

Summary of the Proposed Changes to SNAP in the Agriculture Title of the House Reconciliation Bill (*H.R.1*)

TIMELINE

- April 10, 2025: the House passed a budget resolution that had already been passed by the Senate directing the House Agriculture Committee to make at least \$230 billion in cuts to the programs under its jurisdiction
- May 12, 2025: The House Agriculture Committee mark was released
- May 13-14, 2025: The House Agriculture Committee marked up the legislation
- May 14, 2025: The text was passed by the House Agriculture Committee without amendment along party lines
- May 18, 2025: The text was incorporated into the combined *One Big Beautiful Bill Act* (*H.R.1*) that passed the House Budget Committee
- May 22, 2025: After slight changes were made to the eligibility rules for non-citizens, among other changes in other titles of the bill, the House passed H.R. 1
- The Senate must consider and pass the legislation before it can be signed into law

OVERVIEW

The Agriculture title of the House reconciliation package, the *One Big Beautiful Bill Act* (H.R. 1) as passed by the House, is estimated to cut hundreds of billions in spending on SNAP over the course of ten years, through FY2034. The steeper than expected cuts made room for spending on the farm safety net while still meeting the deficit reduction target that the House budget resolution instructed the House Agriculture Committee to reach.

SUMMARY

The provisions of the bill related to SNAP would:

- Force states to pay for a higher share of SNAP administrative costs, up to 75% from the current 50%.
 - The <u>Congressional Budget Office (CBO) estimates</u> this will reduce federal spending by \$27 billion through FY2034 by shifting more administrative costs to states.
- For the first time ever, force states to pay for a share of SNAP benefits starting in FY2028:
 - All states would be required to provide a minimum of 5% of total benefit costs.
 - States would be required to provide up to 25% of total benefits based on their payment error rate for the most recent complete year of data.



- The CBO estimates that shifting federal costs to states will reduce federal spending by \$128 billion through FY2034.
- Note: the bill does not eliminate Broad-Based Categorical Eligibility (BBCE) directly, but states would likely be forced to scale back or end BBCE to reduce eligibility and benefit costs.

BBCE - broad-based categorical eligibility - is a set of administrative streamlining options that states can choose to adopt to streamline SNAP eligibility rules with TANF or other state-run social service programs funded by TANF. It allows for slightly higher *gross* income limits as long as *net* income is below the SNAP eligibility threshold.

- Reduce the tolerance level for SNAP error payments from \$56 to \$0 starting in FY2026.
 - The CBO estimates this will reduce federal spending by \$80 million through FY2034.
 - This would likely cause states to have higher error rates, which could lead them being responsible for a higher share of benefit costs.

The **payment error rate** includes both under-payments and over-payments that exceed the tolerance level. The USDA is clear that the <u>payment error rate</u> is <u>not</u> a <u>fraud rate</u>. Errors are mostly due to mistakes by recipients or the administering agency. Intentional fraud by recipients is a small piece of the payment error rate. Agencies are expected to detect and recover over-payments made to households regardless of the reason. State agencies must implement a corrective action plan if their error rate exceeds quality control standards and pay significant penalties if the error rate remains elevated for two years.

- Limit future updates to the Thrifty Food Plan (TFP), the basis for calculating SNAP
 benefits, to being cost neutral, requiring updates to go through the rulemaking process,
 and limiting USDA discretion for adjusting benefit levels based on household size.
 - This means that future SNAP benefit increases will be based on inflation alone and may not keep up with the true cost of a nutritious diet considering food availability, nutrition guidance, shopping and food preparation behaviors, etc.
 - The CBO estimates that making TFP updates cost neutral will reduce future benefit levels by \$37 billion through FY2034.

The House reconciliation package does not directly change Summer EBT or even name it, but the changes to the Thrifty Food Plan (TFP) revision process and limitation on future SNAP benefit adjustments will have in indirect impact on future Summer EBT benefits. Summer EBT benefits will continue to be adjusted annually based on inflation, but because those annual adjustments are pegged to SNAP benefit adjustments, if SNAP benefits cannot be adjusted beyond inflation because the TFP must be cost neutral, then Summer EBT benefits will not get adjusted beyond inflation either.



- Change work requirements and waivers:
 - o 1) Impose time limits on participation for adults in households with dependent children ages 7 and older for failure to comply with Able-Bodied Adult Without Dependent (ABAWD) work requirements and, for consistency, raising the age of a child for compliance with general work requirements from 6 to 7.
 - An adult would be exempt from meeting the ABAWD work requirements if married to a household member who is meeting them.
 - Caretakers of children (or other household members) with disabilities regardless of age are exempt from both general work requirements and ABAWD time limits, but states have discretion over how disability status is determined and documented.
 - The children themselves would still be eligible for SNAP regardless of adults' compliance with the ABAWD work requirements, but the household benefit level would be lower since the calculation would not include the adult(s).
 - There are no answers regarding states with laws/recommendations against leaving children so young alone despite afterschool hours, summer breaks, etc.
 - 2) Increase the age of adults subject to ABAWD work requirements and time limits from 54 to 64 years.
 - The Fiscal Responsibility Act of 2023 previously increased the age gradually from 49 to 54.
 - Other exemptions implemented by the FRA (veterans, persons experiencing homelessness, and young adults ages 18-24 who have aged out of foster care) remain in place until sunset in 2030.
 - Pregnant women and those deemed "medically certified as physically or mentally unfit for employment" are also exempt.
 - 3) Decrease the average monthly number of discretionary exemptions from ABAWD work requirements from 8 percent to 1 percent of the state's caseload.
 - States have wide discretion in granting exemptions up to the maximum.
 - Reducing the number of exemptions would limit SNAP case workers'
 ability to respond to individual circumstances, such as health issues that
 are not yet able to be documented as a disability or family emergencies.
 - The Fiscal Responsibility Act already reduced the number of discretionary exemptions that states have along with their ability to carry over exemptions from year to year.
 - 4) Limit state options for work requirement waivers to only being available in counties with an unemployment rate of 10 percent or higher.
 - The CBO estimates these measures combined will reduce federal spending by \$92 billion through FY2034.
 - The CBO estimates that changing the general SNAP work requirement age from over 15 and under 60 to over 17 and under 65 would not affect direct spending.



• For background on the current general work requirements and ABAWD time limits, see here.

Research consistently shows that **work requirements do** *not* **meaningfully increase employment or earnings**, meaning that federal savings come from fewer people participating in SNAP because they drop off rather than keep up with the paperwork, or they become ineligible due to the time limit. The need for SNAP does not decrease -- fewer people in need get help affording adequate food.

- Limit eligibility for SNAP to citizens, legal permanent residents (green card holders), certain lawfully present Cuban nationals, and lawfully residing Compacts of Free Association (COFA) citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
 - This further restricts already limited eligibility for immigrants with legal status;
 immigrants without legal status are already ineligible. See here for more.
 - The initial CBO estimate for the version passed by the House Budget Committee indicated savings just under \$4 billion through FY2034; the actual savings may be less due to the amendment to retain eligibility for certain Cuban nationals and COFA citizens.
- Restrict the inclusion of internet costs in computing shelter expenses for the purpose of calculating net countable income for eligibility and benefit level determinations.
 - Since eligibility and benefit levels are determined in part based on the household's net income – gross income minus allowable deductions – some households may not qualify for SNAP, and some will receive a lower benefit amount if internet costs are not an allowable deduction.
 - The CBO estimates this will reduce federal spending by \$11 billion through FY2034.
- Limit the "Heat and Eat" linkage between SNAP and the Low-Income Home Energy Assistance Program (LIHEAP) to households with elderly or disabled members only.
 - Participating in the LIHEAP can streamline the application process for SNAP by standardizing how utility costs are treated in the benefit calculation. In some

LIHEAP helps eligible families cover heating and cooling expenses. The "Heat and Eat" linkage is a state option that allows households receiving at least \$20 annually in LIHEAP benefits to get the standard utility allowance deduction for the purpose of determining net countable income for eligibility and benefit level determinations.



- states, LIHEAP participation also confers categorical eligibility for SNAP.
- Ending the linkage would increase the administrative burden and may increase the possibility of payment errors as agencies retrain staff and update procedures.
- The CBO estimates this will reduce federal spending by \$6 billion through FY2034.
- Eliminate the National Education and Obesity Prevention Program for SNAP participants, which funds SNAP Education (SNAP-Ed).
 - The CBO estimates this will reduce federal spending by nearly \$5.5 billion through FY2034.

SNAP-Ed funds a variety of tailored initiatives run by thousands of community organizations nationwide to help individuals eligible for SNAP make healthy choices on a limited budget. Activities include nutrition education and policy and environmental change strategies.

- Require all states to use the National Accuracy Clearinghouse to prevent multiple SNAP issuances within or across states.
 - The CBO estimates this will reduce federal spending by nearly \$7.5 billion through FY2034.

ADDITIONAL INFORMATION

- H.R. 1 One Big Beautiful Bill Act final full text as passed by the House: https://docs.house.gov/billsthisweek/20250519/RCP 119-3 FINAL.pdf
- Full text of the House Agriculture Committee mark: https://agriculture.house.gov/uploadedfiles/ag-recon-combo_o3_xml.pdf
- House Agriculture Committee section by section summary:
 https://agriculture.house.gov/uploadedfiles/section by section hac print reconciliati
 on final 700pm.pdf
- Committee fact sheet: "Holding States Accountable: Incentivizing a More Efficient and Effective SNAP Program":
 - https://agriculture.house.gov/uploadedfiles/holding states accountable.pdf
- Committee fact sheet: "Renewing the American Dream: Prioritizing Work in SNAP": https://agriculture.house.gov/uploadedfiles/renewing the american dream.pdf
- Congressional Budget Office estimate: https://www.cbo.gov/publication/61420