



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

YVONNE COPELAND • Director, Division of Child and Family Well-Being

TO: County DSS Directors, SNAP Supervisors, Eligibility Workers
FROM: Brian P. Hogan, Deputy Director for Nutrition
DATE: February 20, 2026
SUBJECT: Discretionary Exemptions Applied — November 2025 ABAWD Cohort
PRIORITY: County Action Required

This communication notifies counties that the Division has applied approximately 46,050 discretionary exemptions (DEs) covering approximately 6,886 individuals who applied for or recertified SNAP benefits in November 2025. County action is required for 73 cases that were on hold prior to DE application.

Background

USDA interpreted the effective date of the expanded ABAWD work requirements under HR1 (the One Big Beautiful Bill Act) as the date of enactment, July 4, 2025, with a hold harmless period ending November 1, 2025. Beginning November 1, states were expected to apply the expanded ABAWD provisions — including the broader age range and reduced dependent-child exemption — to all new applications and recertifications.

North Carolina did not complete system implementation of these changes until December 1, 2025. As a result, individuals who applied for or recertified FNS benefits in November 2025 were not screened for ABAWD work requirements under the HR1 rules. These cases carry federal QC error risk, even if they were correctly determined under the ABAWD rules that were effective in North Carolina at that time.

To mitigate this risk and protect the state's Payment Error Rate (PER), the Division has applied discretionary exemptions under 7 *CFR* §273.24(g) to the November 2025 cohort. These DEs ensure that participants who may have been assessed as ABAWDs under HR1 rules during November certification will not count against North Carolina in QC reviews covering the period between the hold harmless end date and North Carolina's December 1 effective date.

What Was Done

The Division completed the following actions centrally. No county action was needed for these steps:

- Applied approximately **46,050 discretionary exemptions** (WNP reason "Discretionary Exemptions") covering **approximately 6,886 individuals** in the November 2025 cohort. Each individual received DEs for each month of their certification period.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD AND FAMILY WELL-BEING

LOCATION: 1915 Health Services Way, Raleigh, NC 27607

MAILING ADDRESS: 2416 Mail Service Center, Raleigh, NC 27699-2416 www.ncdhhs.gov

TEL: 919-707-5659 • FAX: 984-236-8205

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- DEs cover the full 6-month certification period for each affected individual, including any prorated initial month.
- DEs were layered on top of any existing exemptions. Existing exemptions (such as “Nov 2025 ABAWD – Not Countable Month per USDA” or “HR1 ABAWD Prerecert Screening Hold”) were **not removed or replaced**.
- For these approximately 6,886 individuals, the DEs are already in effect. No county action is required.

County Action Required — 73 On-Hold Cases

73 cases were in Auto Hold status prior to the DE application. For these cases, **the discretionary exemption cannot take effect until the hold is resolved**. County eligibility workers must take the following steps: 1. Access the Fast Help report:

FNS_DiscretionaryExemption_AutoHold_Nov2025_report

2. Review each case listed on the report for your county.
3. Evaluate the hold reason and determine the appropriate eligibility action.
4. **Remove the hold** so the discretionary exemption can take effect for the certification period.

Important Note

- **System-generated notices will be suppressed.** The system will suppress any notices that would have been automatically generated and systematically mailed to the client due to the application of the DE. The application of the DE will not impact the participant’s current eligibility.
- **Do NOT remove existing exemptions.** The discretionary exemption is layered on top of existing exemptions. Do not remove or replace the “Nov 2025 ABAWD – Not Countable Month per USDA” exemption or the “HR1 ABAWD Prerecert Screening Hold.”

Best,



Brian P. Hogan
Deputy Director for Nutrition
Division of Child and Family Well-Being
NC Department of Health and Human Services