

SNAP's New Reality: Expanded Work Requirements, Cost Shifts to States, and Benefit Adjustment Changes

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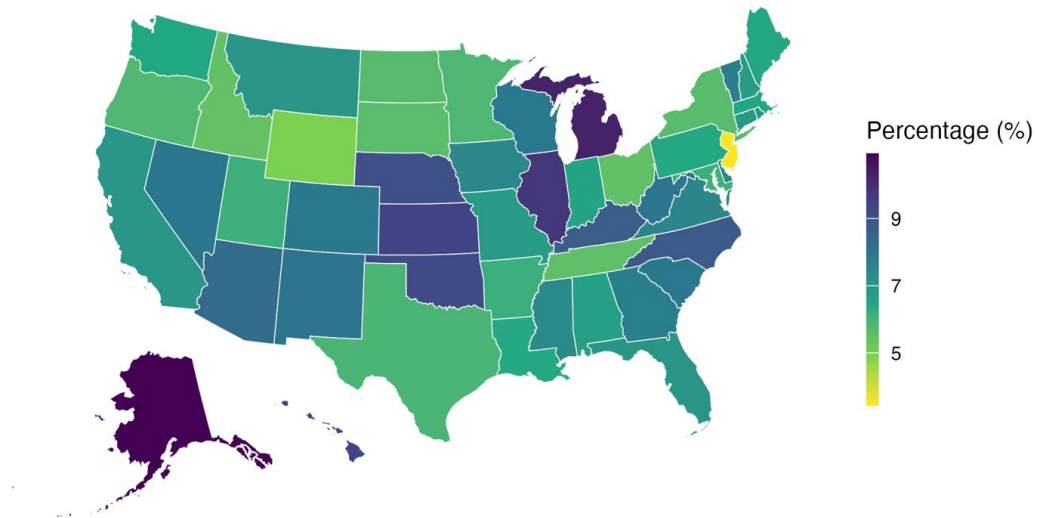
Overview

The One Big Beautiful Bill (OBBB), signed into law in July 2025, makes the largest changes to SNAP in over a decade. The Congressional Budget Office estimates federal SNAP spending will decline by \$186 billion over the next ten years. Three provisions account for more than 90% of the estimated declines in spending: expanded work requirements, a new federal-to-state cost shift, and restored cost-neutrality for benefit adjustments.

1. Expanded Work Requirements

The OBBB raises the age ceiling for able-bodied adults without dependents (ABAWDs) from 55 to 65 and narrows the dependent-child exemption from under 18 to under 14. These changes expose older workers, parents of teenagers, and formerly waived populations to strict time-limited benefit rules requiring 80 hours of monthly work or training. Adults in their late 50s and early 60s often face health challenges, caregiving demands, and age discrimination in hiring, which makes compliance harder in practice.

(a) Share



(b) Count

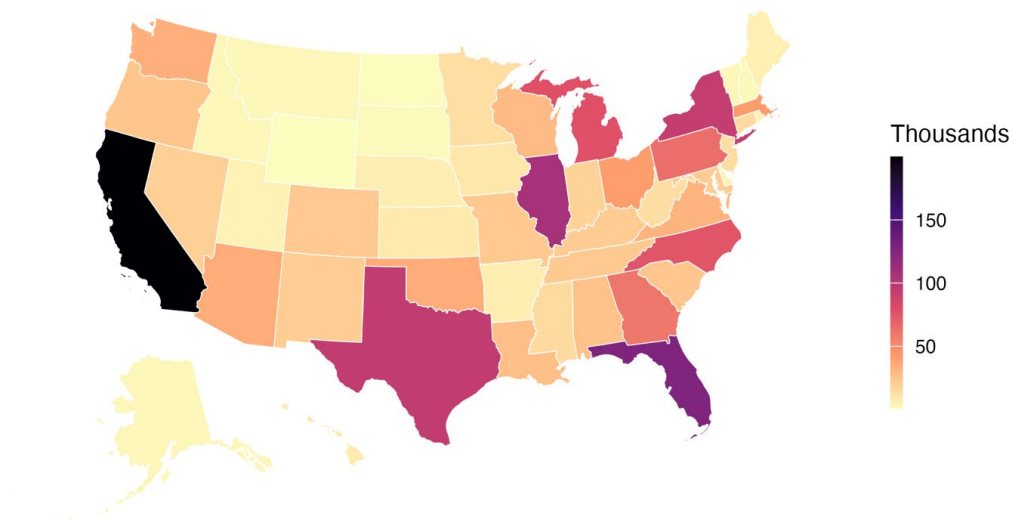
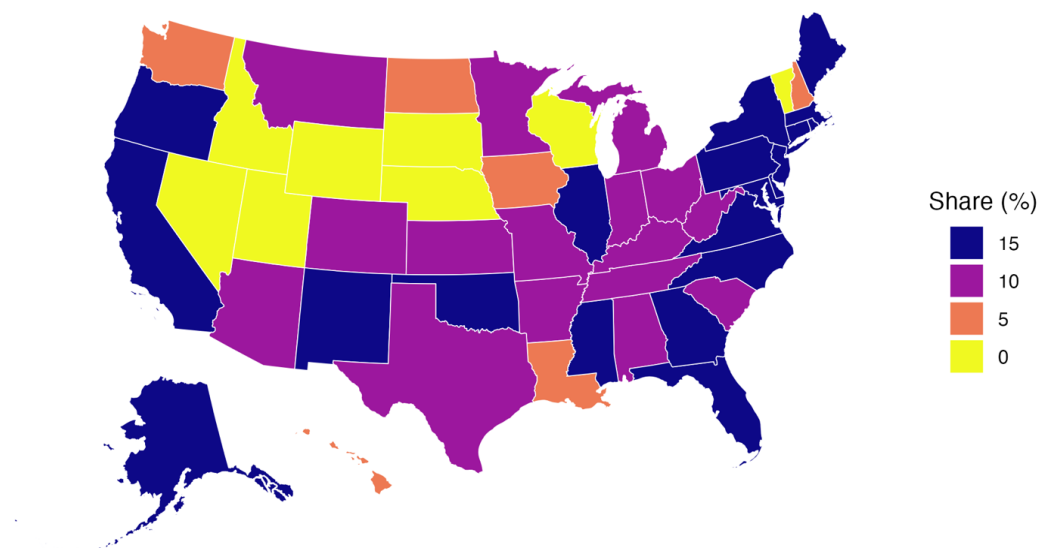


Figure 1. Share (a) and count (b) of SNAP households newly subject to work requirements
Source: SNAP QC Database FY 2023; USDA SNAP Data Tables Oct. 2023.

2. Federal Costs Shift to States

States previously bore 50% of administrative costs and 0% of benefit costs. Under the OBBA, states' administrative cost share rises to 75%, and most states must now share between 5–15% of benefit (allotment) costs based on their SNAP payment error rate from three years prior. States with error rates at or above 10%—often those serving more complex, diverse populations—face the steepest penalties. California faces an estimated \$2.5 billion in annual SNAP obligations; New York, \$1.9 billion; Florida, \$1.3 billion; Texas, \$1 billion. Budget pressures may lead states to cut SNAP outreach or tighten eligibility and will undermine SNAP's countercyclical role during recessions.

(a) State SNAP Contribution Rate



(b) State Annual SNAP Obligation

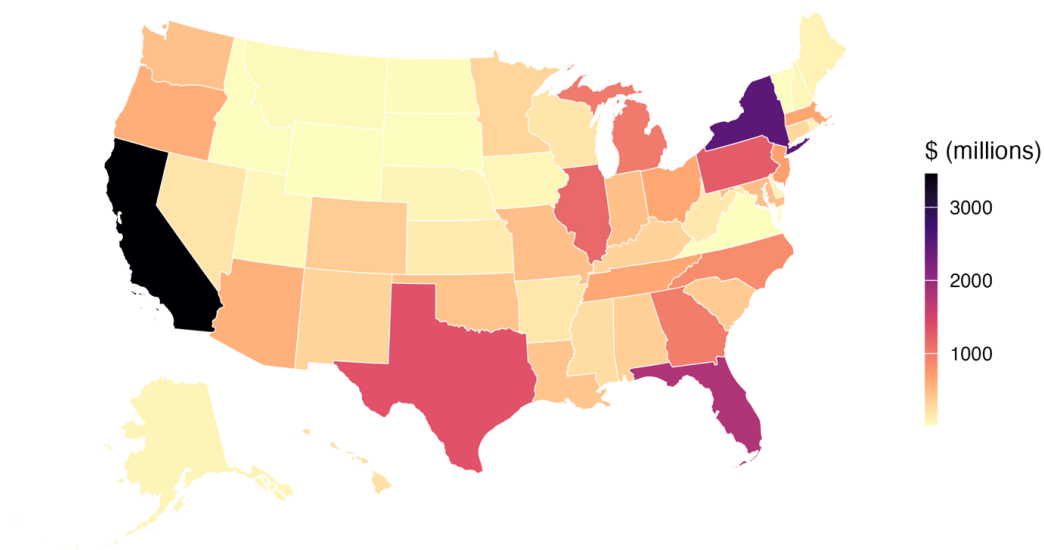


Figure 2. State SNAP contribution rate (a) and estimated annual SNAP obligation (b)

Source: USDA-FNS SNAP Payment Error Rates FY 2024; Plata-Nino and Rosso (2025).

3. Return to Cost-Neutral Benefit Adjustments

The 2021 Thrifty Food Plan (TFP) reevaluation, mandated by the 2018 Farm Bill, raised maximum SNAP benefits by 21% by abandoning the historical cost-neutrality requirement. The OBBA restores that requirement and postpones the next TFP reevaluation until October 2027, limiting future benefit adequacy adjustments to general CPI-U inflation, which often lags food price inflation.

Policy Implications

SNAP remains one of the most critical safety net programs, but these reforms represent a meaningful reduction in its reach and support. Community organizations such as food banks and pantries would anticipate a notable influx of new users as households lose SNAP eligibility or see their benefits reduced. Advocates, extension educators, and local officials have an important role in connecting affected families to remaining resources, monitoring gaps in food access, and making the case to state and federal policymakers when the safety net falls short.

Reference

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