

145,819

DHHS Program Expenditures

04. NC Statewide Health Promotion

1,508,889

05. Oral Health

70,000

06. State Laboratory of Public Health

16,600

TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT

\$3,694,073

COMMUNITY SERVICES BLOCK GRANT

Local Program Expenditures

Office of Economic Opportunity – Community Services Block Grant

01. Community Action Agencies

\$

16,062,653

02. Limited Purpose Agencies

892,370

DHHS Administration

03. Office of Economic Opportunity

892,369

TOTAL COMMUNITY SERVICES BLOCK GRANT

\$

17,847,392

GENERAL PROVISIONS

Directs the Department of Health and Human Services (DHHS) to submit a separate plan for each Block Grant and specifies information that must be included in the plan.

Provides that if the US Congress increases or decreases the federal fund availability for any of the Block Grants administered by DHHS from the amounts appropriated in this section, DHHS must allocate the increase proportionally across the program and activity appropriations, and in the case of a decrease, after determining the state administration, the remaining reductions must be allocated proportionately across the program and activity appropriations identified for that Block Grant. Allocations must get prior approval from OSBM, and if allocations are adjusted due to changes in federal fund availability, then a report must be made to Governmental Operations, specified appropriations committees, and the Fiscal Research Division (FRD).

Provides that all changes to the Block Grants administered by DHHS, with the exception of those that are caused by legislative salary and benefit adjustments, must be approved by OSBM and reported to Governmental Operations for review before the changes are made. Changes that are made must be reported immediately to specified appropriations committees and FRD.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT (TANF)

Provides that \$995,142 appropriated for 2008-09 in the TANF Block Grant to the DHHS, Division of Social Services (DSS), must be used for administration of TANF funded programs.

Provides that \$2.2 million appropriated for 2008-09 in the TANF Block Grant to DSS must be used for specified domestic violence services to Work First recipients. Authorizes DSS to use up to \$75,000 in TANF funds to support one administrative position within DSS to implement this provision. Directs each county department of social services and the local domestic violence shelter program serving the county to jointly plan for utilizing these funds. Specifies requirements for the joint plan and requires DSS to review the plans jointly with the Council for Women and provide any needed assistance to the departments of social services and local domestic violence shelter programs. Specifies the formula for DSS to allocate the funds to county departments of social services and authorizes DSS to reallocate unspent funds to counties that submit a written request for additional funds.

Provides that \$2,049,642 appropriated for 2008-09 in the TANF Block Grant to DSS must be used to expand after school programs and services for at risk children. Directs DHHS to implement a program to award grants to community based programs based on specified criteria. Authorizes use of the funds for one position within DSS to coordinate at risk after school programs.

Provides that \$14,452,391 appropriated for 2008-09 in the TANF Block Grant to DSS for child welfare improvements must be allocated to the county departments of social services for staff for the following: services in Child Protective Services cases; foster care and support services; recruiting, training, licensing, and supporting prospective foster and adoptive families; and interstate and postadoption services for eligible families.

Provides that \$3 million appropriated for 2008-09 in the TANF Block Grant to DHHS, Special Children Adoption Fund, must be used in accordance with the requirements of section 10.31 of SL 2007- 323 (the 2007 Appropriations Act). Requires DSS to consult with the NC Association of County Directors of Social Services and representatives of licensed private adoption agencies to develop guidelines for awarding funds to public and private adoption agencies upon the adoption of children in foster care and hard-to-place children. Payments received from the Special Children Adoption Fund by participating agencies must be used only to enhance the adoption services program. No local match is required.

Provides that \$1.2 million appropriated for 2008-09 in the TANF Block Grant to DHHS must be used to implement N.C. FAST (North Carolina Families Accessing Services through Technology) in compliance with federal regulations in order to ensure federal financial participation in the project. Requires DHHS to report by January 1, 2009, to specified appropriations committees and FRD.

Provides that \$500,000 appropriated for 2008-09 in the TANF Block Grant to DSS must be used to expand after school programs for at risk children attending middle school. Requires DHHS to implement a grant program to award funds to community based programs based on specified factors.

Directs DHHS, in implementing the TANF Block Grant, to review policies, programs, and initiatives to ensure that they support men in their role as fathers and strengthen fathers' involvement in their children's lives.

Transfers \$550,000 appropriated for 2008-09 in the TANF Block Grant to DHHS to Connect, Inc. Requires Connect, Inc., to report specified information on the results from use of the funds and requires DHHS to ensure that services provided are not duplicative of local employment security commissions in the nine counties served by Connect, Inc. Requires DHHS to report by May 1, 2008, to specified appropriations committees and FRD.

Provides that \$2 million appropriated for 2008-09 in the TANF Block Grant to DHHS for Boys and Girls Clubs must be used for grants for approved programs. Directs DHHS to administer the grant program in accordance with federal regulations, for programs that improve the motivation, performance, and self esteem of youths and for other initiatives that would be expected to reduce gang participation, school dropout, and teen pregnancy rates. DHHS must facilitate collaboration among various programs to submit joint applications.

Directs DSS to continue implementing county demonstration grants that began in 2006-07 to identify best practices that can be used by counties to improve the work participation rates. Specifies that grants may be for up to three years and that all projects must end no later than June 30, 2010. Authorizes DSS to establish two time-limited positions to manage the grant award process and monitor the demonstration projects through June 30, 2010. Prohibits use of the county demonstration grant funds to supplant local funds. Requires DSS to report on the grants by February 1, 2009, to specified appropriations committees and FRD.

Provides that \$600,000 appropriated for 2008-09 in the TANF Block Grant to DSS must be used to implement a Citizens Schools Program, a three-year urban/rural dropout prevention pilot program in the Durham and Vance county

public school systems. Requires that NC State evaluate the program to ensure its effectiveness. Provides criteria to be included in the study of the program, with a report due to the legislative appropriation subcommittees on Health and Human Services and the FRD by January 1, 2009.

SOCIAL SERVICES BLOCK GRANT

Provides that Social Services Block Grant matching requirements do not apply to block grant funds appropriated to the NC Inter-Agency Council for Coordinating Homeless Programs and the NC Housing Coalition.

Provides that \$2,649,642 appropriated for 2008-09 in the Social Services Block Grant to DHHS and transferred to the Department of Juvenile Justice and Delinquency Prevention must be used for the existing Support Our Students Program, including gang prevention, and to expand the program statewide, focusing on low income communities in unserved areas. Prohibits the use of these funds for administration.

Provides that \$2,738,827 appropriated for 2008-09 in the Social Services Block Grant to DSS must be used to support various child welfare training projects, as specified.

Provides that \$838,000 appropriated for 2008-09 in the Social Services Block Grant to DHHS must be used to purchase services at maternity homes throughout the state.

Provides that \$2,372,587 appropriated for 2008-09 in the Social Services Block Grant for child caring agencies must be allocated to the State Private Child Caring Agencies Fund.

Provides that \$290,000 appropriated for 2008-09 in the Social Services Block Grant for services to medically fragile children must be used for the child care component of pediatric day treatment centers for medically fragile children.

Subject to approval by OSBM, authorizes DHHS to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

Authorizes the allocation of additional emergency contingency funds for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with Governmental Operations. Requires that additional funds received be reported to Governmental Operations and FRD. Prohibits DHHS from allocating funds for any activities, including increasing administration, other than assistance payments, without first consulting with Governmental Operations.

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

Directs that payment for subsidized child care services with federal TANF funds comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

Authorizes DHHS to move to child care subsidies any funds appropriated through the Child Care and Development Fund Block Grant that cannot be obligated or spent with the deadlines set by the applicable federal grant.

MENTAL HEALTH BLOCK GRANT

Provides that \$1.5 million appropriated for 2008-09 in the Mental Health Block Grant to the DHHS, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SAS) and \$422,003 appropriated for 2008-09 in the Social Services Block Grant to DSS must be used to continue a Comprehensive Treatment Services Program for Children created in section 10.10 of SL 2007 323 (the 2007 Appropriations Act).

Directs the \$300,000 appropriated to the UNC School of Medicine, Department of Psychiatry, for 2008-09, to be used for five specified uses.

MATERNAL AND CHILD HEALTH BLOCK GRANT

Requires \$100,000 of the funds appropriated in the Maternal and Child Health Block Grant to DHHS, Division of Public Health, to be used to establish a Task Force on Preventing Childhood Obesity, to be co-chaired by the State Health Director and the Chairman of the State Board of Education. Requires the Task Force to develop a statewide strategic plan with recommendations for preventing childhood obesity. Requires the goals of the plan to include specified initiatives and establishes the membership of the Task Force. Requires the Chairman of the State Board of Education and the State Health Director to report to specified legislative committees and the FRD on the plan and recommendations by the earlier of January 15, 2009, or the convening of the 2009 Session of the General Assembly.

Provides that if federal funds are received for 2008-09 under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104 193 (42 U.S.C. § 710), the funds are to be transferred to the State Board of Education to be administered by the Department of Public Instruction (DPI). DPI must use the funds to establish an Abstinence Until Marriage Education Program and must delegate to one or more persons the responsibility of implementing the program as well as the recommended list of abstinence until marriage programs required by GS 115C 81(e1)(4).

Requires DHHS to ensure that there will be follow up testing in the Newborn Screening Program.

NER BLOCK GRANTS

SECTION 6. Sets forth the appropriations from federal block grant funds, ending June 30, 2009, as follows:

COMMUNITY DEVELOPMENT BLOCK GRANT

- | | | |
|-----|------------------------------|-------------|
| 01. | State Administration | \$1,000,000 |
| 02. | Urgent Needs and Contingency | 1,000,000 |

- | | | |
|-----|---------------------------------|------------|
| 03. | Scattered Site Housing | 13,200,000 |
| 04. | Economic Development | 8,710,000 |
| 05. | Small Business/Entrepreneurship | 1,000,000 |
| 06. | Community Revitalization | 13,000,000 |
| 07. | State Technical Assistance | 450,000 |
| 08. | Housing Development | 1,500,000 |
| 09. | Infrastructure | 5,140,000 |

TOTAL COMMUNITY DEVELOPMENT	
BLOCK GRANT – 2009 Program Year	\$45,000,000

Provides that if federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

Provides that any block grant funds appropriated by Congress in addition to the funds specified in this section will be expended to increase funds for each program category under the Community Development Block Grant by the same percentage as the increase in federal funds.

Allocates funds for the Community Development Block Grant in each category for each program year as follows: (1) up to \$1 million to be used for State Administration; (2) not less than \$1 million to be used for Urgent Needs and Contingency; (3) up to \$13.2 million to be used for Scattered Site Housing; (4) \$8.71 million to be used for Economic Development; (5) up to \$1 million to be used for Small Business/Entrepreneurship; (6) not less than \$13 million to be used for Community Revitalization; (7) up to \$450,000 to be used for State Technical Assistance; (8) up to \$1.5 million to be used for Housing Development; and (9) up to \$5.14 million to be used for Infrastructure. Provides that if federal block grant funds are reduced or increased by Congress after the effective date of this act, then these reductions or increases will be allocated by the same percentage as the increase or decrease in federal funds.

Establishes that assistance to nonprofit organizations to increase their capacity to carry out CDBG (Community Development Block Grant) eligible activities in partnership with units of local government is an eligible activity under any program category in accordance with federal regulations. Capacity building grants may be made from funds available within program categories, program income, or unobligated funds.

Requires that the Department of Commerce consult with the Joint Legislative Commission on Governmental Operations before reallocating

Community Development Block Grant Funds. Creates exceptions if the Director of the Budget finds that: (1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety. Requires the Department to report to the Commission on the reallocation no later than 30 days after it was authorized and identify in the report the emergency, the type of action taken, and how it was related to the emergency. (2) A reallocation is necessary because the state may lose federal block grant funds or receives less federal block grant funds in the next fiscal year in this situation, also requires that (a) the Department provided a written report to the Commission on the proposed reallocation and identified the reason that failure to take action will result in the loss of federal funds; and (b) if the Commission did not hear the issue within 30 days of receipt of the report the Department may take action without consulting the Commission.

HOUSING FINANCE AGENCY HOME PROTECTION PILOT PROGRAM

SECTION 7. Amends Section 22.1 of SL 2007-323 (related to the pilot program to assist North Carolina workers, who have lost jobs as a result of changing economic conditions in the state when the workers are in need of assistance to avoid losing their homes to foreclosure) so that the section also applies in 2008-09.

EFFECTIVE DATE

SECTION 8. Effective June 30, 2008, and expires July 15, 2008, at 11:59 PM.

July 1, 2008

SL 2008-34 (H 2437). CONTINUING APPROPRIATIONS. AN ACT TO MAKE CONTINUING APPROPRIATIONS AND EXTEND CERTAIN BUDGET PROVISIONS UNTIL JULY 15, 2008, AT 11:59 P.M. Summarized in *Daily Bulletin* 6/30/08. Enacted June 30, 2008. Effective June 30, 2008.