

Changes to SNAP in Reconciliation (H.R.1) & Implementation Timeline

The budget reconciliation bill H.R.1 made the biggest cut to the Supplemental Nutrition Assistance Program (SNAP) in the program's history: nearly \$200 billion. The bill makes these federal spending cuts by:

- **Shifting More Administrative Costs to States:** H.R.1 requires states to pay 75% of administrative costs, instead of the current 50/50 state/federal split.
- **Making State Liable for a Portion of Benefit Costs:** H.R.1 shifts up to 15% of SNAP benefit costs to states for the first time ever with tiered structure based on the state's payment error rate.
 - The payment error rate is *not* a fraud rate: it reflects over- and under-payments based on mistakes and misunderstandings among participants as well as agency administrative errors.
 - The higher administrative cost share plus the implementation of new provisions will increase the risk of states having high error rates.
- **Further Restricting Non-Citizen Eligibility:** H.R.1 ends eligibility for lawfully present refugees, asylees and others, limiting SNAP to citizens, legal permanent residents (after a waiting period), certain Cuban and Haitian entrants, and lawfully residing Compacts of Free Association citizens.
 - SNAP has *never* allowed undocumented immigrants to participate.
- **Expanding Harsh Work Requirements:** H.R.1 subjects more people, so-called Able-Bodied Adults Without Dependents (ABAWDs), to a three-month time limit on participating in SNAP if they cannot document at least 80 hours of work per month:
 - Adults age 18-64 without dependents, up from age 54
 - Adults in households with dependents ages 14 and older
 - Previously exempt veterans, homeless adults, and youth 18-24 who aged out of foster care

The law includes a new exemption for those eligible for Indian Health Services.

- **Limiting Work Requirement Waivers for States:** H.R.1 takes away criteria for states to qualify for temporary waivers from administering the ABAWD work requirements, allowing them only in states or parts of states with an unemployment rate $\geq 10\%$. The law provides broader waiver criteria for Alaska and Hawaii as well as implementation flexibility through December 2028.
- **Eliminating Internet Cost Deductions:** H.R.1 forbids internet costs as part of the utility cost deductions used to calculate SNAP eligibility and benefit levels.
- **Limiting Use of the Standard Utility Allowance (SUA):** H.R.1 limits an administrative streamlining option, allowing the SUA deduction for households receiving federal or state energy assistance payments only if they have an elderly or disabled member.
- **Restricting Future Benefit Increases:** H.R.1 limits SNAP benefits to increasing annually for inflation only, *without* periodic updates to reflect the true cost of a basic healthy diet, by requiring revisions to the Thrifty Food Plan, the basis of SNAP benefit calculations, to be cost neutral.
- **De-funding SNAP-Ed:** H.R.1 eliminates funding for nutrition education and other initiatives that support SNAP-eligible individuals in making healthy choices.

Implementation Timeline

FY 2025

- July 4, 2025: H.R.1 signed into law with the following SNAP provisions effective immediately:
 - Restrictions on non-citizen eligibility
 - Elimination of internet cost deduction
 - Restriction on use of the standard utility allowance
 - Expansion of ABAWD work requirements with time limits
 - Limitation on new ABAWD work requirement waivers
- Sept. 4, 2025: USDA guidance issued reiterating the provisions effective immediately while noting the pending guidance on non-citizen eligibility and previous guidance advising that states' FY26 SUA calculations should not be changed to exclude internet costs.

FY 2026

- Oct. 1, 2025: SNAP-Ed funding eliminated, though remaining FY25 funding may continue to be spent
- Nov. 1, 2025: End of 120 grace period to implement new provisions effective immediately; beyond this, errors in implementation would count towards the state error rate
- Nov. 2, 2025: Latest date to end any state ABAWD waivers using old "insufficient jobs" criteria
- June 2026: FY25 (Oct. 1, 2024 - Sept. 30, 2025) payment error rates expected to be released

FY 2027

- Oct. 1, 2026:
 - 75% administrative cost share takes effect
 - Benefit increases based on a Thrifty Food Plan revision *would have* taken effect
- June 2027: FY26 (Oct. 1, 2025 - Sept. 30, 2026) payment error rates expected to be released

FY 2028

- Oct. 1, 2027: First year of benefit cost shift based on FY25 or FY26 payment error rate, unless state qualifies for an exemption based on FY25 error rate being $\geq 13.34\%$
- June 2028: FY27 (Oct. 1, 2026 - Sept. 30, 2027) payment error rates expected to be released

FY 2029

- Oct. 1, 2028: Second year of benefit cost shift based on FY26 payment error rate, unless state qualifies for an exemption based on FY26 error rate being $\geq 13.34\%$
- June 2029: FY28 (Oct. 1, 2027 - Sept. 30, 2028) payment error rates expected to be released

FY 2030

- Oct. 1, 2029: Benefit cost shift in effect for all states based on FY27 payment error rate, no exemptions

If your state's payment error rate (PER) is ... then your benefit cost share will be ...			
PER <6%: 0	PER 6-7.99%: 5%	PER 8-9.99%: 10%	PER $\geq 10\%$: 15%