Impacts of H.R.1

"The One Big Beautiful Bill Act"

On Food Security & Nutrition Policy and Programs

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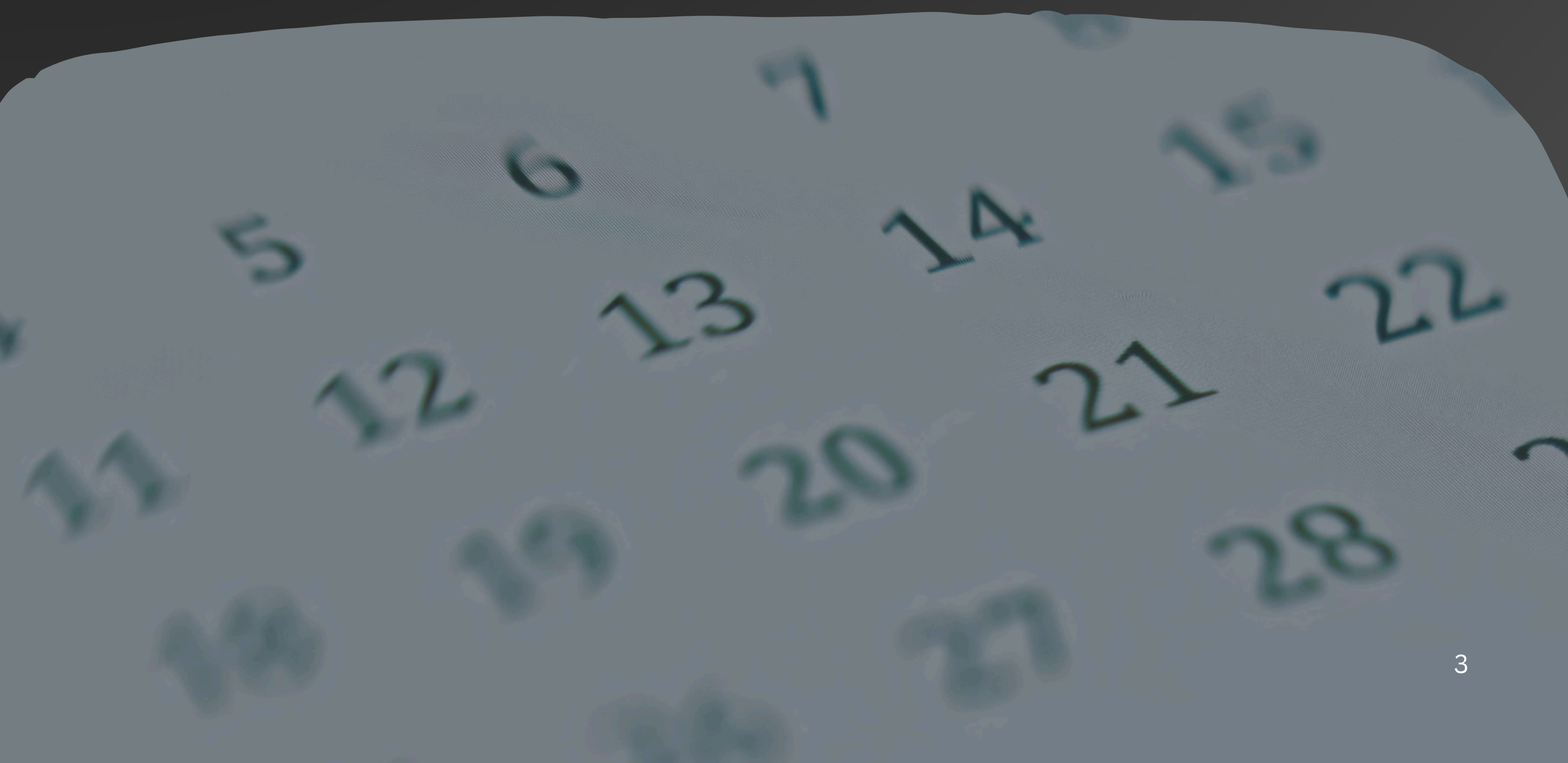
the alliance to end hunger

Foundational, fundamental change to the structure of SNAP has been accomplished through the tax cut and spending bill, H.R. 1. Such vast policy changes would typically be carried out in crafting a Farm Bill. Federal lawmakers have reduced federal spending on Supplemental Nutrition Assistance Program (SNAP) by approximately $186.7 billion* largely through shifting costs to state governments and imposing additional paperwork and administrative barriers, also known as work requirements, on program participants.

*Congressional Budget Office analysis published July 21, 2025

Timeline of Passage

- May 12, 2025: House Committee on Agriculture majority released language of H.Con.Res.14 with program changes, cost shifts, and cuts to meet the goal of reducing federal spending by $230 billion. The Senate Agriculture jurisdiction is tasked with finding at least $1 billion in reduced spending.
- May 13-14, 2025: House Committee on Agriculture bill mark-up; bill passes out of committee on party line vote
- May 18, 2025: House Budget Committee passed the full proposal
- May 21, 2025: House Rules Committee approved the bill, setting terms for debate and amendments on House floor
- May 22, 2025: Full House of Representatives passed "The One Big Beautiful Bill Act"; the bill moves to the Senate as H.R.1.
- Week of June 23, 2025: The bill is scrutinized by the Senate Parliamentarian for compliance with Reconciliation rules, including the Byrd Rule. Changes were made based on rulings.
- July 1, 2025: A modified bill passed the Senate 51-50, with the tie-breaking vote cast by the Vice President.
- July 3, 2025: The Senate version of H.R. 1 passed the House with a vote of 218-214.
- July 4, 2025: H.R. 1 signed into law by the President.



Supplemental Nutrition Assistance Program (SNAP)

State Cost Shifts

For the first time in SNAP program history, state governments will be required to pay portions of the SNAP food benefits, which have been fully covered by federal dollars up until this legislation was passed and signed into law on July 4, 2025.

- Beginning Fiscal Year (FY)2028 (October 1, 2027), states will be required to pay for between 5-15% of SNAP food costs based on payment error rates. Error rates are not fraud rates, and error rates include both overpayments and underpayments of benefits.
- Beginning with FY2029, states' share will be based on the payment error rate from three fiscal years prior. The estimates for number of states in each category are based on USDA FY2024 state payment error rates.
    - States with error rates < 6% will not be required to cover SNAP food costs. It's estimated that there are 9 states in this category.
    - States with error rates 6% - 7.99% will be required to cover 5% of SNAP food costs. It's estimated that there are 6 states in this category.
    - States with error rates 8% - 9.99% will be required to cover 10% of SNAP food costs. It's estimated that there are 17 states in this category.
    - States with error rates at 10% and higher will be required to cover 15% of SNAP food costs. It's estimated that there are 21 states in this category.
- There is a delayed option for states with the highest error rates. If a state's SNAP payment error rate in fiscal year 2025, when multiplied by 1.5, is 20 percent or higher, the state may delay the start of cost-sharing until fiscal year 2029. And if a state meets this threshold in fiscal year 2026, it may delay implementation until fiscal year 2030.
- According to the National Council of State Legislatures, this will likely translate into fewer case workers, fewer IT improvements, and worse customer service.
- Starting in FY2027 (October 1, 2026), states will be required to cover 75% of SNAP administrative costs. Prior to the law, states have been splitting the costs 50/50 with the federal government to administer the program.

To meet the increased costs of ensuring that SNAP is available to people in their states, state governments have limited options. States can work to reduce payment error rates to avoid or reduce the required cost share. If state error rates remain higher than 6%, states would need to ***raise taxes*** or ***move or cut funding*** from other areas of the state's budget, as most states are required to pass balanced budgets. They might also ***reduce the number of people eligible*** to participate through more stringent requirements or somehow cap the number of people who participate.

It remains unknown what will happen if states are not able to meet the required costs.

Potentially, a state might choose to opt out of SNAP entirely.

State Geographic Waivers

States will be restricted in their ability to request from USDA waivers of the work/paperwork requirements to only areas where the unemployment rate is 10% or higher. Noncontiguous states (AK, HI) would be eligible for a waiver if their unemployment rate is at or above 1.5 times the national unemployment rate. This takes effect on passage; awaiting USDA guidance.

SNAP-Ed

H.R.1 eliminates funding for the SNAP Nutrition Education and Obesity Prevention Program (SNAP-Ed), the nutrition promotion arm of SNAP, as of October 1, 2025. The program's authorization remains intact.

Thrifty Food Plan

H.R.1 limits future updates to the Thrifty Food Plan (TFP), the basis for calculating SNAP benefits, to being cost neutral. This limits flexibility for program benefits to respond to changes in dietary guidance, adaptations for the way people shop and eat, and increases in food prices beyond annual inflationary adjustments. This will impact benefit levels of other federal nutrition programs including The Emergency Food Assistance Program (TEFAP), SUN Bucks/Summer EBT benefits, and the Nutrition Assistance Program block-grant to Puerto Rico. Takes effect October 1, 2026.

Additional paperwork and red tape

H.R.1 changes work documentation requirements in general and for able-bodied adults without dependents (ABAWDs). Currently, SNAP participation is limited to three months over three years if the participant is not able to document 20 hours or more per week of employment, job training, volunteering, or other activities. H.R. 1 changes groups and ages of people who are exempt from these paperwork requirements. This takes effect on passage. However, the implementation date is not specified in the language. USDA must provide guidance to state agencies, then state agencies will need to make changes in policies, procedures, and computer systems and train staff. The law:

- revises the age range for general SNAP time limits/work requirements to “over 17 and under 65” years of age from “over 15 and under 60;”
- changes the age of a dependent school-age child, for whom a parent/caretaker is exempt from time limits, from 18 years to 14 years of age;
- adds an exception for American Indian and Alaska Native beneficiaries, including “Urban Indians” and “California Indians,” from the paperwork requirements;
- does away with the exemption for veterans, people without homes, and youth exiting the foster care system.

SNAP Eligibility and Application changes

Undocumented immigrants have always been ineligible for SNAP. With this law, SNAP eligibility will be limited to citizens, lawful permanent residents (green card holders), Cuban-Haitian entrants, and people present in the U.S. with a Compact of Free Association “COFA” (citizens of Micronesia, the Marshall Islands, and Palau). The five-year bar on receipt of SNAP for adults who hold green cards remains. All other immigrants, including humanitarian immigrants such as survivors of domestic violence and trafficking, are now ineligible for SNAP. This takes effect on passage; awaiting USDA guidance.

Also:

- H.R.1 prohibits states to consider internet costs as part of a Standard Utility Allowance (effective October 1).
- H.R.1 limits the availability of the SNAP standard heating and cooling allowance to only households that include a senior (60 years old) or a person with a disability that receives more than $20 in LIHEAP payments. This takes effect on passage; awaiting USDA guidance.

Households Affected

Up to 9 billion meals may be lost each year due to the changes being brought about via H.R.1. That's more than the entire Feeding America network of food banks, meal programs, and church pantries provided last year.

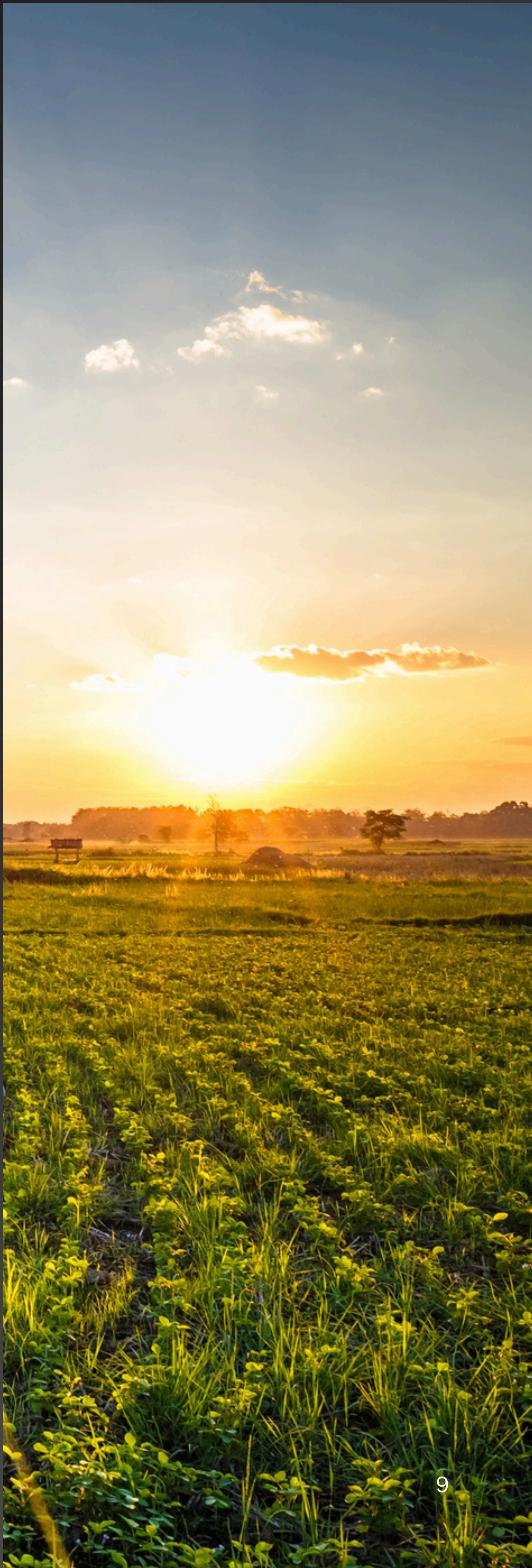
As a result of policy changes and cuts, the Urban Institute estimated that 22.3 million US households will lose some or all of their SNAP benefits.

Of the 22.3 million affected households, 5.3 million would lose at least $25 in SNAP benefits per month. Among these families, 3.3 million are families with children, 3.5 million are working families, and 1.7 million are families with a full-time, full-year worker.

Families losing at least $25 per month would lose $146 per month on average, which is around $1,752 for a household that would participate for a year.

Average monthly benefit losses for families losing at least $25 per month would range from $72 in Kansas ($864 annually) to $231 in the District of Columbia ($2,772 annually).

Agriculture Program Inclusions



H.R. 1 includes $67 billion over 10 years for several agriculture provisions, many of which are typically debated through Farm Bill negotiations. The changes made in agriculture programs help them to be more counter-cyclical, or more able to respond when need is high. On the other side, the bill reduces the ability of SNAP to respond to the needs of people when the need is high. The law:

- Includes funding for farm safety net programs including increases for reference prices for crops for which there are government payments when production costs are high and selling prices are low and increases in crop insurance rates.
- Makes changes to the funding of USDA conservation programs, placing them into the Farm Bill baseline.
- Doubled agriculture trade promotion funds and limits executive power to increase agriculture subsidies.
- Extends tax incentives that support family farm operations.
- Reauthorizes and provides funding for some “stranded” farm bill programs, including Scholarships for those attending 1890 Land Grant universities and 2 organic agriculture programs.
- Doubles agriculture trade promotion funds and limits executive power to increase agriculture subsidies.

References and Resources

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Tracking the 2025 Budget Reconciliation Process | National Council of State Legislatures https://www.ncsl.org/in-dc/tracking-the-2025-budget-reconciliation-process

Letter: *NCSL Raises Concerns About SNAP Cost Shifts to States* | National Council of State Legislatures https://www.ncsl.org/resources/details/ncsl-raises-concerns-about-snap-cost-shifts-to-states

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