

DEPARTMENT OF AGRICULTURE**Food and Nutrition Service****7 CFR Part 271 and 273**

[FNS 2023–0058]

RIN 0584–AF01

Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023**AGENCY:** Food and Nutrition Service (FNS), USDA.**ACTION:** Final rule.

SUMMARY: This final rule implements three provisions of the Fiscal Responsibility Act (FRA) of 2023, affecting the program purpose and individuals subject to the able-bodied adults without dependents (ABAWD) time limit for the Supplemental Nutrition Assistance Program (SNAP). These changes do the following: add language about assisting low-income adults in obtaining employment and increasing their earnings to the program purpose; update and define exceptions from the ABAWD time limit; and adjust the number of discretionary exemptions available to State agencies each year. This rule also clarifies procedures for when State agencies must screen for exceptions to the time limit and verification requirements for exceptions.

DATES: This final rule is effective January 16, 2025.

ADDRESSES: SNAP Program Development Division, Food and Nutrition Service, USDA, 1320 Braddock Place, Alexandria, Virginia 22314.

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SUPPLEMENTARY INFORMATION:**Acronyms or Abbreviations**

Able-bodied adults without dependents, ABAWDs or time-limited participants
Code of Federal Regulations, CFR
Fiscal Responsibility Act of 2023, FRA
Fiscal Year, FY
Food and Nutrition Act of 2008, the Act
Food and Nutrition Service, FNS
State SNAP Agencies, State agencies or States
Supplemental Nutrition Assistance Program, SNAP
U.S. Code, U.S.C.
U.S. Department of Agriculture, the Department or USDA

I. Background

The Food and Nutrition Act of 2008 (the Act), establishes national eligibility standards for the Supplemental Nutrition Assistance Program (SNAP), including work requirements for certain individuals. The first of these work requirements, referred to as the general work requirements, requires certain individuals to register for work; accept an offer of suitable employment; not voluntarily quit or reduce hours of employment below 30 hours per week, without good cause; and participate in workfare or the SNAP Employment and Training (SNAP E&T) program if required by the State agency. Most SNAP participants are exempt from the general work requirements because they are older adults, have disabilities, are children, or meet another exemption from the general work requirements listed in the Act.

Individuals who are not exempt from the general work requirements may also be subject to an additional time-limit work requirement. The Act limits these individuals, referred to as able-bodied adults without dependents (ABAWDs) or time-limited participants, to receiving SNAP benefits for three months in a 36-month period unless they are meeting this additional time-limit work requirement, live in an area where the time limit is waived due to a lack of sufficient jobs or a high rate of unemployment, or are otherwise exempt. This is sometimes referred to as the ABAWD time limit. Individuals can continue receiving SNAP beyond the three-month time limit by working, participating in a qualifying work program (including SNAP E&T), or any combination of the two, for at least 20 hours a week (averaged monthly to 80 hours a month). Individuals can also meet the time limit by participating in and complying with workfare for the number of hours assigned (equal to the result obtained by dividing a household's SNAP allotment by the higher of the applicable Federal or State minimum wage). For the purposes of the time limit, working includes unpaid or volunteer work that is verified by the State agency. These requirements are sometimes referred to as the ABAWD work requirement. For the purposes of the final rule, the Department will use the term “time limit” to refer to both the ABAWD work requirement and time limit, as this phrasing more accurately describes the requirements applied to time-limited participants.

The Act provides exceptions from the time limit based on certain individual circumstances, such as age, pregnancy, or meeting an exemption from the

general work requirements. Individuals who meet an exception are not subject to the time limit. The Act also allows for waivers of the time limit in areas with an unemployment rate over 10 percent or an insufficient number of jobs to provide employment for individuals. Individuals residing in waived areas are not required to meet the time limit. Lastly, the Act also establishes an annual allotment of discretionary exemptions that State agencies may use to extend eligibility for a time-limited participant who is not meeting the requirement. Each discretionary exemption can extend eligibility for one participant for one month, and there is no limit on the number of discretionary exemptions a single participant can receive.

Sections 311 through 313 of the Fiscal Responsibility Act (FRA) of 2023 (Pub. L. 118–5) amended the Act, revising exceptions from the time limit and the allotment of discretionary exemptions, as well as the program purpose. Based on these changes, the Department first issued guidance in June 2023¹ to assist State agencies in implementing the FRA changes and then issued subsequent question-and-answer guidance in July and August 2023.^{2,3} In April 2024, the Department proposed to amend SNAP rules to reflect the requirements of the FRA and included discretionary provisions to ensure consistent application of these changes. These changes were proposed in the notice of proposed rulemaking, titled *Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023* (84 FR 34340), published April 30, 2024.⁴

¹ U.S. Department of Agriculture. Food and Nutrition Service. *Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/implementing-fra-provisions-2023>.

² U.S. Department of Agriculture. Food and Nutrition Service. *Supplemental Nutrition Assistance Program (SNAP)—SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions and Answers #1*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-1>.

³ U.S. Department of Agriculture. Food and Nutrition Service. *Supplemental Nutrition Assistance Program (SNAP)—SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions and Answers #1*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-2>.

⁴ The notice of proposed rulemaking may be found at <https://www.regulations.gov/document/FNS-2023-0058-0001>.

II. Summary of Comments and Discussion of Rule Provisions

The Department received 41 public comment submissions on the proposed rule.⁵ Most comments were supportive of the Department's proposed implementation of the FRA requirements, such as the flexibility for State agencies and alignment across public assistance programs. In particular, commenters welcomed the new exceptions for and definitions of individuals experiencing homelessness, veterans, and individuals aging out of foster care, because they help ensure some of the most vulnerable populations can access SNAP benefits. Commenters also commended the Department's efforts to ensure that individuals are appropriately screened for work requirements in a thorough and timely manner. In addition to their support, commenters also provided suggestions to further clarify the definitions for the new exceptions and strengthen screening requirements.

Twelve respondents wrote to oppose the FRA itself and work requirements for SNAP in general. These commenters believe the changes required by the FRA restrict access to SNAP for certain vulnerable individuals and increase hardship without improving employment outcomes. Despite this opposition to some of the underlying statutory requirements, these commenters generally supported the Department's proposed implementation of the FRA changes.

Three commenters expressed overall opposition to the rule, believing the changes conflict with enforcement of the time limit and the definitions for the new exceptions do not align with Congressional intent. These respondents contended that the new definitions are overly expansive and disagreed with current policy allowing self-attestation to verify household information, claiming it leads to fraud and waste.

The Department reviewed and considered all comments received. A discussion of each rule provision and the relevant comments is detailed below.

7 CFR 271.1: Program Purpose

Section 313 of the FRA amends SNAP's purpose statement in Section 2 of the Act to include assisting low-income adults in obtaining employment and increasing their earnings. The Department proposed to amend 7 CFR

271.1(a) to reflect the language added by the FRA to the SNAP purpose statement.

Twelve commenters, including 10 advocacy organizations and two members of the public, opposed changing the SNAP purpose statement due to their general opposition to work requirements for SNAP participants. Commenters noted that time limits are harmful to vulnerable individuals as they put access to food at risk during a time when they are needed. These commenters requested the Department make clear that raising the levels of nutrition among low-income households takes precedence over supporting employment. The Department recognizes the concerns raised by commenters, however, the change to the purpose statement was effective with the enactment of the FRA. The new language encouraging employment and earnings is in addition to the existing language around supporting food security and nutrition and the Department remains committed to supporting food security and nutrition for low-income households. As commenters did not provide comments regarding the way the Department proposed to amend the regulatory text to reflect this non-discretionary change, the Department is finalizing 7 CFR 271.1(a) to include the new statutory language. Due to Office of the Federal Register guidelines, the Department is also amending 7 CFR 271.1(a) to summarize rather than directly quote the statutory language in Section 2 of the Act.

7 CFR 273.24(c): Exceptions From the Time Limit

Age-Based Exception

Sec 311 of the FRA gradually increased the upper age limit of the age-based exception as follows: by September 1, 2023, increased from 50 to 51 years of age or older; starting October 1, 2023, increased from 51 to 53 years of age or older; and starting October 1, 2024, increases from 53 to 55 years of age or older. The FRA also prescribed that these changes to the age-based exception sunset on October 1, 2030. The Department proposed amending 7 CFR 273.24(c) to increase the upper age limit of the age-based exception from 50 years of age or older to 55 years of age or older. The Department also proposed to capture the sunset at 7 CFR 273.24(c)(10), which reflects that the upper age limit will return to 50 years of age or older on October 1, 2030, unless otherwise changed by law.

Fourteen commenters, representing ten advocacy organizations, three public

citizens, and one State agency, opposed the increase of the upper age limit, citing that time limits undermine the effectiveness of SNAP and are not a viable solution to mitigate food security or bolster employment and earnings, especially for older adults now subject to the time limit. Commenters noted that older individuals may have more difficulty obtaining employment and therefore, more difficulty in meeting the time limit. Commenters requested the Department assist State agencies in mitigating the potential for disproportionate impact upon older adults, including providing guidance around screening for exceptions from the time limit that may be less common in younger individuals. The Department understands and appreciates the concerns from commenters about maintaining program access for a vulnerable population. The final increase in the age-based exception is a non-discretionary change that was effective on October 1, 2024, and will remain in effect until October 1, 2030. As commenters did not provide comments regarding the way the Department amended regulatory text to reflect these changes, the updates at 7 CFR 273.24(c)(1) are finalized as proposed.

New Exceptions

Sec. 311 of the FRA adds three new exceptions from the time limit for individuals experiencing homelessness, veterans, and individuals aging out of foster care which will sunset on October 1, 2030. The Department proposed to add the three new exceptions to the list of exceptions from the time limit provided at 7 CFR 273.24(c)(7), (8), and (9), and capture the sunset at 7 CFR 273.24(c)(10).

Commenters were generally supportive of the addition of the three new exceptions. One advocacy organization urged the Department to extend the three new exceptions beyond October 1, 2030. The FRA stipulates that these three new exceptions and the increase in the age-based exception are to sunset on October 1, 2030. Therefore, only a statutory change can extend these exceptions beyond October 1, 2030. The Department is finalizing the sunset provision at 7 CFR 273.24(c)(10) as proposed. A discussion of comments received regarding each of the new exceptions is detailed below.

Individuals Experiencing Homelessness

The first of the three new exceptions provided in the FRA is for individuals experiencing homelessness. Sec. 3(l) of the Act and 7 CFR 271.2 provide an existing definition of "homeless

⁵ Posted public comments may also be found at <https://www.regulations.gov/document/FNS-2023-0058-0001/comment> and <https://www.regulations.gov/document/FNS-2023-0058-0003/comment>.

individual” for SNAP purposes. Under this definition, individuals are considered homeless if they lack a fixed and regular nighttime residence or if their primary nighttime residence falls into one of four categories. These categories include a primary nighttime residence that is a publicly or privately operated supervised shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized, a temporary accommodation for not more than 90 days in the residence of another individual, or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. The Department proposed to use the existing definition for “homeless individual” provided in 7 CFR 271.2 for the purposes of this exception and add a reference to this definition at 7 CFR 273.24(c)(7).

To help streamline application of this new exception, the Department also proposed a change at 7 CFR 271.2. This change clarified that an individual who will imminently lose their nighttime residence is considered homeless because they lack a fixed and regular nighttime residence. This reflects the Department’s consideration that those who will imminently lose their primary nighttime residence are included in the Act’s definition of a homeless individual, as a nighttime residence that will be imminently lost cannot reasonably be described as “fixed and regular.” Further, the language also helps ensure State agencies recognize how definitions employed by other public assistance programs may align with SNAP and identify individuals for the purposes of this exception more easily.

The Department received 17 comments on the definition of “homeless individual.” Commenters included 10 advocacy organizations, three policy organizations, two public citizens, one professional association, and one State agency. Though commenters were generally supportive of the inclusion of “imminently homeless” in the definition, they requested the Department provide additional details in the regulatory text.

Commenters asked the Department to provide a timeframe for what is considered “imminently homeless” under 7 CFR 271.2. They also requested additional circumstances be included in the regulatory text beyond the proposed inclusion of imminently homeless. This request was to ensure any definition is inclusive of vulnerable populations, such as individuals fleeing or

attempting to flee domestic violence, individuals who were recently incarcerated, and individuals facing discrimination for being lesbian, gay, bisexual, transgender, queer, or intersex.

In the proposed rule, the Department included “imminently homeless” to better explain how State agencies can interpret a “lack of a fixed and regular primary nighttime residence” and clarify how the existing definition may align with definitions of other programs. Through implementing the FRA, the Department received questions from State agencies on how to help identify individuals now meeting this exception. One method to help identify these individuals was through other public assistance programs for individuals experiencing homelessness that the State agency also operates. These programs often use a definition for homeless individuals that explicitly includes individuals who are imminently homeless. Including this language at 7 CFR 271.2 helps State agencies identify opportunities to streamline with other programs by clarifying who is considered to “lack a fixed and regular nighttime residence” under the existing statutory definition. This change does not expand the regulatory definition beyond the statutory definition in the Act.

The Department understands that commenters are concerned with consistency across State agencies in applying this exception and the “imminently homeless” standard. The Department believes it is most appropriate to provide further technical assistance through guidance to State agencies and not specify additional detail in regulatory text. This preserves flexibility for State agencies to review how other assistance programs define homeless individuals and better coordinate across programs to identify SNAP participants who meet this exception and reduce administrative burden in verifying the exception, when appropriate. For example, the Department of Housing and Urban Development (HUD) considers individuals to be imminently homeless if they will lose their housing within 14 days, have no subsequent housing secured, and lack resources or support to secure subsequent housing. The Department agrees this definition would constitute an individual as experiencing homelessness for SNAP purposes. Further, the Department recommends State agencies consider aligning with HUD’s current definition to streamline operations between programs and reduce administrative burden on households and State agencies. However, providing a specific

timeframe or examples in regulatory text could unnecessarily restrict flexibility and make it more difficult for State agencies to align with other programs.

In using this flexibility, State agencies must incorporate safeguards into their processes for identifying individuals experiencing homelessness to ensure it does not include individuals who are simply facing a change in housing within a certain timeframe. If an individual is leaving their current residence for another fixed and regular nighttime residence, they would not be considered imminently homeless and would not qualify for the homeless exception. As discussed above, an individual who is imminently losing their housing is considered homeless if they lack a fixed and regular nighttime residence and therefore, would qualify for the homeless exception.

Section 3(l) of the Act also considers individuals who are in certain temporary living situations to be experiencing homelessness, including, but not limited to, those who are in the residence of another individual for no more than 90 days or a supervised shelter. These individuals would qualify for the homeless exception as well. For example, individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking who have no residence other than one shared with or known to the abuser or inadequate resources to secure housing would be considered homeless because they lack a fixed and regular nighttime residence. Similarly, an individual fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking would be considered homeless if they secured a primary nighttime residence that is a temporary shelter or temporary accommodation of another individual.

Commenters also requested the Department to adopt HUD’s definition of homeless individual and include a cross-reference to 42 U.S.C. 11302 at 7 CFR 271.2. The Department understands commenters desire for SNAP’s definition of “homeless individual” to align more directly with that of HUD. While the Department supports State agencies applying the SNAP definition of “homeless individual” in a manner that aligns with the HUD definition, for reasons stated above, the Department is not codifying the HUD definition in regulatory language.

While the final rule does not explicitly incorporate the definition as requested by the commenters, the Department is committed to facilitating coordination across all Federal programs that interact with individuals experiencing homelessness, including

those administered by HUD. The Department encourages State agencies to review how various programs define homeless individual in their State and how they may leverage those definitions to identify, and if necessary, verify, individuals who are experiencing homelessness.

Two policy organizations and one public citizen opposed the changes to the definition of “homeless individual.” These commenters recommended the Department remove the inclusion of “imminently homeless” and finalize the rule with no changes to the definition of “homeless individual.” Two of these commenters asserted the definition in the proposed rule violates Congressional intent by stretching beyond the statutory definition in Sec. 3(l) of the Act. The Department disagrees that the inclusion of “imminently homeless” is an expansion of the definition of “homeless individual.” The existing definition defines individuals as homeless if they “lack a fixed and regular nighttime residence,” which encompasses the diverse set of circumstances that can constitute homelessness. The provision on “imminently homeless” is clarifying the types of individuals that may already be considered homeless under the existing definition because they lack a fixed and regular primary nighttime residence. The Department’s clarification reflects the understanding of subject matter experts that work on homelessness issues and assists State agencies identifying individuals experiencing homelessness.

These same three commenters argued the inclusion of “imminently homeless” expands the definition of “homeless individual” to include those who “might” lose their housing. One commenter further stated that the proposed rule would undermine the time limit by exempting individuals who have no fixed or regular nighttime residence because they travel permanently and stay in vans, hotels, or short-term rentals, or are individuals whose income fluctuates and have rent due imminently. The Department also disagrees with these comments. The proposed rule specifies that individuals are considered homeless if they will imminently lose their nighttime residence. Individuals who might lose their housing are not considered “imminently homeless.” State agencies should review the individual’s circumstances and determine if the individual’s living arrangements constitute a lack of a fixed and regular nighttime residence.

Therefore, because the Department interprets a “homeless individual” to

include those facing imminent homelessness and the need to preserve flexibility for State agencies, the Department is finalizing the changes to the definition at 7 CFR 271.2 “Homeless individual” as proposed. The Department will issue guidance on how State agencies can identify individuals experiencing homelessness and verify individuals’ housing status.

In addition to the comments regarding the imminently homeless clarification, the Department also received four comments asking the Department to add a definition of “shelter for homeless persons” at 7 CFR 271.2 in the final rule. “Shelter for homeless persons” is referenced at 7 CFR 273.1(b)(7)(vi)(E), which exempts individuals living in a shelter for homeless persons from eligibility rules for individuals living in institutions. Commenters, including three advocacy organizations and one State agency, requested the Department specifically define “shelter for homeless persons” in relation to rules for individuals living in institutions. These commenters recommended the definition of “shelter for homeless persons” include any facility described in paragraph (2)(i) or (ii) of the proposed definition of “homeless individual,” including halfway houses for recently incarcerated individuals. While the Department understands commenters’ concerns, creating a definition for “shelter for homeless persons” is not necessary to implement the FRA but the Department will take it under consideration for future rulemaking.

Veterans

The second new exception provided in the FRA is for veterans. The Department proposed a definition of veteran at 7 CFR 273.24(c)(8) to ensure individuals are identified consistently for this exception, as the FRA did not reference a definition of veteran and the Act and SNAP regulations do not include an existing definition. The Department proposed to define veteran at 7 CFR 273.34(c)(8) as an individual who, regardless of the conditions of their discharge or release from, served in the United States Armed Forces (such as the Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, and National Guard), including an individual who served in a reserve component of the Armed Forces, or served as a commissioned officer of the Public Health Service, Environmental Scientific Services Administration, or the National Oceanic and Atmospheric Administration.

The Department received 20 comments on the definition of veteran, with 18 of those comments supportive

of the definition. Commenters included 12 advocacy organizations, two policy organizations, two professional associations, two State agencies, and two public citizens. Commenters appreciated the Department’s alignment with other Federal programs by including commissioned officers of the Public Health Service, Environmental Scientific Services Administration, and the National Oceanic and Atmospheric Administration. Commenters also commended the Department’s recognition of all individuals who served in the Armed Forces, regardless of the circumstances of their departure from the military.

However, one policy organization and one public citizen opposed the definition of veteran in the proposed rule because it differs from the definition used by the Department of Veterans Affairs (VA) for veterans’ benefits eligibility. These commenters asserted the Department violates Congressional intent by not using this definition, and believe it is inappropriate to except individuals with other than honorable discharges. Additionally, one of these commenters took issue with the Department’s use of a definition from Sec. 5126(f)(13)(F) of the James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year 2023 (Pub. L. 117–263). The commenter asserted the Department should not interpret this definition, which is for a program that provides food assistance to veterans and their families without restriction based on discharge status, to mean Congress does not consider discharge status to be relevant for veteran status.

The Department disagrees that the proposed rule’s definition is inconsistent with Congressional intent. The FRA did not provide a specific definition of veteran, which led to confusion and questions from State agencies around how to identify individuals who meet this exception. The Department consulted with the VA to define veteran and provide clarity for State agencies. Based on the input of subject matter experts, the Department has determined that the definition from the FY 2023 NDAA is the most appropriate definition because it represents the most recent definition used to address food insecurity among veterans, which is the same goal for SNAP.

Further, the definition of veteran provided at 38 CFR 3.1(d) restricts veterans’ benefits to individuals “who served in the active military, naval, air, or space service and who was discharged or released under conditions other than dishonorable.” Since the

FRA did not direct the Department to only apply the exception to a subset of veterans, such as those with honorable discharges, using the above definition would be more restrictive. In comparison, the definition used in the proposed rule does not restrict the exception based on discharge status.

The same two commenters disagreed with the Department's explanation that individuals with former military service who do not consider themselves to be veterans would still be considered veterans under this definition. Some individuals may not consider themselves a veteran, and therefore, may not seek out access to services for veterans, such as veterans' benefits, despite serving in the military. The FRA did not specify that the exception only applies to individuals who are receiving veterans' benefits or who personally identify as a veteran. Therefore, using the proposed definition of veteran appropriately aligns with the FRA and clearly communicates that all individuals who served in the military are eligible for the exception, regardless of their discharge status or self-identification as a veteran.

These commenters also claimed that using the definition at 38 U.S.C. 101(2) for veterans' benefits would allow State agencies to administer the exception more efficiently and effectively because it is more readily verifiable. The Department disagrees that the proposed definition would make program operations less efficient or effective. First, State agencies are not required to verify exception status, unless the information is questionable. Second, if verification is needed, State agencies can still easily verify veterans' status for individuals with an other than honorable discharge by a variety of means. State agencies must follow verification requirements provided at 7 CFR 273.2(f), which allow State agencies and individuals to use various types of verification, such as documentary evidence, data matches, or collateral contacts.

For the reasons described above, the Department is finalizing the definition of veterans at 7 CFR 273.24(c)(8) as proposed.

Individuals Who Were in Foster Care

The last new exception in the FRA is for individuals aging out of foster care. This exception applies to an individual who is 24 years of age or younger and was in foster care under the responsibility of a State on their 18th birthday or such higher age as the State has elected under Sec. 475(8)(B)(iii) of the Social Security Act. The Department proposed to adopt this definition at 7

CFR 273.24(c)(9) and included clarification that "foster care under the responsibility of a State" includes foster care programs run by Districts, Territories, or Indian Tribal Organizations, or the Unaccompanied Refugee Minors Program, and that the exception applies to individuals who turned 18 while in a foster care program even if they leave extended foster care before the maximum age.

The Department received 20 comments on the definition of individuals aging out of foster care, with 18 commenters supportive of the definition. Commenters included 12 advocacy organizations, two policy organizations, two professional associations, two State agencies, and two public citizens. Commenters were supportive of the clarified definition because it helps ensure vulnerable young adults facing unique barriers to food security and employment are not subject to the time limit. Commenters also expressed appreciation for the Department's inclusion of individuals who were in the care of Territories, Tribal Nations, and the Unaccompanied Refugee Minors Program within the definition.

Three commenters, including two advocacy organizations and one State agency, asked for additional clarification on certain groups' eligibility for this exception. These commenters requested the Department to allow State agencies to exempt youth that were incarcerated on their 18th birthday but were in foster care immediately prior. The two advocacy organizations also urged the Department to allow State agencies to exempt individuals who were in foster care but who ran away from foster care before turning 18. Individuals can be eligible for this exception if the child welfare or foster care agency considered them to be in foster care under the responsibility of the State when they turned 18, even if they were incarcerated or had run away prior to turning 18. In these more complicated situations, State agencies should review the individual's history with foster care and relevant state policies, to determine if they meet the criteria for the exception.

One public citizen opposed the definition. The commenter asserted that the Department's proposed definition was too broad and inconsistent with the FRA to allow the exception to cover individuals who leave extended foster care before the maximum age. The FRA defined an individual aging out of foster care as an individual who is 24 years of age or younger and who was in foster care under the responsibility of a State on the date of attaining 18 years of age

or such higher age as the State has elected under section 475(8)(B)(iii) of the Social Security Act. The commenter interprets the "or" in "date of attaining 18 years of age or such higher age as the State has elected" to mean the Department must use the date on which the individual attains the maximum age of foster care in their State, either 18 years of age or higher if the State has elected. The Department disagrees with this commenter's interpretation of "or." The use of "or" permits State agencies to exempt individuals who were in foster care when they were 18, either in an extended or "regular" foster care program, or when they reach the maximum age the State has elected. This allows an individual who left extended foster care early but who was in foster care at age 18 to still be eligible for this exception because they were in foster care when they turned 18. This is consistent with the Department of Health and Human Services' interpretation of the same language used in the Affordable Care Act to establish a mandatory Medicaid eligibility group serving youth formerly in foster care.⁶⁷

Therefore, the Department is finalizing the definition of individuals aging out of foster care at 7 CFR 273.24(c)(9) as proposed.

7 CFR 273.24(l): Verification of Exception Status

For many exceptions, individuals may have already demonstrated their status as homeless, an individual with disabilities, pregnant, etc., through participation in another program. Through shared operations, eligibility systems and data sharing agreements, State agencies may already have information available that would verify an individual's exception status. To ensure State agencies are using this information and deter imposing a redundant burden on these individuals, the Department proposed a requirement for State agencies to assist individuals when verification of exception status is needed by first exhausting all

⁶ U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. *Coverage of Youth Formerly in Foster Care in Medicaid (Section 1002(a) of the SUPPORT Act)*. Washington, DC, 2022. Accessed August 2, 2024. <https://www.medicaid.gov/federal-policy-guidance/downloads/sho22003.pdf>.

⁷ U.S. Department of Health and Human Services. "Medicaid, Children's Health Insurance Programs, and Exchanges: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearing and Appeal Processes for Medicaid and Exchange Eligibility Appeals and Other Provisions Related to Eligibility and Enrollment for Exchanges, Medicaid and CHIP, and Medicaid Premiums and Cost Sharing." 78 FR 4594 at 4604 (January 22, 2013). <https://www.govinfo.gov/content/pkg/FR-2013-01-22/pdf/2013-00659.pdf>.

information available to the State agency. The Department proposed this requirement at 7 CFR 273.24(l) to clarify this requirement is specific to verification of exception status when questionable and is not intended to replace existing processes State agencies use to assist households in obtaining verification for other household circumstances. The Department expects State agencies to use existing information available in their eligibility system or through data sharing agreements. State agencies are not required to establish new data sharing agreements. However, the Department highly encourages State agencies to determine ways to collaborate with other State agencies, improving the coordination and information sharing across programs.

The Department received 11 comments on the proposed verification requirements for State agencies, with all but one supporting the provision. Commenters included eight advocacy organizations, one policy organization, one State agency, and one public citizen. Commenters were supportive of the requirement for State agencies to employ all available information prior to asking individuals to provide sources for verification because it reduces the administrative burden on vulnerable populations, especially for those that may have difficulty providing documentary evidence of their exception status, such as individuals experiencing homelessness or individuals aging out of foster care. Commenters expressed appreciation for the Department's efforts to foster better collaboration across programs that improves coordination and data sharing.

Two advocacy organizations recommended the Department specify the sequence of steps State agencies should take when verifying exceptions from the time limit. Commenters believe this would help increase standardization across State agencies and lead to equitable treatment of time-limited participants. State agencies must accept self-attestation of exception status, and only need to take additional steps if information is considered questionable. If questionable, then the State agency would first review all available information, such as information already in the eligibility system or through data sharing with other programs, to determine if it can verify exception status. If the State agency is still unable to verify, then it would request the individual provide verification, such as documentary evidence or a collateral contact, to the State agency.

One policy organization asked the Department to clarify that State agencies must comply with existing standards for timely verification to ensure State agencies do not delay the review of already available information and provide individuals sufficient time to respond to additional requests for verification. The Department agrees that State agencies must comply with existing standards for timely verification provided at 7 CFR 273.2(f). This requirement includes requests for verification of questionable information. The State agency must provide itself sufficient time in reviewing available information at initial application and recertification so that, if needed, a household has at least 10 days to return additional verification, and the State agency can maintain timely application processing standards. The Department will work with State agencies in implementing this provision and monitor to ensure it does not adversely affect application and recertification processing timeliness.

One State agency commented that they appreciated the streamlining goal but were concerned it would increase burden for State agencies. This commenter requested the Department finalize the rule without the provision at 7 CFR 273.24(l) and instead maintain standards at 7 CFR 273.2(f)(5)(i) for verifying exception status. Program rules at 7 CFR 273.2(f)(5)(i) already require State agencies to assist cooperating households in obtaining verification. Such assistance includes, but is not limited to, utilization of data sharing agreements with other State agencies and information received from other public assistance programs operated by the State agency. The proposed rule included the new verification requirement to minimize unnecessary burden on individuals and improve efficiency in verifying exception status, especially during the certification period. Generally, State agencies are not required to verify exception status and should consider if self-attestation is sufficient. State agencies would only need to perform this review of existing information when exception status is questionable as deemed by a State agency per 7 CFR 273.2(f)(2). Further, the Department expects this verification provision to reduce burden on both clients and State agencies by lowering the number of actions needed to verify information and decreasing the wait time for the individual to provide sources of verification and for eligibility workers to verify the information.

The Department received an additional 23 comments asking for

further direction on how State agencies verify exception status. Commenters included 13 advocacy organizations, four public citizens, two policy organizations, two State agencies, and two professional associations. Fifteen commenters urged the Department to require State agencies to accept self-attestation of exception status or to prohibit State agencies from always considering self-attestation of exception status as questionable. Commenters expressed concerns over State agency policies for self-attestation and questionable information impact on how State agencies act on changes in exception status during the certification period. Since these comments intersect with requirements to screen for exceptions from the time limit, these comments are discussed further in the screening section.

Three commenters, including one professional association, one policy organization, and one advocacy organization, requested the Department issue guidance for how to identify and verify if individuals meet an exception, especially for the three new exceptions. The Department has previously issued guidance to assist State agencies in identifying and verifying exception status. This includes "SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions & Answers #1" and "SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions & Answers #2," which answered questions from State agencies and advocates on how to implement the FRA provisions.^{8,9} In this guidance, the Department provided examples of ways State agencies can verify the new exceptions, including but not limited to, official documentation from the military such as the DD Form 214 (Certificate of Release or Discharge from Active Duty) or military ID to verify veteran status or information from independent living coordinators who administer programs for supporting youth in and transitioning out of foster care to verify individuals aging out of foster care. The Department also clarified that State agencies may use information from

⁸ U.S. Department of Agriculture. Food and Nutrition Service. *Supplemental Nutrition Assistance Program (SNAP)—SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions and Answers #1*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-1>.

⁹ U.S. Department of Agriculture. Food and Nutrition Service. *Supplemental Nutrition Assistance Program (SNAP)—SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions and Answers #2*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-2>.

other programs it operates to verify exception criteria and highly encouraged State agencies to do so when that information is available.¹⁰ The Department appreciates the difficulty in verifying some of these exceptions for both State agencies and individuals and that these are household circumstances previously not considered for SNAP. The Department is committed to providing technical assistance for these new exceptions and will continue to work with State agencies to streamline the verification process for exception status.

One advocacy organization and one State agency requested the Department amend 7 CFR 273.2(f)(2) and allow State agencies to use another State agency's attestation that the individual meets an exception, similar to what is done for verifying countable months received in another State. However, it is unnecessary to amend 7 CFR 273.2(f)(2). Nothing in program rules at 7 CFR 273.2(f) prohibits State agencies from using another State agency's attestation to verify an individual meets an exception. As such, State agencies are permitted to use another State agency's attestation to verify exception status.

The same two commenters asked the Department to allow individuals to meet the veteran's exception temporarily for 90 days while they await verification of their veteran status from the National Archives, U.S. Department of Defense, and the U.S. Department of Veterans Affairs. While individuals may experience delays in receiving documentation of veteran status, this type of documentary evidence is not the only way an individual can qualify and verify for the exception for veterans. State agencies must accept an individual's self-attestation that they meet the exception, unless it meets the State agency's guidelines for questionable information. If more verification is necessary, program rules at 7 CFR 273.2(f)(4) provide the various sources of acceptable verification, which includes documentary evidence and collateral contacts.

Therefore, for the reasons cited above, the Department is finalizing 7 CFR 273.24(l) as proposed.

7 CFR 271.2, 273.7(b)(3), and 273.24(k): Screening and Assigning Countable Months

To properly apply SNAP work requirements, State agencies must first

evaluate individuals potentially subject to the time limit to determine if they are indeed subject to the time limit, or if they qualify for an exception. The Department refers to this process as "screening." State agencies must perform a thorough screening to correctly apply the time limit or an exception and to ensure only the appropriate individuals accrue countable months.¹¹ The proposed rule added requirements for when this screening must occur and what steps State agencies must take prior to assigning countable months.

Commenters were generally supportive of or silent on the screening provisions overall. Nine commenters expressed support for the screening requirement while also noting that these provisions cannot guarantee individuals are not wrongly subjected to the work requirements, citing the complexity of the work requirement rules and concerns with State agency capacity to properly screen, especially for non-English speakers. The Department recognizes the commenter concerns and is committed to providing technical assistance for State agencies to ensure proper implementation of these screening provisions and compliance with language-access requirements. Three additional commenters appreciated that the screening provisions would ensure individuals have a right to a thorough screening before being subject to the time limit and would help State agencies identify which individuals are subject to the time limit in a timely manner. In addition to these general comments, the Department received more specific comments in support and in opposition of the various screening provisions, which are detailed in the following sections.

Definition of Screening

The Department proposed to amend the definition of "screening" at 7 CFR 271.2 to include determining if an individual meets an exemption from the general work requirements listed in Sec. 6(d)(2) of the Act or an exception from the time limit listed in Sec. 6(o)(3) of the Act.

Six commenters, representing three advocacy organizations, one policy

organization, one professional association, and one State agency, expressed support for the amended definition of screening, stating that better consistency in screening will enhance program integrity and prevent against the improper application of the time limit. Two advocacy organizations requested the Department also require State agencies to conduct screenings orally. Commenters explained that State agencies cannot conduct a thorough and appropriate screening in writing, especially for more complex exceptions. Proper screening is one of the most important aspects of implementing the SNAP work requirements. The Department agrees that State agencies must have a plan on how to screen for exemptions from the general work requirement and exceptions from the time limit. However, requiring State agencies to perform screening orally in all cases can limit flexibility to respond to changing needs of SNAP participants and State agencies.

Screening requires State agencies to develop a clear process that includes training and guidance materials for eligibility workers. The Department recommends that State agencies conduct screenings orally as a best practice, as it allows eligibility workers to have a conversation with the applicant and ask follow-up questions where needed. However, State agencies should also consider what information it obtains via the application process, including the interview, that can assist eligibility workers in identifying and verifying an individual's exception status. This includes information obtained on the application, during the interview, in the eligibility system, or through data sharing with other assistance programs. State agencies should not rely solely on written materials to inform individuals of the exemptions from the general work requirements and exceptions from the time limit.

These commenters also noted that screening should predate the issuance of the written consolidated work notice and the oral explanation of the work requirements. Program rules at 7 CFR 273.7(c)(1)(ii) require State agencies to provide the consolidated work notice and oral explanation to individuals who are subject to the work requirements to explain all applicable work requirements and how to fulfill those requirements. Since State agencies cannot reasonably know what work requirements apply and what information to provide if it has not screened and determined what work requirements these individuals are required to meet, screening would likely occur before notification of the work

¹⁰ U.S. Department of Agriculture. Food and Nutrition Service. *SNAP Use of Information Received from Other Public Assistance Programs*. Washington, DC, 2023. Accessed August 2, 2024. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-use-info-other-pap.pdf>.

¹¹ A countable month is a month in which a person is receiving a full SNAP benefit allotment, is not meeting the time limit, and is not otherwise exempt (*i.e.*, the person is not meeting an exception from the time limit, is not living in an area covered by a waiver, is not receiving a discretionary exemption, does not have good cause for not meeting the work requirement, or is not in the month of notification from the State agency of a "provider determination" (from a SNAP E&T provider)).

requirements. The Department will continue to provide technical assistance and ongoing support to ensure State agencies are following the correct procedures for screening and applying the work requirements.

Therefore, the Department is not amending the definition at 7 CFR 271.2 “Screening” in response to these comments. However, the Department made one small technical clarification in the definition, adjusting “an approvable E&T component” to “a part of the E&T program,” as screening for referral to an E&T program occurs before participation in an E&T program as defined at 7 CFR 271.2.

The Department also received comments requesting additional guidance, checklists, and best practices for screening for exceptions. One State agency specifically asked the Department to issue guidance and best practices that ensures State agencies adequately screen for all exceptions, especially for the individuals newly subject to the time limit due to the increase in the age limit. The Department agrees that additional guidance will help State agencies screen consistently and will issue subsequent guidance that provides more best practices and guidelines. Additionally, the Department reminds State agencies of two existing guidance and technical assistance tools already available: the SNAP Work Rules Screening Checklists and Flow Chart and the SNAP Able-Bodied Adults Without Dependents Policy Guide.^{12 13}

Screening at Initial and Recertification Application

Prior to the FRA, State agencies needed to screen individuals at initial and recertification application to determine if household members are subject to the general work requirements and time limit. In implementing the FRA, the Department found sound screening practices to be key in proper administration of the new exceptions, as screening is the State agency’s opportunity to identify exceptions and comply with the Act, which provides that individuals must not be subject to the time limit if they meet one of the exceptions listed in Sec. 6(o)(3).

The Department proposed adding 7 CFR 273.24(k) to require State agencies to screen households for all exceptions from the time limit at certification and recertification to ensure this important step happens consistently across State agencies. The Department also proposed to amend SNAP regulations at 7 CFR 273.7(b)(3) to require screening for all exemptions from the general work requirements at certification and recertification, as exemptions from the general work requirements confer an exception from the time limit as well. These provisions codify existing practices and clarify screening requirements to ensure compliance with the FRA and the Act. Additionally, the Department seeks to improve consistency in program operations and provide quality customer service in line with the December 13, 2021, Executive Order on *Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government*.¹⁴

The Department received 15 comments on the requirement to screen for exceptions from the time limit at initial application and five comments on the requirement to screen for exemptions from the general work requirements at initial and recertification application. Commenters included 12 advocacy organizations, three public citizens, one policy organization, one professional association, and one State agency. Commenters were generally supportive of the requirement, noting that these changes are key to bolstering screening practices and implementing the new exceptions to the time limit. Though commenters were supportive of the provisions, they requested the Department provide additional details in the regulatory text for both provisions.

Two commenters requested the Department use screening as a noun instead of as a verb, replacing references of “screening” with “conduct a screening.” These commenters stated that using screening as a verb is inconsistent with the definition in 7 CFR 271.2. The Department disagrees that this change is necessary. The use of “screening” as a verb in the proposed rule is consistent with other requirements to screen already included in 7 CFR 273.7(c)(2). Therefore, the Department is not changing any

references to screening in 7 CFR 273.24(k).

Six commenters, including four advocacy organizations, one policy organization, and one professional association, urged the Department to require State agencies to assign the exception that will be in effect the longest when individuals qualify for more than one exception from the time limit. The same policy organization also requested the Department add the same requirement for exemptions from the general work requirements. In the proposed rule, the Department encouraged State agencies to assign the longest exception as a best practice when screening but did not require it. The Department agrees with commenters that assigning the longest exception helps maintain program access for individuals and lessen the workload for State agencies, resulting in reduced administrative burden and cost for both clients and State agencies. As such, the Department is adding a requirement for State agencies to apply the exception from the time limit that will last the longest at 7 CFR 273.24(k) and the exemption from the general work requirements that will last the longest at 7 CFR 273.7(b)(3).

One policy organization and one advocacy organization noted that the proposed rule would require State agencies to screen and determine if an individual meets “an” exemption from the general work requirements and recommended the Department change “an” to “any.” The Department agrees with these commenters that using “an” creates the possibility that a State agency could screen for just one exemption and fail to screen for others. The Department intended for State agencies to screen for all exemptions and to continue screening even once an individual meets one exemption. This is consistent with the requirement to apply the exception that is in effect the longest when an individual meets more than one exception. Therefore, the Department is amending 7 CFR 273.7(b)(3), as well as the definition of screening at 7 CFR 271.2, to clarify that State agencies must screen for all exemptions and exceptions.

Screening and Applying Exceptions During the Certification Period

When the FRA was implemented, the Department received questions from State agencies about how to identify, apply, and verify exceptions during an individual’s certification period. Individuals can experience changes in circumstances during their certification period that may lead to them no longer qualify for an exception, such as turning

¹² U.S. Department of Agriculture, Food and Nutrition Service. *SNAP Work Rules Screening Checklists and Flow Chart*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/work-rules-screening>.

¹³ U.S. Department of Agriculture, Food and Nutrition Service. *SNAP Able-Bodied Adults Without Dependents (ABAWD) Policy Guide*. Washington, DC, 2023. Accessed August 2, 2024. <https://www.fns.usda.gov/snap/guide-serving-abawds-time-limit-participation>.

¹⁴ “Executive Order 14058 of December 16, 2021, Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government,” *Federal Register*, volume 86, no. 239 (2021): 71357–71366, <https://www.federalregister.gov/d/2021-27380>.

18. Similarly, an individual may experience a change that results in them now meeting an exception, such as becoming homeless. To address these situations, the Department proposed 7 CFR 273.24(k)(1)(i) and (ii), which specified State agency responsibilities when an individual experiences a change in circumstances that results in them losing an exception or newly meeting an exception.

The Department received 15 comments in support of these screening requirements. Nine of those comments were particular to actions when an individual loses an exception, and six comments were specific to requirements when an individual is newly meeting an exception. Commenters included multiple policy organizations, advocacy organizations, and professional associations and two State agencies. Commenters appreciated the Department's efforts to improve screening practices by requiring State agencies to screen individuals before applying the time limit, helping ensure individuals have access to a thorough and timely screening. Commenters also applauded the Department's clarifications on when State agencies should assign countable months. However, some commenters also requested the Department further outline State agency responsibilities to meet these requirements during the certification period, which are discussed in detail in the sections below.

Two policy organizations opposed the provisions because they did not agree that the provisions are necessary to implement the FRA and questioned if they align with statutory obligations to enforce the time limit. One commenter further disagreed with prohibiting State agencies from assigning countable months unless it determines that the individual does not meet any exceptions. The commenter claimed this process would provide benefits to individuals who are not verified as eligible.

While the FRA requires State agencies to apply the new exceptions at initial application and recertification, State agencies were confused on how to act on information about the exceptions discovered during the certification period. Some of the questions raised included how State agencies account for individuals who appear to be newly subject to the time limit due to the changes in age-based exceptions, but the State agency has not screened to determine if they meet any exception. Since these individuals were not subject to the time limit at the time of their last certification, the State agency would

likely not have any information on whether the individual meets another exception. Similarly, an individual subject to the time limit before the FRA could now be excepted as a veteran, however, the State agency may not know the individual is a veteran because the information is not collected during the application process. In both scenarios for ongoing households, the State agency could not properly determine if the individual should be subject to the time limit.

These questions are emblematic of questions about screening and assigning countable months during the certification period more broadly, and not just specific to operationalizing the new exceptions. In order to enforce the time limit, State agencies must first know who is subject to the time limit before they can determine if that individual is meeting the associated work requirements. Both pieces of information are needed before a countable month can be assigned correctly. If not, State agencies are liable to incur payment errors for either incorrectly penalizing a household, or inappropriately applying benefits. A State agency cannot reasonably know if the individual is subject to the time limit if it has not screened an individual for exceptions from the time limit. It is inconsistent with Sec. 6(o)(3) of the Act for a State agency to apply the time limit and assign countable months when it has not screened and determined an individual does not meet any exceptions from the time limit. As such, the Department found it necessary to provide additional clarification at 7 CFR 273.24(k) in order to address this confusion and ensure consistency amongst State agencies on how to accurately administer SNAP work requirements and maintain program integrity.

Assigning Countable Months

Three advocacy organizations and one State agency asked the Department to clarify additional circumstances not addressed in the proposed rule where State agencies must screen individuals before assigning countable months. These circumstances include when an individual loses the exemption from the general work requirements for working 30 hours per week, when an area loses a geographic waiver, or when a time-limited participant's work hours drop below 20 hours per week.

Individuals are not subject to the time limit if they meet an exception, which includes meeting an exemption from the general work requirements. Individuals who are working 30 or more hours a week or are earning weekly wages equal

to at least the Federal minimum wages multiplied by 30 hours are exempt from the general work requirements, and therefore, are not subject to the time limit. If an individual has a change in circumstances during the certification that results in them not meeting this exemption, such as involuntarily quitting or reducing work hours, then the State agency must screen the individual and determine if they meet any other exceptions from the time limit, including any other exemption from the general work requirements, before assigning countable months. If the State agency is unable to reach the individual to screen during the certification period, the State agency must not begin assigning countable months as attempts to screen do not constitute screening for the exceptions.

Individuals who live in an area covered by a waiver of the time limit will not receive any countable months while covered by the waiver. State agencies must continue to screen individuals even when a waiver is in place to determine which individuals are subject to the time limit. If a State agency stops screening under a waiver, it is not able to accurately administer the time limit when the waiver ends. When the waiver does end, State agencies must ensure individuals who are subject to the time limit have been notified of the applicable work requirements and begin applying the time limit.

Individuals can fulfill the time limit by working, or by participating in a work program, for 20 hours per week, averaged monthly. Individuals who are meeting this 20 hour per week requirement are complying with the time limit but are still considered subject to the time limit. Therefore, when an individual reports their work hours drop below 20 hours per week without good cause, the State agency would assign a countable month. The State agency would have already determined if the individual is subject to the time limit and does not need to screen the individual again since they must screen at certification and recertification. If the individual has had a change in circumstances that results in them newly meeting an exception, the individual can report that information to the State agency at any time.

The same four commenters suggested the Department clarify that State agencies must issue expedited benefits to households and refrain from subjecting individuals to the time limit while the State agency completes screening. The same State agency further requested the Department amend expedited service rules at 7 CFR

273.2(i)(4) accordingly. The Act and program rules require State agencies to process applications that meet the expedited service criteria within seven days and postpone verification (if necessary) to meet this timeframe, as long as the State agency has verified identity. Program rules at 7 CFR 273.2(i)(4)(B) emphasize that State agencies must make all reasonable efforts to verify other information required by 7 CFR 273.2(f) through collateral contacts or readily available documentary evidence within the seven-day time frame.

State agencies should also make all reasonable efforts to screen individuals at certification and recertification within that seven-day time frame, especially when interviewing the individual. If the State agency screens the individual and determines they do not meet any exceptions from the time limit, the State agency would consider them subject to the time limit and begin assigning countable months in the first full month of benefits. If the State agency screens and determines the individual meets an exception from the time limit, the State agency would consider them not subject to the time limit and no verification is needed. This is because State agencies are not required to verify exception status unless it is questionable. If the information about exception status is questionable, the State agency must verify the information. The State agency would first follow the new process outlined at 7 CFR 273.24(l), which requires State agencies to use all available information to verify an individual's exception status before reaching out to the household. If the State agency is able to verify exception status via these means within seven days, it would apply the exception and the individual is not subject to the time limit. If the State agency is still unable to verify exception status within the seven days, the State agency would postpone verification of exception status in accordance with 7 CFR 273.2(i)(4). Because of this postponed verification, the State agency would not assign countable months until exception status is verified.

However, if an individual who has already received three countable months reapplies and the State agency has no information from the household or another source indicating that the individual has regained eligibility or is now meeting an exception, the State agency would determine that the individual remains ineligible for SNAP and is not eligible for expedited service. The State agency would then process the case according to normal application

processing standards. If the State does have information from the household or another source indicating that they have regained eligibility or are now meeting an exception, the State agency must attempt to obtain as much verification as possible within the expedited service time frame. As noted above, State agencies do not need to verify exception status unless it is questionable, so the State agency may not need to postpone verification of exception status and can apply the exception at that time. If the verification cannot be obtained in the seven-day time frame, the State agency would postpone the verification in order to issue benefits. The State agency is responsible for making a determination of whether or not to postpone verification within these parameters.

In addition to commenter requests for clarification on the specific scenarios discussed above, six commenters, including two advocacy organizations, two policy organizations, and two State agencies, asked the Department to clarify if State agencies need to retrospectively assign countable months when an individual has a change in exception status during the certification period. Three commenters urged the Department to prohibit State agencies from retrospectively assigning countable months back to the date an individual lost their exception status. Three commenters also requested the Department to require State agencies to only assign countable months prospectively after screening. Commenters requested these clarifications because existing guidance requires State agencies to retrospectively assign countable months if the State agency determines at recertification that an individual lost their exception and should have been subject to the time limit, and also called for the Department to rescind this guidance.¹⁵

The Department understands these comments reflect concerns that individuals can accrue countable months and lose access to SNAP as a result, even when they were not required to report a change. The new screening provisions will mitigate these issues by limiting the assignment of countable months until after State agencies evaluate an individual and determine if they meet any other exception. Since State agencies must screen before assigning countable

months, if it did not conduct a screening when the loss of the exception occurred, it cannot go back in time and retrospectively screen the individual. This means that in these situations State agencies should not retrospectively adjust countable months at recertification while complying with this screening requirement. If the State agency is unable to screen during the certification period, the State agency should wait until the next recertification to screen the individual, and then at that time, either apply another exception or begin applying the time limit. Further, the Department maintains it is important for program access and integrity to preserve State agencies' ability to retrospectively adjust countable months as a result of State agency or client error. As a result, it is not necessary to add language prohibiting retrospective adjustment of countable months to address the situations discussed by commenters.

One advocacy organization and one State agency requested the Department allow State agencies to retrospectively remove countable months back to the date an individual started meeting a new exception. The advocacy organization also asked the Department to permit State agencies to retrospectively apply exceptions back to the date it is reported instead of the date it is verified. As discussed above, the new screening provisions are intended to minimize the need for State agencies to retrospectively adjust countable months. The new provision at 7 CFR 273.24(k)(1)(ii) is clear on when State agencies should stop assigning countable months when an individual is newly meeting an exception: either after the State agency receives the information or after the State agency verifies the information if it was questionable. Further, screening is a forward-looking process and State agencies should not be going back to the previous certification period when screening an individual. As a result, State agencies should not need to retrospectively adjust countable months in most circumstances.

One policy organization opposed these provisions and requested the Department require State agencies to apply countable months immediately when an individual is found not to qualify for an exception or comply with a work requirement. This includes retrospectively applying countable months when the State agency receives this information at a later date. The Department agrees that State agencies must enforce the time limit and apply countable months for individuals who are subject to the time limit but are not

¹⁵ U.S. Department of Agriculture. Food and Nutrition Service. Able-Bodied Adults without Dependents (ABAWD) Questions and Answer. Washington, DC, 2015. Accessed September 9, 2024. <https://www.fns.usda.gov/sites/default/files/resource-files/ABAWD-Questions-and-Answers-June%202015.pdf>.

meeting the requirement. Individuals subject to the time limit are required to report when their work hours fall below 20 hours per week, averaged monthly. If an individual fails to report this information and the State agency later determines it, the State agency must retrospectively adjust countable months.

Individuals are not subject to the time limit if they meet an exception from the time limit. During the certification period, individuals may experience changes that result in them losing an exception. Without additional screening, the State agency would only know about the change in circumstances for that one exception, but not if the individual meets another. As a result, loss of an exception alone does not provide the State agency with sufficient information to determine if the individual should now be subject to the time limit. This is especially true given the fluid nature of some of the exceptions, such as homelessness or pregnancy, which individuals may meet only temporarily. Therefore, the State agency must screen to determine if the individual meets another exception to know if the individual should be subject to the time limit and comply with Sec. 6(o)(3) of the Act, which requires State agencies to only subject individuals who do not meet an exception to the time limit.

For these reasons, the Department is not making any changes to 7 CFR 273.24(k)(1)(i) and (ii) and finalizing as proposed.

Acting on Changes During the Certification Period

Four commenters, including two advocacy organizations, one policy organization, and one State agency, requested clarification for how the screening provisions interact with rules for acting on changes during the certification period. These commenters urged the Department to include a cross-reference to unclear information rules at 7 CFR 273.12(c)(3) in both 7 CFR 273.24(k)(1)(i) and (ii). Unclear information is information that is not verified or is verified but the State agency needs more information to act on it. Program rules at 7 CFR 273.12(c)(3) outline the specific procedures State agencies must follow when acting on unclear information. Program rules for acting on unclear information apply to all changes occurring during the certification period, regardless of whether the paragraph includes a direct cross-reference to 7 CFR 273.12(c)(3). Further, a change in circumstances during the certification period will not always result in unclear information.

For individuals who are newly meeting an exception, State agencies may not always need additional information to act on a report of a new exception. This is because exception status does not require verification unless the State agencies deem it questionable. If verification is needed, the State agency must follow the new verification provision at 7 CFR 273.24(l) and first attempt to verify using all available information before reaching out to the household. This means that the State agency could potentially verify the information and apply the exception without ever needing to contact the household. If the State agency still cannot verify the new exception without contacting the household, then it would defer to unclear information rules at 7 CFR 273.12(c)(3) for contacting the household. The State agency would hold the information until the next certification action, unless the unclear information meets the criteria for sending a request for contact (RFC) at 7 CFR 273.12(c)(3). In most circumstances, a change in exception status is unlikely to meet the criteria for an RFC because it is not a required report under any reporting system. If the information does not meet the criteria for an RFC, State agencies may send a voluntary notice to individuals asking them to provide verification for a new exception but must not penalize individuals if they do not respond.

As a result of this new verification provision, one commenter also asked the Department to include a cross-reference to 7 CFR 273.24(l) in 7 CFR 273.24(k)(1)(ii). The Department agrees that State agencies must verify information on exception status in accordance with 7 CFR 273.24(l), even during the certification period. Therefore, the Department is adding a cross-reference to 7 CFR 273.24(l) to ensure State agencies follow the appropriate verification procedures during the certification period.

For individuals who lose their exception during the certification period, new language at 7 CFR 273.24(k)(1)(i) requires State agencies to screen individuals after they lose their exception before applying countable months. As the Department explained in the proposed rule preamble, State agencies can choose to hold this information until next recertification or attempt to screen the individual during the certification period. If a State agency attempts to screen but is unable to, the State agency must not penalize the individual for not responding. This aligns with unclear information rules, as discussed above. The Department also notes that State agencies cannot require

the household to come into or contact the office per program rules at 7 CFR 273.2(e)(1) or send an RFC unless it meets the criteria outlined at 7 CFR 273.12(c)(3).

One policy organization opposed the Department's explanation of unclear information in the proposed rule and argued the application of unclear information procedures would create challenges for State agencies to enforce the time limit by not allowing State agencies to penalize individuals for failing to respond to voluntary notices. The commenter expressed concern that State agencies may hold information for up to two years under this process. The Department believes this commenter may misunderstand these requirements. First, the longest certification period individuals subject to the time limit may be eligible for is 12 months, and these individuals would not go more than six months without a review of their household circumstances. State agencies are permitted to set shorter certification periods for individuals subject to the time limit and many do so due to the nature of these households' circumstances and compliance with the time limit. Second, the proposed rule did not amend the rules for unclear information at 7 CFR 273.12(c)(3), which require State agencies to hold unclear information until the next certification action and prohibit them from penalizing individuals for not responding to a voluntary notice. These requirements already exist, and the proposed rule only clarified how State agencies must adhere to unclear information rules when screening for exceptions and enforcing the time limit.

Therefore, the Department is not making any additional changes to 7 CFR 273.24(k)(1)(i) and (ii).

Self-Attestation and Questionable Information

Commenters also asked the Department to clarify the process for applying and verifying a new exception during the certification period. Two advocacy organizations requested the Department provide a timeframe for "prompt action" to protect against interruption or termination of benefits. Prompt action is already used at 7 CFR 273.12(c) in relation to acting on changes during the certification period. Introducing a separate time frame here would cause confusion. State agencies should instead ensure their processes for requesting verification of an exception during the certification period align with prompt action for acting on changes.

Two advocacy organizations and one policy organization urged the Department to remove the reference to “questionable information” and replace it with different language, such as contradictory information or inconsistent information. Commenters were concerned that using “questionable information” in this provision would invite State agencies to always consider self-attestation as questionable and require verification of exception status, increasing the burden on individuals to claim an exception. Similarly, 15 commenters, including 11 advocacy organizations, two private citizens, one professional association and one State agency, requested the Department prohibit State agencies from universally considering self-attestation of exception status to be questionable and instead require State agencies to accept self-attestation of exception status, unless the information is contradictory or inconsistent. Commenters expressed concerns that State agencies would set a policy that self-attestation of exception status is always questionable, when in most cases, self-attestation is sufficient to confirm an individual meets an exception and providing verification would create substantial burden, especially for vulnerable populations, such as individuals experiencing homelessness, who may not have access to documents and records for verification.

Program rules at 7 CFR 273.2(f) require State agencies to verify certain factors, including, but not limited to, income, identity, and residency. These rules also require State agencies to verify any information the State agencies consider to be “questionable” (7 CFR 273.2(f)(2)) and permit State agencies to require verification of additional factors at their discretion (7 CFR 273.2(f)(3)). State agencies must treat verification of questionable exception status consistent with verifications of other types of questionable information.

While State agencies have discretion to set guidelines for the additional verifications and for questionable information, State agencies cannot prescribe verification based on race, religion, ethnic background or national origin and cannot set guidelines that target specific groups, such as migrant farmworkers, for more intensive verification. In other words, State agencies may not set verification standards that target certain participants as a group in a discriminatory manner for more intensive verification by always requiring verification of exception status for time-limited

participants. This includes setting standards that categorically consider self-attestation of exception status to be questionable.

Per SNAP verification rules, State agencies should determine on a case-by-case basis if the information provided by an individual meets the State agency’s criteria for questionable information, regardless of whether it is provided via self-attestation. The Department reminds State agencies that placing additional and unnecessary burden on the applicants to provide verification may put these vulnerable individuals at risk, and State agencies must accept self-attestation of exception status unless it meets the State agency’s guidelines for questionable information.

One policy organization requested the Department require verification of exception status in all circumstances because self-attestation results in fraud and waste. Similarly, another commenter asserted this will exacerbate the problems of improper payments. However, the commenters did not provide evidence to show that self-attestation leads to fraud and waste in SNAP. The Act and program rules at 7 CFR 273.2(f)(1) do not require State agencies to verify exception status, unless the information is considered questionable. As the Department discusses above, State agencies have discretion for determining what information is considered questionable and what other information it decides to verify, as long as the policy does not discriminate against or target any group for more intensive verification.

As a result, the Department is not making any changes to 7 CFR 273.24(k)(1)(ii) in response to commenter concerns on questionable information.

7 CFR 273.24(g) and (h): Discretionary Exemptions

Annual Allotment of Exemptions

Sec. 312 of the FRA decreases State agencies’ annual allotment of discretionary exemptions from 12 percent to 8 percent of the caseload subject to the ABAWD time limit. The Department proposed to amend 7 CFR 273.24(g)(3) to reflect this reduction in the allotment of discretionary exemptions from 12 percent to 8 percent of covered individuals in the State.

Fourteen commenters, including 10 advocacy organizations, two private citizens, one professional association, and one State agency, opposed the decrease in the allotment of discretionary exemptions because it would reduce the State agencies’ effectiveness to respond to the needs of

households. Commenters cited the importance of discretionary exemptions in providing benefits to individuals who are in transition and in helping State agencies respond to local crises that temporarily impact employment opportunities in the State, such as a large employer closing or a natural disaster interrupting labor markets. The change in the annual allotment of discretionary exemptions is statutory requirement and was effective with FY 2024 allotment of exemptions.

Three commenters, including one advocacy organization, one professional association, and one State agency, also urged the Department to revise the methodology for calculating the proportion of time limited participants covered by ABAWD waivers used to calculate the allotment of discretionary exemptions, referred to as the “waiver factor.” Sec. 6(o)(6)(F) of the Act and SNAP regulations at 7 CFR 273.24(g)(3) require the Department to calculate State agencies’ annual allotment of discretionary exemptions each fiscal year, based on the size of the ABAWD caseload, adjusted for changes in the growth of the SNAP caseload and the waiver factor. The professional association asked the Department to reconsider the reference date used to estimate State agencies’ waiver status for the fiscal year. The other two commenters requested the Department consider allowing State agencies to request its waiver factor be recalculated when the State agency’s implements a new ABAWD waiver during the fiscal year. However, changes to the methodology for calculating discretionary exemptions are outside the scope of this rulemaking. Further, the current reference date of July 1 aligns with data periods used to estimate the size and growth of the ABAWD caseload and allows the Department to make the best estimate of a State agency’s overall SNAP and ABAWD caseload.

The Department also received one comment from an advocacy organization urging the Department to require State agencies to justify any non-use of discretionary exemptions and demonstrate that the non-use did not contribute to food insecurity. The Act provides State agencies with discretion on if and how they want to use discretionary exemptions. In some instances, State agencies are unable to use discretionary exemptions because the State is covered by a waiver of the time limit or because of restrictions implemented by their State legislature. As the Act does not require State agencies to use these exemptions, it is inconsistent to impose additional

requirements and administrative burden by mandating State agencies use discretionary exemptions or explain why they have not used them. The Department appreciates this commenter's concerns and remains committed to engaging with State agencies and providing technical assistance to ensure proper implementation of the SNAP work requirements.

As commenters did not provide comments within the scope about the way the Department amended regulatory text to reflect these changes and for the reasons stated above, the rule finalizes the updates at 7 CFR 273.24(g)(3) as proposed.

Carryover of Unused Exemptions

Sec. 312 of the FRA also limits State agencies' ability to only carryover unused discretionary exemptions earned in the previous fiscal year. The Department also proposed to amend 7 CFR 273.24(h)(2)(i) to limit carryover of unused discretionary exemptions to only those earned for the provision fiscal year starting in FY 2026.

Two advocacy organizations and one State agency requested the Department codify, that for the purposes of carryover, discretionary exemptions are used in order of accrual. This means discretionary exemptions are used in a "first-in, first-out" basis, such that State agencies would first use any unused exemptions carried over from the previous fiscal year since those were earned first. Once the State agency exhausts those exemptions, it would start using exemptions from the balance of newly earned exemptions for the current fiscal year. Any leftover exemptions from the current fiscal year would be carried over into the next fiscal year. Prior to the FRA, the Department had no need to specify the order of use because all unused exemptions from prior fiscal years were carried over. With the introduction of carryover limited to only the previous year, the Department agrees that the order of use must now be specified in regulation, ensuring State agencies' are able to carryover unused exemptions as allowed by the Act. Therefore, in the final rule, the Department is revising the regulatory language at 7 CFR 273.24(h)(2)(i) to clarify that for the purposes of determining carryover, discretionary exemptions are used in order of accrual (first-in, first-out).

One public citizen asserted the Department must further amend regulations to comply with the carryover limitations in the FRA. First, the commenter took issue with the Department's explanation that State

agencies would carryover their historical balance of discretionary exemptions into the subsequent fiscal year for FY2024 and FY2025. In particular, the commenter does not agree with the Department's concept of a historical balance of discretionary exemptions.

There are two parts to a State agency's available allotment of discretionary exemptions: (1) the fiscal year allotment and (2) any carryover exemptions. Prior to the FRA, the Act did not require the Department to distinguish between the two parts because State agencies could carryover all unused exemptions from prior years. As a result, State agencies would receive a new allotment of discretionary exemptions each fiscal year that was added to their available balance of unused exemptions, hence the concept of a "historical balance" of exemptions. Each time the State agency had unused discretionary exemptions, they became part of the total number of exemptions available to the State agency during the next fiscal year.

The FRA introduced the prohibition on accumulating unused exemptions beyond the subsequent fiscal year during FY 2024 and beyond. This means that State agencies' available discretionary exemptions, including both the newly earned in fiscal year and any carryover, will have a two-year shelf-life because State agencies cannot accumulate unused exemptions beyond the subsequent fiscal year. As the restrictions on carryover begin during FY 2024, State agencies could use newly earned exemptions and their already accumulated historical balance in FY 2024. Then, in FY 2025, State agencies could carryover any unused exemptions from FY 2024, which includes the newly earned exemptions and the historical balance. Finally, in FY 2026, the historical balance provided in FY 2024 would expire because of the subsequent fiscal year restriction and only unused exemptions earned in FY 2025 could carryover.

Second, the commenter contended that the Department must repeal existing language at 7 CFR 273.24(h)(2)(i) to sufficiently limit carryover as prescribed by the FRA. Program rules at 7 CFR 273.24(2)(i) specify that the Department will increase the estimated number of exemptions allocated to a State agency when the State agency does not use all of its exemptions by the end of the fiscal year. The proposed rule did not repeal or modify the existing language at 7 CFR 273.24(h)(2)(i) but rather added language that limits carryover to only unused exemptions earned in the previous fiscal year in accordance with

the FRA. The commenter contended that failing to remove this language would allow the Department to continue unlimited carryover of discretionary exemptions.

The Department disagrees that the rule must repeal the existing language at 7 CFR 273.24(2)(i) to sufficiently modify this provision to reflect the FRA. The proposed rule clarifies that starting in FY 2026, carryover will now be limited to only unused exemptions earned in the previous fiscal year. The existing language does not state that carryover is unlimited, but rather that the Department will adjust the allocation of discretionary exemptions based on the number of unused discretionary exemptions from the previous fiscal year. The Department proposed to amend 7 CFR 273.24(h)(2)(i) to clarify the change in State agencies' ability to accumulate and carryover unused exemptions in accordance with the FRA.

Since there is no contradiction that would allow for unlimited carryover, the Department is finalizing 7 CFR 273.24(h)(2)(i) with only one change to account for first-in, first-out use of carryovers.

Procedural Matters

Executive Orders 12866, 13563, and 14094

Executive Orders 12866, 13563, and 14094 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This proposed rulemaking has been determined to be significant under Executive Order 12866, as amended by Executive Order 14094, and was reviewed by the Office of Management and Budget in conformance with Executive Order 12866.

Regulatory Impact Analysis Summary

A Regulatory Impact Analysis (RIA) that includes both with-statute and without-statute comparisons was developed for this final rule. It follows this rule as an Appendix. The following summarizes the conclusions of the regulatory impact analysis:

When compared to a without-statute baseline, the Department estimates the total increase in federal transfers (SNAP

benefit spending) associated with the provisions of this final rule to be approximately \$3.5 billion over the nine years Fiscal Year (FY) 2023–FY 2031, averaging \$393.1 million per year. This is the net result of a reduction in transfers of \$5.1 billion by terminating benefits to about 1.8 million individuals, a reduction to the benefits of 123,000 individuals of \$149.1 million, and an increase in transfers of \$8.7 billion due to about 2.6 million individuals meeting exceptions from the time limit. Over the nine-year period FY 2023–FY 2031,¹⁶ federal administrative costs (not including transfers) are estimated to total approximately \$283.9 million, or an annual average of \$31.5 million. Total State agency administrative expenses are also estimated to be approximately \$283.9 million over the nine-year period, or an annual average of \$31.5 million. Costs associated with administrative burden to individual SNAP participants are estimated to be approximately \$358.3 million over the nine-year period, or an annual average of \$39.8 million.

This final rule will primarily affect SNAP participants who are subject to the ABAWD time limit, which the Department estimates to be, upon full implementation of the FRA's provisions in FY 2026, approximately 9.2 percent of SNAP participants. However, far fewer will lose eligibility for SNAP. Hence, most SNAP participants will not be affected by this final rule. The estimated net impact of the final rule's change in the age-based exceptions and three new exceptions is a net increase in SNAP participation of about 89,000–95,000 individuals per year when fully implemented. In FY 2026, this includes 301,000 participants losing eligibility, 367,000 participants retaining eligibility through one of the new exceptions, and about 29,000 new participants.

When compared to a with-statute baseline, the Department estimates the net total cost of the final rule to be \$58.1 million over the nine-year period FY 2023–FY 2031, averaging \$6.5 million per year. The total cost includes approximately \$29 million in State agency administrative expenses and approximately \$29.1 million in total federal administrative costs. There are no estimated impacts to benefit transfers or to participant burden when using a with-statute baseline.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires Agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant impacts on a substantial number of small entities. Section 605(b) of the Regulatory Flexibility Act stipulates that the requirements to prepare and publish an initial and final regulatory flexibility analysis “shall not apply to any proposed or final rule if the head of the agency certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” The Department has certified that this rule would not have a significant impact on a substantial number of small entities because the changes required by the regulations are directed toward State agencies operating SNAP programs.

Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs has determined that this rule does not meet the criteria set forth by 5 U.S.C. 804(2).

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with “Federal mandates” that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of \$100 million or more in any one year, updated annual for inflation. In 2024, that threshold is approximately \$183 million. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule.

This final rule does not contain Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local and tribal governments or the private sector of \$183 million or more in any one year. Thus, the rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order 12372

This Supplemental Nutrition Assistance Program is listed in the Catalog of Federal Domestic Assistance

under Number 10.551 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR chapter IV.) Since SNAP is State-administered, FNS has formal and informal discussions with State and local officials on an ongoing basis regarding program requirements and operations. This provides USDA with the opportunity to receive regular input from program administrators and contributes to the development of feasible program requirements. For example, SNAP participated in three webinars covering FRA implementation and responded to State agency questions and concerns over implementation. SNAP also is providing ongoing technical assistance with State agencies covering implementation of the FRA and work requirements more generally.

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section (6)(b)(2)(B) of Executive Order 13132.

In the proposed rule, the Department determined this rule did not have federalism implications and no federalism summary was required. One commenter expressed opposition to the Department's determination that the proposed rule would have no federalism implications under the requirements of Executive Order 13132. The commenter asserted that the compliance costs and the increased administrative costs that the proposed rule would impose could have substantial direct effects on the States and on the relationship between the national government and the States. Therefore, the commenter concluded that a federalism summary is required before the proposed rule can be finalized.

The Department disagrees with this commenter. Section 6(b) of Executive Order 13132 states “To the extent practicable and permitted by law, no agency shall promulgate any regulation that has federalism implications, that imposes substantial direct compliance costs on State and local governments, and that is not required by statute, unless” Further, Section 6(b)(1) of Executive Order 13132 provides an exception from 6(b) if the “funds necessary to pay the direct costs incurred by the State and local governments in complying with the

¹⁶ A nine-year analysis period is used to align with the implementation and sunset periods established by the FRA. See discussion of baseline and time horizon of analysis in the Regulatory Impact Analysis for more detail.

regulation are provided by the Federal Government.” This rule reflects changes already in effect and required by statute (the FRA), and therefore, are not subject to Section 6(b)(2)(B) of Executive Order 13132. The direct compliance costs to State agencies for the discretionary provisions are not substantial, as these reflect processes already in practice and administrative costs are split equally between the federal and State governments. Further, the revised verification procedures may also help to streamline State agency processes and reduce burden on State agencies and households. Therefore, the Department maintains that this rule has no federalism implications, and no federalism summary is needed.

Executive Order 12988, Civil Justice Reform

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

Civil Rights Impact Analysis

FNS has reviewed the final rule, in accordance with Departmental Regulation 4300–004, “Civil Rights Impact Analysis,” to identify and address any major civil rights impacts the final rule might have on program participants on the basis of race, color, national origin, sex (including gender identity and sexual orientation), religious creed, disability, age, political beliefs.

The Department believes that the provisions of the FRA and the requirements for verification and screening will have a potential impact on certain protected groups as it relates to SNAP work requirements. The Department also believes that the addition of the new exceptions will provide greater and continuous access to SNAP benefits for SNAP applicants and participants. The Department finds that the implementation of mitigation strategies and monitoring will lessen these impacts. The Department has collaborated with the Equal Employment Opportunity Commission to develop mitigation strategies to support protected classes that may be

adversely impacted. The Department will continue to provide guidance and technical assistance to State agencies and Regional Offices on the FRA and will provide additional assistance after the publication of the rule explaining the provisions on the final rule. The Department will also monitor State agencies compliance with the provisions in the final rule and collaborate with Regional Offices to ensure State agencies are applying the provisions of the rule fairly, equitably, and consistently throughout the State.

Executive Order 13175

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

FNS provided an opportunity for consultation on March 15, 2024. The Tribes had minimal comments, but one Tribe raised two concerns. First, the Tribe described the challenges and burden that former foster care youth face in obtaining formal documentation needed to verify that they were in foster care, especially in rural areas. FNS appreciates these concerns and the proposed requirements in this rule are intended to reduce this burden on individuals by requiring the State agency to use information already available to verify exception status. Second, the Tribe raised concerns over the decrease in the allotment of discretionary exemptions from 12 to 8 percent of the ABAWD caseload. FNS recognizes this concern, however, the decrease in discretionary exemptions is a statutory provision of the FRA and therefore, cannot be changed by this rulemaking.

If a Tribe requests further consultation in the future, FNS will work with the Office of Tribal Relations to ensure meaningful consultation is provided.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; 5 CFR 1320) requires the Office of Management and Budget (OMB) approve all collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control

number. The Department is requesting a revision for OMB Control Number 0584–0479 for these new, existing, and changing provisions in this rule. These changes are contingent upon OMB approval under the Paperwork Reduction Act of 1995. Additionally, when the information collection requirements have been approved, FNS will publish a separate action in the **Federal Register** announcing OMB’s approval.

Title: Supplemental Nutrition Assistance Program: Work Requirements and Screening.

OMB Number: 0584–0479.

Expiration Date: 2/28/2026.

Type of Request: Revision to an existing collection.

Abstract: This final rule would amend SNAP regulations to implement changes made by the Fiscal Responsibility Act (FRA) of 2023. Some of the changes would modify current regulations resulting in an increase in the reporting burden for State agencies, while others will result in no change.

The FRA amended the exceptions from the time limit, increasing the upper limit of the age-based exception from 50 to 55 over two years and adding three new exceptions for homeless individuals, veterans, and individuals aging out of foster care. The changes to the age-based exception will result in an increase in the number of individuals subject to the time limit, while the new exceptions will result in a decrease. The Department estimates a net increase in the number of individuals subject to the time limit. As a result, the Department estimates an increase in burden for State agencies and individuals. The Department anticipates additional burden related to verification of work hours and countable months, issuance and review of the Consolidated Work Notice, and the review of the oral explanation of the work requirements for individuals newly subject to the time limit. The Department also anticipates additional burden related to the issuance and review of the Notice of Adverse Action for individuals newly subject to the time limit who reach three countable months and become ineligible. The Department is accounting for this net increase in individuals subject to the time limit and the resulting additional burden in this information collection.

The FRA amended the SNAP program purpose to include assisting low-income individuals in obtaining employment and earnings. The Department does not anticipate any burden related to this change. The FRA also reduced the annual allotment of discretionary exemptions and reduced carryover of

unused exemptions. The Department does not estimate any change in burden related to reporting of discretionary exemptions, which is covered under OMB Control Number 0584–0594 (Food Programs Reporting System (FPRS); expiration date: 09/30/2026).

In addition to implementing the provisions of the FRA, this final rule establishes regulations that require State agencies to screen individuals for exemptions from the general work requirements and exceptions from the time limit. Currently, State agencies are required to screen individuals for exemptions from the general work requirements and exceptions from the time limit at initial and recertification application. However, this requirement is not captured in regulations and the related burden not captured in any existing information collection. The Department is including new burden related to screening in this information collection, which is required to ensure State agencies apply time limit policy correctly. One professional association expressed concern that the Department did not account for an increased burden stemming from the reduction in the annual allotment of discretionary exemptions and the limitations on carryover. However, prior to the FRA, State agencies used discretionary exemptions to extend benefits for specific populations that are now exempt from the time limit, such as individuals that are experiencing homelessness. As a result, this will reduce the need for State agencies to use discretionary exemptions cover individuals after they lose an exception during the certification period and reduce the number of actions State agencies must take on a case.

This final rule also requires State agencies to use all available information to verify exception status, when questionable, before requiring individuals to provide verification. The Department does not anticipate a change in the burden related to the verification of questionable information, which is covered under OMB Control Number 0584–0064 (SNAP Forms: Applications, Periodic Reporting, Notices; expiration date: 06/30/2027). The Department received two comments on the estimated burden related to verification of exception status. One State agency

and one professional association expressed concern that the rule would increase burden of verifying information for State agencies. Because State agencies are not required to verify exception status unless it is questionable and they cannot discriminate or target one group when setting guidelines for what information is questionable, the Department does anticipate that increase in the number of time-limited participants would necessarily mean a substantial increase in burden and cost related to verification of questionable information. Further, the rule included the new verification requirement to minimize unnecessary burden on individuals and improve efficiency in verifying exception status, especially during the certification period. As a result, the Department anticipates a slight increase in burden related to verification of questionable exception status, which will be offset by a decrease in burden related to the verification provision of this final rule and the Department is making any changes to the burden estimates for verification of questionable information in OMB Control Number 0584–0064.

The Department also anticipates start-up burden related to the statutory and regulatory changes. State agencies will need to update their eligibility systems and notices to include the new exceptions and changes to the age-based exception. State agencies will also need to update their policy manuals and documents with the changes to ABAWD eligibility and the screening requirements. Lastly, State agencies will need to develop and provide training on the new requirements to State agency staff.

These new requirements necessitate a revision to OMB Control Number 0584–0479 (Expiration Date: 02/28/2026). The Department is seeking a three-year renewal of OMB Control Number 0584–0479 with the Final Rule. OMB Control Number 0584–0479 currently covers burden related to preparation and submission of time limit waivers. Time limit waivers are submitted via the Waiver Information Management System (WIMS), and the burden for this submission is covered which is covered under OMB Control Number 0584–0083 (Operating Guidelines, Forms, Waivers,

Program and Budget Summary Statement; expiration date: 9/30/2026). The final rule does not make changes to burden covered under OMB Control Number 0584–0083. Due to the addition of new burden items, the Department is changing the title of 0584–0479 to “Supplemental Nutrition Assistance Program: Work Requirements and Screening.”

The Department has updated the burden and cost estimates based on more recent data on SNAP participation and labor rates. The Department did not need to make any adjustments to the burden and costs estimates as a result of comments on the proposed rule or changes in the final rule.

Start-Up Burden

Respondents: State Agencies.

Estimated Number of Respondents: 53 State Agencies and 105,030 eligibility workers.

Estimated Number of Respondents per Respondent: One (1) response.

Estimated Total Annual Burden on Respondents: 469,177 hours, an increase of 469,177 hours from current inventory of 0 hours in 0584–0479.

Ongoing Burden

Respondents: State Agencies and Individuals.

Estimated Number of Respondents: 53 State Agencies and 29,778,855.42 Individuals.

Estimated Number of Respondents per Respondent: 609,811.75 responses per State Agency and one (1) per Individual.

Estimated Total Annual Burden on Respondents: 4,032,013.61 hours (2,016,588.31 hours for State Agencies and 2,015,425.31 hours for Individuals), an increase of 4,030,850.61 hours from current inventory of 1,163 hours in 0584–0479.

The total burden for this rulemaking is 4,501,190.61 burden hours and 59,662,934.85 total annual responses. This represents an increase to the burden hours for OMB Control Number 0584–0479, resulting in a total inventory of 4,091,394.24 burden hours (4,504,707.61 new burden hours + 1,163 existing burden hours) and 59,662,934.85 responses (59,662,899.85 new responses + 35 existing responses).

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Activity	Citation	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden (hours)	Hourly Wage Rate	Total Annualized Cost of Respondent Burden	Previously Approved Burden Hours	Change in Burden Hours Due to Program Change	Total Change in Burden Hours
Additional verification of hours worked and countable months in another State at initial or recertification application for ABAWDs newly subject to the work requirement	7 CFR 273.2(f)(1), (f)(2), and (f)(8)(i)	9,757.93	517,171	0.0917	47,407	\$32.15	\$1,523,959.67	0	47,407	47,407	9,757.93
Additional issuance of the Consolidated Work Notice for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	9,757.93	517,171	0.083	43,098	\$32.15	\$1,385,417.88	0	43,098	43,098	9,757.93
Additional review of the oral explanation of the work requirements for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	9,757.93	517,171	0.083	43,098	\$32.15	\$1,385,417.88	0	43,098	43,098	9,757.93
Additional issuance of the Notice of Adverse Action for ABAWDs newly subject to the work requirement who do not meet it	7 CFR 273.13(a)	5,321.81	282,056	0.067	18,804	\$32.15	\$604,466.69	0	18,804	18,804	5,321.81
<i>Screening Requirements</i>											
Screening for exemptions from the general work requirement at initial application	7 CFR 273.7(b)(3)	53	312,245.28	16,549,000	0.067	1,103,267	\$32.15	\$35,465,720.59	0	1,103,267	1,103,267
Screening for exemptions from the general work requirement at recertification application	7 CFR 273.7(b)(3)	53	49,789.96	2,638,868	0.067	175,925	\$32.15	\$5,655,287.48	0	175,925	175,925
Screening for exceptions from the ABAWD work requirement and time limit at initial application	7 CFR 273.24(k)	53	97,735.85	5,180,000	0.067	345,333	\$32.15	\$11,101,119.87	0	345,333	345,333

Activity	Citation	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden (hours)	Hourly Wage Rate	Total Annualized Cost of Respondent Burden	Previously Approved Burden Hours	Change in Burden Hours Due to Program Change	Total Change in Burden Hours
Screening for exceptions from the ABAWD work requirement and time limit at recertification application or during the certification period	7 CFR 273.24(k)	53	67,498.49	3,577,420	0.067	238,495	\$32.15	\$7,666,673.40	0	238,495	238,495
<i>ABAWD Waivers</i>											
Preparation and submission of Labor Market Data to support ABAWD waiver request	7 CFR 273.24(f)	33	1	33	35	1,155	\$32.74	\$37,820.01	1,155	0	0
Preparation and submission of Labor Surplus Area designation or EB Trigger Notice criteria to support ABAWD waiver request	7 CFR 273.24(f)	2	1	2	4	8	\$37.38	\$299.06	8	0	0
Reporting Burden Sub-Total for Ongoing Burden to State Agencies		53	561,865.86	29,778,890.42	0.068	2,016,588.31	\$32.13	\$64,788,063.48	1,163	2,015,425	2,015,425
Affected Public: Individuals											
<i>Applying Modified Exceptions</i>											
Additional response to verification of hours worked and countable months in another State at initial or recertification application for ABAWDs newly subject to the work requirement	7 CFR 273.2(f)(1), (f)(2), and (f)(8)(i)	517,170.50	1	517,170.50	0.0917	47,407	\$22.74	\$1,078,041.91	0	47,407	47,407
Additional review of the Consolidated Work Notice for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	517,170.50	1	517,170.50	0.083	43,098	\$22.74	\$980,038.10	0	43,098	43,098
Additional review of the oral explanation of the work requirements for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	517,170.50	1	517,170.50	0.083	43,098	\$22.74	\$980,038.10	0	43,098	43,098

Activity	Citation	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Annual Burden (hours)	Hourly Wage Rate	Total Annualized Cost of Respondent Burden	Previously Approved Burden Hours	Change in Burden Hours Due to Program Change	Total Change in Burden Hours
Additional review of the Notice of Adverse Action for ABAWDs newly subject to the work requirement who do not meet it	7 CFR 273.13(a)	282,056	1	282,056	0.067	18,804	\$22.74	\$427,596.90	0	18,804	18,804
<i>Screening Requirements</i>											
Screening for exemptions from the general work requirement at initial application	7 CFR 273.7(b)(3)	16,549,000	1	16,549,000	0.067	1,103,267	\$22.74	\$25,088,284.00	0	1,103,267	1,103,267
Screening for exemptions from the general work requirement at recertification application	7 CFR 273.7(b)(3)	2,638,868	1	2,638,868	0.067	175,925	\$22.74	\$4,000,523.77	0	175,925	175,925
Screening for exceptions from the ABAWD work requirement and time limit at initial application	7 CFR 273.24(k)	5,180,000	1	5,180,000	0.067	345,333	\$22.74	\$7,852,880.00	0	345,333	345,333
Screening for exceptions from the ABAWD work requirement and time limit at recertification application or during the certification period	7 CFR 273.24(k)	3,577,420	1	3,577,420	0.067	238,495	\$22.74	\$5,423,368.72	0	238,495	238,495
Reporting Burden Sub-Total for Ongoing Burden to Individuals		29,778,855.42	1	29,778,855.42	0.068	2,015,425.31	\$22.74	\$45,830,771.49	0	2,015,425.31	2,015,425.31
Reporting Burden Total for Ongoing Burden		29,778,908.42	2	59,557,745.85	0.068	4,032,013.61	\$27.44	\$110,618,834.97	1,163	4,030,850.61	4,030,850.61
Reporting Burden Total for All Burden		29,883,991.42	2	59,662,934.85	0.075	4,501,190.61	\$29.12	\$131,095,564.36	1,163	4,504,707.61	4,504,707.61

E-Government Act Compliance

The Department is committed to complying with the E-Government Act of 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

7 CFR Part 271

Administrative practice and procedures, Employment, Supplemental Nutrition Assistance Program.

7 CFR Part 273

Administrative practice and procedure, Able-bodied adults without dependents, Employment, Time limit, Work requirements.

Accordingly, the Food and Nutrition Service amends 7 CFR part 271 and 273 as follows:

- 1. The authority citation for parts 271 and 273 continues to read as follows:

Authority: 7 U.S.C. 2011–2036.

PART 271—GENERAL INFORMATION AND DEFINITIONS

- 2. In § 271.1, revise paragraph (a) to read as follows:

§ 271.1 General purpose and scope.

(a) *Purpose of SNAP.* SNAP is designed to promote the general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition among low-income households. In keeping with section 2 of the Food and Nutrition Act of 2008, the USDA established SNAP under the Act as the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. The increased utilization of food in establishing and maintaining adequate national levels of nutrition also promotes the distribution in a beneficial manner of the Nation's agricultural abundance and strengthens the Nation's agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate hunger and malnutrition, SNAP permits low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation. SNAP includes as a purpose to assist low-income adults in obtaining employment and increasing their earnings. Such employment and earnings, along with program benefits, permits low-income households to

obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.

- 3. In § 271.2, revise the definitions of “Homeless individual” and “Screening” to read as follows:

§ 271.2 Definitions

Homeless individual means

(1) An individual who lacks a fixed and regular nighttime residence, including, but not limited to, an individual who will imminently lose their nighttime residence; or

(2) An individual whose primary nighttime residence is:

(i) A supervised shelter designed to provide temporary accommodations (such as a welfare hotel or congregate shelter);

(ii) A halfway house or similar institution that provides temporary residence for individuals intended to be institutionalized;

(iii) A temporary accommodation for not more than 90 days in the residence of another individual; or

(iv) A public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings (a hallway, a bus station, a lobby, or similar places).

Screening means an evaluation by an eligibility worker of an individual for all exemptions from the general work requirements, all exceptions from the able-bodied adults without dependents time limit, and whether the individual should be referred for participation in an employment and training program. Screening for participation in employment and training programs is not considered a part of the E&T program.

PART 273—CERTIFICATION OF ELIGIBLE HOUSEHOLDS

- 4. In § 273.7, add paragraph (b)(3) to read as follows:

§ 273.7 Work provisions.

(b) * * *

(3) State agencies must screen individuals for all exemptions listed in paragraph (b)(1) of this section at certification and recertification. The State agency must apply the exemption that will be in effect the longest when an individual qualifies for more than one exemption.

- 5. In § 273.24:

■ a. Amend paragraph (c)(1) by removing the number “50” and adding in its place “55”;

■ b. Amend paragraph (c)(5) by removing “or” at the end of the paragraph;

■ c. Amend paragraph (c)(6) by removing the period and adding a semicolon in its place;

■ d. Add paragraphs (c)(7) through (10);

■ e. Amend paragraph (g)(3) by removing the number “12” and adding in its place “8”;

■ f. Amend paragraph (h)(2)(i) by adding a sentence at the end; and

■ g. Add paragraphs (k) and (l).

The additions read as follows:

§ 273.24 Time Limit for able-bodied adults.

(c) * * *

(7) Homeless, as defined in § 271.2 of this chapter;

(8) A veteran, defined as an individual who, regardless of the conditions of their discharge or release from, served in the United States Armed Forces (such as Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, and National Guard), including an individual who served in a reserve component of the Armed Forces, or served as a commissioned officer of the Public Health Service, Environmental Scientific Services Administration, or the National Oceanic and Atmospheric Administration; or

(9) An individual who is 24 years of age or younger and who was in foster care under the responsibility of any State, District, U.S. Territories, Indian Tribal Organization, or Unaccompanied Refugee Minors Program on the date of attaining 18 years of age, including those who remain in extended foster care in States that have elected to extend foster care in accordance with section 475(8)(B)(iii) of the Social Security Act (42 U.S.C. 675(8)(B)(iii)) or those who leave extended foster care before the maximum age.

(10) Unless otherwise changed by law, the exceptions provided at paragraphs (c)(7) through (9) of this section cease to have effect on October 1, 2030, and the age limit provided in paragraph (c)(1) of this section reverts from “55 years of age or older” to “50 years of age or older” on October 1, 2030.

(h) * * *

(2) * * *

(i) * * * Starting in FY 2026, FNS will increase the estimated number of exemptions allocated to the State agency for the subsequent fiscal year by the remaining balance of unused exemptions earned for the previous

fiscal year. FNS will consider the State agency to use exemptions in order of accrual (first-in, first-out) for the purposes of calculating carryover of unused exemptions.

* * * * *

(k) *Screening.* The State agency must screen individuals for all exceptions from the time limit listed under paragraph (c) of this section at certification and recertification. The State agency must not assign countable months unless it has screened the individual and determined that no exception applies. When an individual qualifies for more than one exception, the State agency must apply the exception that will be in effect the longest.

(1) Changes in exception status during the certification period.

(i) *Loss of an exception.* If during the certification period an individual has a change in circumstances that results in the loss of an exception from the time limit, the State agency cannot begin assigning countable months until it screens the individual to determine whether any other exception applies.

(ii) *Newly meeting an exception.* If during the certification period an individual subject to the time limit has a change in circumstance that results in the individual now meeting an exception, the State agency must act promptly to apply the exception and cannot assign a countable month once the State receives information that is not questionable. If the State agency determines the information is questionable, the State agency must act promptly to verify the information in accordance with paragraph (l) of this section. Once verified, the State agency must apply the exception and cannot assign countable months.

(l) *Verification of exceptions.* If the State agency determines an individual's exception status under paragraph (c) of this section is questionable, the State agency must first attempt to verify exception status using information available to the State agency, such as information from other public assistance programs through data sharing, before requiring individuals provide documentary evidence or other sources of verification.

Tameka Owens,

Acting Administrator and Assistant Administrator, Food and Nutrition Service.

Note: This appendix will not appear in the Code of Federal Regulations.

Appendix A—Regulatory Impact Analysis

I. Statement of Need

This rulemaking is necessary to amend Supplemental Nutrition Assistance Program (SNAP) regulations to reflect mandates within the Fiscal Responsibility Act (FRA) of 2023 (Public Law 118–5) establishing changes to SNAP's work requirements and time limit for several groupings of adults. The FRA also directs the U.S. Department of Agriculture (the Department) to add to the program purpose language in the Food and Nutrition Act of 2008 (the Act), as amended. The final rule amends SNAP regulations to incorporate several provisions of the FRA: adjust SNAP's able-bodied adults without dependents (ABAWDs) work requirement and time limit¹⁷ on a phased-in approach to newly included individuals who are aged 50–54; establish new exceptions for individuals who are veterans, homeless, and youth aged 24 or younger who have aged out of a foster care program from the time limit; decrease State agencies' annual allotment of discretionary exemptions for individuals subject to the time limit from 12 percent to 8 percent; and limit State agencies' ability to carryover unused discretionary exemptions beyond one year. The provisions outlined above will be phased in between the enactment of the legislation in June 2023, through October 2025, with several provisions sunseting October 1, 2030. The final rule also codifies regulations requiring State agencies to screen individuals for exceptions to the time limit, as well as exemptions from the general work requirement, as State agencies must screen for both to adequately determine if an individual should be subject to the time limit. The Department is amending the regulations to clarify screening requirements to improve consistency in program operations across States and provide quality customer service, as well as to require State agencies to apply the longest-lasting exception to a client's case. The provisions of the final rule are compared to a “without-statute baseline,” as well as a “with-statute baseline,” in this regulatory impact analysis (RIA) to fully assess impacts of the rule. Unless otherwise noted, estimates in this RIA use a without-statute baseline for comparison, meaning they reflect the full costs and savings of the provisions required by the FRA and non-statutory amendment clarifying screening for the longest exception.

II. Summary of Impacts

When compared to a without-statute baseline, the Department estimates the net total increase in federal transfers (SNAP benefit spending) associated with the provisions of this final rule to be approximately \$3.5 billion over the nine years Fiscal Year (FY) 2023–FY 2031, averaging \$393.1 million per year. Over the

nine-year period FY 2023–FY 2031,¹⁸ this is the net result of a reduction in transfers of \$5.1 billion by terminating benefits to about 1.8 million individuals, a reduction to the benefits of 123,000 individuals of \$149.1 million, and an increase in transfers of \$8.7 billion due to about 2.6 million individuals meeting exceptions from the time limit. Over the nine-year period, federal administrative costs (not including transfers) are estimated to total \$283.9 million, or an annual average of \$31.5 million. Total State agency administrative expenses are also estimated to be approximately \$283.9 million over the nine-year period, or an annual average of \$31.5 million. Costs associated with administrative burden to individual SNAP participants are estimated to be approximately \$358.3 million over the nine-year period, or an annual average of \$39.8 million.

When compared to a with-statute baseline,¹⁹ the Department estimates the net total cost of the final rule to be \$58.1 million over the nine-year period FY 2023–FY 2031, averaging \$6.5 million per year. The total cost includes approximately \$29 million in State agency administrative expenses and approximately \$29.1 million in total federal administrative costs. There are no estimated impacts to benefit transfers or to participant burden when using a with-statute baseline.

The final rule will primarily affect SNAP participants who are subject to the ABAWD time limit, which the Department estimates to be approximately 9.2 percent of SNAP participants upon full implementation of the FRA's provisions in FY 2026. However, many of these participants will meet the time limit or receive an exception, so far fewer will lose eligibility for SNAP.

The estimated net impact of the final rule's change in the age-based exceptions and three new exceptions is a net increase in SNAP participation of about 89,000 to 95,000 individuals per year when fully implemented. In FY 2026, this includes 301,000 participants losing eligibility, 367,000 participants retaining eligibility through one of the new exceptions, and about 29,000 new participants. See Table 8 for year-by-year details on additional participation and transfer impacts. Beyond the direct, quantifiable impacts to individuals that are estimated in this RIA, these provisions are also expected to cause secondary impacts to individuals and society around them; these effects are discussed in more detail in Section VI, Qualitative Assessment.

The final rule is estimated to increase administrative burden for most State SNAP

¹⁸ A nine-year analysis period is used to align with the implementation and sunset periods established by the FRA. See discussion of baseline and time horizon of analysis for more detail.

¹⁹ Comparison to a with-statute baseline permits the Department to isolate the cost and savings from the discretionary amendment to SNAP regulations in the final rule, by assuming the effects of the FRA's statutory requirements are fully incorporated into the baseline. The Office of Management and Budget's (OMB) Circular No. A–4 specifies that analysis using multiple baselines may be appropriate to enhance transparency. This RIA uses with-statute and without-statute baselines. Circular No. A–4 can be viewed here: <https://www.whitehouse.gov/wp-content/uploads/2023/11/CircularA-4.pdf>

¹⁷ For the purposes of the final rule, the Department will use the term “time limit” to refer to both the ABAWD work requirement and time limit, as this phrasing more accurately describes the requirements applied to time-limited participants.

agencies at initial implementation, throughout the period the provisions are in effect, and at the sunset of the provisions that expire on October 1, 2030. Against a without-statute baseline, the rule is estimated to result in a one-time administrative burden of 469,177 total hours (about \$10.3 million during FYs 2023 and 2024 after 50 percent federal cost reimbursement)²⁰ in start-up costs for State agencies. Ongoing State agency administrative burden is expected to increase by about 1.6 million hours annually, nationwide (a cost to State agencies of about \$28.8 million annually after 50 percent federal cost reimbursement). The one-time total State agency administrative burden of sunsetting the applicable provisions within this final rule is estimated to be 575,583 total hours (about \$14.3 million in FYs 2030 and

2031 after 50 percent federal cost reimbursement). The final rule imposes additional administrative burden on participants who are subject to the time limit, estimated to be an ongoing average annual burden of 1.6 million hours for all individuals impacted at a cost of \$39.5 million annually. Additionally, the final rule imposes a one-time burden of 106,406 hours on affected SNAP participants during the sunsetting of applicable provisions in FY 2031 at a cost of \$2.8 million. In addition to the federal share of State agencies' administrative expenses, the rule is estimated to result in a one-time administrative burden of 90 hours at implementation (or \$6,902 in FY 2024) and a one-time administrative burden of 63 hours at sunset (or \$5,949 in FY 2030) to the Federal Government.

Compared to a with-statute baseline, there are no estimated implementation or sunsetting costs for State agencies. The

ongoing administrative burden to State agencies is approximately 177,142 hours annually on average (about \$3.2 million annually after 50 percent federal cost reimbursement). In addition to the federal share of State agencies' administrative expenses, the rule is estimated to result in a one-time administrative burden of 1.25 hours at implementation (or \$97 in FY 2024) and a one-time administrative burden of 2.25 hours at sunset (or \$187 in FY 2030) to the Federal Government. There is no estimated impact to participant burden when using a with-statute baseline.

See Tables 1a and 1b for a year-by-year presentation of changes to transfers, federal administrative costs, State agency administrative costs, and burden costs to individual participants. Table 1a uses a without-statute baseline for comparison, while Table 1b uses a with-statute baseline.

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²⁰ Fifty percent of State agencies' allowable SNAP administrative costs are reimbursed by the Federal Government, as defined at 7 CFR 277.4(b).

Table 1a: Summary of Federal Budget Impacts, FY 2023-2031, in comparison to a without-statute baseline

In Millions of Dollars (rounded to nearest thousand)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2023 - FY 2031 Total
<i>Transfers - SNAP benefit spending (\$millions)</i>										
Raising the ABAWD age limit from 50 to 55	*	-\$237.13	-\$684.80	-\$855.38	-\$855.78	-\$856.53	-\$857.80	-\$861.60	\$0.00	-\$5,209.01
New exceptions for homeless, veteran, and former foster youth	*	\$503.64	\$1,277.35	\$1,275.49	\$1,277.39	\$1,279.83	\$1,283.04	\$1,289.88	\$560.54	\$8,747.16
Total Estimated Transfers***	*	\$266.51	\$592.55	\$420.12	\$421.61	\$423.30	\$425.24	\$428.28	\$560.54	\$3,538.15
Discounted Transfer Impact										
2 percent	*	\$256.17	\$558.37	\$388.12	\$381.87	\$375.88	\$370.20	\$365.53	\$469.03	\$3,165.17
<i>Federal and State Administrative Costs** (\$millions)</i>										
State Administrative Costs – Implementation	\$8.52	\$1.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.29
State Administrative Costs – Ongoing	\$0.18	\$10.33	\$33.83	\$35.10	\$35.91	\$36.73	\$37.58	\$38.44	\$31.26	\$259.37
State Administrative Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.11	\$4.16	\$14.27
Federal Costs – Implementation	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
Federal Costs – Federal Share of State Administrative Expenses	\$8.70	\$12.10	\$33.83	\$35.10	\$35.91	\$36.73	\$37.58	\$48.55	\$35.42	\$283.93
Federal Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.01
Total Federal and State Costs***	\$17.41	\$24.21	\$67.67	\$70.20	\$71.82	\$73.47	\$75.16	\$97.11	\$70.84	\$567.88
<i>Household Burden Costs (\$millions)</i>										
Total Household Burden Costs***	\$0.26	\$14.16	\$46.37	\$48.11	\$49.22	\$50.35	\$51.50	\$52.69	\$45.69	\$358.34
Total Estimated Costs (Federal, State, and Household Costs)***	\$17.66	\$38.37	\$114.04	\$118.31	\$121.03	\$123.81	\$126.66	\$149.80	\$116.54	\$926.22
Discounted Cost Impact										
2 percent	\$17.32	\$36.88	\$107.46	\$109.30	\$109.30	\$109.94	\$110.26	\$127.85	\$97.51	\$826.15

* Nominal transfer impacts are estimated in FY 2023 for provisions of the FRA that went into effect September 1, 2023.

** Federal and State Administrative Costs are estimated post-50 percent federal reimbursement.

*** Totals may not add due to rounding.

Table 1b: Summary of Federal Budget Impacts, FY 2023-2031, in comparison to a with-statute baseline

In Millions of Dollars (rounded to nearest thousand)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2023 - FY 2031 Total
<i>Transfers - SNAP benefit spending (\$millions)*</i>										
Raising the ABAWD age limit from 50 to 55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New exceptions for homeless, veteran, and former foster youth	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Estimated Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Discounted Transfer Impact										
2 percent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Federal and State Administrative Costs** (\$millions)</i>										
State Administrative Costs – Implementation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Administrative Costs – Ongoing	\$0.00	\$0.00	\$3.91	\$4.06	\$4.15	\$4.24	\$4.34	\$4.44	\$3.91	\$29.05
State Administrative Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Costs – Implementation	\$0.00	< \$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	< \$0.01
Federal Costs – Federal Share of State Administrative Expenses	\$0.00	\$0.00	\$3.91	\$4.06	\$4.15	\$4.24	\$4.34	\$4.44	\$3.91	\$29.05
Federal Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	< \$0.01	\$0.00	< \$0.01
Total Federal and State Costs***	\$0.00	< \$0.01	\$7.82	\$8.11	\$8.30	\$8.49	\$8.68	\$8.88	\$7.82	\$58.10
<i>Household Burden Costs (\$millions)</i>										
Total Household Burden Costs*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Estimated Costs (Federal, State, and Household Costs)***	\$0.00	< \$0.01	\$7.82	\$8.11	\$8.30	\$8.49	\$8.68	\$8.88	\$7.82	\$58.10
Discounted Cost Impact										
2 percent	\$0.00	< \$0.01	\$7.37	\$7.49	\$7.52	\$7.54	\$7.56	\$7.58	\$6.54	\$51.60

* There are no estimated Transfer Impacts or Household Burden impacts using a with-statute baseline.

** Federal and State Administrative Costs are estimated post-50 percent federal reimbursement.

*** Totals may not add due to rounding.

As required by OMB's Circular A-4, in Table 2 below, the Department has prepared an accounting statement showing the annualized estimates of benefits, costs, and transfers associated with the provisions of

this rule. Due to the primary focus on transfer effects in this near-term analysis, the Department has used a discount rate of 2 percent. Increases in SNAP benefit payments are categorized as transfers; increases in

administrative burden for State agencies, households, and the Federal Government are categorized as costs.

Table 2: Accounting Statement, in comparison to without- and with-statute baselines

	Primary Estimate	Year Dollar	Discount Rate	Period Covered
Benefits – Qualitative: The new exceptions from the ABAWD time limit for veterans, individuals experiencing homelessness, and some individuals formerly in foster care will allow these vulnerable populations to retain SNAP eligibility and benefits. In turn, these individuals may not experience an increase in food insecurity or poverty which could have broader societal impacts such as reduced health care costs or reduced reliance on emergency food assistance providers, like food pantries (see Section VI for additional information and citations). Additionally, the final rule will require State agencies to consistently screen for exceptions and exemptions, improving customer service for individuals subject to the time limit.				
Annualized Monetized (\$millions/year), without-statute	N/A	2023	2%	FY 2023-2031
Annualized Monetized (\$millions/year), with-statute	N/A	2023	2%	FY 2023-2031
Costs – Administrative: This final rule will result in one-time burdens for State agencies and the Federal Government at implementation and at sunset of the provisions within this rule. There will also be ongoing costs to State agencies, the Federal Government, and households throughout the duration of the rule's provisions. Qualitative: Increasing the age of individuals subject to the time limit will negatively impact those individuals who will become ineligible for SNAP and lose SNAP benefits. In turn, these individuals may experience increases in food insecurity and poverty which could have broader societal impacts such as increased health care costs or increased reliance on emergency food assistance providers, like food pantries (see Section VI for additional information and citations).				
Annualized Monetized (\$millions/year), without-statute	\$101.22	2023	2%	FY 2023-2031
Annualized Monetized (\$millions/year), with-statute	\$0.01	2023	2%	FY 2023-2031
Transfers – This final rule will increase the net amount of benefit payments to SNAP participants.				
Annualized Monetized (\$millions/year), without-statute	\$387.80	2023	2%	FY 2023-2031
Annualized Monetized (\$millions/year), with-statute	N/A	2023	2%	FY 2023-2031

Federal Government, and State agencies administering SNAP.

III. Proposed Rule and Comments Received

The proposed version of this final rule, Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023, was published in the **Federal Register** (2024–08338) on April 29, 2024, with an initial comment period of 30 days through May 30, 2024. The comment period was subsequently extended by 15 days and closed on June 14, 2024. There were 41 comments received.²¹

Of the public comments submitted that related to the RIA, three themes in the feedback were identified. Details, as well as USDA's response, are as follows:

A. Baseline Used for Analysis

The proposed rule used the Mid-Session Review (MSR) of the FY 2024 President's Budget baseline estimates for SNAP benefits and participation to produce estimates of changes in participation and benefit spending (in nominal dollars) against a without-statute baseline; this was the most recent baseline available at the time the RIA was prepared. The use of the MSR FY 2024 President's Budget baseline was critiqued by a policy organization as being outdated.

As noted, the Department used the most recent SNAP benefits and participation estimates available at the time the proposed rule's RIA was prepared. The RIA for the final rule has been updated to use SNAP benefits and participation estimates for the MSR of the FY 2025 President's Budget baseline, which was the most recent baseline available when the final rule's RIA was prepared.

The commenter also noted that the MSR FY 2024 President's Budget SNAP baseline differs from the Congressional Budget Office's (CBO) baseline used in CBO analyses of the FRA and requested this final rule RIA be performed with a multi-baseline analysis. We acknowledge that CBO's baseline differs from the President's Budget and MSR baselines, which reflect the level of SNAP participation and benefits spending anticipated under current law, using the Budget's economic and technical assumptions. FNS uses historical program data as well as the Administration's economic assumptions for economic indicators, such as unemployment rates, to produce projections of SNAP participation and benefits over a 10-year budget window. FNS is unable to reproduce CBO's independent, economic and technical baseline assumptions. Because the MSR of the FY 2025 President's Budget represents USDA's most recent projections for SNAP participation and benefits, and it is adaptable to a with-statute and without-statute comparison,²² it was selected as the most

appropriate participation and benefits baseline for this final rule RIA.

As noted previously, the Department has also added a secondary comparison to a with-statute baseline to this RIA. Distinctions between the two analyses will be noted when appropriate.

B. Considering Secondary Impacts

A policy organization and a member of the public commented that they believed the proposed rule's RIA did not adequately consider the secondary impacts of the provisions of the rule, such as what the policy organization noted to be the "significant benefits of work and the negative effects of dependency and reduced incentives for employment associated with weakening work requirements," and what the public commenter called the secondary impacts of losing SNAP eligibility, including "effects of the policy on food security, poverty, and health care costs."

In regard to the policy organization's comment citing the "significant benefits of work," USDA does not dispute the general benefits of employment noted by the commenter, including potential benefits for a person's economic, physical, and mental well-being;²³ however, as noted by a 2021 USDA study cited by the commenter, a reduction in SNAP participation cannot be equated to a meaningful increase in employment or earnings among individuals subject to the ABAWD time limit.²⁴ This study additionally finds that the time limit has a small, statistically significant negative impact on employment outcomes.

An additional source cited by this commenter similarly noted that individuals lose SNAP eligibility due to the time limit without necessarily experiencing improved employment outcomes, finding that "work requirements increase [SNAP] program exits by 23 percentage points (64 percent) among incumbent participants after 18 months," though the study finds no effects on employment.²⁵ In other words, while the authors found clear evidence that the time limit leads participants to leave the program, they did not find significant evidence that those participants experience improved employment and earnings outcomes, nor the benefits that employment and earnings could confer. A third study cited by the policy organization finds there to be a "marginal" increase to employment as a result of work

requirements, but a "significant" decrease to SNAP participation.²⁶ Research indicates that the SNAP time limit does result in participants leaving the program but does not indicate meaningful increases in employment among those who lose eligibility due to the time limit. Therefore, we do not expect the final rule's provision subjecting additional participants to the time limit to result in benefits associated with increased employment.

The member of the public noted that research indicates SNAP participation impacts food security, poverty, and health care costs. Although the Department is unable to use this research to produce specific cost or saving estimates associated with the final rule, we agree that secondary effects related to food security, poverty, and health care costs are likely to occur among the SNAP participants affected by the final rule. In response to this comment, USDA has expanded on the qualitative analysis of the rule in a new section discussing the research on secondary impacts of SNAP participation, Section VI. Qualitative Assessment.

C. Estimates Relating to Definition of "Homeless Individual"

Two commenters expressed concerns regarding the proposed rule's definition of "homeless individual" and the data used to estimate the number of homeless individuals impacted by the proposed rule in the RIA.

An individual commenter cited concern that the use of "imminently homeless" within the definition of "homeless individual" is too broad to enable an accurate estimate of the number of individuals who will be impacted. They also noted a discrepancy between the definition of "homeless individual" between the RIA and the proposed rule. USDA has confirmed consistency of the definition throughout the final rule and RIA and maintains that the methodology used in the proposed rule RIA is appropriate.

Because State SNAP agencies already screen SNAP participants for homelessness, we believe SNAP Quality Control (QC) data²⁷ are the most accurate source of information about the scale of homelessness among SNAP participants who are subject to the time limit. Our estimates in the proposed rule RIA were directly based on the share of SNAP participants experiencing homelessness and did not incorporate any expansions in the relative size of this group. The existing definition of "homeless individual" for SNAP purposes defines individuals as homeless if they "lack a fixed and regular nighttime residence," which encompasses a diverse set of circumstances that can constitute homelessness. The proposed and final rule clarify that individuals who will be "imminently homeless" may already be considered homeless under SNAP's existing definition because they lack a fixed and regular nighttime residence. This clarification is not

²¹ Posted public comments may be found at regulations.gov (<https://www.regulations.gov/document/FNS-2023-0058-0001/comment> and <https://www.regulations.gov/document/FNS-2023-0058-0003/comment>).

²² Adaptation of the MSR of the FY 2025 President's Budget for without-statute analysis is discussed further in Section IV. F. Methodology.

²³ Gordon Wadell and A. Kim Burton, "Is work good for your health and well-being? An independent review," U.K. Department for Work and Pensions, January 1, 2006, <https://www.gov.uk/government/publications/is-work-good-for-your-health-and-well-being>.

²⁴ Wheaton, Laura et al. (2021) *The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States*. Prepared by the Urban Institute for the USDA Food and Nutrition Service, 2021. Available at: <https://www.fns.usda.gov/snap/impact-snap-able-bodied-adults-without-dependents-abawd-time-limit-reinstatement-nine>.

²⁵ Colin Gray, Adam Leive, Elena Prager, Kelsey B. Pukelis & Mary Zaki, "Employed in a SNAP? The Impact of Work Requirements on Program Participation and Labor Supply," National Bureau of Economic Research, Working Paper 28877, June 2021, <https://www.nber.org/papers/w28877>.

²⁶ Timothy F. Harris, "Do SNAP Work Requirements Work?," W.E. Upjohn Institute for Employment Research, December 13, 2018, https://research.upjohn.org/up_workingpapers/297/.

²⁷ SNAP QC data are further discussed in Section IV. F. Methodology.

expected to substantively change the way State SNAP agencies define a “homeless individual,” and therefore the current share of SNAP participants experiencing homelessness is an appropriate indication of who may benefit from the proposed and final rule’s exception for individuals experiencing homelessness. We also provide additional clarification in the methodology section.

A policy organization noted a concern that USDA’s use of SNAP QC data in the proposed rule’s RIA to estimate the number of individuals participating in SNAP who are experiencing homelessness is an incorrectly high estimate, citing a lower estimate of individuals in the United States experiencing homelessness as measured by the United States Department of Housing and Urban Development’s (HUD) Point-in-Time Count, which estimates that 653,104 individuals were experiencing homelessness in the United States at a specific time in January 2023.²⁸ HUD’s Point-in-Time Count methodology provides processes for counting individuals experiencing homelessness, both in sheltered (an emergency shelter, Safe Haven, or transitional housing project) and unsheltered (defined as “. . . a primary nighttime residence that is a public or private place not designed for or ordinarily used as a sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground”) situations.²⁹ The volunteers completing the assessment aim to capture this count on one night during the last ten days in January, with each collecting entity (known as a “Continuum of Care,” or CoC) having the discretion to complete the assessment on the night-of, within the 7 days following the night, or a combination thereof. Each CoC also has the discretion to determine whether the count will be completed using a census method or a sampling method and whether to complete a ‘complete coverage count’ or a count within ‘known locations’ where people who are unsheltered could be located at night.

There are several reasons the HUD Point-in-Time count underestimates the true count of individuals experiencing homelessness over the course of a year.³⁰ For example, individuals experiencing homelessness would be uncaptured through this method if they stay temporarily in a motel or with friends or relatives on the night the count is conducted in their area. Additionally, they may not be identified as a homeless individual while sleeping in a car, may not be identified as a homeless individual while at a campground, could be uncaptured if they

move locations throughout the duration of the Point-in-Time count, could be in a location that is under-sampled or thought to be a location where no homeless individuals reside, could be incarcerated at the time of the Point-in-Time count, or could strategically choose to sleep in more hidden locations for safety or to avoid law enforcement. The design of the Point-in-Time count does not account for fluctuations in the number of individuals experiencing homelessness throughout the year, nor the fact that individuals move in and out of homelessness throughout a year. Potential inconsistencies in variables like volunteer number and training, weather during the count, and the parameters chosen for the count by each CoC could also introduce inaccuracies in the Point-in-Time count.

Other government entities use different methods to count individuals experiencing homelessness. For example, the United States Department of Education regularly produces an estimate of students experiencing homelessness that is also considerably higher than HUD’s Point-in-Time Count. The Department of Education estimates 1,205,529 children or youth experiencing homelessness enrolled in public school during the 2021–2022 school year,³¹ which is more than double HUD’s estimate of 582,462 people of all ages experiencing homelessness during the January 2022 Point-in-Time estimate³² from the same time period as the 2021–2022 school year. The number of enrolled students experiencing homelessness is reported directly by schools to the Department of Education.

Given the limitations to this specific HUD data set, the Department believes SNAP QC data provide the best-available estimate of how many SNAP participants experience homelessness, since State SNAP agencies are required to screen for homelessness at SNAP application and recertification. Therefore, we maintain that SNAP QC data provide a more accurate estimate of homelessness among SNAP participants than any other agency’s data on homelessness.

IV. Background

A. Work Requirements in SNAP

The Food and Nutrition Act of 2008 (the Act), as amended, establishes national eligibility standards for SNAP, including work requirements for certain individuals. The first of these requirements, referred to as the general work requirement, requires certain individuals between the ages of 16–59 who are able to work to register for work; accept an offer of suitable employment; not voluntarily quit or reduce hours of employment below 30-hours per week, without good cause; and participate in

workfare or SNAP Employment and Training (E&T)³³ if required by the State agency. Most SNAP participants are exempt from the general work requirement because they are older adults, children, have a disability, or meet another exemption from the general work requirement listed in the Act.

A subset of individuals who are subject to the general work requirement are also subject to an additional requirement, referred to as the ABAWD work requirement or the time limit. Prior to the FRA, individuals subject to the time limit were individuals ages 18 to 49 who do not have a child (under age 18) in their SNAP household and are not considered disabled by SNAP rules.³⁴ The Act limits individuals who are subject to the time limit, also referred to as time-limited participants, to receiving SNAP benefits for 3 months in a 36-month period (the time limit) unless they are meeting the additional work requirement, live in an area where the time limit is waived due to a lack of sufficient jobs or a high unemployment rate, or are otherwise exempt. If an individual subject to the time limit receives SNAP benefits in a month when they did not meet the work requirement or otherwise were waived or excepted from the time limit as noted above, that month is considered a “countable” month and counts as 1 of the 3 months within the 36-month period where the individual may still retain SNAP eligibility. The Act provides exceptions from the time limit based on certain individual circumstances, such as physical or mental limitations that limit ability to work, a certain student status, need to care for a dependent household member, pregnancy, or meeting an exemption from the general work requirement. Individuals can continue receiving SNAP beyond the three-month time limit by working, participating in a qualifying work program (including SNAP E&T), or any combination of the two, for at least 20 hours per week (averaged monthly to 80 hours per month). Individuals can also meet the time limit by participating in and complying with workfare for the number of hours assigned (equal to the result obtained by dividing a household’s SNAP allotment by the higher of the applicable Federal or State minimum wage). For the purposes of the time

²⁸ The United States Department of Housing and Urban Development, “Fact Sheet: 2023 Annual Homelessness Assessment Report Key Findings from the Point-in-Time Counts”, https://www.hud.gov/sites/dfiles/PA/documents/HUD_No_23_278_4.pdf.

²⁹ United States Department of Housing and Urban Development, “Point-in-Time Count Methodology Guide,” March 2015, <https://files.hudexchange.info/resources/documents/PIT-Count-Methodology-Guide.pdf>.

³⁰ National Law Center on Homelessness, “Don’t Count On It: How the HUD Point-in-Time Count Underestimates the Homelessness Crisis in America,” <https://homelesslaw.org/wp-content/uploads/2018/10/HUD-PIT-report2017.pdf>.

³¹ U.S. Department of Education, ED Data Express file specification 118, SEA Level (2021–2022); https://eddataexpress.ed.gov/download/data-library?field_year_target_id=2919&field_population_value=Homeless+Students&field_data_topic_target_id=All&field_reporting_level_target_id=26&field_program_target_id=All&field_file_spec_target_id=1005&field_data_group_id_target_id=All&combine=.

³² The United States Department of Housing and Urban Development, https://www.hud.gov/sites/dfiles/PA/documents/HUD_No_23_278_4.pdf.

³³ The SNAP Employment and Training (E&T) program helps SNAP participants gain skills and find work that moves them forward to self-sufficiency. Depending on whether a State agency operates a mandatory E&T program, individuals in some States may be required to participate in the State’s E&T program as a condition of meeting work requirements. Federal funding for SNAP E&T was \$599 million in FY 2024.

³⁴ In SNAP, an individual is considered disabled if they receive federal disability or blindness payments under the Social Security Act, including Supplemental Security Income (SSI), receive state disability or blindness payments based on SSI rules, receive disability retirement benefits from a governmental agency because of a permanent disability, receive an annuity under the Railroad Retirement Act and are eligible for Medicare or are considered disabled under SSI; are a veteran who is totally disabled, permanently homebound, or in need of regular aid and attendance; or are the surviving spouse or child of a veteran who is receiving VA benefits and is considered permanently disabled.

limit, working includes unpaid or volunteer work that is verified by the State agency.

B. Characteristics of Individuals Subject to the ABAWD Time Limit

The Department estimates that in FY 2024, approximately 9.1 percent of SNAP participants are ages 18 to 49 and subject to the time limit, and 78 percent of them are in one-person SNAP households.³⁵ These time-limited participants have very low household gross income, averaging only 41 percent of the federal poverty level (FPL). For comparison, the average SNAP household has a gross income of about 69 percent of the FPL. About 18 percent of time-limited participants are experiencing homelessness at the time of SNAP certification or recertification.³⁶ Research indicates that time-limited participants who are not meeting the time limit can face significant barriers to finding or increasing their employment and earnings. A 2021 USDA study in 9 States found that 5 to 12 percent of SNAP participants subject to the time limit were meeting the time limit when those States reinstated the time limit after the Great Recession.³⁷ Participants who were homeless were much less likely to meet the time limit. The study also found the reinstatement of the time limit substantially reduced SNAP participation among individuals subject to the time limit, with no evidence of increased employment or earnings.

C. Factors That Permit Time-Limited Individuals To Continue Participating in SNAP Beyond Three Months

As previously discussed, some individuals who are subject to the time limit may meet an exception from the time limit. The Act also allows for waivers of the time limit in geographic areas with an unemployment rate over 10 percent or an insufficient number of jobs to provide employment for individuals, as defined at 7 CFR 273.24(f). Individuals residing in areas with a waiver of the time limit may continue receiving benefits even if they are not meeting the additional time-limit

work requirement for more than 3 months in a 36-month period. Lastly, the Act establishes an annual allotment of discretionary exemptions that State agencies may use to extend eligibility for a time-limited participant who is not meeting the time limit. Each discretionary exemption can extend eligibility for one participant for one month and a single participant can receive multiple one-month discretionary exemptions. As defined by law, each State agency's allotment of discretionary exemptions is calculated annually by the Department, based on the total number of time-limited participants in the State who have exceeded three countable months due to the time limit in the preceding fiscal year, known as "covered" individuals. Prior to the FRA, State agencies' annual allotments of discretionary exemptions were based on 12 percent of the total number of covered individuals in the State. If a State agency did not use the exemptions, they could be carried over indefinitely.

D. FRA Legislative Updates

The FRA³⁸ amended the Act, revising the definition of who is subject to the time limit, exceptions from the time limit, procedures for the calculation and carryover of discretionary exemptions, as well as the program purpose. Based on these changes, the Department is amending the regulations to reflect the requirements of the FRA.

The FRA also required the Department to publicize all available State requests for waivers authorized by Sec. 6(o)(4)(A), including supporting data, and all Department approvals of waivers within 30 days of enactment. The Department complied with this requirement and is not conducting rulemaking related to this provision.

E. Baselines and Time Horizon of Analysis

Our baseline for measuring the costs, benefits, and transfers associated with this final rule is the Department's SNAP participation and benefit estimates for FYs 2023–2031, from the MSR of the FY 2025 President's Budget. These participation and

benefits estimates are adjusted to exclude the effects of FRA provisions, shown in Table 3 below to facilitate a without-statute comparison. This baseline represents the Department's best estimate of SNAP participation and benefits spending (in nominal dollars) in the absence of the provisions included in this final rule.³⁹ This will be referred to as the without-statute baseline throughout the RIA and most estimates in this RIA are the result of evaluating the final rule against the without-statute baseline. To clarify which costs or benefits in the final rule are attributable to non-statutory elements of the final rule (*i.e.*, provisions not required to implement statute), we have also included estimates that use a with-statute baseline.

All costs related to administrative burden for State agencies, the Federal Government and households are measured against currently approved burden estimates in OMB Control No. 0584–0479.

This RIA uses FY 2023–FY 2031 as the timeframe for analysis because this range fully incorporates the implementation and sunset periods of FRA provisions. A 9-year analysis period (rather than a more typical 5-year or 10-year period) is used to align with the implementation period established by the FRA, which began in September 2023. While some of the provisions included in the FRA and in the final rule are ongoing, others are expected to sunset at the start of FY 2031. As a portion of SNAP participants will not be affected by the sunset immediately upon the start of FY 2031, but rather at their screening that will take place during FY 2031, the Department expects there will be some continuing transfer impacts in FY 2031, as well as administrative costs associated with the sunset of certain provisions in FYs 2030 and 2031. Thus, the Department determined that the period FY 2023–FY 2031 is the appropriate period to assess the rule's economic effects.

Table 3: Estimated SNAP Participation and Benefit Baseline⁴⁰

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Participation (000s)	42,067	41,439	41,497	40,029	39,154	38,305	37,502	36,822	36,071
Benefits (nominal \$millions)	90,149	95,622	97,306	97,274	98,380	99,455	100,512	101,885	102,932

³⁵ Note: The Department estimates that individuals subject to the ABAWD time limit in FY 2024 are a comparable share of the caseload to the most recent SNAP QC data available (from FY 2022), which were gathered during an extended suspension of the ABAWD time limit during the COVID–19 Public Health Emergency by the Families First Coronavirus Response Act (FFCRA). Because States were still unwinding the COVID–19 waivers at the start of FY 2024, the Department estimates these individuals would make up a similar share of the caseload at both points in time.

³⁶ Based on tabulation of FY 2022 SNAP QC data.

³⁷ Wheaton, Laura et al. (2021) *The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States*. Prepared by the Urban Institute for the USDA Food and Nutrition Service, 2021. Available at: <https://www.fns.usda.gov/snap/impact-snap-able-bodied-adults-without-dependents-abawd-time-limit-reinstatement-nine>

³⁸ Full text of the law can be found at: <https://www.congress.gov/bill/118th-congress/house-bill/3746/text>.

³⁹ Although the Department has adjusted SNAP estimates for the MSR of the FY2025 President's Budget to include the effects of the FRA, the

baseline used for this analysis excludes those FRA-related adjustments.

⁴⁰ Each year as part of the process of developing the President's Budget, the Department produces estimates of expected SNAP participation and benefit spending over a ten-year period. Estimates in this Regulatory Impact Analysis are based on Department Estimates for the Mid-Session Review of the FY 2025 President's Budget, excluding FRA-related adjustments to the baseline estimates; benefit values for FY 2023 reflect benefit amounts (excluding emergency allotments authorized during the COVID–19 Public Health Emergency, which expired in March 2023).

F. Methodology

Multiple data sources were used to estimate how the provisions in the final rule will affect SNAP participants, State agencies, and the Federal Government. Methodology and estimates are discussed in this section, according to the data source used. To estimate the effects of the final rule's provisions, the proportion of SNAP participants likely to be affected by each provision was derived from the following data sources. Those ratios were then applied to the appropriate baseline estimates for SNAP spending and participation to produce estimates of changes in participation and benefit spending (in nominal dollars) for future years. All data sources were the most recent versions available at the time this analysis was prepared.

SNAP Quality Control Data

The estimates provided in this RIA are primarily based on SNAP Quality Control (QC) data from FY 2022, and the baseline included in Table 3. At the time of analysis, this is the most recent period for which the Department has a weighted QC dataset for analytic purposes that includes all 53 State agencies. SNAP QC data are collected annually as part of the ongoing effort to determine the accuracy of SNAP certification actions.⁴¹ Data are collected for a sample of SNAP households that is statistically representative at both the national and state levels. The FY 2022 QC dataset includes data from 41,391 households, including information on household earnings, household composition, and participant characteristics that permit inference of ABAWD status (e.g., age, disability status, presence of children in the SNAP household, and whether the individual is exempt from the SNAP general work requirement). The data also include information that can be used to infer employment status (e.g., amount of monthly earned income). The sample of households included in the FY 2022 dataset are weighted to be representative of the SNAP caseload during that fiscal year nationally and in each State.

Estimates derived from the QC data include:

50–54-Year-Olds Newly Subject to the Time Limit

- Share of SNAP participants that are likely to be newly subject to the time limit due to the FRA's change to include 50-to-54-year-olds (1.9 percent of total SNAP participants). Among this group, we estimated:

- The share that are likely meeting the time limit requirement, based on information about employment status and earnings (10.6 percent).

- The share that are likely to increase their work hours in order to begin meeting the time limit requirement, based on earnings information (3.26 percent). Specifically, this estimate is based on the share of individuals who were estimated to work 15–19 hours per

week, based on the assumption that they may be able to increase their work hours to average 20 hours per week.

- The share that are likely to not be subject to the time limit for reasons other than the three new exceptions temporarily established by the FRA because they are exempt from the general work requirement for a reason other than disability (e.g., an exemption due to student status) (30 percent).

- The average monthly per person benefit received by individuals in this group (24.9 percent of the Thrifty Food Plan (TFP)).

New Exception for Homelessness

- Share of time-limited participants (between the ages of 18–54) who are also experiencing homelessness or will imminently experience homelessness⁴² (17.6 percent). Among this group, we estimated:

- The share that are likely meeting the time limit requirement, based on information about employment status and earnings (2.7 percent).

- The share that are likely to increase their work hours in order to begin meeting the time limit requirement (1 percent).⁴³ Because these individuals would begin meeting the requirement, they are removed from the pool of individuals we estimate would receive an exception from the time limit.

- The share that are likely to not be subject to the time limit for reasons other than the three new exceptions temporarily established by the FRA because they are exempt from the general work requirement for a reason other than disability (e.g., an exemption due to student status) (28 percent).

- The average monthly per person benefit received by individuals in this group (29.4 percent of the TFP).

Estimation of New SNAP Participation Based on the New FRA Exceptions

- To estimate the likely increase in SNAP participation as a result of the new exceptions in place, the Department estimated a 1 percent increase in the number of childless adults without disabilities between the ages of 18 and 49 in the baseline. This modest estimate is based on the fact that the FRA provisions went into effect at a time when many areas had waivers of the time

limit due to high unemployment rates that occurred during the COVID–19 pandemic. Hence, many of these individuals made eligible by the new exceptions may have already been participating in SNAP.

Changes in the Share of the Time-Limited SNAP Participants Between FY 2022 and FY 2024

- Given that unemployment rates had been low for an extended period of time and waiver coverage had similarly decreased, the Department believes pre-pandemic FY 2020 SNAP QC data represent a period during which time-limited participants ages 18–49 comprised a relatively small portion of the total SNAP caseload (7.3 percent of total SNAP participants). We assume that time-limited participants ages 18–49 will make up 7.3 percent of the caseload in future years, after an extended period of time with low unemployment. This represents our “steady-state” estimate of participation by individuals subject to the time limit, in years not affected by elevated unemployment or nationwide suspension of the time limit.

- Given that time-limited participants largely did not accrue countable months between April 2020 and June 2023 due to the temporary suspension of the ABAWD time limit for the duration of the COVID–19 Public Health Emergency authorized by the Families First Coronavirus Response Act (FFCRA), the Department believes FY 2022 SNAP QC data represent a period during which time-limited participants comprised a relatively large portion of the total SNAP caseload (9.1 percent of total SNAP participants), reflecting increased participation by this group as a result of the nationwide suspension of the time limit and extensive use of waivers of the time limit by State agencies.

- Correspondingly, the Department assumed that time-limited participants ages 18–49 make up a larger share of participants (9.1 percent) at the start of FY 2024, before declining back to 7.3 percent of participants in FY 2025 and subsequent years as was seen in pre-pandemic FY 2020 when unemployment rates were lower. This adjustment was not made to time-limited participants ages 50–54 because their share of total participants was similar in the FY 2022 and pre-pandemic FY 2020 QC data, which represent both states of high and low waiver coverage, respectively.

Veterans' Participation in SNAP and ABAWD Status From American Community Survey (ACS) Data

Given that the SNAP QC data do not include information about veteran status, the Department relied on 2022 American Community Survey (ACS) data to estimate how many individuals participating in SNAP may be subject to the ABAWD time limit and are veterans. The ACS data were tabulated to determine how many individuals in the U.S. have prior military service, are between the ages of 18–54, participate in SNAP, do not have a disability,⁴⁴ and do not have a child in their household.⁴⁵ Compared to the total

⁴² Our estimate is derived from the share of SNAP participants who meet the definition of those subject to the time limit and experiencing homeless in the FY 22 SNAP QC data. States may currently use “imminently homeless” as a criterion for defining homelessness. Therefore, no adjustments were made to existing data about time-limited participants who are experiencing homelessness.

⁴³ Note: We use 1 percent for this group, rather than 3.26 percent, based on the assumption that individuals experiencing homelessness will face greater challenges in increasing their work hours due to unstable housing, transportation barriers, inconsistent access to hygiene materials or professional clothing, and other challenges related to homelessness, as described by sources such as the Urban Institute (<https://www.urban.org/urban-wire/why-it-so-hard-people-experiencing-homelessness-just-go-get-job>), the National Alliance to End Homelessness (<https://endhomelessness.org/resource/overcoming-employment-barriers/>), and the University of Michigan School of Public Health (<https://sph.umich.edu/pursuit/2020posts/homelessness-and-job-security-challenges-and-interventions.html>).

⁴⁴ As defined in SNAP rules.

⁴⁵ The ACS variables used to create this tabulation were: DRATX (“Veteran service connected disability rating”); HUPAC_RC1 (“HH

⁴¹ Detailed information on the QC review process, including sampling requirements and procedures for conducting QC reviews, can be found on the FNS website at: <http://www.fns.usda.gov/snap/quality-control>.

number of individuals reporting SNAP participation in the 2022 ACS, this resulted in an estimate that 0.22 percent of SNAP participants may be eligible for the new exception from the time limit for veterans. Without data on how many of these veterans would be exempt from the time limit requirement for reasons other than the three new exceptions temporarily established by the FRA (e.g., an exemption due to student status), we assume the same share as time-limited participants ages 18 to 54 (32 percent).

Without data on average monthly per person benefits for time-limited participants who are also veterans, we assume that they receive the same average benefit as 18-to-54-year-old time-limited participants who are not working at least 20 hours per week (25.1 percent of the TFP).

Former Foster Youths' Participation in SNAP From Administration for Children and Families (ACF)

The SNAP QC data do not include information about participants that were formerly in the foster care system. The Department was unable to find a national survey that would permit it to estimate how many former foster youths between the ages of 18–24 participate in SNAP, nor to determine the share who may be considered subject to the time limit. In the absence of reliable data, the Department generated an estimate based on information available from the Administration for Children and Families (ACF) on how many youths age out of the foster care system each year, nationally. ACF indicates that about 20,000 youth emancipate from foster care each year,⁴⁶ resulting in a total cohort of 18–24-year-old former foster youth of up to 140,000 individuals. We adjusted the 140,000 cohort size downward to reflect the fact that about 68 percent of the U.S. population lives in States that have opted to provide foster care up to age 21,⁴⁷ so there are likely proportionally fewer 18-to-20-year-olds in the total former foster youth population. The adjustment resulted in an estimate that 99,000 former foster youth could fall into the 18–24 age group that would be eligible for the new exception from the time limit.

However, not all 99,000 individuals would participate in SNAP and be considered subject to the time limit. Using the best-available data and research on former foster youth outcomes, the Department assumes that approximately 65 percent of individuals

in this group may be SNAP-ineligible, are already meeting the time limit, or are not subject to the time limit (for reasons that can include being a student, having a child in their household, or having a disability).⁴⁸ In the absence of precise data to inform the estimate, the Department estimated that the remaining 35 percent of this group will benefit from the new exception (about 35,000 individuals per year).

Without data on average monthly per person benefits for time-limited participants who are also former foster youth up to age 24, we assume that they receive the same average monthly benefit as 18-to-49-year-old time-limited participants who are not working at least 20 hours per week (25.2 percent of the TFP).

SNAP ABAWD Waiver Coverage and ACS Data on Low-Income Population

Waivers of the ABAWD time limit play a significant role in determining the number of participants who are subject to the time limit at any given time. The Department determined it was necessary to estimate the share of time-limited participants who are likely to live in a waived area to more accurately determine how many individuals would lose or retain eligibility annually due to the FRA. Without this adjustment, estimates would overstate both the increase in transfers associated with time-limited participants retaining SNAP eligibility because of the new exceptions, and the decrease in transfers associated with individuals ages 50–54 newly becoming subject to the time limit, and subsequently losing eligibility.

Internal analyses were conducted to estimate the share of participants subject to the time limit likely to live in a waived area at two different points in time, based on the assumption that FY 2023 and FY 2024 had a higher-than-usual level of waiver coverage, declining to stabilize at a lower rate in FY 2025:

(1) Quarter 4 of FY 2024, to reflect the most recent period of waiver coverage available to assess for the purposes of preparing this RIA; and

(2) Quarter 1 of FY 2020, to reflect a “low” degree of waiver coverage that occurred in the pre-pandemic months, after an extended period of relatively low unemployment rates nationally. This was used as a proxy estimate for waiver coverage in future years, when OMB’s economic assumptions predict low unemployment rates.

To conduct these analyses, we identified the local areas covered by FNS-approved waivers⁴⁹ of the time limit in each of the above-noted time periods. Then, ACS data

were used to determine the share of the low-income population (defined as below 125 percent of the FPL) in the U.S. that lived in those waived areas; the low-income population was used as a proxy for SNAP participants. The results of these analyses indicated that in FY 2024, about 45 percent of SNAP participants likely live in an area with a waiver of the time limit, and in periods of “low” waiver coverage, about 40 percent of SNAP participants likely live in an area with a waiver of the time limit. Additionally, analysis of SNAP QC data on the distribution of participants aged 50–54 indicates that the share of SNAP participants who live in an area with a waiver is about 10 percentage points lower, compared to those aged 18–49 years. Thus, we assume waiver coverage among those aged 50–54 years was 10 percentage points lower than those aged 18–49 years who are subject to the time limit in each time period. The Department used the estimate of waiver coverage from FY 2024 to adjust its estimates of how many individuals were affected by the FRA in that year, and used the Quarter 1 of FY 2020 waiver coverage estimate for FY 2025, onward, as waiver coverage rates are expected to stabilize in those years.

State-Reported Data on Discretionary Exemption Usage

To assess the effects of the FRA’s provisions limiting States agencies’ discretionary exemption allotments to 8 percent of covered individuals and preventing carryover of unused exemptions beyond one fiscal year, the Department examined State agency-reported data on discretionary exemption usage. State agencies are required to provide this data to the Department on an annual basis. The Department examined data from FY 2016–FY 2019 to understand how many exemptions States typically use. Those data indicated that State agencies typically use less than an 8 percent allotment of discretionary exemptions. The four-year period FY 2016–FY 2019 was used to represent a multi-year period during which the time limit was not lifted nationally.

Estimating the Value of State Agency, Federal, and Participant Burden

Cost estimates in this RIA account for increased burden for State agencies, the Federal Government, and SNAP participants. Hourly labor rates used to monetize burden hours in this analysis align with those presented in the final rule’s burden table:

- *State agency program staff*: FY 2023 fully-loaded labor rate is \$32.15. This is based on Bureau of Labor Statistics (BLS) May 2023 estimates of the median hourly wage rate for occupation code 43–4061, Eligibility Interviewers—Government Programs (\$24.17) multiplied by 1.33 to represent fully-loaded wages.

- *State agency program manager*: FY 2023 fully-loaded labor rate is \$53.09. This is based on BLS May 2023 estimates of the median hourly wage rate for occupation code 11–9151, Social and Community Service Managers (\$39.92) multiplied by 1.33 to represent fully-loaded wages.

- *State agency computer developers*: FY 2023 fully-loaded labor rate is \$52.96. This

presence and age of children recode”); FS (“Yearly food stamp/Supplemental Nutrition Assistance Program (SNAP) reciprocity”); MIL_RC1 (“Military service recode”); SSIP_RC1 (“Supplementary Security Income past 12 months recode”); and AGE_P RC1 (“Age recode”).

⁴⁶ The United States Department of Health and Human Services, Administration for Children and Families publishes an annual Adoption and Foster Care Analysis and Reporting System (AFCARS) Report. The report used for this analysis is based on FY 2021 data. <https://www.acf.hhs.gov/sites/default/files/documents/cb/afcars-report-29.pdf>.

⁴⁷ This estimate is based on information in “States with Approval to Extend Care Provide Independent Living Options for Youth up to Age 21” from the Government Accountability Office, <https://www.gao.gov/assets/gao-19-411.pdf>.

⁴⁸ Sources informing this estimate include: The Annie E. Casey Foundation, <https://www.aecf.org/resources/future-savings>; Chapin Hall at the University of Chicago, <https://www.chapinhall.org/wp-content/uploads/Midwest-Eval-Outcomes-at-Age-26.pdf>; the United States Department of Agriculture, <https://www.fns.usda.gov/snap/characteristics-snap-households-fy-2020-and-early-months-covid-19-pandemic-characteristics>; and ABAWD Waiver coverage rates, <https://www.fns.usda.gov/snap/ABAWD/waivers>.

⁴⁹ All FNS-approved ABAWD Waivers are publicly-available at <https://www.fns.usda.gov/snap/ABAWD/waivers>.

is based on BLS May 2023 estimates of the median hourly wage rate for occupation code 15–0000, Computer and Mathematical Operations (\$39.82) multiplied by 1.33 to represent fully-loaded wages.

- *Federal program analyst*: FY 2024 fully-loaded labor rate is \$75.17. This is based on OPM 2024 salary data for the Washington-Baltimore-Arlington, DC-MD-WV-PA locality pay region for a GS–13 Step 1 employee (\$56.52) multiplied by 1.33 to represent fully-loaded wages.

- *Federal supervisory analyst*: FY 2024 fully-loaded labor rate is \$88.83. This is based on OPM 2024 salary data for the Washington-Baltimore-Arlington, DC-MD-WV-PA locality pay region for a GS–14 Step 1 employee (\$66.79) multiplied by 1.33 to represent fully-loaded wages.

- *Federal division director*: FY 2024 fully-loaded labor rate is \$104.48. This is based on OPM 2024 salary data for the Washington-Baltimore-Arlington, DC-MD-WV-PA locality pay region for a GS–15 Step 1 employee (\$78.56) multiplied by 1.33 to represent fully-loaded wages.

- *SNAP participants*: The baseline labor rate is \$22.74. This is based on the most recent 4 quarters of available data from the Current Population Survey (CPS) median weekly wage for full-time and salary workers, ages 16 and up (\$1,137/week, divided by 40 hours to produce an hourly rate of \$28.43). Because burden on SNAP participants reflects activities, like completing SNAP forms, that occur outside of an employment setting, the hourly rate derived from the weekly wage is discounted by 20 percent to remove the value of taxes and other work-related costs, resulting in \$22.74.

The labor rates presented above are inflated for estimates of burden costs in future years using CPI–W projections from OMB’s FY 2025 MSR President’s Budget Economic Assumptions. All administrative expense estimates presented in this RIA are based on labor rates that have been inflated based on CPI–W projections.

V. Section-by-Section Analysis

The increases and decreases in SNAP benefit transfers, administrative costs, and burden hours associated with each provision of the final rule are discussed separately in this section of the RIA. Throughout the section-by-section analysis, FY 2026 is used as a reference year to provide an indication of the final rule’s effect after all provisions have been phased-in.

A. Requirement To Add Purpose Language to the Food and Nutrition Act of 2008

Discussion: This provision of the FRA requires the Department to add the following

program purpose to The Act: “That program includes as a purpose to assist low-income adults in obtaining employment and increasing their earnings. Such employment and earnings, along with program benefits, will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.” The Department adds this language as an addition to 7 CFR 271.1(a), where the general purpose and scope of SNAP are defined.

Effect on SNAP Participants: As this provision is administrative, the Department expects it will not impact program participants in a quantifiable way.

Effect on State Agencies: The Department expects no State agency burden to be incurred as a direct result of this provision.

Effect on Federal Spending: The Department expects no changes in federal administrative costs or transfers to be incurred as a direct result of this provision.

B. Requirement To Update Exceptions From the ABAWD Time Limit

There are four components that comprise this provision, which expanded the category of individuals subject to the time limit by adjusting the upper age limit from 49 to 54 on a phased-in timeline between September 2023 to October 2024 and created three new categories of exceptions from the time limit. All components of this provision will sunset on October 1, 2030, pending any future legislative changes. Because changes to exceptions from the time limit are a statutory provision, the impacts discussed in this section are generally only applicable to a without-statute comparison. This provision of the final rule has no effects when compared to a with-statute baseline, with the exception of small changes in administrative burden. Estimates derived from a with-statute baseline are discussed where relevant.

Changes to Age-Based Exceptions

Discussion: This provision gradually raised the upper age limit defining who is subject to SNAP’s time limit from age 49 to age 54, thereby expanding the group of SNAP participants who are subject. Specifically, the upper age limit changed from age 49 to age 50 on September 1, 2023; from age 50 to age 52 on October 1, 2023; and from age 52 to age 54 on October 1, 2024. The time limit will apply to adults aged 18 through 54 until the sunset of this provision on October 1, 2030. This provision will sunset immediately on October 1, 2030, and is not subject to a phase-out period in FY 2031.

Only individuals aged 50 to 54 who do not qualify for an exception from the time limit

(such as a physical or mental condition that limits ability to work, a certain student status, need to care for a dependent household member, or meeting an exemption from the general work requirement) are newly considered subject to the time limit.

Effect on SNAP Participants: The Department expects the changes to the age-based exception to decrease participation among SNAP participants ages 50 to 54 who are newly subject to the time limit from implementation in FY 2023 until sunset of the provision. If these individuals are not able to meet the time limit requirement, the time limit takes effect and they lose program eligibility after 3 months of SNAP participation per 36-month period unless that individual qualifies for an exception, receives a discretionary exemption, or lives in an area with a waiver of the time limit.

In FY 2026, when this provision is fully implemented, the Department (using FY 2022 SNAP QC data) estimates 1.6 percent of all SNAP participants, approximately 635,000 individuals (379,000 individuals ages 50 to 52, and 257,000 individuals ages 53 to 54) may be impacted by the age adjustments and be newly subject to the time limit because they meet the new definition of an ABAWD and are not working 20 or more hours per week.

The Department estimates that a small share (about 3.3 percent) of these individuals will be able to gain or increase their employment to at least 20 hours per month to retain SNAP eligibility. The Department based this estimate on the share of these individuals that are estimated to work at least 15 hours but less than 20 hours per week, using reported monthly earnings data in the FY 22 QC data. As a result of the increased work hours, SNAP benefits for these individuals will decrease by an average of \$98 per month in FY 2026. This small share of new individuals (about 21,000 people in FY 2026) subject to the time limit will not lose SNAP eligibility because of the time limit.

The Department estimates that 30 percent of the remaining individuals will not be subject to the time limit for reasons other than the three new exceptions temporarily established by the FRA because they are exempt from the SNAP general work requirement for a reason other than disability (*e.g.*, an exemption due to student status).

Finally, the Department estimates that approximately 30 percent of the remaining individuals ages 50 to 54 will live in areas covered by a waiver of the time limit and, therefore, will not be subject to the time limit.

After these adjustments discussed above, in FY 2026 the Department estimates 301,000 individuals will lose SNAP eligibility and an average of \$251 per month in SNAP benefits due to the change in the upper age limit. Individuals who lose eligibility due to the time limit may rejoin SNAP after the expiration of the 36-month period or sooner by meeting the time limit requirement, though a 2021 USDA study on the time limit suggests employment outcomes are unlikely to improve among those who lose eligibility due to the time limit. The primary results in the study found that the time limit has a small, statistically significant negative impact on employment outcomes.⁵⁰ A sensitivity

analysis among a smaller group of time-limited participants in this study showed no statistically significant impact of the time limit on employment in two States and a small positive impact on employment in a third State. Therefore, the Department estimates that very few individuals who lose SNAP eligibility will be able to increase their work hours to regain SNAP eligibility within the 36-month period, particularly in light of the barriers adults over the age of 50 can face in re-entering the job market such as age discrimination by employers, increased likelihood of health challenges, and lack of

training opportunities, among other reasons.⁵¹

At full implementation in FY 2026, the Department estimates that benefit losses among 50-to-54-year-olds newly subject to the time limit will represent a 0.88 percent reduction in total annual SNAP benefit spending (transfers), or about \$855.4 million. The Department estimates federal transfers to decrease over the nine-year analysis period of FY 2023 to FY 2031 by a total of \$5.2 billion because of this provision.

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⁵¹ Thomassen K, Sundstrup E, Skovlund SV, Andersen LL, Barriers and Willingness to Accept Re-Employment among Unemployed Senior Workers: The SeniorWorkingLife Study, *Int J Environ Res Public Health*, 2020 Jul 25;17(15):5358, doi: 10.3390/ijerph17155358, PMID: 32722360; PMCID: PMC7439115.

⁵⁰ Wheaton, Laura et al. (2021) *The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States*. Prepared by the Urban Institute for the USDA Food

and Nutrition Service, 2021. Available at: <https://www.fns.usda.gov/snap/impact-snap-able-bodied-adults-without-dependents-abawd-time-limit-reinstatement-nine>.

Table 4: Participation and Federal Transfer Impacts of Changes to Age-Based Exceptions, in comparison to a without-statute baseline

Time-Limited Participants Ages 50 to 54 Losing Eligibility	Percent of Group	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31^	Total Cost
Time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		-392	-659	-635	-621	-608	-595	-584	N/A	
Adjust for phase-in at certification/recertification**		196	133							
Increase work hours to 20+ hours per week	3.26%	6	17	21	20	20	19	19	N/A	
Already receiving exception (e.g., unfit for work)	30%	57	153	184	180	176	173	170	N/A	
Share that reside in area with time limit waiver		35%	30%	30%	30%	30%	30%	30%	N/A	
Reside in area with time limit waiver		46	107	129	126	124	121	119	N/A	
Total time-limited participants ages 50 to 54 estimated to lose eligibility due to changes to age-based exceptions*		-86	-249	-301	-295	-288	-282	-277	0	
	Share of TFP									
Benefit loss for those losing eligibility	24.9%	-\$242	-\$243	-\$251	-\$257	-\$262	-\$268	-\$275	N/A	
Benefit decline for those who increase work hours	9.7%	-\$95	-\$95	-\$98	-\$100	-\$103	-\$105	-\$107	N/A	
Average months of benefit loss per year for those losing eligibility		11	11	11	11	11	11	11	N/A	
Total Savings from time-limited participants ages 50 to 54 losing eligibility/benefits (\$millions)*		-\$237	-\$685	-\$855	-\$856	-\$857	-\$858	-\$862	\$0	-\$5,209

* Totals may not add due to rounding

** This row reduces the total number of participants by the proportion that is not impacted during years in which the provisions phase-in.

^ The age group shown in this table is no longer subject to the ABAWD time limit in FY 2031 because the provision will sunset on October 1, 2030.

BILLING CODE 3410-30-C**New Exceptions**

In addition to expanding the group of individuals subject to the time limit, the FRA provides new exceptions from the time limit for individuals experiencing homelessness, who are veterans, or individuals through age 24 who were participating in foster care on their 18th birthday (or higher age if the State offers extended foster care to a higher age). Below each of these new exceptions is analyzed individually. The impact of the new exceptions on federal transfers and on SNAP participants will be itemized within discussion of each exception, while the aggregate impacts on transfers, federal burden, State agency burden, and SNAP participant burden will be summarized after the discussion of each new exception.

Individuals Experiencing Homelessness

Discussion: Prior to the FRA, individuals who were experiencing homelessness and not meeting the time limit could only continue to participate in SNAP after accruing three countable months if the State agency chose to use the State's allotment of discretionary exemptions to provide the individual with an exception from the time limit on a month-by-month basis (until the State has depleted its allotment of discretionary exemptions). A State agency may also consider an individual experiencing homeless to be "unfit for work," and thereby exempt from the general work requirement and thus the time limit.

The FRA provides exceptions from the time limit for individuals experiencing homeless. To consistently implement this provision nationwide, the Department is finalizing changes to the definition of a "homeless individual" at 7 CFR 271.2 as proposed. The revised definition reads as follows:

Homeless Individual Means

(1) An individual who lacks a fixed and regular nighttime residence, including, but not limited to, an individual who will imminently lose their primary nighttime residence; or

(2) An individual whose primary nighttime residence is:

- (i) A supervised shelter designed to provide temporary accommodations (such as a welfare hotel or congregate shelter);
- (ii) A halfway house or similar institution that provides temporary residence for individuals intended to be institutionalized;
- (iii) A temporary accommodation for not more than 90 days in the residence of another individual; or
- (iv) A public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings (a hallway, a bus station, a lobby, or similar places)."

Prior to the FRA, State SNAP agencies were already required to screen for households experiencing homelessness to identify households eligible for the homeless shelter deduction. Using SNAP QC data, the Department estimates that approximately 3.5 percent of all SNAP participants experience homelessness. However, SNAP participants who are subject to the time limit are also more likely to experience homelessness. In the most recent data available to the Department, 17.6 percent of time-limited participants experience homelessness.⁵²

In FY 2026 when this provision is fully implemented, the Department (using SNAP QC data) estimates 1.8 percent of all SNAP participants, approximately 722,000 individuals (626,000 individuals ages 18 to 49, and 96,000 individuals ages 50 to 54) experiencing homelessness may be affected by the new exception from the time limit because they meet the definition of a time-limited participant and are not working 20 or more hours per week.

The Department estimates that a small share (about 1 percent) of these individuals will be able to gain or increase their employment to at least 20 hours per week to retain SNAP eligibility.

Compared to the general population of time-limited participants in SNAP, fewer participants who are experiencing

homelessness are meeting the work requirement in the QC data, compared to all time-limited participants. Additionally, individuals experiencing homelessness can face substantial barriers to gaining or retaining employment, including poor access to transportation, poor access to health care, and employer stigma against individuals experiencing homelessness. Therefore, the Department believes the share of time-limited individuals who are experiencing homelessness that will be able to increase their work hours is likely smaller than the 3.4 percent observed amongst all time-limited participants in the SNAP QC data.

The Department estimates that 28 percent of the remaining individuals will not be subject to the time limit for reasons other than the three new exceptions temporarily established by the FRA because they are exempt from the general work requirement for a reason other than disability (e.g., an exemption due to student status). Finally, the Department estimates that approximately 40 percent of the remaining individuals will live in areas covered by a waiver of the time limit and, therefore, will not be subject to the time limit in absence of this provision.

After these adjustments discussed above, in FY 2026 the Department estimates 309,000 individuals experiencing homelessness between the ages of 18 and 54 will retain SNAP eligibility beyond 3 months in a 36-month period (averaging to 11 months of benefits gained per individual per year) and continue receiving an average of \$297 per month, per person, in SNAP benefits because of the new exception for individuals experiencing homelessness. At full implementation in FY 2026, this represents a 1.04 percent increase in total annual SNAP benefit spending (transfers), or about \$1.0 billion. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$6.9 billion because of this new exception for individuals experiencing homelessness.

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⁵² This estimate includes 50-to-54-year-olds newly subject to the time limit.

Table 5: Participation and Federal Transfer Impacts of New Exception for Individuals Experiencing Homelessness, in comparison to a without-statute baseline

INDIVIDUALS EXPERIENCING HOMELESSNESS	Percent of Group	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Cost
Homeless time-limited participants ages 18 to 49 not working 20+ hours per week (000s)		648	649	626	612	599	586	576	564	
Adjust for phase-in at certification/recertification and phase-out**		-324							-282	
Increase work hours to 20+ hours per week	1.00%	-3	-6	-6	-6	-6	-6	-6	-3	
Already receiving exception (e.g., pregnant, unfit for work)	28%	-90	-180	-173	-170	-166	-163	-160	-78	
Share that reside in area with time limit waiver		45%	40%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-104	-185	-178	-175	-171	-167	-164	-80	
Total homeless time-limited participants ages 18 to 49 estimated to retain eligibility*		127	277	268	262	256	251	246	121	
Homeless time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		59	100	96	94	92	90	88	N/A	
Adjust for phase-in at certification/recertification**		-29								
Increase work hours to 20+ hours per week	1.00%	0	-1	-1	-1	-1	-1	-1	N/A	
Already receiving exception (e.g., unfit for work)	28%	-8	-28	-27	-26	-25	-25	-25	N/A	
Share that reside in area with time limit waiver		45%	40%	40%	40%	40%	40%	40%	N/A	
Reside in area with time limit waiver		-9	-28	-27	-27	-26	-26	-25	N/A	
Total homeless time-limited participants ages 50 to 54 estimated to retain eligibility*		11	43	41	40	39	39	38	N/A	
TOTAL Homeless Time-Limited Participants Ages 18 to 54 Retaining Eligibility*		138	320	309	302	295	289	284	121	
	Share of TFP									
Benefit gain for those retaining eligibility	29.4%	\$286	\$287	\$297	\$303	\$310	\$318	\$325	\$332	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
Total Cost from Homeless Time-Limited Participants ages 18 to 54 Retaining Eligibility (\$millions)*		\$436	\$1,011	\$1,008	\$1,008	\$1,009	\$1,011	\$1,015	\$441	\$6,939

* Totals may not add due to rounding

** This row reduces the total number of participants by the proportion that is not impacted during years in which the provisions phase-in and phase-out.

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Veterans

Discussion: The FRA additionally provides a new exception from the ABAWD time limit for time-limited participants who are veterans. No previous unique work requirement exceptions have been applied to veterans in SNAP. To implement this change, the Department identified the need to standardize a definition of who is considered a veteran. The Department defines veteran at 7 CFR 273.24(c)(8) as an individual who, regardless of the conditions of their discharge or release from, served in the United States Armed Forces (such as the Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, and National Guard), including an individual who served in a reserve component of the Armed Forces, or served as a commissioned officer of the Public Health Service, Environmental Scientific Services Administration, or the National Oceanic and Atmospheric Administration.

Effect on SNAP Participants: The Department does not collect information on SNAP applicants' and participants' military

service history, so it is unable to precisely estimate how many SNAP participants may benefit from the veteran exception. Based on data from the 2022 ACS, the Department estimates 2.5 percent of SNAP participants are veterans, but a much smaller share (0.22 percent) may be veterans who are subject to the time limit.

In FY 2026, when the FRA's provisions are fully implemented, the Department estimates approximately 88,000 individuals (60,000 individuals between the ages of 18 and 49 and 28,000 individuals ages 50 to 54) are veterans that may be affected by the new exception to the time limit because they meet the definition of a time-limited participant and are likely not working 20 or more hours per week.

The Department estimates that 32 percent of these individuals will not be subject to the time limit for reasons other than the three new exceptions temporarily established by the FRA because they are exempt from the SNAP general work requirement for a reason other than disability (*e.g.*, an exemption due to student status).

Finally, the Department estimates that approximately 40 percent of remaining individuals ages 18 to 49 and 30 percent of the remaining individuals ages 50 to 54 will live in areas covered by a geographic waiver of the time limit and, therefore, will not be subject to the time limit.

After these adjustments discussed above, in FY 2026 the Department estimates 38,000 individuals who are veterans between the ages of 18 and 54 will retain SNAP eligibility beyond 3 months in a 36-month period (averaging to 11 months of benefits gained per individual per year) and continue receiving an average of \$254 per month, per person, in SNAP benefits because of the new exception from the time limit for veterans. At full implementation in FY 2026, this represents a 0.11 percent increase in total annual SNAP benefit spending (transfers), or about \$105.5 million. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$710.6 million as a result of this new exception.

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Table 6: Participation and Federal Transfer Impacts of New Exception for Veterans, in comparison to a without-statute baseline

VETERANS	Percent of Group	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Cost
Veteran time-limited participants ages 18 to 49 not working 20+ hours per week (000s)		62	62	60	59	57	56	55	54	
Adjust for phase-in at certification/recertification and phase-out**		-31							-27	
Already receiving exception (e.g., pregnant, unfit for work)	32%	-10	-20	-19	-19	-18	-18	-18	-9	
Share that reside in area with time limit waiver		45%	40%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-10	-17	-16	-16	-16	-15	-15	-17	
Total veteran time-limited participants ages 18 to 49 estimated to maintain eligibility*		12	25	24	24	23	23	23	11	
Veteran time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		17	29	28	27	27	26	26	N/A	
Adjust for phase-in at certification/recertification**		-9								
Already receiving exception (e.g., unfit for work)	32%	-3	-9	-9	-9	-9	-8	-8	N/A	
Share that reside in area with time limit waiver		35%	30%	30%	30%	30%	30%	30%	N/A	
Reside in area with time limit waiver		-2	-6	-6	-6	-5	-5	-5	N/A	
Total veteran time-limited participants ages 50 to 54 estimated to maintain eligibility*		4	14	13	13	13	12	12	N/A	
TOTAL Veteran Time-Limited Participants Ages 18 to 54 Retaining Eligibility*		15	39	38	37	36	35	35	11	
	Share of TFP									
Benefit gain for those retaining eligibility	25.1%	\$245	\$245	\$254	\$259	\$265	\$271	\$278	\$284	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
Total Cost Veteran Time-Limited Participants ages 18 to 54 Retaining Eligibility (\$millions)*		\$42	\$106	\$105	\$106	\$106	\$106	\$106	\$34	\$711

* Totals may not add due to rounding

** This row reduces the total number of participants by the proportion that is not impacted during years in which the provisions phase-in and phase-out.

BILLING CODE 3410-30-C**Individuals Who Were in Foster Care**

Discussion: The third new exception from the time limit prescribed by the FRA is for SNAP participants aged 24 and under who were in foster care on their 18th birthday, including those who remain in extended foster care in States that have elected to extend foster care under Sec. 475(8)(B)(iii) of the Social Security Act. The Department notes that this definition does not require that an individual was in foster care in the State in which they are applying for or receiving SNAP benefits.

The Department is clarifying that “foster care under the responsibility of a State” includes foster care programs run by any State, District, Territory, Indian Tribal Organization, or Unaccompanied Refugee Minors Program. The Department also clarified that the exception applies to individuals who turned 18 while in a foster care program even if they leave extended foster care before the maximum age.

Effect on SNAP Participants: The Department does not collect data on SNAP applicants’ and participants’ history in foster

care, so it is unable to precisely estimate how many individuals will benefit from the new exception for former foster youth. Based on information from the Adoption and Foster Care Analysis and Reporting System (AFCARS)⁵³ about how many youths age out of foster care each year, the Department estimates that there are approximately 99,000 individuals between the ages of 18 and 24 who were in foster care at their 18th birthday but have since emancipated. Of those 99,000 individuals, the Department estimates that about 35,000 may be SNAP participants (0.09 percent of all SNAP participants in FY 2026) who are subject to the time limit and are not otherwise qualified for an exception. The remaining 64,000 individuals in this group are assumed to be not eligible for SNAP, already meeting the time limit requirement,

⁵³ Per ACF guidance to States, States must include in AFCARS all children in foster care under the responsibility for placement or care of the State title IV-B/IV-E agency, which includes Unaccompanied Refugee Minors. More detail can be found at: <https://www.acf.hhs.gov/orr/policy-guidance/clarification-unaccompanied-refugee-minor-urm-eligibility-chafee-independent>.

or not subject to the time limit (for reasons that can include being a student, having a child in their household, or having a disability).

In FY 2026, among these 35,000 individuals estimated to be current SNAP participants, the Department estimates that approximately 40 percent will live in areas that are covered by a geographic waiver of the time limit, and therefore will not be subject to the time limit. Therefore, the Department estimates about 21,000 individuals who are former foster youth will retain SNAP eligibility beyond 3 months in a 36-month period (averaging to 11 months of benefits gained per individual per year) and continue receiving an average of \$254 per month in FY 2026 because of this new exception. In FY 2026, this represents a 0.06 percent increase in total annual SNAP benefit spending (transfers), or about \$58.2 million. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$419.6 million as a result of this new exception.

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Table 7: Participation and Federal Transfer Impacts of New Exception for Individuals Who Were in Foster Care, in comparison to a without-statute baseline

FORMER FOSTER YOUTH	Percent of Group	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Cost
Former foster youth through age 24 (000s)		35	35	35	35	35	35	35	35	
Adjust for phase-in at certification/recertification and phase-out**		-17							-17	
Share that reside in area with time limit waiver		45%	40%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-8	-14	-14	-14	-14	-14	-14	-7	
Total Former Foster Youth Time-Limited Participants Estimated to Retain Eligibility*		10	21	21	21	21	21	21	10	
	Share of TFP									
Benefit gain for those retaining eligibility	25.2%	\$245	\$246	\$254	\$260	\$266	\$272	\$278	\$285	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
Total Cost from Former Foster Youth Time-Limited Participants Retaining Eligibility (\$millions)*		\$26	\$56	\$58	\$60	\$61	\$62	\$64	\$33	\$420

* Totals may not add due to rounding

** This row reduces the total number of participants by the proportion that is not impacted during years in which the provisions phase-in and phase-out.

Combined Impacts for All Changes to
Exceptions—Federal Transfers

As a result of this final rule, the estimated net impact of the change in the age-based exceptions and the three new exceptions is an average net increase in SNAP participation of about 95,000 individuals per year when fully implemented in FY 2026. In FY 2026, this includes 301,000 participants losing eligibility, 367,000 participants retaining eligibility, and about 29,000 new

participants.⁵⁴ The Department estimates that a small number of new participants (ages 18–49) will begin receiving SNAP benefits due to the new exceptions allowing individuals who are experiencing homelessness, are veterans, or were formerly in the foster care system to participate in SNAP who otherwise

⁵⁴ This estimate of about 29,000 new participants assumes an increase of roughly 1 percent in the baseline number of time-limited adults ages 18 to 49. This is the Department's best estimate in the absence of better data.

may have thought they would be ineligible due to the time limit. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$3.5 billion as a result of the change in the age-based exceptions and the new exceptions in the FRA. On an annual basis, federal transfers are estimated to increase by an average of \$393.1 million. These estimates are based on a without-statute comparison. There are no transfer effects under a with-statute comparison.

Table 8: Combined Participation and Federal Transfer Impacts of Exception Updates, in comparison to a without-statute baseline

Summary of SNAP Benefit Transfers Due to the SNAP Final Rule Implementing <i>The Fiscal Responsibility Act of 2023</i>									
	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Cost
Total time-limited participants ages 50 to 54 estimated to lose eligibility (000s)	-86	-249	-301	-295	-288	-282	-277	N/A	
Total savings from time-limited participants ages 50 to 54 losing eligibility/benefits (\$millions)	-\$237	-\$685	-\$855	-\$856	-\$857	-\$858	-\$862	N/A	-\$5,209
Total homeless, veteran, and former foster youth time-limited participants ages 18 to 54 retaining eligibility (000s)	163	380	367	360	352	346	340	142	
Total cost from time-limited participants ages 18 to 54 retaining eligibility (\$millions)	\$504	\$1,173	\$1,171	\$1,173	\$1,176	\$1,179	\$1,185	\$508	\$8,069
New Participants (000s)	-	30	29	29	28	27	27	13	
Total Cost from New Participants (\$millions)	\$0	\$104	\$104	\$104	\$104	\$104	\$105	\$53	\$678
NET PARTICIPANT IMPACT (000s)*	77	161	95	94	92	91	89	155	
NET COST (\$millions)*	\$267	\$593	\$420	\$422	\$423	\$425	\$428	\$561	\$3,538

* Totals may not add due to rounding.

BILLING CODE 3410-30-C**Combined Impacts for All Changes to Exceptions—Household Burden Costs**

The Department expects there to be an increased time burden for 50-to-54-year-old SNAP participants who are newly considered to be subject to the time limit. These individuals will be required to report work hours and review and respond to notices informing them of the additional work requirement and time limit. Based on estimates provided in the burden table prepared for the final rule, an estimated 517,171 individuals will experience an annual 15.5-minute burden related to these activities for total time of 133,602 hours annually and an annual cost of \$3.2 million in FY 2026. In addition, 282,056 individuals within this group will also need to review and respond to Notices of Adverse Action (NOAAs) when they lose SNAP eligibility due to not meeting the time limit, estimated to be an additional 4-minute burden per person for a time of 18,804 hours annually and a total annual cost of \$448,846 in FY 2026.

Upon sunset of this provision on October 1, 2030, the upper limit of ages subject to the time limit will reverse to age 49 and the three new exceptions will be removed, pending any future legislative updates. Any 50-to-54-year-old participants who were subject to the time limit will stop accruing any countable months immediately on October 1, 2030. The Department expects 50-to-54-year-old participants who lost eligibility due to the time limit to return to the program gradually beginning in FY 2031. However, the Department is unable to estimate whether some eligible individuals will not return to the program due to being unaware of changes in the work requirement rules, stigma, or any other reason. As individuals who had not been subject to the time limit during the duration of this rule due to the three new exceptions within the rule become subject to the time limit and lose SNAP eligibility at their next recertification or screening during FY 2031, the Department estimates a one-time burden on 327,404 participants of 19.5 minutes related to work reporting administrative activities and to review and respond to NOAAs for a total of \$2.8 million in FY 2031. These estimates are based on a without-statute comparison. Since this provision is required by statute, there are no household burden costs compared to a with-statute baseline.

Combined Impacts for All Changes to Exceptions—State Agency Administrative Costs

Implementation: State agencies began incurring administrative costs to implement the FRA's changes to exceptions from the time limit in FY 2023 through various administrative activities, such as updating State eligibility systems; preparing for and executing worker training; updating relevant applications, notices, and forms; updating State SNAP regulations; and spending additional time with program participants to discuss program changes in relation to the individual's case.

The State administrative burden for initial implementation activities for all provisions

of the final rule was estimated to be approximately 469,177 hours nationwide, costing State agencies \$10.3 million for start-up activities in FYs 2023 and 2024, after 50 percent federal cost reimbursement.

Ongoing: On an ongoing basis, State agencies will need to discuss the time limit requirement, verify hours worked, and provide appropriate noticing to individuals who are newly subject to the time limit (estimated at 517,171 participants). This is estimated to take 15.5 minutes per individual and cost an estimated \$2.3 million in FY 2026, after 50 percent federal cost reimbursement. The State agency will incur an additional 4-minute burden for each of the estimated 282,056 participants who will need to be issued Notices of Adverse Action (NOAAs) due to not meeting the time limit for a total annual cost of \$327,479 in FY 2026, after 50 percent federal cost reimbursement.

Sunsetting: For the sunset of this provision on October 1, 2030, the Department estimates that State agencies will again need to complete eligibility system updates; train eligibility workers; update relevant applications, notices, and forms; update State SNAP regulations; and spend time with program participants who will be impacted by this change. The sunset of administrative costs are estimated to be a total one-time burden of 575,583 hours nationwide, costing State agencies about \$14.3 million in FYs 2030 and 2031, after 50 percent federal cost reimbursement. These sunset costs are required to implement the statutory requirements and are estimated against the without-statute baseline.

Combined Impacts for All Changes to Exceptions—Federal Administrative Costs

Implementation: In addition to the federal transfer effects previously discussed, the Department estimated it took the Federal Government approximately 90 hours to make all administrative updates pertaining to implementation of this final rule, resulting in an estimated one-time total expense of \$6,902 incurred in FY 2024. Of these 90 hours, the Department has identified that approximately 1.25 hours were spent by the Federal Government to implement the non-statutory screening provision (discussed further in part “D. Screening,” below); the Department estimates the remaining 88.75 hours to apply to the statutory provisions, including for all changes to exceptions. Additionally, the federal share of State agencies' administrative expenses to implement all provisions of the final rule was estimated to be a total one-time cost of \$10.3 million for start-up activities incurred in FYs 2023 and 2024; all State agency start-up costs are based in statutory provisions.

Ongoing: To provide administrative support throughout the duration of the FRA's changes to exceptions from the time limit, the Department estimates ongoing administrative costs to the Federal Government to be on average \$36.8 million annually during years of full implementation (FY 2026–FY 2030) for the federal share of State agencies' ongoing administrative expenses.

Sunsetting: The Department estimates a one-time cost of \$14.3 million in FYs 2030

and 2031 for the Federal share of State agencies' administrative sunset expenses. Additionally, the Department estimates it will take the Federal Government 63 hours to sunset all applicable provisions of this rule on October 1, 2030, with a total one-time federal administrative burden of \$5,949 in FY 2030, compared to a without-statute baseline. Of these 63 hours, 2.25 of them are related to the non-statutory screening provisions (detailed in part “D. Screening,” below); the remaining 60.75 hours are related to the statutory provisions within this rule.

C. Requirement To Adjust the Number of Discretionary Exemptions Available to State Agencies Each Year

Discussion: The FRA reduces the allotment of discretionary exemptions State agencies will accrue in each fiscal year. Prior to the FRA, each fiscal year each State agency accrued an allotment of one-month exemptions equal to 12 percent of its at-risk time-limited participants; this FRA provision lowers that rate to 8 percent, beginning with the allotment State agencies had available for use in FY 2024. The provision also restricts each State's ability to carryover unused discretionary exemptions between fiscal years from all unused discretionary exemptions to only those allotted during the prior fiscal year. Starting in FY 2026, State agencies will only carryover unused discretionary exemptions earned for the previous fiscal year, not including historical balances, and are instructed to apply discretionary exemptions in the order of accrual on a “first-in, first-out” basis. The impacts discussed in this section are estimated using a without-statute baseline for comparison. This provision has no effect when measured against a with-statute baseline.

Effect on SNAP Participants: It is difficult to predict the precise impacts of these two changes within each State, as well as across States. If a State agency was consistently using a high proportion of discretionary exemptions under the prior allotment of 12 percent, a small number of SNAP participants in that State may no longer receive a discretionary exemption and therefore lose SNAP eligibility as a result of the time limit. If a State agency was not using a high proportion of their discretionary exemptions prior to the FRA change, this change may have no effect on SNAP participants in that State. The most recent data available to Department indicate that State agencies typically use less than an 8 percent allotment of discretionary exemptions.

Between FY 2016 and FY 2019, only five instances were identified in which a State did not exceed their annual allotment, but used more exemptions than they would have earned for the fiscal year, assuming an allotment based on 8 percent of covered individuals.⁵⁵ As a result, this analysis scores

⁵⁵ Based on State agency-reported data on discretionary exemption usage. FY 2016–FY 2019 is used as the most recent period of data available as these are the most recent years in which State agencies used discretionary exemptions and during which the time limit was not waived nationwide by FFCRA.

the provision to lower allotments to 8 percent of covered individuals as having, at most, a nominal effect on SNAP benefit spending (transfers).

However, those State agencies that have exceeded an 8 percent allotment have tended to use many more exemptions than they had accrued for the relevant fiscal year. In other words, those States drew upon their banks of carried over exemptions. In the FY 2016–FY 2019 period, there were 33 instances of State agencies using carried over exemptions. Over those 33 instances, a total of 832,048 “banked” exemptions were used. Given that one exemption permits one time-limited participant to participate in SNAP for one additional month, this equates to approximately 69,337 individuals gaining a full year of SNAP participation (832,048 divided by 12 months) over the four-year period, or 17,334 individuals annually, on average. The Department does not have information on why States opted to use carried over exemptions in each of these cases. However, State agencies are known to use discretionary exemptions to exempt individuals from the time limit in areas that have been affected by a natural disaster or to mitigate the effects of an area losing coverage by a waiver of the time limit.

Beyond FY 2025, State agencies will no longer carryover unused exemptions indefinitely, which will reduce some State agencies’ banks of available exemptions. As a result, State agencies may have reduced ability to use discretionary exemptions to extend time-limited individuals’ SNAP participation in similar scenarios. However, the Department is unable to predict how many such scenarios could occur in future years and how a State agency would choose to use discretionary exemptions, nor how many individuals subject to the time limit may be affected.

When preparing the proposed rule, the Department theorized that State agency application of discretionary exemptions could change in FY 2024 and FY 2025, as State agencies could attempt to “spend down” discretionary exemptions that would otherwise expire. The “use-or-lose” scenario could have incentivized some State agencies to use more discretionary exemptions in FYs 2024 and 2025, which would have resulted in fewer individuals losing SNAP eligibility due to the time limit in these two fiscal years. However, data available from the first three quarters of FY 2024 indicate that discretionary exemption usage in FY 2024 is within the range of exemption usage rates that occurred between FY 2016–FY 2019. With the FY 2024 data indicating no changes to discretionary exemption application rates and given that State agencies typically under-use the discretionary exemptions available to them, the Department has not estimated any measurable changes to SNAP participation or transfers to occur in this final rule.

Effect on State Agencies: The implementation of this provision may require some State agencies to reconsider the State’s approach to using discretionary exemptions, which could add burden hours for these State agencies. We are unable to estimate how many State agencies may be affected but estimate the administrative burden to be nominal.

Effect on Federal Spending: The Department estimates nominal changes in federal transfers because of reductions in discretionary exemption allotments, from 12 percent to 8 percent, and restrictions on carryover of unused exemptions beyond one fiscal year. While a decrease in available discretionary exemptions would mean a federal transfer savings if States consistently used all discretionary exemptions available to them each year prior to the reduction, State agencies’ past patterns of discretionary exemption usages and data available from the first three quarters of FY 2024 suggest they will not fully apply all discretionary exemptions available to them.

As previously discussed in the analysis of changes to exceptions, the Department expects it took the Federal Government approximately 90 hours to make all administrative updates pertaining to implementation of this rule, resulting in an estimated one-time total expense of \$6,902 incurred in FY 2024. The Department estimates that 1.25 of these hours are related to the non-statutory screening provision, detailed in the following section, with the other 88.75 hours related to all statutory provisions. Additionally, as previously discussed, the federal share of State agencies’ administrative expenses to implement all provisions of the final rule was estimated to be a total one-time cost of \$10.3 million incurred in FYs 2023 and 2024. This provision is not expected to generate any ongoing administrative costs to the Federal Government. Finally, there are no sunset administrative costs pertaining to this provision, as it is enacted on a permanent basis.

D. Screening

Discussion: These provisions require an evaluation by the eligibility worker of an individual for all exemptions from the general work requirement, all exceptions from the time limit, and whether the individual should be referred for participation in an employment and training program.⁵⁶ The Department refers to this process as “screening.” Currently, screening is required at initial and recertification application as the Act provides that individuals must not be subject to the time limit if they meet one of the exceptions listed in Sec. 6(o)(3) of the Act. However, this requirement has not been codified in regulation to date. In the final rule, the Department clarifies that State agencies must screen individuals for all exemptions and continue screening even once an individual meets one exemption. State agencies are prohibited from assigning countable months to an individual if the State agency has not screened them for all exceptions, including the new exceptions established by the FRA. If an individual subject to the time limit has a change in circumstances that results in them now meeting an exception, the State agency cannot assign a countable month if the information is not questionable. This is a longstanding expectation of State agencies

that the Department is codifying in the final rule to ensure countable months are not applied inappropriately. These screening provisions now being codified in regulation are existing expectations necessary to apply the exemptions and exceptions required by statute (including those added by the FRA).

Based on comments, the final rule also adds a requirement that State agencies are required to apply the exception that will last the longest when an individual meets more than one exception. This new requirement is the only non-statutory provision within the final rule, and therefore, the only provision that results in quantifiable effects under a with-statute comparison. In the analysis that follows, impacts will be discussed compared to without-statute and with-statute baselines.

Effect on SNAP Participants: Screening provisions are intended to ensure consistent application of screening standards and practices by all State agencies. The Department does not currently have information available that would indicate changes in how many individuals may retain SNAP eligibility as a result of codifying this requirement for State agencies to screen for exceptions from the time limit and exemptions from the SNAP work requirements.

While there are no estimated benefit changes as a result of these screening provisions, SNAP participants are expected to bear an administrative burden due to increased screening. FNS estimates that screening for exceptions from the time limit and screening for exemptions from the general work requirement each require approximately 4 minutes of a participant’s time. Some participants will only incur a 4-minute burden because they are only subject to the general work requirement. Individuals subject to the time limit are also subject to the general work requirement and therefore will incur 8 minutes of burden, per screening. In total, screening will affect approximately 20.1 million SNAP participants and equal approximately 1.9 million additional hours annually in FY 2026. This would equate to an estimated annual burden of \$44.5 million across all individuals in FY 2026. Because this provision of the rule does not sunset, it will result in ongoing costs beyond FY 2030, though we note that after FY 2030 screening for the time limit will again only apply to 18-to-49-year-olds, reducing burden on individuals aged 50 to 54.

We do not estimate any burden on participants that is attributable to the non-statutory requirement to apply the longest exception, so there are no participant burden costs when compared to a with-statute baseline.

Effect on State Agencies: State agencies are expected to bear the administrative cost of updating their internal screening policies and practices; train workers on new procedures; and carry out any other administrative steps necessary to implement this provision. As discussed previously, the State administrative burden for initial implementation activities for all provisions of the final rule was estimated to be approximately 469,177 hours nationwide, costing State agencies \$10.3 million for start-

⁵⁶ Screening for participation in employment and training programs is not considered a part of the E&T program.

up activities (including system changes) incurred in FYs 2023 and 2024, after 50 percent federal cost reimbursement. These implementation costs were required to implement the statutory requirements and are estimated against the without-statute baseline.

Due to the additional estimated 4 or 8 minutes of time spent with participants during the screening process, explained above, the average annual projected administrative burden to State agencies is 1.5 million hours, or approximately \$32.4 million annually in FY 2026 after 50 percent federal cost reimbursement, when compared to a without-statute baseline. Of the State agency staff time spent screening participants, approximately 0.5 minutes are estimated to be related to the non-statutory requirement to apply the longest exception to the client's case. When compared to a without-statute baseline, the Department estimates an average annual administrative burden to State agencies of 177,142 hours, or approximately \$4.1 million in FY 2026 after 50 percent federal cost reimbursement.

Because the screening provisions of the rule do not sunset, there are no expected administrative costs of sunsetting these provisions.

Effect on Federal Spending: Federal administrative burden associated with implementing the final rule in a without-statute comparison have been discussed in previous sections of the RIA. In a with-statute comparison, the Department estimates 1.25 hours of federal administrative burden to implement the non-statutory screening provision to apply the longest lasting exception (an approximately \$97 cost at start-up in FY 2024).

The ongoing federal share of State agencies' administrative expenses to comply with this update is estimated to be approximately \$32.4 million annually in FY 2026 for 53 State SNAP agencies in a without-statute comparison. In a with-statute comparison, the estimated federal share of State agencies' administrative expenses is estimated to be approximately \$4.1 million annually in FY 2026.

While the screening provisions are enacted on a permanent basis, the Department estimates 2.25 hours of federal administrative burden in relation to providing guidance to State agencies regarding identifying exceptions that last the longest, due to sunset of the three new exceptions identified in the FRA, and how to operationalize the changes when screening for the longest exception. This cost to the Federal Government is estimated to be \$187 in FY 2030.

VI. Qualitative Assessment

There are secondary impacts of the FRA's provisions—that might be in addition to the direct impacts discussed in the preceding section, or might represent different manifestations of the same effects—which are difficult to quantify, like effects on food security, poverty, and health. As such, this section will qualitatively discuss current research on the secondary effects of SNAP participation. The Department notes that while there are studies that generally describe the relationships between SNAP,

food security, poverty, and health care costs, these studies do not permit quantitative estimation of costs or benefits specific to the time-limited SNAP participants affected by this final rule.

Several studies have attempted to measure the effect of SNAP receipt on food insecurity. One study has estimated receipt of SNAP to reduce the likelihood of being food insecure by roughly 30 percent and to reduce the likelihood of being very food insecure by 20 percent.⁵⁷ Another study estimates the impact of SNAP participation to reduce food insecurity by 7.1 percentage points.⁵⁸ A third study concludes that among the group of SNAP recipients who reported being most food insecure prior to program participation, receipt of SNAP is shown to increase the likelihood of having high food security by 20 to 30 percentage points.⁵⁹ While the precise estimates on reduction of food insecurity vary depending on the study's methodology, SNAP participation is shown to increase the food security of participating households. The outcomes of these studies lead the Department to expect that individuals who retain or gain SNAP eligibility as a result of the provisions of this final rule (estimated to be 397,000 individuals in FY 2026) may experience improved food security. Correspondingly, individuals who lose SNAP eligibility as a result of this rule's provisions (estimated to be 301,000 individuals in FY 2026) may experience increased likelihood of food insecurity.

Furthermore, increased food security is shown to positively impact broader health outcomes, benefiting the person directly as well as reducing societal health care costs. A USDA report titled "Food Insecurity, Chronic Disease, and Health Among Working-Age Adults" documents the correlation between low food security status and higher rates of chronic health conditions, finding that "the number of chronic conditions for adults in households with low food security is, on average, 18 percent higher than for those in high-food secure households."⁶⁰ The range of working-aged adults (defined in this report as ages 18 to 64) in households with lower food security status have elevated probabilities of chronic disease diagnosis for all 10 conditions examined in the report. Additionally of note, given the group of individuals losing SNAP eligibility as a result

of this rule is limited to 50-to-54-year-olds, this research also indicates an increased likelihood of chronic illness with age, potentially exacerbating the impact of the loss of SNAP for this older cohort of childless adults without disabilities.

In another study examining the relationship between food security and health as measured by cost-related medication underuse, it was found that compared to those with high food security, those with very low food security had about 4 times higher odds of skipping medication to save money.⁶¹ Aside from the direct health benefit to the individual, SNAP participation is also shown to reduce health care spending^{62 63 64} and improve health as measured by the participant's self-assessed health, sick days, office-based visits, and outpatient visits.⁶⁵ The Department expects, based on this research, that individuals who gain or retain SNAP eligibility (397,000 in FY 2026) as a result of this final rule could have improved health outcomes and therefore incur lower health care expenditures, while the inverse is expected for individuals who will lose SNAP eligibility (301,000 in FY 2026) due to this rule's provisions.

SNAP receipt is also estimated to support the economy beyond food expenditures. One USDA study finds the gross domestic product (GDP) multiplier of SNAP during an economic downturn to be 1.5, which means that \$1 billion in new SNAP spending during a downturn "induces further new spending in the economy that collectively increases GDP by \$1.54 billion, supports 13,560 jobs, and creates \$32 million in farm income."⁶⁶

⁶¹ Dena Herman, Patience Afulani, Alisha Coleman-Jensen, Gail G. Harrison, "Food Insecurity and Cost-Related Medication Underuse Among Nonelderly Adults in a Nationally Representative Sample", *American Journal of Public Health* 105, no. 10 (October 1, 2015): pp. e48–e59. <https://doi.org/10.2105/AJPH.2015.307212>.

⁶² Berkowitz SA, Seligman HK, Rigdon J, Meigs JB, Basu S, "Supplemental Nutrition Assistance Program (SNAP) Participation and Health Care Expenditures Among Low-Income Adults", *JAMA Intern Med*. 2017 Nov 1;177(11):1642–1649. doi: 10.1001/jamainternmed.2017.4841. PMID: 28973507; PMCID: PMC5710268.

⁶³ Kollannoor-Samuel, G., Boelcke-Stennes, K.A., Nelson, J., Martin, E., Fertig, A.R., & Schiff, J. (2022). "Supplemental Nutrition Assistance Program Participation is Associated with Lower Health Care Spending among Working Age Adults without Dependents", *Journal of Health Care for the Poor and Underserved* 33(2), 737–750. <https://doi.org/10.1353/hpu.2022.0060>.

⁶⁴ Lisa Dillman, Ph.D., MEd, Joan Eichner, DrPH, MPH, MPA, Ashley Humienny, MBA, Suzanne Kinsky, Ph.D., MPH, Qingfeng Liang, MS, MA, Elaine Yuen Ling Kwok, Ph.D., CCC-SLP, and Julian Xie, MD, MPP, "The Impact of Supplemental Nutrition Assistance Program (SNAP) Enrollment on Health and Cost Outcomes," *NEJM Catal Innov Care Deliv* 2023;4(6), May 2023, <https://catalyst.nejm.org/doi/full/10.1056/CAT.22.0366>.

⁶⁵ Christian A. Gregory, Partha Deb, "Does SNAP improve your health?", *Food Policy*, Volume 50, 2015, Pages 11–19, ISSN 0306–9192, <https://doi.org/10.1016/j.foodpol.2014.09.010>. (<https://www.sciencedirect.com/science/article/pii/S0306919214001419>).

⁶⁶ Canning, Patrick and Brian Stacy, "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP

Continued

⁵⁷ Ratcliffe, C., McKernan, S. and Zhang, S. (2011), "How Much Does the Supplemental Nutrition Assistance Program Reduce Food Insecurity?", *Amer. J. of Ag. Econ.*, 93: 1082–1098. <https://doi.org/10.1093/ajae/aar026>.

⁵⁸ Christopher A. Swann, "Household history, SNAP participation, and food insecurity", *Food Policy*, Volume 73, 2017, Pages 1–9, ISSN 0306–9192, <https://www.sciencedirect.com/science/article/pii/S0306919217306796>.

⁵⁹ Partha Deb, Christian A. Gregory, "Who Benefits Most from SNAP? A Study of Food Security and Food Spending", *National Bureau of Economic Research, Working Paper 22977*, December 2016, <http://www.nber.org/papers/w22977>.

⁶⁰ Christian A. Gregory, Alisha Coleman-Jensen, "Food Insecurity, Chronic Disease, and Health Among Working-Age Adults", ERR–235, U.S. Department of Agriculture, Economic Research Service, July 2017, <https://www.ers.usda.gov/publications/pub-details/?pubid=84466>.

Another study similarly found evidence that SNAP receipt had positive sizable impacts on food, housing, and education expenditures.⁶⁷ As individuals are gaining or losing SNAP benefits as a result of this rule, the Department expects the corresponding expenditures on food or other goods and the resulting impact on the economy to fluctuate in the same direction as the overall transfer impact of this rule.

Furthermore, should the country experience another economic downturn similar to the COVID-19 pandemic or for another unforeseen reason throughout the 9-year analysis period of this rule, the Department would expect to see spending impacts related to the estimated 1.5 multiplier.

In conclusion, the individuals who will retain or gain eligibility for SNAP benefits are more likely to experience increased food security, improved health outcomes, and lower health care expenditures than those without SNAP benefits. Conversely, individuals who will lose SNAP benefits as a result of this rule are more likely to experience the opposite of these benefits—decreased food security, worsened health outcomes, and higher health care expenditures.

VII. Distributive Impacts

Distributive impacts discussed in this section are based on analyses using a without-statute baseline for comparison.

A. Differences in State-Level Impacts

Effects of the FRA's provisions in the final rule vary by State due to differences in demographics, as well as differences in how States administer SNAP. For example, States that regularly qualify for and request waivers of the time limit will have smaller portions of their participants affected by changes to the time limit requirement. The provision to make 50-to-54-year-olds subject to the time

limit will have slightly different effects on States' participants, depending on the share of their participants that falls into the newly expanded ABAWD age range. While 1.9 percent of all SNAP participants are estimated to fall into the expanded 50-to-54-year-old age range of time-limited participants, the share of each State's SNAP participants varies from 0.7 percent in Wyoming, to 3.3 percent in the District of Columbia. See Appendix Table A for estimates for each State.

Similarly, the distribution of individuals experiencing homelessness across the U.S. is not uniform. Information available from the U.S. Department of Housing and Urban Development (HUD) indicates that the homeless population in the U.S. is concentrated in a handful of States. The January 2023 Point-in-Time estimates⁶⁸ of homeless individuals from HUD indicate that over half of all individuals experiencing homelessness in the U.S. (56.8 percent) lived in just five States: California, New York, Florida, Washington, and Texas. California, alone, accounted for 27.8 percent of all individuals experiencing homelessness in the Point-in-Time Count.

The share of each State's SNAP participants who are experiencing homelessness, or are time-limited participants *and* experiencing homelessness, also varies. Nationally, about 3.5 percent of SNAP participants are experiencing homelessness, according to FY 22 SNAP QC data. More specifically, about 1.9 percent of SNAP participants are considered subject to the time limit and experiencing homelessness. The State with the lowest share of time-limited participants experiencing homelessness is Texas (0.2 percent) and the State with the highest share is Rhode Island (4.7 percent). See Appendix Table B for estimates for each State.

It should be noted that the accuracy of the estimates in this section can be affected by the size of a State's caseload. States with smaller caseloads also have smaller SNAP QC data samples, which can affect the reliability of State-level estimates for subgroups of the SNAP caseload, like those experiencing homelessness.

B. Differences Among Subgroups

While the time limit does not apply to individuals who are considered disabled or elderly by SNAP rules, the Department acknowledges that some SNAP participants who are elderly or disabled may nevertheless be affected by the provisions in the final rule. A small share of individuals subject to the time limit (7.3 percent) are in a SNAP household with an elderly or disabled person. If these individuals lose eligibility because of the time limit, their household will experience a decrease in total SNAP benefits available to the household. The provisions included in this final rule will not affect SNAP households with children, as individuals subject to the time limit, by definition, do not have children in their SNAP household.

Individuals affected by the provisions in the final rule are more likely to be male, when compared to all adults between ages 18 and 54 in the SNAP caseload (51 percent, compared to 35 percent). While participants subject to the time limit between ages 18 and 54 and those who experience homelessness are more likely to be male (51 percent and 65 percent, respectively), those who are over age 50 are more likely to be female (52 percent). See Table 9, below, for estimates of the sex of SNAP participants in several subgroups affected by the final rule's provisions. The Department does not have data on the sex of SNAP participants who are subject to the time limit who are also veterans or former foster youth.

Table 9: Sex of SNAP Participants Affected by Final Rule's Provisions

Sex	All SNAP participants ages 18-54	Time-limited participants, ages 18-49	Time-limited participants, ages 50-54	All time-limited participants, ages 18-54	Time-limited participants, ages 18-54 experiencing homelessness
Male	35%	52%	48%	51%	65%
Female	65%	48%	52%	49%	35%
Total	100%	100%	100%	100%	100%

Data from FY 2022 SNAP QC data.

The distribution of races and Hispanic ethnicity among SNAP participants affected

by the final rule is generally similar to the distribution among all SNAP participants

ages 18 to 54. SNAP participants subject to the time limit ages 18 to 54 have roughly the

Multiplier," ERR-265, U.S. Department of Agriculture, Economic Research Service, July 2019. <https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=7831.1>.

⁶⁷ Jiyeon Kim, "Do SNAP participants expand non-food spending when they receive more SNAP Benefits?—Evidence from the 2009 SNAP benefits increase," Food Policy, Volume 65, 2016, Pages 9–20, ISSN 0306–9192, <https://doi.org/10.1016/j.foodpol.2016.10.002>. (<https://>)

www.sciencedirect.com/science/article/pii/S0306919216304341.

⁶⁸ Available here: <https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>.

same likelihood of being white or black (38 percent and 29 percent, respectively) as all SNAP participants ages 18 to 54 (38 percent and 27 percent). SNAP participants who are subject to the time limit and experiencing homelessness have a similar distribution of races and Hispanic ethnicity as all SNAP participants and all time-limited participants. While the measures are close, individuals experiencing homelessness are slightly less

likely to be white or Hispanic or Latino of any race (35 percent and 11 percent, respectively) than SNAP participants ages 18 to 54 (38 percent and 12 percent), and more likely to be black (33 percent) compared to all SNAP participants ages 18 to 54 (27 percent). It is important to note that the Department does not have data on the race or ethnicity of 17 percent of SNAP participants ages 18 to 54, which could affect

these estimates. See Table 10, below, for estimates of the race and ethnicity of SNAP participants in several subgroups affected by the final rule's provisions. The Department does not have SNAP QC data on the race or ethnicity of SNAP participants who are subject to the time limit who are also veterans or former foster youth.

Table 10: Race and Ethnicity of SNAP Participants Affected by Final Rule's Provisions⁶⁹

Race/Ethnicity	All SNAP participants ages 18-54	Time-limited participants, ages 18-49	Time-limited participants, ages 50-54	All time-limited participants, ages 18-54	Time-limited participants, ages 18-54 experiencing homelessness
White	38%	37%	47%	38%	35%
American Indian/Alaska Native	1%	1%	1%	1%	1%
Asian	2%	2%	3%	2%	1%
Black or African American	27%	30%	24%	29%	33%
Native Hawaiian or Pacific Islander	0.4%	0.4%	0.2%	0.3%	0.2%
Multiple Races	2%	2%	3%	3%	2%
Hispanic or Latino of any race	12%	12%	9%	11%	11%
Missing	17%	15%	13%	15%	17%
Total*	100%	100%	100%	100%	100%

Data from FY 2022 SNAP QC data.

*Totals may not add due to rounding.

VIII. Uncertainties

A. Effectiveness of Screening for New Exceptions

In this analysis, the Department assumes that all individuals subject to the time limit are correctly screened for qualifying exceptions. For example, we assume that all individuals who are experiencing homelessness and subject to the time limit are correctly excepted. Human error (which could be contributed to by instances of understaffing in State agencies) is likely to result in some share of individuals not receiving an exception for which they qualify, as well as some individuals receiving an exception for which they do not qualify. It is also possible that some participants will not disclose information that could lead to an exception (for example, a participant may not want to disclose their experience with the foster care system). As a result, the count of SNAP participants who lose eligibility or

retain eligibility due to the final rule could be higher or lower in reality. However, given that the Department estimates that the share of individuals losing eligibility is very similar to the share receiving one of the three new exceptions, we do not anticipate that the overall net transfer impact of the rule would change significantly.

B. ABAWD Waiver Coverage in Future Years

The number of SNAP participants who are subject to the time limit at any given time is affected by the extent of geographic waivers of the ABAWD time limit. In this RIA, we assume the national unemployment rate will remain low through FY 2031. As a result, we also assume that fewer SNAP participants (about 40 percent) will live in an area covered by a waiver of the time limit than is true during economic downturns, like the Great Recession or the COVID-19 public health emergency. If a higher share of individuals live in an area where the time

limit is waived, then both transfer increases and decreases will be reduced. Fewer 50-to-54-year-olds would lose eligibility due to the time limit, reducing transfer savings. Conversely, if individuals who receive an exception from the time limit due to being a veteran, homeless, or a qualifying former foster youth live in an area with a waiver of the time limit, there would be no transfer increase associated with their retaining eligibility because of an exception.

Alternatively, if a lower share of individuals live in an area where the time limit is waived, then both transfer increases and decreases would rise. However, given that the Department estimates that the share of individuals losing eligibility is very similar to the share of individuals retaining eligibility, we do not anticipate that the overall net transfer impact of the rule would change significantly.

⁶⁹This table does not comply with OMB's Statistical Policy Directive (SPD) No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity, because the data were

collected prior to SPD 15's publication on March 28, 2024. More information can be found here: [https://www.federalregister.gov/documents/2024/03/29/2024-06469/revisions-to-ombs-statistical-](https://www.federalregister.gov/documents/2024/03/29/2024-06469/revisions-to-ombs-statistical-policy-directive-no-15-standards-for-maintaining-collecting-and-presenting-federal-data-on-race-and-ethnicity)

[policy-directive-no-15-standards-for-maintaining-collecting-and-presenting-federal-data-on-race-and-ethnicity](https://www.federalregister.gov/documents/2024/03/29/2024-06469/revisions-to-ombs-statistical-policy-directive-no-15-standards-for-maintaining-collecting-and-presenting-federal-data-on-race-and-ethnicity).

C. Number of Individuals Who Will Be Eligible for New Exceptions for Veterans and Former Foster Youth

Unlike homelessness, the Department does not gather data on whether SNAP applicants or participants are veterans or former foster youth. Therefore, we are unable to precisely estimate how many individuals who may be subject to the time limit may benefit from these two new exceptions. This RIA contains the Department’s best estimates of how many individuals may be affected. If the number of individuals who receive one of these two new exceptions is higher than anticipated, there would be a slight increase in transfers. If the number is lower than anticipated, there would be a slight decrease in transfers. Given that the Department believes time-limited

individuals who are veterans or former foster youth up to age 24 make up a small portion of SNAP participants (cumulatively, approximately 0.31 percent of participants), we do not expect this uncertainty to result in significant changes to the net transfer impact associated with the final rule.

IX. Sensitivity Analysis

Table 11, below, illustrates how the RIA’s estimates might change if different assumptions regarding the uncertainties discussed above were used. Each scenario is measured against a without-statute baseline for comparison. Sensitivity analysis estimates were produced using the same general methodology as the primary estimates in the RIA. Alternative assumptions used for the sensitivity analysis include:

A. Assume 10 percent of estimated groups receiving a new exception are not appropriately identified during screening and do not receive the exception.

B. Assume employment outcomes are worse than anticipated and waiver coverage settles at 10 percentage points higher than projected.

C. Assume employment outcomes are better than anticipated and waiver coverage settles at 10 percentage points lower than projected.

Table 11 breaks down each scenario’s impact on overall federal transfers during the first year of full implementation (FY 2026), as well as over the nine-year analysis period of this RIA, FY 2023 through FY 2031.

Table 11: Sensitivity Analysis, in comparison to a without-statute baseline

Estimated Change in SNAP Benefits (\$Millions)	One-Year (FY 2026)	Nine-Year (FY 2023 – 2031)
In RIA as finalized	\$420.1	\$3,538.2
Scenario A: Assume 10% less effective screening for exceptions	\$292.6	\$2,663.4
Scenario B: Assume 10 percentage point increase in waiver coverage	\$344.5	\$2,916.7
Scenario C: Assume 10 percentage point decrease in waiver coverage	\$495.8	\$4,159.6

The final rule results in a 0.40 percent increase in total SNAP benefit spending over the nine-year period of analysis, or \$420.1 million in FY 2026 and \$3.5 billion over FY 2023–FY 2031. If screening for the three new exceptions in this rule were to be conducted with only 90 percent efficacy (thereby reducing the number of those excepted by 10 percent) as demonstrated in Scenario A, total SNAP benefit spending would increase to a smaller degree, by 0.30 percent. In FY 2026, Scenario A would decrease the cost of the final rule by \$127.5 million, compared to the primary estimates in this RIA. Over the nine-year period FY 2023–FY 2031, Scenario A would decrease the cost of the final rule by approximately \$874.7 million, compared to the primary estimates in this RIA. The smaller increase in transfers under Scenario A is due to fewer time-limited participants retaining SNAP eligibility as a result of the FRA’s three new exceptions from the time limit.

Analyses of Scenarios B and C indicate that a 10-percentage point increase or decrease to the share of individuals covered under waivers of the time limit would result in a corresponding \$75.6 million increase or decrease in overall SNAP spending in reference year FY 2026 (\$621.5 million over FY 2023–FY 2031) compared to the primary estimates in this RIA. This represents approximately a 0.07 percentage-point increase or decrease in transfer spending.

X. Alternatives

With one exception, the policy changes analyzed in this RIA were prescribed by the FRA; therefore, assessment of policy alternatives is limited.

Alternatives Considered in the Proposed Rule

The proposed rule would implement changes to exceptions from the time limit in a way that closely adheres to the FRA’s statutory language. To implement the FRA’s changes to the time limit, the Department had provided definitions of who qualifies for the FRA’s new exceptions from the time limit for individuals experiencing homelessness, veterans, and former foster youth up to age 24 in the proposed rulemaking. However, these definitions do not expand upon the categories included in the FRA.

The Department had determined the clarification of definitions of who qualifies for the FRA’s new exceptions to have limited effect on the welfare effects of the rule. The Department did not consider alternative definitions for these groups in the proposed rule because it sought to align its definitions with the terms used in the FRA and with definitions used by federal agencies who are experts in serving those groups, to the extent allowable by the Food and Nutrition Act of 2008, as amended.

The Department also proposed to amend the regulations to clarify requirements for screening individuals for exceptions from the work requirements and time limit. This

provision required State agencies to screen for exceptions at initial and recertification application and prohibits them from assigning countable months to an individual if the State agency has not screened the individual for exceptions. Further, it also addressed State agency responsibilities when an individual experiences a change in circumstances during the certification period that results in a change in exception status.

The Department considered finalizing the proposed rule without this screening requirement. Omitting the screening requirement would not have had a measurable effect on transfers, but may have reduced measurable State administrative expenses and federal administrative costs. However, in the absence of regulations clarifying screening requirements, questions from State agencies arose during FRA implementation of how and when it may identify if an individual meets one of the new exceptions from the time limit. Screening is implicitly necessary absent any action in this rule. As such, the Department determined that standardizing national screening practices was necessary to improve consistency in program operations and provide quality customer service in line with the December 13, 2021, Executive Order on *Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government*. To effectively ensure screening practices are standard across State agencies, the Department proposed requiring State

agencies to first screen for exemptions from the general work requirement, as this is an important first step in evaluating which, if any, work requirements apply to an individual, since individuals are not subject to the time limit if they meet an exemption from the general work requirement. The proposed rule therefore clarified requirements on both screening for the general work requirement, as well as to determine whether an individual is subject to the time limit, in order to ensure uniform national practices.

Alternatives Considered in the Final Rule

Comments received on the proposed rule have been reviewed, discussed, and responded to in the preamble to this final rule. This section will summarize any policy changes from the proposed rule that were considered due to public comment and could have had an impact on the estimates in this RIA.

During the public comment period, the Department received 17 comments on the

definition of “homeless individual,” with several of these requesting a more explicit definition of “imminently homeless” and several requesting to add a list of scenarios that would meet the criteria of “imminently homeless.” The Department assessed the possibility of updating the definition provided in line with these comments, but decided to finalize the definition as proposed in order to maintain flexibility for State agencies to review how other assistance programs define homeless individuals and better coordinate across programs to identify and reduce administrative burden in verifying individuals who meet the exception. Had this definition been revised to a more prescriptive definition, the Department would have estimated a moderate change to State administrative burden and to the burden on individuals throughout the screening process.

The Department additionally received two comments requesting clarification that screening of individuals must be performed orally. The Department determined that

adjusting this requirement in all cases can limit flexibility in responding to changing needs of SNAP participants and State agencies. As such, the Department recommends that State agencies conduct screenings orally as a best practice. In consideration of this alternative, the Department also notes that imposing the requirement of oral screenings would have increased the administrative burden associated with this provision.

As noted in consideration of alternatives during development of the proposed version of this rule, the provisions in this final rule are largely driven by the FRA’s mandate, leaving limited room for consideration of alternatives while finalizing the rule. The Department did not consider any further alternatives for inclusion in either the proposed or final rule.

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Appendix Table A: Estimated Share of the SNAP Participants Who Are 50-to-54-Year-Old Time-Limited Participants, by State

State	Share of participants that are 50-to-54- years-old and time- limited
Alabama	1.8%
Alaska	1.8%
Arizona	2.1%
Arkansas	2.5%
California	1.7%
Colorado	3.1%
Connecticut	2.5%
Delaware	2.5%
District of Columbia	3.3%
Florida	2.0%
Georgia	1.4%
Guam	0.8%
Hawaii	2.5%
Idaho	1.1%
Illinois	2.0%
Indiana	1.4%
Iowa	2.2%
Kansas	1.3%
Kentucky	2.1%
Louisiana	1.5%
Maine	1.8%
Maryland	2.8%
Massachusetts	1.6%
Michigan	1.9%
Minnesota	1.2%
Mississippi	1.7%
Missouri	1.5%
Montana	1.8%
Nebraska	1.7%
Nevada	2.3%
New Hampshire	0.9%
New Jersey	1.0%
New Mexico	2.4%
New York	2.0%
North Carolina	2.2%
North Dakota	1.2%
Ohio	2.0%
Oklahoma	1.8%
Oregon	2.7%

Pennsylvania	1.8%
Rhode Island	1.7%
South Carolina	2.0%
South Dakota	1.5%
Tennessee	1.8%
Texas	1.4%
Utah	2.0%
Vermont	1.2%
Virginia	3.1%
Virgin Islands	2.5%
Washington	2.8%
West Virginia	2.7%
Wisconsin	2.0%
Wyoming	0.7%
U.S. Total	1.9%

**Appendix Table B: Estimated Share of the
SNAP Participants Who Are Time-Limited
and Experiencing Homelessness, by State**

State	Share of participants experiencing homelessness	Share of participants who are time-limited and experiencing homelessness
Alabama	1.0%	0.7%
Alaska	4.8%	1.9%
Arizona	4.3%	3.1%
Arkansas	1.3%	0.8%
California	9.0%	4.6%
Colorado	5.9%	3.8%
Connecticut	1.9%	1.4%
Delaware	4.1%	2.5%
District of Columbia	8.5%	3.9%
Florida	2.8%	1.2%
Georgia	2.2%	1.4%
Guam	1.1%	0.7%
Hawaii	4.6%	2.2%
Idaho	3.1%	0.3%
Illinois	2.0%	1.4%
Indiana	2.3%	1.5%
Iowa	1.0%	0.9%
Kansas	2.4%	1.3%
Kentucky	1.3%	0.6%
Louisiana	2.4%	1.1%
Maine	2.8%	1.2%
Maryland	2.8%	1.6%
Massachusetts	5.6%	3.0%
Michigan	4.2%	2.7%
Minnesota	3.5%	1.6%
Mississippi	0.4%	0.3%
Missouri	4.3%	2.6%
Montana	4.2%	1.8%
Nebraska	2.7%	1.7%
Nevada	4.8%	3.0%
New Hampshire	3.1%	2.1%
New Jersey	2.5%	1.1%
New Mexico	5.6%	4.2%
New York	3.5%	2.3%
North Carolina	1.3%	0.6%
North Dakota	1.4%	0.5%
Ohio	2.2%	0.7%
Oklahoma	1.7%	1.1%
Oregon	6.6%	3.3%
Pennsylvania	0.7%	0.5%

Rhode Island	6.0%	4.7%
South Carolina	1.8%	0.8%
South Dakota	2.1%	1.6%
Tennessee	2.5%	1.6%
Texas	0.8%	0.2%
Utah	6.6%	4.1%
Vermont	5.7%	2.2%
Virginia	1.5%	0.9%
Virgin Islands	3.4%	1.6%
Washington	6.5%	4.7%
West Virginia	0.6%	0.5%
Wisconsin	5.2%	3.7%
Wyoming	1.4%	0.5%
U.S. Total	3.5%	1.9%

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