

Summary of the Changes to SNAP Proposed by the Senate for Reconciliation

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 <u>One Big Beautiful Bill Act</u>
 (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
- June 11, 2025: The Senate Agriculture released text for the Senate's version of the reconciliation bill
- June 20, 2025: The Senate Parliamentarian advised that two provisions of the Agriculture Committee's proposal violated the Byrd Rule and thus could not be included in reconciliation: shifting benefits costs to states and further limiting eligibility for non-citizens. It remains to be seen how lawmakers will respond.
- June 25, 2025: The Senate Agriculture Committee released revised text making changes in response to the Parliamentarian's determination and a few other provisions.
- June 28, 2025: The Senate Budget Committee released the full text for its version of H.R. 1, the combined reconciliation package, including the Agriculture Committee language with some revisions.
- July 1, 2025: The Senate passed H.R. 1 with a last-minute amendment to the Agriculture title to change to the circumstances for delayed implementation of the SNAP benefit cost share.

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 roughly \$300 billion in federal spending on SNAP through FY2034. The steeper than expected allowed for spending on the farm safety net while still meeting the House Agriculture Committee's deficit reduction target set by the House budget resolution. The Senate Agriculture Committee text has numerous differences from the House-passed version, including a less dramatic benefit cost shift to states, but it still has nearly \$200 billion in damaging cuts and fundamentally changes the structure of SNAP. The final Senate package, while amended, retains this harmful structural change.

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%, starting in FY2027.
 - o This is one year later than the House version, which would start the higher administrative cost share in FY2026.
 - o The Congressional Budget Office (CBO) estimated that:
 - The <u>House version</u> would reduce federal spending by \$27 billion through FY2034 by shifting more administrative costs to states.
 - The <u>final Senate version</u> would reduce federal spending by nearly \$25 billion through FY 2034.

UPDATE ON ADMINISTRATIVE COST SHARING: On June 28, 2025, the Senate Budget Committee released the combined reconciliation package, and it removed language from this section that limit USDA's ability to waive the state administrative cost share. There is no language proactively directing waivers, though.

- For the first time ever, force many states to pay for a share of SNAP benefits starting in FY2028 (See update below regarding limited waivers for the start date.):
 - Under the Senate version, states would be required to provide:
 - 0% of benefit costs for payment error rate <6%
 - 5% of benefit costs for 6-8% error rate
 - 10% of benefit costs for 8-10% error rate
 - 15% of benefit costs for ≥10% error rate
 - The benefit cost share would be based on the most recent complete year of payment error rate data. (See update below.)

The payment error rate includes both under-payments and over-payments that exceed the tolerance level. The USDA is clear that the payment error rate is not a fraud rate. Errors are mostly due to mistakes by recipients the administering 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.

- o In contrast, the House version would require all states to provide a minimum of 5% of total benefit costs and up to 25% for error rates above 10%.
- The CBO estimated that, over the 10-year budget window through FY 2034:
 - The <u>House version</u> would reduce federal spending by \$128 billion.
 - The Senate version would reduce federal spending by \$40 billion.

UPDATE ON THE BENEFIT COST SHIFT:

- On June 20, 2025, the Senate Parliamentarian advised that this provision as described above violated the Byrd Rule and thus could not be included in the reconciliation package as written. On June 25, the Senate Agriculture Committee released text for an updated proposal to attempt to address the Parliamentarian's concern. Under the revised plan, states would choose either the FY 2025 or 2026 payment error rate to determine their state benefit cost match percentage for FY 2028. Then, for FY 2029 and beyond, the state match would be calculated using the payment error rate from three fiscal years prior rather than the most recent year. The intention is likely to give states more time plan for the benefit cost shift percentage within existing state budget cycles, but this would not diminish the strain on state budgets, and uncertainty remains since a recession or other economic shock could still lead to higher-than-anticipated state expenditures.
- o On June 28, 2025, the Senate Budget Committee released the combined reconciliation package, which adds the option for USDA to waive the benefit cost match for up to two years in noncontiguous states (i.e. Alaska and Hawaii) that are actively implementing plans to reduce their payment error rate.
- On July 1, 2025, the bill was amended before final passage in the Senate to change the circumstances in which a state would be able to delay implementation of the benefit cost match, removing the special treatment for Alaska and Hawaii and instead delaying implementation:
 - Until FY 2029 for any state that, for FY 2025, has an error rate multiplied by 1.5 that is 20% or higher (i.e. 13.34% or higher).
 - Until FY 2030 for any state that, for FY 2026, has an error rate multiplied by 1.5 that is 20% or higher (i.e. 13.34% or higher).

Based on the recently released <u>FY 2024 SNAP payment error rate data</u>, 10 states would qualify for delayed implementation. However, under this structure, states now have an incentive to have a higher error rate in FY 2025 and FY 2026, especially since error rates are likely to be higher anyway as states implement new provisions.

- Limit future updates to the Thrifty Food Plan (TFP), the basis for calculating SNAP benefits, to being cost neutral 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.
 - Unlike the House version, the Senate version does not require TFP updates to go through the rulemaking process.
 - The Senate version includes slightly different language around benefit level adjustments for households with nine or more people, but both versions are far more prescriptive than current law, which grants USDA discretion on making benefit level adjustments for household size.

The CBO estimated that both the <u>House version</u> and the <u>final Senate version</u> would reduce federal spending by \$37 billion by cutting future benefits.

The bill 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:
 - 1) Impose time limits on participation for adults in households with dependent children ages 10 and older for failure to comply with Able-Bodied Adult Without Dependent (ABAWD) work requirements. (See update below now age 14.)
 - 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).
 - 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 House version applied ABAWD time limits to members of households with responsibility for a child age 7 and older and included an exception for an adult married to a household member who meets the ABAWD work requirements.
 - The House version also changed the requirements for compliance with the general work requirements from members of households with responsibility for children under age 6 to under age 7. The Senate version does not change the general work requirements.
 - 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.
 - 3) Eliminate the exemptions instituted by the Fiscal Responsibility Act for veterans, persons experiencing homelessness, and young adults ages 18-24 who have aged out of foster care.
 - These were set to end in 2030 under the FRA and were preserved until sunset in the House version.
 - Pregnant women, those deemed "medically certified as physically or mentally unfit for employment," and others exempted from the general work requirements continue to be exempt.

- 4) Limit state options for work requirement waivers to only being available in areas with an unemployment rate of 10 percent or higher, removing the option for a waiver in areas with an insufficient number of jobs just as the House version does. (See update - new waiver options for Alaska and Hawaii.)
- The CBO estimated that the suite of ABAWD work requirement changes would, over the 10 year budget window through FY 2034:
 - In the <u>House version</u>, reduce federal spending by \$92.5 billion.
 - In the Senate version, reduce federal spending by nearly \$69 billion.
- For background on the current general work requirements and ABAWD time limits, see here.

UPDATE ON WORK REQUIREMENTS:

- On June 25, 2025, the Senate Agriculture Committee released revised text. Under the revised plan, adults in households with dependent children ages 14 and older would be subject to the ABAWD work requirements and time limits, up from age 10 under the initial Senate proposal and age 7 in the House proposal. Additionally, "Indians, Urban Indians, California Indians, and other Indians who are eligible for the Indian Health Services" would be exempt from the ABAWD work requirements.
- o On June 28, 2025, the Senate Budget Committee released the combined reconciliation package, which added an option for USDA to waive ABAWD work requirements in noncontiguous states (i.e. Alaska and Hawaii) that have an unemployment rate ≥1.5 times the national average as well as to waive, up to December 31, 2028, the ABAWD time limit in noncontiguous states (i.e. Alaska and Hawaii) if the state is making a good faith effort to comply.

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. (See update.)
 - o This further restricts already limited eligibility for immigrants with legal status; immigrants without legal status are already ineligible. See here for more.
 - The Senate version of this provision is the same as the final House version.
 - The CBO estimated that, over the 10-year budget window through FY 2034:
 - The <u>House version</u> would reduce federal spending by less than \$4 billion.
 - The <u>final Senate version</u> would reduce federal spending by just under \$2 billion.

UPDATE ON NON-CITIZEN ELIGIBILITY: On June 20, 2025, the Senate Parliamentarian advised that this provision violated the Byrd Rule and thus cannot be included in the reconciliation package as written. On June 25, 2025 the Senate Agriculture Committee released revised text. The new text included revised language around eligibility for Cuban nationals and extended eligibility to those granted status as Haitian entrants in addition to Cuban entrants.

- Limit the "Heat and Eat" linkage between SNAP and the Low-Income Home Energy Assistance Program (LIHEAP) and limit benefit calculation options based on state energy assistance payments 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 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.
 - Additionally, limiting the exclusion of state energy assistance payments from a household's income and limiting the inclusion of state energy assistance payments as shelter costs will limit households' eligibility and benefit levels.
 - o The Senate version of this provision is the same as the House version.
 - The CBO estimated that both the <u>House version</u> and the <u>final Senate version</u> would reduce federal spending by nearly \$6 billion over the 10-year budget window through FY 2034.
- Restrict the inclusion of internet costs in computing the excess shelter expense deduction for the purpose of determining benefit levels.
 - Since benefit levels are determined based on the household's size and net income - gross income minus allowable deductions - some households will receive a lower benefit amount if internet costs are not allowed to be included when determining eligibility for the excess shelter expense deduction.
 - The Senate version of this provision is the same as the House version.
 - The CBO estimated that both the <u>House version</u> and the <u>final Senate version</u> would reduce federal spending by nearly \$11 billion over the 10-year budget window through FY 2034.

UPDATE ON INTERNET COSTS: The text released by the Senate Budget Committee simplifies the language for this provision by removing examples of internet service fees.

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.

- Eliminate funding for the National Education and Obesity Prevention Program for SNAP participants, which funds SNAP Education (SNAP-Ed) beginning in FY2026.
 - The House version deleted the section entirely. The Senate version preserves the text of the law dedicated to this program but ends funding after FY2025.
 - The CBO estimated that both the <u>House version</u> and the <u>final Senate version</u> would reduce federal spending by \$5.5 billion over the 10-year budget window.

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.

House Provisions Not Included in the Senate Committee Text

The following provisions were included in the reconciliation package that passed the House on May 22, 2025 but were *not* included in the text released by the Senate Agriculture Committee on June 11, 2025:

- Reduce the tolerance level for SNAP error payments from \$56 to \$0 starting in FY2026.
 - The CBO estimated this provision in the House version would 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 Senate version preserves the current tolerance level for errors.
- Require all states to use the National Accuracy Clearinghouse to prevent multiple SNAP issuances across states.
 - The NAC already exists and is available for states' use but is not required until October 2027.
 - The CBO estimated this provision in the House version would reduce federal spending by nearly \$7.5 billion through FY2034.
 - o The Senate version does not mention the National Accuracy Clearinghouse.
- 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.
 - The Senate version does not change the discretionary exemptions from what is allowed under the FRA.

Neither the House nor Senate versions 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 is a set of administrative streamlining options that states can choose to adopt to streamline SNAP eligibility rules with TANF or other staterun 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.

Additional Information

Senate Documents

- Full text released by the Senate Budget Committee: https://www.budget.senate.gov/imo/media/doc/the_one_big_beautiful_bill_act.pdf
- Congressional Budget Office score for the Senate Budget Committee text: https://www.cbo.gov/system/files/2025-06/61534-hr0001-Sen-2025Recon-CLB.xlsx
- Senate Agriculture Committee press released on revised text (includes links to update text, section-by-section summary and summary of change):
 https://www.agriculture.senate.gov/newsroom/rep/press/release/chairman-boozman-releases-updated-agriculture-nutrition-and-forestry-budget-reconciliation-text
- Senate Agriculture Committee text:
 https://www.agriculture.senate.gov/imo/media/doc/senate_ag_committee_budget_r
 econciliation.pdf?source=email
- Senate Agriculture Committee section by section summary:
 https://www.agriculture.senate.gov/imo/media/doc/senate_anf_section_by_section_f
 inal.pdf

House Documents

- 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 03 xml.pdf
- House Agriculture Committee section by section summary:
 https://agriculture.house.gov/uploadedfiles/section_by_section_hac_print_reconciliat
 ion 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 for the House version: https://www.cbo.gov/publication/61420