



VOTE NO ON HB 318:

Maintain North Carolina's Ability to Ensure Access to Food in Areas of High Unemployment, Times of Economic Downturns

BUDGET & TAX CENTER FACT SHEET

September 2015

House Bill 318, Protect North Carolina Workers Act, would permanently bar North Carolina's ability to suspend SNAP's three month time limit for childless adults who are working fewer than 20 hours per week.

SNAP benefits are limited to three months out of every three years for childless, nondisabled adults unless they are working at least half time, participating in a qualified job training program or certified volunteer placement for 20 hours a week, or in workfare. This time limit applies regardless of whether these individuals are actually able to find employment or training opportunities.

- In North Carolina, **83 counties have more jobless workers than job openings.**
- **One out of three unemployed workers has been out of work for 26 weeks or more**, a figure that is statistically unchanged since the recovery.
- **NC DHHS has already applied for a waiver for 77 of the state's 100 counties.**

This bill would prohibit NC DHHS from applying for a waiver, effectively reimposing the time limit even though parts of the state qualify for a waiver due to high unemployment. This unnecessarily restricts food assistance for poor childless adults in areas where the economy has not yet fully recovered. This bill would further prevent the state from ever requesting a waiver, removing an important state response to future economic downturns.

Permanently imposing the time-limit restricts the state's policy options and needlessly harms poor residents.

- Communities in many parts of the state continue to struggle with high unemployment rates and limited job opportunities for this population. It makes no sense to impose a time limit to food assistance in areas with a documented lack of jobs when a temporary waiver of the time limit is available.
- Those subject to the time limit are extremely poor. The average income of jobless childless adults is 19 percent of the poverty line, or \$2,236 a year. Denying them food assistance will force many to seek help from food banks and charities, which are ill-prepared to replace such a significant loss of assistance.
- The time limit targets very vulnerable people. Individuals that will be cut off benefits in high unemployment areas include veterans, homeless people, part-time workers and under-employed workers who *want* to work.
- Imposing the time limit will strain the resources of local nonprofits and private charities. These groups will have to manage the dramatic spike in demand for their services as government food assistance is terminated. The loss of benefits can be significant (between \$150 to \$180 a month) and will not be easy to replace.

North Carolina does not have a plan in place to provide a job slot, volunteer position or skills training opportunity to all individuals subject to the time limit.

- The vast majority of recipients of food assistance work.
- Even if we were to redirect our employment and training program to serving just this group, we don't have the funds to offer this group work slots. The state's funding for workforce development and skills training declined by 10 percent since the start of the Great Recession.
- North Carolina now primarily relies on federal dollars to support skills training. However, the state has underutilized the SNAP Employment & Training program, one federal program specifically designed to support those receiving food assistance, with only 7 counties offering connections to these funded skills training opportunities.
- Volunteer postings totaling 20 hours a week are hard to come by in many urban areas let alone more rural settings. These posts are required to be certified and add an additional layer to the administrative process for SNAP.

This legislation would permanently tie the Governor's hands from providing SNAP benefits to this group during tough times. It would permanently eliminate the Governor's authority to respond to tough economic times. States do not have to request waivers, but a ban would eliminate *any* ability to temper the effects of a new recession or economic downturn in *any* part of the state.

While the economy may be recovering now, it is impossible to know when an area of the state may face a crisis. Waivers were a critical response in Gulf states after the 2010 Deepwater Horizon oil spill and Hurricane Katrina, and have essential to states dealing with other disasters and factory closings.

Permanently barring the state from even having the option to provide food assistance to unemployed childless adults during times of high unemployment is an unwise state policy.