



HOUSE BILL 1229: UI Program Integrity/Temp. ABAWD Time Waivers.

2019-2020 General Assembly

Committee:	House Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 2, 2020
Introduced by:	Reps. Howard, Wray, Saine	Prepared by:	Phyllis Pickett
Analysis of:	PCS to First Edition H1229-CSLR-14		Committee Staff

OVERVIEW: *The bill appropriates funds to enhance the program integrity of the unemployment insurance program and authorizes DHHS to seek a temporary waiver related to the Food and Nutrition Services Program in response to COVID-19.*

BILL ANALYSIS: **Section 1** of the proposed committee substitute directs that the State Controller transfer two million dollars (\$2,000,000) for the current fiscal year from the Coronavirus Relief Reserve to the Coronavirus Relief Fund. The funds are appropriated to the Division of Employment Security (DES) for a COVID-19 related program integrity enhancements using existing public-private partnerships in the Government Data Analytics Center (GDAC). The funding will be used to:

- Enhance existing unemployment insurance (UI) fraud and compliance alerting capability to prevent and detect cybersecurity attacks on DES information technology assets and resources during the pandemic.
- Provide DES with COVID-19 related program fraud detection analytics and information reporting.
- Provide pandemic UI assistance documentation analysis.
- Enhance modeling for underground economy analysis relative to COVID-19 claims.

Further, the appropriated funds must be spent only as allowed by the federal CARES Act. The funds remain available until December 30, 2020.

NOTE: S.L. 2020-4 established the Coronavirus Relief Reserve in the General Fund to maintain federal funds received from the Coronavirus Relief Fund created under the CARES Act. That session law also established the Coronavirus Relief Fund at the State level as a special fund. Part I contains certain reporting and other requirements incorporated into the bill by reference.

Section 2 affects the Supplemental Nutrition Assistance Program (SNAP). SNAP is a federal food assistance program that provides low-income families food needed for a nutritionally adequate diet. North Carolina's SNAP program is called Food and Nutrition Services (FNS). The FNS benefits are 100% federally funded. Costs to administer FNS benefits at the State level are 50% federal/50% state funded and costs to administer benefits at the county level are 50% federal/50% county funded.

The federal Food and Nutrition Act of 2008 limits the time an ABAWD can receive benefits to three months in any 36-month period, unless the individual meets the ABAWD work requirements or is otherwise exempt. Generally, the work requirements can be met by working at least 80 hours a month, participating in a work program at least 80 hours a month, or participating in a combination of work and

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919-733-6660

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work program hours for a total of 80 hours a month. An ABAWD is a person in the program age 18-49 who has no dependents and is not disabled.

The ABAWD work requirements have been temporarily waived due to COVID-19 as a result of a blanket waiver provided to all states by USDA. The waiver is applicable from April 1, 2020 through the end of the federal public health emergency declaration. Under current law, DHHS is prohibited from seeking federal time limit waivers for FNS for ABAWD who have not met federal work requirements. Time limit waivers are temporary, and they are generally approved for a 12-month time period. Section 2 will expire a year from the date it becomes effective.

Sections 3 and 4 clarify how the act will interact with the State Budget Act, Chapter 143C of the General Statutes, and other acts that may pass this session.

EFFECTIVE DATE: The act is effective when it becomes law.