

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

The budget reconciliation bill H.R.1, passed on July 4, 2025, made the biggest cut to the Supplemental Nutrition Assistance Program (SNAP) in the program's history: nearly \$200 billion. The bill does this 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 careThe 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 deducting internet costs or including internet in the Standard Utility Allowance (SUA) when calculating SNAP eligibility and benefit levels.
- **Limiting Use of the Standard Utility Allowance (SUA):** H.R.1 limits the "Heat and Eat" administrative streamlining option between SNAP and the Low-Income Home Energy Assistance Program (LIHEAP), 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

Federal Fiscal Year (FFY) 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* state 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' FFY26 SUA calculations should not be changed to exclude internet costs

FFY 2026

- Oct. 1, 2025: SNAP-Ed funding eliminated, but remaining FFY25 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's FFY2026 payment error rate
- June 2026: FFY25 (Oct. 1, 2024 – Sept. 30, 2025) payment error rates expected to be released

FFY 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: FFY26 (Oct. 1, 2025 – Sept. 30, 2026) payment error rates expected to be released

FFY 2028

- Oct. 1, 2027: First year of benefit cost shift based on FFY25 or FFY26 payment error rate, unless state qualifies for an exemption based on FFY25 error rate being $\geq 13.34\%$
- June 2028: FFY27 (Oct. 1, 2026 – Sept. 30, 2027) payment error rates expected to be released

FFY 2029

- Oct. 1, 2028: Second year of benefit cost shift based on FFY26 payment error rate, unless state qualifies for an exemption based on FFY26 error rate being $\geq 13.34\%$
- June 2029: FFY28 (Oct. 1, 2027 – Sept. 30, 2028) payment error rates expected to be released

FFY 2030

- Oct. 1, 2029: Benefit cost shift in effect for all states based on FFY27 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%

* Actual implementation dates will vary by state depending on the time needed to update systems and train staff

** USDA directed states to end existing waivers by Nov. 2, 2025 and encouraged earlier termination, but a court ruling allowed waivers to continue until the expiration date granted