

## **REQUEST FOR BOARD ACTION**

### **HENDERSON COUNTY BOARD OF COMMISSIONERS**

**MEETING DATE:** September 8, 2026

**SUBJECT:** Department of Social Services Supplemental Nutrition Assistance Program

**PRESENTER:** Lorie Horn, DSS Director

**ATTACHMENTS:** Yes  
1. Presentation

#### **SUMMARY OF REQUEST:**

Staff will present the most recent changes to the Supplemental Nutrition Assistance Program (SNAP) for Henderson County.

#### **BOARD ACTION REQUESTED:**

No action required, for information only.

#### **SUGGESTED MOTION:**

*No action required, for information only.*

# SNAP PROGRAM FUNDING CHANGES AND IMPACT ON HENDERSON COUNTY



PRESENTED BY: HENDERSON COUNTY DSS DIRECTOR, LORIE HORNE

SEPTEMBER 8, 2026

1

## BACKGROUND ON H.R. I CHANGES IN THE FOOD AND NUTRITION PROGRAM

- H.R. I was signed into law on July 4, 2025.
- H.R. I introduced two main impacts on our programs:
  - Redefined and limited eligibility for federal safety net programs, effectively reducing the number of people who will be able to receive these services.
  - Benefit Cost-Share Requirement: Transferred costs of managing these programs from the federal government to state governments, resulting in states needing to make difficult financial decisions. North Carolina General Assembly passed the 2026 State Appropriations Act (Session Law 2026-41), effectively shifting the financial burden to all 100 counties by withholding county sales tax revenue to pay North Carolina's required SNAP benefit cost-share.

2

2

## ADMINISTRATIVE COST CHANGES (EFFECTIVE OCT 1, 2026)

- Federal reimbursement for SNAP administrative cost drops from 50% to 25%.
- NC Counties must now pay 75% of the cost of administering SNAP.
  - Henderson County Impact:
    - Additional \$203,000 in administrative expenses
    - Applied in FY2027 budget, revenue adjusted accordingly

3

3

## SNAP BENEFIT COST SHARE AND PAYMENT ERROR RATE (EFFECTIVE OCT 1, 2027)

- Starting October 2027, states with **Payment Error Rates (PER) above 6%** must pay a share of SNAP benefit allotments.
- Payment Error Rate measures the percentage of SNAP Payments issued incorrectly during a sample review.
- States unable to pay their share must **opt out of SNAP**, risking food access statewide.
- NC predicts owing 5% of benefit cost-sharing, approximately **\$150 million statewide** in Federal FY2028.
- Statewide obligation is being **spread across all NC Counties** beginning in FY2027.

4

4

## NORTH CAROLINA'S PAYMENT ERROR RATE

### NC Payment Error Rate:

FY2025: **7.36%**

FY2024: 10.21%

### Henderson County Error Rate:

FY2025: **5.10%**

FY2024: 17.38%

The National error rate in 2024 was 10.93%. NC's 2024 error rate was 10.21% and 7.36% in 2025, which was the 3<sup>rd</sup> largest reduction in all 50 states. Currently the federal government pays 100% of benefit costs.

| Cost Share                | Error Rate         | State/National Error Rates for FFY24 |
|---------------------------|--------------------|--------------------------------------|
| 0% Cost Share             | Less than 6%       | 8 states                             |
| 5% Cost Share             | Between 6% and 8%  | 6 states                             |
| 10% Cost Share            | Between 8% and 10% | 16 states                            |
| 15% Cost Share            | Over 10%           | 11 states; National rate is 10.93%   |
| 0% Cost Share for 2 years | Over 13.33%        | 9 states                             |

5

5

## COUNTY COST-SHARE STRUCTURE

- Flat Assessment
  - Applied to **all counties**, regardless of their individual error rate
  - Amount = 0.75% of the base year sales tax allocation
  - Flat assessment amount will be withheld from sales tax revenue
- Proportional Assessment
  - Applied **only if the county contributes to state Payment Error Rate**
  - Henderson County's PER:
    - FY2024–2025 - 5.1%
    - October 1, 2025–Current - 0.00%
  - Projected impact to Henderson County is estimated between \$500,000–\$750,000

6

6

## AGRICULTURAL ACT OF 2026: FARM BILL 2.0

- Senator Boozman of Arkansas released revised text for the Senate's version of the Farm Bill, and it proposes
  - **One-year cost shift delay** (implementation pushed to October 2028)
  - States with Highest error rates could see cost-share increases from 15%–20% beginning FY2031
  - Status of the bill is uncertain; however, it could be reconsidered by the Senate Committee on Agriculture, Nutrition, and Forestry in mid-September.
- **Advocacy:**
  - Henderson County DSS Director, with Board approval, submitted letters to Senator Tim Moffitt and Senator Ted Budd requesting a delay or modification of the SNAP cost-sharing requirements.
  - Continued advocacy from County Commissioners can reinforce the need for a statewide mitigation strategy.

7

7

## IMPROVED SNAP ACCURACY IN HENDERSON COUNTY

- After evaluating caseloads within the FNS program, leadership implemented the following actions:
  - Expanded and restructured staffing by moving and adding positions to the FNS team across 2024, 2025, and 2026.
  - Maintained manageable caseload and supported a stable workforce with a low turnover rate.
  - Added a dedicated Quality Control Analyst to strengthen eligibility accuracy and focus on cases most likely to produce errors.
  - Engaged consistently in state-provided trainings to ensure alignment with updated policy and expectations.
  - Implemented daily mini-trainings to reinforce accuracy, consistency, and staff skill development.
  - Enhanced Program Integrity by providing additional one-on-one training.

8

8

## SUMMARY

- SNAP funding changes create **significant new costs** for NC counties.
- Henderson County faces:
  - Additional administrative cost (October through June 2027)
  - New benefit cost-share (FY2028)
- Projected Impact \$500,000–750,000 (FY2028)
- **The county is preparing, but advocacy is essential to push for delay of legislative adjustment and state participation in this cost shift.**

9

9



## QUESTIONS?

10