

**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:** Proposed rule.

**SUMMARY:** This proposed rule would amend the Supplemental Nutrition Assistance Program (SNAP) regulations to incorporate three provisions of the Fiscal Responsibility Act of 2023 by adding to the program purpose language assisting low-income adults in obtaining employment and increasing their earnings; updating and defining the exceptions from the able-bodied adults without dependents (ABAWD) time limit; and adjusting the number of discretionary exemptions available to State agencies each year. This proposed rule would also amend the regulations to clarify procedures for how and when State agencies must screen for exceptions to the time limit and clarify the verification requirements.

**DATES:** Written comments must be received on or before May 30, 2024 to be assured of consideration.

*Docket:* Go to the Federal eRulemaking Portal at <https://www.regulations.gov> for access to the rulemaking docket, including any background documents and the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023.

**ADDRESSES:** The Food and Nutrition Service, USDA, invites interested persons to submit written comments on this proposed rule. Comments may be submitted in writing by one of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- *Mail:* Send comments to Food and Nutrition Service, P.O. Box 9233, Reston, Virginia 20195. Email: [SNAPCPBRules@usda.gov](mailto:SNAPCPBRules@usda.gov). Phone: (703) 305–2022.
- *Website:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- *E-Mail:* Send comments to [SNAPCPBRules@usda.gov](mailto:SNAPCPBRules@usda.gov). Include

Docket ID Number [FNS–2023–0058], “Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023” in the subject line of the message.

- All written comments submitted in response to this proposed rule and regulatory impact analysis will be included in the record and will be made available to the public. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. FNS will make the written comments publicly available on the internet via <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Catrina Kamau, Chief, Certification Policy Branch, Program Development Division, Food and Nutrition Service, 1320 Braddock Place, Alexandria, Virginia 22314. Email: [SNAPCPBRules@usda.gov](mailto:SNAPCPBRules@usda.gov). Phone: (703) 305–2022.

**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. Department of Agriculture, the Department or USDA

**I. Background**

The Food and Nutrition Act of 2008 (the Act), as amended, establishes national eligibility standards for the Supplemental Nutrition Assistance Program (SNAP), including work requirements for certain individuals. The first of these requirements, referred to as the general work requirements, requires 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 SNAP Employment and Training (SNAP E&T) if required by the State agency. Most SNAP participants are exempt from the general work requirements because they are older adults, have disabilities, or 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 the 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, 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 proposed 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.

Sec. 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 is proposing to amend the regulations to reflect the requirements of the FRA.

Sec. 314 of the FRA also required the Department to publicize all available

State requests for waivers authorized by Sec. 6(o)(4)(A) of the Act, including supporting data, and all Department approvals of waivers within 30 days of enactment. The Department complied with this requirement by the statutory deadline and is not proposing rulemaking relating to this provision.<sup>1</sup>

The Department issued multiple memoranda for implementing the FRA changes. On June 30, 2023, the Department issued the initial implementation memorandum, “Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023” which provided definitions for the new exceptions, detailed when and how State agencies must apply the changes to the exception criteria, and clarified the changes to discretionary exemptions. On July 27, 2023, the Department issued a Question-and-Answer memorandum, “SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions & Answers #1,” which answered questions from State agencies and advocates to further clarify how State agencies should implement the FRA provisions. On August 25, 2023, the Department issued a second Question-and-Answer memorandum, “SNAP Provisions of the Fiscal Responsibility Act of 2023—Questions & Answers #2,” which further answered questions from State agencies and advocates on how to implement the FRA provisions.

## II. Discussion of Rule’s Provisions

### 7 CFR 271.1: Program Purpose

The Act provides that the purpose of SNAP is to safeguard the health and well-being of the Nation’s population by raising levels of nutrition among low-income households to promote the general welfare. Sec. 313 of the FRA amends Sec. 2 of the Act and adds language to the purpose stating the program also assists low-income adults in obtaining employment and increasing their earnings. Specifically, the new language is: “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.” This language recognizes that the program has long had an employment and training program component and reflects the work by the

Department spanning the last few decades to invest in effective and evidence-based job training aligned with State workforce programs designed to increase opportunity and earnings through skills-based training. Program rules at 7 CFR 271.1(a) incorporate this purpose statement, excerpting the language included at Sec. 2 of the Act. The Department proposes to revise 7 CFR 271.1(a) to reflect the purpose language added by the FRA.

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

Sec. 6(o)(3) of the Act provides exceptions from the time limit for certain individuals, including, but not limited to, individuals under 18 years of age, individuals who are pregnant, or individuals who are exempt from the general work requirements. If an individual meets one of the exceptions, they are not subject to the time limit and are eligible to receive SNAP benefits for more than three months subject to other program rules. Throughout this proposed rule, “exceptions from the time limit” refers to the list of exception criteria listed in Sec. 6(o)(3) of the Act and program rules at 7 CFR 273.24(c) that determine which individuals are not subject to the time limit, whereas “exemptions from the general work requirements” refers to the list of criteria in Sec. 6(d)(2) of the Act and 7 CFR 273.7(b) that exempts individuals from needing to fulfil the general work requirements.

### Age-Based Exceptions

Sec. 311 of the FRA amends Sec. 6(o)(3)(A) of the Act to adjust the age-based exception from the time limit. This change gradually increases the upper age limit of this exception as follows: by September 1, 2023, increases from 50 to 51 years of age or older; starting October 1, 2023, increases 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, when the upper age limit will return to 50 years of age or older. The Department proposes to capture this sunset at 7 CFR 273.24(c)(10).

Prior to the FRA, the Act excepted individuals from the time limit if they are under 18 years of age or 50 years of age or older. This exception is captured at 7 CFR 273.24(c)(1). The Department proposes to amend this paragraph to increase the upper age limit to 55 years of age or older. Since State agencies will have implemented the last age increase by the anticipated publication of the final rule, the Department proposes to

only amend the regulations to reflect the final age increase to 55 or older in this rulemaking.

### New Exceptions

Sec. 311 of the FRA amends Sec. 6(o)(3) of the Act to add three new exceptions from the time limit. This change excepts individuals experiencing homelessness, veterans, and individuals who are 24 years of age or younger and in foster care on their 18th birthday (or higher age if the State offers extended foster care to a higher age). The FRA required State agencies to implement and apply these new exceptions by September 1, 2023. As with the changes to age-based exceptions, these new exceptions cease to have effect on October 1, 2030. The Department proposes to capture this sunset at 7 CFR 273.24(c)(10).

Prior to the FRA, the Act included existing exceptions from the time limit for individuals who are unable to work due a physical or mental limitation, are pregnant, are responsible for a dependent child, or are not subject to the general work requirements. These existing exceptions are unchanged by the FRA and captured at 7 CFR 273.24(c)(1) through (6). The Department proposes to add to the existing list the new exceptions created by the FRA for individuals experiencing homelessness, veterans, and individuals who are 24 years of age or younger and in foster care on their 18th birthday (or higher age if the State offers extended foster care to a higher age). These new exceptions are further defined in the following sections.

### Individuals Experiencing Homelessness

Sec. 311 of the FRA creates an exception for a “homeless individual”—individuals experiencing homelessness—from the time limit. To aid in implementation, the Department provided guidance to State agencies which referred State agencies to the program’s longstanding definition of “homeless individual” at Sec. 3(l) of the Act: an individual who lacks a fixed and regular nighttime residence; or who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including a welfare hotel or congregate shelter), 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.

<sup>1</sup> These waiver requests and responses are available at: <https://www.fns.usda.gov/snap/ABAWD/waivers>.

The Department proposes to include a reference to the definition for homeless individual at 7 CFR 271.2 for new paragraph 7 CFR 273.24(c)(7) for the purpose of this new exception.

The Department also proposes to update the definition of “homeless individual” provided at 7 CFR 271.2 to include individuals who will imminently lose their nighttime residence and will issue further sub-regulatory guidance on circumstances that may render an individual “imminently homeless.” This update 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.” It also presents an undue hardship on an individual to be subject to the time limit if that individual knows they will lose a fixed and regular nighttime residence in the near future. Individuals experiencing homelessness face greater difficulties in obtaining work due to unstable housing, transportation barriers, inconsistent access to hygiene materials or professional clothing, and other hardships related to homelessness.<sup>2 3 4</sup> Given these challenges, this proposed change is meant to encompass the diverse set of circumstances that can constitute homelessness.

Individuals do not need to meet the criteria in both paragraph (1) and (2) of 7 CFR 271.2 “Homeless individual” to be considered as experiencing homelessness for SNAP purposes. An individual may lack a fixed or regular nighttime residence and be considered homeless under paragraph (1), or the individual may have a nighttime residence that meets the criteria in paragraph (2), such as a supervised shelter, and be considered homeless under paragraph (2). Therefore, an individual who is considered homeless under paragraph (1) is not subject to the criteria in paragraph (2), including the time limitation for temporary housing. The Department believes these changes

<sup>2</sup> Sarver, Maureen. “Why Is It So Hard for People Experiencing Homelessness to ‘Just Go Get a Job?’” Urban Institute. Last modified November 3, 2023. <https://www.urban.org/urban-wire/why-it-so-hard-people-experiencing-homelessness-just-go-get-job>.

<sup>3</sup> National Alliance to End Homelessness. “Overcoming Employment Barriers.” Last modified August 13, 2023. <https://endhomelessness.org/resource/overcoming-employment-barriers/>.

<sup>4</sup> Bharat, Nisha, Jenna Cicatello, Emily Guo, and Vennela Vallabhaneniand. “Homelessness and Job Security: Challenges and Interventions.” University of Michigan School of Public Health. Last modified May 11, 2020. <https://sph.umich.edu/pursuit/2020posts/homelessness-and-job-security-challenges-and-interventions.html>.

reflect the understanding of subject matter experts and housing and homeless organizations that work on homelessness issues and ensure that State agencies can recognize a wide range of unstably housed individuals as homeless.<sup>5</sup>

This proposal will amend the definition for all of SNAP, not only for purposes of the time limit. This will provide consistency throughout SNAP of the Department’s updated understanding of “homeless individual.” The Department proposes clarifying this matter by amending the definition of “homeless individual” at 7 CFR 271.2.

#### Veterans

The FRA also updates the list of exceptions from the time limit to include veterans but does not provide a definition for or specify limits on who is considered a veteran. In FRA guidance, the Department used a definition of “veteran” established by Congress in Sec. 5126(f)(13)(F) of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117–263) for the purposes of a pilot program to combat food insecurity among veterans and their families. Under this statutory provision, a veteran is an individual who 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, and who was discharged or released therefrom, regardless of the conditions of such discharge or release.

Since the issuance of the guidance, the Department has determined that it is appropriate to include another group of individuals, defined under 38 CFR 3.7, who are considered veterans for purposes of receiving veterans’ benefits: individuals who were commissioned officers of the Public Health Service, Environmental Scientific Services Administration, or the National Oceanic and Atmospheric Administration. These individuals are eligible for veterans’ benefits, such as disability compensation, veterans’ pensions, and educational benefits, because they are considered to have served in “active military service” under 38 CFR 3.7. However, this group of veterans was not included in the definition used in the implementation guidance. Including such commissioned officers in SNAP’s

<sup>5</sup> National Alliance to End Homelessness. “State of Homelessness: 2023 Edition.” Accessed December 4, 2023. <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness/>.

definition ensures individuals who the VA considers veterans for VA benefits programs are eligible for the exception from the time limit.

Research shows that veterans, particularly older veterans who served between 1975 and 2001, have a 7.4 percent greater risk for food insecurity than non-veterans, adjusted for observable differences, and veterans were consistently less likely to be enrolled in SNAP.<sup>6 7</sup> Food insecurity prevalence rates were also higher among disabled, unemployed, and women working-age veterans when compared to the national average for all working-age veterans.<sup>8</sup> Given the persistent and rising concern over food insecurity for veterans, it is critical to ensure the exception covers a broad range of veterans, including individuals with former military service who may not identify with the term “veteran.” The Department believes using this definition informed by the NDAA pilot and other veterans’ benefits programs achieves that goal.

Therefore, the Department proposes 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.

#### Individuals Who Were in Foster Care

Sec. 311 of the FRA also created an exception from the time limit for certain individuals previously in foster care, recognizing the particular challenges that individuals aging out of foster care face in obtaining stable employment. This exception applies to an individual

<sup>6</sup> U.S. Department of Agriculture. Economic Research Service. *Food Insecurity Among Working-Age Veterans* by Matthew P. Rabbitt and Michael D. Smith. ERR–829. Washington, DC, 2021. <https://www.ers.usda.gov/publications/pub-details/?pubid=101268>.

<sup>7</sup> Dubowitz, Tamara, Andrea Richardson, Teague Ruder, and Catria Gadwah-Meaden. *Food Insecurity Among Veterans: Examining the Discrepancy Between Veteran Food Insecurity and Use of the Supplemental Nutrition Assistance Program (SNAP)*. Santa Monica, CA: RAND Corporation, 2023. [https://www.rand.org/pubs/research\\_reports/RRA1363-2.html](https://www.rand.org/pubs/research_reports/RRA1363-2.html).

<sup>8</sup> U.S. Government Accountability Office. *Nutrition Assistance Programs: Federal Agencies Should Improve Oversight and Better Collaborate on Efforts to Support Veterans with Food Insecurity*. GAO–22–104740. Washington, DC, 2022. Accessed December 4, 2023. <https://www.gao.gov/assets/gao-22-104740.pdf>.

who is 24 years of age or younger and who 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 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 definition provided in the FRA is similar to that of the “former foster care children” eligibility group for Medicaid, as revised by the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act for individuals who turn 18 on or after January 1, 2023. Per section 1902(a)(10)(A)(i)(IX)(cc) of the Social Security Act and programs rules at 42 CFR 435.150, these individuals are eligible for Medicaid in this eligibility group if they are under age 26 and were in foster care under the responsibility of a State or Tribe upon attaining age 18 or such higher age as the State or such Tribe has elected for foster care assistance to end under section 475(8)(B)(iii) of the Social Security Act.

In implementing guidance, the Department clarified who may qualify for this exception, described below. The Department proposes to adopt these clarifications into the definition provided in regulations. In this guidance, the Department clarified that “foster care under the responsibility of a State” includes foster care programs run by Districts, Territories, or Indian Tribal Organizations.<sup>9</sup> The Department also clarified that the exception applies to individuals who are in foster care when they reach 18 years of age even if they elect to stay in foster care up to the State’s maximum age, as well as individuals aged 18 to 24 who were in foster at the time they turned 18 years of age, even if the individual exits extended foster care before the maximum age. The Department also notes that individuals who are in foster care when they reach 18 years of age qualify for this exception regardless of their length of time in foster care or the reason for the individual’s removal into foster care. Additionally, after consulting with the Department of Health and Human Services, the Department proposes to further clarify in the definition that “foster care under the responsibility of a State” also

includes the Unaccompanied Refugee Minors Program.

These changes will help account for the variation in foster care and extended foster care operations across States. Further, the Department recognizes that individuals leaving foster care face particular barriers in obtaining suitable employment, including lower educational attainment, limited work history, and housing instability,<sup>10 11</sup> and struggle with sustained employment and earnings more than their peers.<sup>12</sup> This definition will help to ensure these particularly vulnerable individuals are not subject to the time limit.

The Department proposes to amend the regulations at 7 CFR 273.24(c)(9) to include the revised exception definition provided in Sec. 311(a)(4) of the FRA and codify the foster care clarifications provided in the implementation guidance.

#### *7 CFR 273.24(l): Verification of Exception Status*

The FRA did not make any changes to how State agencies verify exceptions from the time limit. Program rules at 7 CFR 273.2(f) do not require State agencies to verify exception status unless the information is considered questionable. In FRA implementation guidance, the Department provided examples of verification State agencies could use if the State agency deems the information to be questionable based on the State agency’s established criteria and requires further verification.<sup>13 14 15</sup>

<sup>10</sup> Fung, Sara, Jessica Haspel, Susanna Kniffen, and Danielle Wondra. *Employment and Youth with Foster Care Experience: Understanding Barriers and Supporting Success*. Oakland, CA: Children Now, 2022.

<sup>11</sup> Pecora, Peter J., and et al. “Educational and employment outcomes of adults formerly placed in foster care: Results from the Northwest Foster Care Alumni Study.” *Children and youth services review* 28, no. 12 (December 2006): 1459–1481. <https://doi.org/10.1016/j.childyouth.2006.04.003>.

<sup>12</sup> Stewart, C. Joy, and et al. “Former foster youth: Employment outcomes up to age 30.” *Children and youth services review* 36 (January 2014): 220–229. <https://doi.org/10.1016/j.childyouth.2013.11.024>.

<sup>13</sup> U.S. Department of Agriculture. Food and Nutrition Service. Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023. Washington, DC, 2023. Accessed December 11, 2023. <https://www.fns.usda.gov/snap/implementing-fra-provisions-2023>.

<sup>14</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-1>.

<sup>15</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-2>.

The Department reminds State agencies that program rules at 7 CFR 273.2(f)(2)(i) prohibit State agencies from setting guidelines for determining what is considered questionable information that would require verification based on race, religion, ethnic background, or national origin. The Department also reminds State agencies that the FRA provides populations exceptions in part because they are especially vulnerable and may be in unstable living situations. Placing additional and unnecessary burden on the applicants to provide verification may put these vulnerable individuals at risk. The Department encourages State agencies avoid setting guidelines for questionable information that would consider self-attestation questionable and require every individual who meets exception criteria to provide verification.

Program rules at 7 CFR 273.2(f)(5)(i) 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 Department proposes to clarify State agencies’ responsibilities in obtaining verification of exception status, when questionable, by requiring State agencies to use all available information to verify exception status when questionable, before asking individuals to provide verification.

This proposal is based on several reasons. For example, State agencies’ data sharing agreements provide additional resources to State agencies in the eligibility determination process, offering a less burdensome way to comply with the requirement to assist individuals in obtaining verification by reducing the amount of time and actions needed to verify information and minimizing the need to call contacts, send notices, and continuously re-touch a case. Further, these agreements can improve processes for screening for exceptions and proactively identify people who may be eligible for exceptions from the time limit. They also help streamline verification of exception status when the State agency determines the information is questionable by reducing the number of actions needed to verify information and decreasing time wait for the individual to provide sources of verification and for eligibility workers to verify the information. This may include agencies that support veterans

<sup>9</sup> U.S. Department of Agriculture. Food and Nutrition Service. Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023. Washington, DC, 2023. Accessed December 11, 2023. <https://www.fns.usda.gov/snap/implementing-fra-provisions-2023>.

which may have information regarding an individual's prior service that can streamline verification of an individual's veteran status if the State agency finds it questionable. Similarly, State and Tribal IV-E agencies or State Medicaid agencies may have information on an individual's current or former placement in foster care that the SNAP State agency could use to verify an individual's status as a former foster youth. As a reminder, Section 475(5)(I) of the Social Security Act also requires child welfare agencies to provide any official documentation necessary to prove former foster care status to young people who have been in foster care for six or more months and exit foster care after attaining age 18. Likewise, State agencies' housing assistance programs or Continuums of Care may have information on an individual's housing status and eliminate the need for further verification to determine an individual's homelessness status and exception from the time limit. Through their participation in other programs, these vulnerable individuals have already demonstrated their status as homeless, disabled, pregnant, etc. to another program. The Department expects State agencies to avoid imposing a redundant burden on these individuals, which could impede their ability to claim an exception from the time limit, by using information available to the State agency.

Therefore, in the interest of improved efficiency and minimizing unnecessary burden on individuals, the Department proposes at 7 CFR 273.24(l) to require State agencies to assist individuals when requiring verification of exception status by using all information available to the State agency before requesting the individual provide sources of verification. The Department intends for 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 recognizes that, when possible, State agencies likely use similar processes to support households in gathering other necessary verifications, however, it is proposing 7 CFR 273.24(l) in lieu of amending 7 CFR 273.2(f)(5)(i) for several reasons. Reducing barriers to identifying exceptions is especially important because of the impact that exception

status and the time limit can have on an individual's SNAP eligibility. State agencies are more likely to already have access to information about household circumstances that except an individual from the time limit. As such, the Department is proposing this requirement at 7 CFR 273.24(l) and is not amending 7 CFR 273.2(f)(5)(i) to clarify that the requirement is specific to verification of exception status when questionable and is not intended to replace existing efforts State agencies employ to assist households in obtaining verification for other household circumstances.

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

Individuals subject to the time limit are a largely vulnerable population. An FNS study titled, "The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States," researched characteristics of individuals potentially subject to the time limit, meaning they are 18 to 49 and do not meet an exemption from the general work requirement, and do not live in a household with someone under the age of 18.<sup>16</sup> The study found that this population is less connected to the workforce and has higher rates of homelessness as well as mental and physical limitations, compared to other SNAP participants aged 18 to 49.

Sec. 6(o)(3) of the Act provides exceptions from the time limit to ensure certain individuals who face additional barriers to employment are not required to meet the more stringent time limits. Exceptions are provided for individuals based on certain circumstances, including those for individuals considered mentally or physically unfit for work, pregnant individuals, or those who are responsible for the care of a dependent child to name a few. As described earlier, following the passage of the FRA, individuals are also now excepted if they are experiencing homelessness, a veteran, or 24 years of age or younger who were in foster care on their 18th birthday (or higher age if the State offers extended foster care to a higher age).

In order to properly apply an exception to a case, 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 appropriately apply the time limit or an exception and to ensure only the appropriate individuals accrue countable months.<sup>17</sup> This proposed rule would address requirements for when this screening must occur and what steps State agencies must take prior to assigning countable months.

*Screening at Initial and Recertification Application*

The FRA required State agencies to apply the new exception criteria at initial application and recertification application. The Department issued guidance regarding requirements to screen for the new exceptions at initial and recertification application, consistent with the FRA and existing expectations for other exceptions from the time limit.<sup>18 19 20</sup>

The need to screen for ABAWD exceptions at initial application and recertification application is not new to State agencies—prior to the FRA, screening individuals at initial and recertification application for exceptions was necessary, 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. The Department has repeatedly emphasized the importance of screening for ABAWD exceptions at initial and recertification application through

<sup>17</sup> 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)).

<sup>18</sup> U.S. Department of Agriculture. Food and Nutrition Service. Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023. Washington, DC, 2023. Accessed December 11, 2023. <https://www.fns.usda.gov/snap/implementing-fra-provisions-2023>.

<sup>19</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-1>.

<sup>20</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-2>.

<sup>16</sup> U.S. Department of Agriculture. Food and Nutrition Service. *The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States* by Laura Wheaton and et al. Washington, DC, 2021. <https://www.fns.usda.gov/snap/impact-snap-able-bodied-adults-without-dependents-abawd-time-limit-reinstatement-nine>.

guidance, including in the SNAP Able-Bodied Adults Without Dependents (ABAWD) Policy Guide.<sup>21</sup> While a screening requirement is not explicitly included in current regulations, State agencies must already have this screening process in place in order to effectuate the ABAWD provisions.

The Department is taking this opportunity to include clear language in the regulations that State agencies must screen for all exceptions from the time limit at initial and recertification application at new section 7 CFR 273.24(k). This will codify existing practices and clarify screening requirements and ensure compliance with the statutory exceptions. By adding this section to the regulations, 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*.

Given the necessity of screening to properly administer exceptions, the Department is also proposing to include explicit language regarding the requirement for State agencies to screen for the exemptions from the general work requirements at certification and recertification at 7 CFR 273.7(b)(3), as State agencies must screen for both exemptions from the general work requirements and exceptions from the time limit to adequately determine if an individual should be subject to the time limit.<sup>22</sup> Individuals are not subject to the time limit if they meet an exemption from the general work requirements, as provided at Sec. 6(o)(3)(D) of the Act. This is an important first step in evaluating which, if any, work requirements apply to an individual. The proposed change would simply codify the need to determine if an individual is exempt from the general work requirements before registering the individual for work,<sup>23</sup> and promote

further consistency in how exceptions are identified and work requirements policy is applied.

The Department also proposes to amend the definition of screening to reflect these changes. The provision currently only refers to determining if an individual should or should not be referred to E&T. Determining whether an individual should be referred to E&T is closely intertwined with determining whether the individual is subject to the general work requirement and ABAWD time limit. For example, a decision to refer an individual to E&T can only follow a determination that the individual is subject to the general work requirement. Similarly, whether an individual is subject to the time limit may affect the E&T referral decision. Therefore, the Department also proposes amending 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.

#### *Screening and Applying Exceptions During the Certification Period*

The FRA requires the new exceptions to be applied at initial application and recertification, however, questions arose during implementation about requirements for identifying exceptions during an individual’s certification period. These questions reflected confusion among State agencies on how to comply with the FRA, the Act, and program rules. Some of the uncertainties raised include how States 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 those individuals 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 exempted as a veteran, however, the State agency may not know the individual is a veteran because the information is not collected in the SNAP application. In both scenarios for ongoing households, the State agency could not properly determine if the individual should be subject to the time limit.

Screening and Referral Guidance. Washington, DC, 2023. Accessed January 2, 2024. <https://www.fns.usda.gov/snap/et-screening-and-referral-guidance>.

The Department issued implementation guidance to address questions around the requirements for screening during the certification period.<sup>24 25 26</sup> This guidance detailed expectations of State agencies to apply the exceptions for ongoing households when the State agencies were able to identify such excepted households. However, there was no requirement for State agencies to evaluate households during their certification period for the purposes of identifying or applying an exception.

Program rules also do not establish a process during the certification period that would provide the information needed for the State agency to identify if an individual is subject to the time limit, or if they meet another exception from the time limit. Beyond new challenges in FRA implementation, State agencies face ongoing challenges in properly applying exceptions or subjecting individuals to the time limit when changes occur during the certification period. Further, the Department also recognizes it may be burdensome on both the individual and the State agency to require screening during the certification period when a change in exception status occurs. As such, the proposed rule would not require State agencies to screen during the certification period.

While the Department does not propose to require screening during the certification period, if a State agency learns about a change in exception status for an individual during the certification period, the State agency must act accordingly. A State agency could learn about the change from various sources such as household reports, data sharing or shared eligibility system arrangements with other programs, or voluntary screening undertaken by a State agency during a certification period.

<sup>24</sup> U.S. Department of Agriculture. Food and Nutrition Service. Implementing SNAP Provisions in the Fiscal Responsibility Act of 2023. Washington, DC, 2023. Accessed December 11, 2023. <https://www.fns.usda.gov/snap/implementing-fra-provisions-2023>.

<sup>25</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-1>.

<sup>26</sup> 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 December 11, 2023. <https://www.fns.usda.gov/snap/provisions-fiscal-responsibility-act-2023-questions-and-answers-2>.

<sup>21</sup> U.S. Department of Agriculture. Food and Nutrition Service. Supplemental Nutrition Assistance Program (SNAP) Able-Bodied Adults Without Dependents (ABAWD) Policy Guide. Washington, DC, 2023. Accessed January 2, 2024. <https://www.fns.usda.gov/snap/guide-serving-abawds-time-limit-participation>. See also U.S. Department of Agriculture. Food and Nutrition Service. ABAWD Time Limit Policy and Program Access Memo. Washington, DC, 2015. Accessed January 2, 2024. <https://www.fns.usda.gov/snap/ABAWD/time-limit-policy-program-access-memo>.

<sup>22</sup> U.S. Department of Agriculture. Food and Nutrition Service. SNAP Work Rules Screening Checklists and Flow Chart. Washington, DC, 2023. Accessed January 2, 2024. <https://www.fns.usda.gov/snap/work-rules-screening>.

<sup>23</sup> U.S. Department of Agriculture. Food and Nutrition Service. SNAP Employment and Training

If a State agency determines an individual newly meets an exception, the State agency must apply the exception at that time and not subject the individual to the time limit. If a State agency learns an individual has lost an exception, the State agency must screen to see if the individual qualifies for a different exception. If the individual qualifies for a different exception, the individual is not subject to the time limit. The Department is proposing this requirement to apply to new exceptions at 7 CFR 273.24(k)(1)(ii) to ensure State agencies are clear on their responsibilities as it relates to applying the time limit and assigning countable months and complying with Sec. 6(o)(3) of the Act and program rules at 7 CFR 273.24(b)(1).

Due to the complexities of screening during the certification period and the importance of not improperly subjecting individuals to the time limit, the Department is also clarifying that if the State agency has information that an individual's excepted status has changed, then the State agency cannot assign countable months until it has screened an individual for other exceptions and determined they are subject to the time limit. If the individual does not meet another exception, the State agency must begin applying countable months in accordance with program rules at 7 CFR 273.24(b)(1) and ensure individuals are properly notified of what work requirements they are required to meet in accordance with 7 CFR 273.7(c)(1)(ii) and (iii). The Department is outlining this requirement at 7 CFR 273.24(k)(1)(i) for changes during the certification period, prohibiting State agencies from assigning countable months until it has screened and determined an individual does not meet an exception from the time limit. This prohibition on assigning countable months also applies at initial and recertification application and is outlined at 7 CFR 273.24(k).

When an individual loses an exception during the certification period, this only informs the State agency that the individual no longer meets that particular exception. It does not provide sufficient information to determine if the individual should now be subject to the time limit, as the individual may meet another exception. This is especially true given the fluid nature of some of the exceptions, such as homelessness or pregnancy, which individuals may meet only temporarily. As such, the State agency must screen to determine if the individual meets another exception in order to know if the individual should be subject to the time limit and to 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 example, the State agency may be aware an individual has turned 18 during the certification period and is no longer excepted for being under the age of 18. However, this individual may qualify for another exception, such as the exception for homeless individuals or the exception for individuals 24 years of age or younger and in foster care on their 18th birthday. The State agency must not assign countable months to this individual before the State agency has screened for other exceptions and determined no other exceptions apply, either during the certification period or at the next recertification.

In the case that a State agency attempts to screen during the certification period, but is unable to do so, the State agency must not penalize individuals for not responding, require the household to come into the office per program rules at 7 CFR 273.2(e)(1), or send a request for contact (RFC). RFCs may only be sent to resolve unclear information that meets the criteria outlined at 7 CFR 273.12(c)(3). Otherwise, the State agency would wait until the next recertification to screen the individual, and then at that time, either apply another exception or begin applying the time limit.

It is also possible that individuals may meet more than one exception from the time limit. When this occurs, the Department encourages State agencies to apply the exception that will have the longest impact, minimizing the need to rescreen an individual if they lose an exception and reducing burden on both the State agency and individuals. For example, if a State agency screens an individual and determines they are a veteran who is also experiencing homelessness, the Department recommends that the State agency apply the exception for veteran, avoiding the need to rescreen the individual if they no longer qualify for the exception for individuals experiencing homelessness since the individual's veteran status will not change. While the Department highly encourages this as a best practice, the Department recognizes not all State agency eligibility systems have the same capabilities and therefore, is not proposing this as a requirement.

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

The Act provides State agencies the ability to extend eligibility for time-limited participants who are not meeting the time limit and do not live in an area with an ABAWD waiver. This

may be done through use of a discretionary exemption, and each discretionary exemption can be used to exempt up to one individual for one month. 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 that were ineligible in the State due to the time limit in the preceding fiscal year, known as "covered" individuals.

Prior to the FRA, the Act instructed the Department to calculate discretionary exemptions such that the average monthly number of exemptions do not exceed 12 percent of the number of covered individuals in the State. Sec. 312 of the FRA amends Sec. 6(o)(6) of the Act and reduces the allotment of exemptions to not exceed 8 percent of covered individuals. The Department proposes conforming edits to 7 CFR 273.24(g)(3) to reduce the allotment to not exceed 8 percent of covered individuals in the State.

Current regulations at 7 CFR 273.24(h)(2)(i) also allow State agencies to carryover all unused discretionary exemptions into the next fiscal year (FY). Sec. 312 of the FRA further amends Sec. 6(o)(6) of the Act, prohibiting State agencies from accumulating unused exemptions for more than the current fiscal year and subsequent fiscal year during FY 2024 and beyond. During FY 2024, State agencies received their allotment of discretionary exemptions, which included their historical balance of unused exemptions. The prohibition on accumulating unused exemptions allows for the carryover of this historical balance only into the subsequent fiscal year (FY 2025). Then starting in FY 2026, State agencies will only carryover unused discretionary exemptions earned for the previous fiscal year, not including historical balance. As such, the Department is proposing conforming edits to 7 CFR 273.24(h)(2)(i) to limit carryover to only unused discretionary exemptions earned for the previous fiscal year starting in FY 2026.

#### **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 section 3(f)(1) of 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*

As required for all rules that have been designated as significant by the Office of Management and Budget, a Regulatory Impact Analysis (RIA) was developed for this proposed rule. It follows this rule as an Appendix. The following summarizes the conclusions of the regulatory impact analysis:

The Department estimates the total increase in federal transfers (SNAP benefit spending) associated with the provisions of this proposed rule to be approximately \$2.8 billion over the nine years Fiscal Year (FY) 2023–FY 2031, averaging \$306.5 million per year. Over the nine-year period FY 2023–FY 2031, federal costs (not including transfers) are estimated to total approximately \$252.5 million, or an annual average of \$28.1 million. Total State agency administrative expenses are also estimated to be approximately \$252.5 million over the nine-year period, or an annual average of \$28.1 million. Costs associated with administrative burden to individual SNAP participants are estimated to be approximately \$322.0 million over the nine-year period, or an annual average of \$35.8 million.

This proposed rule will primarily affect SNAP participants who are subject to the time limit, which the Department estimates to be, upon full implementation of the FRA's provisions in FY 2026, approximately 9.3 percent of SNAP participants, although far fewer will lose eligibility for SNAP. Hence, most SNAP participants will not be affected by this proposed rule. The estimated net impact of the proposed rule's change in the age-based exceptions and three new exceptions is a net increase in SNAP participation of about 54,000 individuals per year when fully implemented. In FY 2026, this includes 345,000 participants losing eligibility, 369,000 participants retaining eligibility, and about 30,000 new participants.

#### *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. Pursuant to that review, it has been certified that this rule would not have a significant impact on a substantial number of small entities. This proposed rule would not have an impact on 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 designated this rule as major rule as defined 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. 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 proposed 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 \$100 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. The Department has considered the impact of this rule on State and local governments and has determined that this rule does not have federalism implications. Therefore, under section 6(b) of the Executive Order, a federalism summary is not required.

#### **Executive Order 12988, Civil Justice Reform**

This proposed 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 proposed rule, in accordance with Departmental Regulation 4300–004, “Civil Rights Impact Analysis,” to identify and address any major civil rights impacts the proposed rule might have on program participants on the basis of age, race, color, national origin, sex (including gender identity and sexual orientation), or disability. We believe 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. However, an adverse impact analysis could not be conducted due to data limitations for the potential impact on individuals based on race, ethnicity, gender, and age that may be subject to the time limit. We



also believe that the addition of the new ABAWD exceptions will provide greater and continuous access to SNAP benefits for SNAP applicants and participants. We find that the implementation of mitigation strategies and monitoring will lessen these potential impacts.

#### 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.

The Department expects this proposed rule will impact tribes to a no greater or lesser degree than other applicant or eligible SNAP households. 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. 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 agency 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.

Comments on this proposed rule must be received by May 30, 2024. Send comments to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for FNS, Washington, DC 20503. Please also send a copy of your comments to Catrina Kamau, Chief, Certification Policy Branch, 1320 Braddock Place, 5th Floor; Alexandria, Virginia 22314. For further information, or for copies of the information collection requirements, please contact Catrina Kamau indicated above.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this document will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

*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 proposed rule would amend SNAP regulations to implement changes made by the Fiscal Responsibility Act (FRA) of 2023. Some of the proposed 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 proposed rule would also establish 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 ABAWD policy correctly.

This proposed rule would also amend regulations to require 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: 02/29/2024). The Department anticipates an 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 proposed rule.

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 renewal of

OMB Control Number 0584–0479 during the Final Rule phase. OMB Control Number 0584–0479 currently covers burden related to preparation and submission of ABAWD waivers. ABAWD waivers are submitted via the Waiver Information Management System (WIMS), and the burden for this submission which is covered under OMB Control Number 0584–0083 (Operating Guidelines, Forms, Waivers, Program and Budget Summary Statement; expiration date: 9/30/2026). The proposed rule would not make changes to burden covered under OMB Control Number 0584–0083. Due to the addition of new burden items, the Department recommends changing the title of 0584–0479 to “Supplemental Nutrition Assistance Program: Work Requirements and Screening.”

#### *Start-Up Burden*

*Respondents:* State Agencies.

*Estimated Number of Respondents:* 53 State Agencies and 107,370 eligibility workers.

*Estimated Number of Respondents per Respondent:* 2,029 responses.

*Estimated Total Annual Burden on Respondents:* 473,857 hours, an increase

of 473,857 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 26,801,899.49 Individuals.

*Estimated Number of Respondents per Respondent:* 505,696.88 responses per State Agency and one (1) per Individual.

*Estimated Total Annual Burden on Respondents:* 3,617,537.24 hours (1,809,350.12 hours for State Agencies and 1,808,187.12 hours for Individuals), an increase of 3,616,374.244 hours from current inventory of 1,163 hours in 0584–0479.

The total burden for this rulemaking is 4,090,231.24 burden hours and 53,711,362.97 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 (4,090,231.24 new burden hours + 1,163 existing burden hours) and 53,711,362.97 responses (unchanged).

**BILLING CODE 3410–30–C**

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
A	B	C	D	E = C x D	F	G = E x F	H	I = (G x H) / 2	J	K = G - J	L = J + K
<b>Start-Up Burden</b>											
<b>Affected Public: State Agencies</b>											
Update of eligibility system with new requirements (including coding for modified exceptions, updating language on the Notice of Adverse Action and Consolidation Work Notice)	7 CFR 273.24(c)(7), (8), (9), and (10)	53	1	53	4,729	250,637	\$52.69	\$13,207,216.46	0	250,637	250,637
Update policy manuals, guidance, and other documents with new requirements	7 CFR 273.24(c)(7), (8), (9), and (10), 273.24(k), 273.24(l), 273.7(b)(3)	53	1	53	80	4,240	\$51.18	\$216,996.42	0	4,240	4,240
Develop and provide training to staff on new requirements	7 CFR 273.24(c)(7), (8), (9), and (10), 273.24(k), 273.24(l), 273.7(b)(3)	53	1	53	80	4,240	\$51.18	\$216,996.42	0	4,240	4,240
Take training on new requirements	7 CFR 273.24(c)(7), (8), (9), and (10), 273.24(k), 273.24(l), 273.7(b)(3)	107,370	1	107,370	2	214,740	\$31.48	\$6,760,251.41	0	214,740	214,740
<b>Reporting Burden Total for Start-Up Burden</b>		<b>53</b>	<b>2,029</b>	<b>107,529</b>	<b>4,891</b>	<b>473,857</b>	<b>\$43.05</b>	<b>\$20,401,460.71</b>	<b>0</b>	<b>473,857</b>	<b>473,857</b>
<b>Ongoing Burden</b>											
<b>Affected Public: State Agencies</b>											
<i>Applying Modified Exceptions</i>											

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)	53	6,919.83	366,751	0.0917	33,619	\$31.75	\$1,067,301.31	0	33,619	33,619
Additional issuance of the Consolidated Work Notice for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	53	6,919.83	366,751	0.083	30,563	\$31.75	\$970,273.92	0	30,563	30,563
Additional review of the oral explanation of the work requirements for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	53	6,919.83	366,751	0.083	30,563	\$31.75	\$970,273.92	0	30,563	30,563
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)	53	5,981.13	317,000	0.067	21,133	\$31.75	\$670,922.05	0	21,133	21,133
<i>Screening Requirements</i>											
Screening for exemptions from the general work requirement at initial application	7 CFR 273.7(b)(3)	53	286,490.57	15,184,000	0.067	1,012,267	\$31.75	\$32,136,531.09	0	1,012,267	1,012,267

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 exemptions from the general work requirement at recertification application	7 CFR 273.7(b)(3)	27	79,603.77	2,149,302	0.067	143,287	\$31.75	\$4,548,940.13	0	143,287	143,287
Screening for exemptions from the ABAWD work requirement and time limit at initial application	7 CFR 273.24(k)	53	79,603.77	4,219,000	0.067	281,267	\$31.75	\$8,929,400.99	0	281,267	281,267
Screening for exemptions from the ABAWD work requirement and time limit at recertification application or during the certification period	7 CFR 273.24(k)	53	72,308.38	3,832,344	0.067	255,490	\$31.75	\$8,111,053.88	0	255,490	255,490
<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	\$32.04	\$37,010.68	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	\$36.41	\$291.24	8	0	0
<b>Reporting Burden Sub-Total for Ongoing Burden to State Agencies</b>		<b>53</b>	<b>505,696.88</b>	<b>26,801,934.49</b>	<b>0.068</b>	<b>1,809,350.12</b>	<b>\$31.46</b>	<b>\$56,923,719.52</b>	<b>1,163</b>	<b>1,808,187</b>	<b>1,808,187</b>
<b>Affected Public: Individuals</b>											
<i>Applying Modified Exceptions</i>											

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 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)	366,751	1	366,751	0.0917	33,619	\$22.02	\$740,287.30	0	33,619	33,619
Additional review of the Consolidated Work Notice for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	366,751	1	366,751	0.083	30,563	\$22.02	\$672,988.45	0	30,563	30,563
Additional review of the oral explanation of the work requirements for ABAWDs newly subject to the work requirement	7 CFR 273.7(c)(1)	366,751	1	366,751	0.083	30,563	\$22.02	\$672,988.45	0	30,563	30,563
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)	317,000	1	317,000	0.067	21,133	\$22.02	\$465,356.00	0	21,133	21,133
<i>Screening Requirements</i>											
Screening for exemptions from the general work requirement at initial application	7 CFR 273.7(b)(3)	15,184,000	1	15,184,000	0.067	1,012,267	\$22.02	\$22,290,112.00	0	1,012,267	1,012,267
Screening for exemptions from the general work requirement at recertification application	7 CFR 273.7(b)(3)	2,149,302	1	2,149,302	0.067	143,287	\$22.02	\$3,155,175.17	0	143,287	143,287

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 initial application	7 CFR 273.24(k)	4,219,000	1	4,219,000	0.067	281,267	\$22.02	\$6,193,492.00	0	281,267	281,267
Screening for exceptions from the ABAWD work requirement and time limit at recertification application or during the certification period	7 CFR 273.24(k)	3,832,344	1	3,832,344	0.067	255,490	\$22.02	\$5,625,880.99	0	255,490	255,490
<b>Reporting Burden Sub-Total for Ongoing Burden to Individuals</b>		<b>26,801,899.49</b>	<b>1</b>	<b>26,801,899.49</b>	<b>0.067</b>	<b>1,808,187.12</b>	<b>\$22.02</b>	<b>\$39,816,280.36</b>	<b>0</b>	<b>1,808,187</b>	<b>1,808,187.12</b>
<b>Reporting Burden Total for Ongoing Burden</b>		<b>26,801,952.49</b>	<b>2</b>	<b>53,603,833.97</b>	<b>0.067</b>	<b>3,617,537.24</b>	<b>\$26.74</b>	<b>\$96,739,999.88</b>	<b>1,163</b>	<b>3,616,374</b>	<b>3,616,374.24</b>
<b>Reporting Burden Total for All Burden</b>		<b>26,802,005.49</b>	<b>2</b>	<b>53,711,362.97</b>	<b>0.076</b>	<b>4,091,394.24</b>	<b>\$28.63</b>	<b>\$117,141,460.58</b>	<b>1,163</b>	<b>4,090,231</b>	<b>4,090,231.24</b>

BILLING CODE 3410-30-P

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 proposes to amend 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, amend paragraph (a) by adding two sentences at the end of the paragraph to read as follows:

§ 271.1 General purpose and scope.

(a) \* \* \* 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.

■ 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 the eligibility worker as to whether a person meets an exemption from the general work requirements, meets an exception from the able-bodied adults without dependents time limit, or should or should not be referred for participation in an employment and training program. Screening for participation in employment and training programs is not considered an approvable E&T component.

PART 273—CERTIFICATION OF ELIGIBLE HOUSEHOLDS

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

§ 273.7 Work provisions.

(b) \* \* \* (3) State agencies must screen individuals to determine if they meet an exemption listed in paragraph (b)(1) of this section at certification and recertification.

■ 4. 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.

(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.

(k) Screening. The State agency must screen individuals for 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.

(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. Once verified, the State agency must apply the exception and cannot assign countable months.

(1) *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.

**Cynthia Long,**

*Administrator, Food and Nutrition Service.*

**Note:** The following appendix will not appear in the Code of Federal Regulations.

**Appendix A—Regulatory Impact Analysis**

**I. Statement of Need**

This proposed rulemaking is necessary to amend Supplemental Nutrition Assistance Program (SNAP) regulations to reflect mandates within the Fiscal Responsibility Act (FRA) of 2023 (Pub. L. 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 proposed rule amends SNAP regulations to incorporate several provisions of the FRA: adjust SNAP's able-bodied adult without dependents (ABAWD) work requirement and time limit 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 SNAP's ABAWD work requirement and time limit; decrease State agencies' annual allotment of discretionary exemptions for individuals subject to the ABAWD 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 proposed rule also makes a discretionary amendment to the 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 proposing to amend the regulations to clarify requirements for screening to improve consistency in program operations across States and provide quality customer service.

**II. Summary of Impacts**

The Department estimates the net total increase in federal transfers (SNAP benefit spending) associated with the provisions of this proposed rule to be approximately \$2.8 billion over the nine years Fiscal Year (FY) 2023–FY 2031, averaging \$306.5 million per year. Over the nine-year period FY 2023–FY 2031,<sup>27</sup> this is the net result of a reduction in transfers of \$6.3 billion by terminating benefits to about 2.0 million individuals and reducing the benefits of 103,000 individuals by \$155.2 million, and an increase in transfers of \$9.2 billion due to about 2.7 million individuals meeting exceptions from the ABAWD time limit. Over the nine-year period, federal administrative costs (not including transfers) are estimated to total \$252.5 million, or an annual average of \$28.1 million. Total State agency administrative expenses are also estimated to be approximately \$252.5 million over the nine-year period, or an annual average of \$28.1 million. Costs associated with administrative burden to individual SNAP participants are estimated to be approximately \$322.0 million over the nine-year period, or an annual average of \$35.8 million. See Table 1 for a year-by-year presentation of changes to transfers, federal administrative costs, State agency administrative costs, and burden costs to individual participants.

This proposed rule will primarily affect SNAP participants who are subject to the ABAWD work requirement and time limit, which the Department estimates to be approximately 9.3 percent of SNAP participants upon full implementation of the FRA's provisions in FY 2026. However, many

of these participants will meet the work requirement or receive an exception, so far fewer will lose eligibility for SNAP.

The estimated net impact of the proposed rule's change in the age-based exceptions and three new exceptions is a net increase in SNAP participation of about 55,000 individuals per year when fully implemented. In FY 2026, this includes 345,000 participants losing eligibility, 369,000 participants retaining eligibility through one of the new exceptions, and about 30,000 new participants. See Table 8 for year-by-year details on additional participation and transfer impacts.

The rule is estimated to increase administrative burden for most State SNAP 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. The rule is expected to result in a one-time administrative burden of 473,857 total hours (about \$10.3 million in FYs 2023 and 2024 after 50 percent federal cost reimbursement<sup>28</sup>) in start-up costs for State agencies. Ongoing State agency administrative burden is expected to increase annually by an average of about 1.4 million total hours for 53 State agencies (about \$25.3 million annually after 50 percent federal cost reimbursement). The one-time total State agency administrative burden of sunseting the applicable provisions within this proposed rule is estimated to be 625,024 total hours (about \$15.0 million in FYs 2030 and 2031 after 50 percent federal cost reimbursement). The rule provisions will impose additional administrative burden on participants who are subject to the ABAWD work requirement, estimated to be an ongoing average annual burden of 1.4 million hours for all individuals impacted, or (about \$35.3 million annually), as well as will impose a one-time burden during the sunseting of applicable provisions of 151,167 hours (or about \$4.0 million in FY 2031). In addition to the federal cost of the 50 percent reimbursement to State agencies, the rule is expected to result in a one-time administrative burden of 90 hours at implementation (or \$6,760 in FY 2024) and a one-time administrative burden of 63 hours at sunset (or \$5,813 in FY 2030) to the Federal Government. The impacts of the proposed rule's provisions are summarized in the following table (Table 1).

<sup>27</sup> 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.

<sup>28</sup> Fifty percent of State agencies' allowable SNAP administrative costs are reimbursed by the Federal Government, as defined at 7 CFR 277.4(b).

**Table 1: Summary of Federal Budget Impacts, FY 2023-2031**

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	*	-\$267.12	-\$773.96	-\$1,055.16	-\$1,070.85	-\$1,086.22	-\$1,101.42	-\$1,112.78	\$0.00	-\$6,467.53
New exceptions for homeless, veteran, and former foster youth	*	\$634.46	\$1,205.83	\$1,323.28	\$1,343.43	\$1,363.24	\$1,382.89	\$1,397.97	\$574.73	\$9,225.83
<b>Total Estimated Transfers***</b>	*	<b>\$367.34</b>	<b>\$431.86</b>	<b>\$268.11</b>	<b>\$272.58</b>	<b>\$277.02</b>	<b>\$281.46</b>	<b>\$285.18</b>	<b>\$574.73</b>	<b>\$2,758.30</b>
<b>Discounted Transfer Impact</b>										
2 percent	*	\$353.08	\$406.95	\$247.69	\$246.88	\$245.99	\$245.03	\$243.40	\$480.91	\$2,469.94
<i>Federal and State Administrative Costs** (\$millions)</i>										
State Administrative Costs – Implementation	\$8.50	\$1.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.25
State Administrative Costs – Ongoing	\$0.13	\$8.84	\$29.63	\$30.74	\$31.45	\$32.17	\$32.91	\$33.67	\$27.72	\$227.26
State Administrative Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.05	\$4.94	\$14.99
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	\$8.63	\$10.60	\$29.63	\$30.74	\$31.45	\$32.17	\$32.91	\$43.72	\$32.66	\$252.51
Federal Costs – Sunsetting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.01
<b>Total Federal and State Costs***</b>	<b>\$17.26</b>	<b>\$21.20</b>	<b>\$59.26</b>	<b>\$61.48</b>	<b>\$62.90</b>	<b>\$64.34</b>	<b>\$65.82</b>	<b>\$87.44</b>	<b>\$65.33</b>	<b>\$505.03</b>
<i>Household Burden Costs (\$millions)</i>										
<b>Total Household Burden Costs***</b>	<b>\$0.19</b>	<b>\$12.36</b>	<b>\$41.45</b>	<b>\$43.00</b>	<b>\$43.99</b>	<b>\$45.00</b>	<b>\$46.04</b>	<b>\$47.10</b>	<b>\$42.81</b>	<b>\$321.95</b>
<b>Total Estimated Costs (Federal, State, and Household Costs)***</b>	<b>\$17.45</b>	<b>\$33.56</b>	<b>\$100.72</b>	<b>\$104.49</b>	<b>\$106.89</b>	<b>\$109.35</b>	<b>\$111.86</b>	<b>\$134.53</b>	<b>\$108.14</b>	<b>\$826.98</b>
<b>Discounted Cost Impact</b>										
2 percent	\$17.11	\$32.26	\$94.91	\$96.53	\$96.81	\$97.10	\$97.38	\$114.82	\$90.48	\$737.40

\* Nominal transfer impacts are expected 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.

As required by OMB 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**

	Primary Estimate	Year Dollar	Discount Rate	Period Covered
<b>Benefits –</b>				
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 healthcare costs or impacts on other nutrition assistance. Additionally, the proposed rule will ensure consistent application of screening practices across State agencies.				
Annualized Monetized (\$millions/year)	N/A	2023	2%	FY 2023-2031
<b>Costs –</b>				
Administrative: This proposed 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 ABAWD work requirement and 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 healthcare costs or impacts on other nutrition assistance, such as food banks.				
Annualized Monetized (\$millions/year)	\$90.34	2023	2%	FY 2023-2031
<b>Transfers –</b>				
This proposed rule will increase the net amount of benefit payments to SNAP participants.				
Annualized Monetized (\$millions/year)	\$302.60	2023	2%	FY 2023-2031

In the discussion that follows, there is a section-by-section description of the effects of the proposed rule on SNAP participants, the Federal Government, and State agencies administering SNAP.

### III. 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 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)<sup>29</sup> 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 able-bodied adult without dependents (ABAWD) work requirement. Prior to the FRA, individuals subject to the ABAWD

<sup>29</sup>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 \$384 million in FY 2023.

work requirement 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.<sup>30</sup> The Act limits individuals who are subject to the ABAWD work requirement and time limit, also referred to as time-limited participants,

<sup>30</sup>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.

to receiving SNAP benefits for 3 months in a 36-month period (the time limit) unless they are meeting the ABAWD 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 ABAWD work requirement and 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 ABAWD work requirement and time limit based on certain individual circumstances, such as physical or mental limitations that limit ability to work, need to care for a dependent household member, pregnancy, or meeting an exemption from the general work requirement. Individuals can meet the ABAWD work requirement by working, participating in a qualifying work program, 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 ABAWD work requirement by participating in and complying with workfare. For the purposes of meeting the ABAWD work requirement, working includes unpaid or volunteer work that is verified by the State agency.

#### *B. Characteristics of Individuals Subject to the ABAWD Work Requirement and Time Limit*

The Department estimates that in FY 2024, approximately 9 percent of SNAP participants are ages 18 to 49 and subject to the ABAWD work requirement, and 84 percent of them are in one-person SNAP households.<sup>31</sup> These time-limited participants have very low household gross income, averaging only 32 percent of the federal poverty line (FPL). For comparison, the average SNAP household has a gross income twice as high, or about 65 percent of

<sup>31</sup> Note: The Department estimates that individuals subject to the ABAWD work requirement are a larger share of the caseload than would be suggested by the most recent SNAP QC data available (from pre-pandemic FY 2020). This is due to the extended suspension of the ABAWD time limit during the COVID-19 Public Health Emergency by the Families First Coronavirus Response Act (FFCRA). While the pre-pandemic FY 2020 QC data suggests this group accounts for 7.3 percent of SNAP participants, the Department believes 9 percent is a more accurate estimate for the start of FY 2024. This estimate is based on caseload trends in the wake of the Great Recession when the time limit was similarly temporarily lifted by the American Recovery and Reinvestment Act of 2009.

the FPL. About 21 percent of time-limited participants are experiencing homelessness at the time of SNAP certification or recertification.<sup>32</sup> Research indicates that time-limited participants who are not meeting the ABAWD work requirement can face significant barriers to finding or increasing their employment. A 2021 USDA study in 9 States found that 5 to 12 percent of SNAP participants subject to the time limit were meeting the work requirement when those States reinstated the time limit after the Great Recession. Participants who were homeless were much less likely to meet the ABAWD work requirement. 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.<sup>33</sup>

#### *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 ABAWD work requirement 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 continue receiving benefits even if they are not meeting the ABAWD 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 ABAWD work requirement. 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

<sup>32</sup> Based on tabulation of pre-pandemic FY 2020 SNAP QC data.

<sup>33</sup> 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>.

agency did not use the exemptions, they could be carried over indefinitely.

#### *D. FRA Legislative Updates*

The FRA<sup>34</sup> amended the Act, revising the definition of who is subject to the ABAWD work requirement and 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 proposing to amend 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 proposing rulemaking relating to this provision.

#### *E. Baseline and Time Horizon of Analysis*

Our baseline for measuring the costs, benefits, and transfers associated with this proposed rule is the Department’s estimated SNAP participation and benefit spending for FYs 2023–2031, shown in Table 3 below. The baseline represents the Department’s best estimate of SNAP participation and spending (in nominal dollars) in the absence of the provisions included in this proposed rule. 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 regulatory impact analysis (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, beginning in September 2023. While some of the provisions included in the FRA and in the proposed rule will be 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 the fiscal year, 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 proposed rule’s economic effects.

<sup>34</sup> Full text of the law can be found at: <https://www.congress.gov/bill/118th-congress/house-bill/3746/text>.

**Table 3: Estimated SNAP Participation and Benefit Baseline<sup>35</sup>**

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Participation (000s)	42,390	42,925	42,092	41,703	41,377	41,026	40,666	40,161	39,538
Benefits (nominal \$millions)	104,349	108,301	110,203	112,213	114,384	116,687	118,801	120,666	122,089

#### F. Methodology

Multiple data sources were used to estimate how the provisions in the proposed rule would 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 proposed 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 Mid-Session Review of the FY 2024 President's Budget baseline for SNAP spending and participation to produce estimates of changes in participation and benefit spending (in nominal dollars) for future years. These were the most recent baseline inputs 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 the pre-pandemic portion of FY 2020,<sup>36</sup> and the SNAP baseline included in Table 3. At the time of analysis, this is the most recent period for which the Department has QC data from all 53 State agencies due to interruptions in QC data collection during the COVID-19 Public Health Emergency. SNAP QC data are collected annually as part of the ongoing effort to determine the accuracy of SNAP certification actions.<sup>37</sup> Data are collected for a sample of SNAP households that is statistically representative at both the national and state levels. The pre-pandemic FY 2020 QC dataset includes data from 18,319 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 pre-pandemic FY 2020 dataset are weighted to be representative of the SNAP caseload during that period nationally and in each State.

Estimates derived from the QC data include:

50–54-Year-Olds Newly Subject to the ABAWD Work Requirement and Time Limit

- Share of SNAP participants that are likely to be newly subject to the ABAWD work requirement and time limit due to the FRA's change to include 50-to-54-year-olds (2.0 percent of total SNAP participants).

Among this group, we estimated:

- The share that are likely meeting the ABAWD work 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 ABAWD work requirement, based on earnings information (2.28 percent). Specifically, this estimate is based on the share of individuals who were estimated to work 15–19 hours per week.

- The share that are likely to be exempted from the ABAWD work requirement for reasons other than the three new exceptions temporarily established by the FRA (e.g., a physical or mental limitation that limits ability to work) because they are exempt from the general work requirement for a reason other than disability (33 percent).

- The average monthly per person benefit received by individuals in this group (26.6 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 (20.6 percent).

Among this group, we estimated:

- The share that are likely meeting the ABAWD work 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 ABAWD work requirement (1 percent).<sup>38</sup>

<sup>38</sup> Note: We use 1 percent for this group, rather than 2.28 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

Because these individuals would begin meeting the ABAWD work 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 be exempted from the ABAWD work requirement for reasons other than the three new exceptions temporarily established by the FRA (e.g., a physical or mental limitation that limits ability to work) because they are exempt from the general work requirement for a reason other than disability (32 percent).

- The average monthly per person benefit received by individuals in this group (29.9 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 share of childless adults without disabilities between the ages of 18 and 49 in the SNAP 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 2020 and FY 2024

- The Department believes the number of time-limited SNAP participants increased between the period for which we have SNAP QC data (pre-pandemic FY 2020) and the end of FY 2023, when the FRA's provisions began to take effect. This is 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).

- Given that time-limited participants largely did not accrue countable months prior to July 2023 due to the temporary suspension of the ABAWD time limit during the pandemic, the Department believes time-

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>).

<sup>35</sup> 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 2024 President's Budget; benefit values for FY 2023 reflect certified benefit amounts (excluding emergency allotments authorized during the COVID-19 Public Health Emergency).

<sup>36</sup> SNAP QC data from the pre-pandemic period covers October 2019 to February 2020, as data collection after February 2020 was limited by the COVID-19 public health emergency.

<sup>37</sup> 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>.

limited participants were a larger share of total participants at the end of FY 2023 and beginning of FY 2024 than indicated by the pre-pandemic FY 2020 QC data (7.3 percent) when fewer geographic areas had waivers of the time limit.

- The Department opted to use FY 2013 SNAP QC data as a proxy estimate for increased participation by time-limited individuals. In 2009, the time limit was similarly suspended nationwide for an extended period by the American Recovery and Reinvestment Act of 2009 and most States continued to qualify for and use Statewide waivers through FY 2013 due to high unemployment rates that lingered after the Great Recession. FY 2013 SNAP QC data indicate that time-limited participants were 9.0 percent of total SNAP participants.

- Correspondingly, the Department assumed that time-limited participants ages 18–49 make up a larger share of participants (9.0 percent) at the start of FY 2024, before declining to 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 2013 and pre-pandemic FY 2020 QC data.

#### 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 work requirement *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,<sup>39</sup> and do not have a child in their household.<sup>40</sup> Compared to the total 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 ABAWD time limit for veterans. Without data on how many of these veterans would be exempt from the ABAWD work requirement for reasons other than the three new exceptions temporarily established by the FRA (e.g., a physical or mental limitation that limits ability to work), we assume the same share as time-limited participants ages 18 to 49 (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 (25.9 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 youth between the ages of 18–24 participate in SNAP, nor to determine the share who may be considered subject to the ABAWD work requirement and 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 youth age out of the foster care system each year, nationally. ACF indicates that about 20,000 youth emancipate from foster care each year,<sup>41</sup> 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,<sup>42</sup> 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 ABAWD work requirement. 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 ABAWD work requirement, or are not subject to the ABAWD work requirement (for reasons that can include being a student, having a child in their household, or having a disability).<sup>43</sup> 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).

<sup>41</sup> 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 most recent report uses FY 2021 data. <https://www.acf.hhs.gov/sites/default/files/documents/cb/afcars-report-29.pdf>.

<sup>42</sup> 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>.

<sup>43</sup> 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>.

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 (25.7 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 ABAWD work requirement and time limit, and subsequently losing eligibility.

Internal analyses were conducted to estimate the share of participants subject to the ABAWD work requirement likely to live in a waived area at two different points in time, based on the assumption that FY 2023 would have a higher level of waiver coverage, declining to stabilize at a lower rate in FY 2026:

(1) Quarter 2 of FY 2023, to reflect a “high” degree of waiver coverage as FRA provisions began to go into effect, when many State agencies still had statewide waivers of the time limit due to high unemployment rates that occurred during the COVID–19 pandemic; 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.

To conduct these analyses, we identified the local areas covered by FNS-approved waivers<sup>44</sup> of the ABAWD time limit in each of the two 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 a period of “high” waiver coverage, 55 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

<sup>44</sup> All FNS-approved ABAWD Waivers are publicly-available at <https://www.fns.usda.gov/snap/ABAWD/waivers>.

<sup>39</sup> As defined in SNAP rules.

<sup>40</sup> The ACS variables used to create this tabulation were: DRATX (“Veteran service connected disability rating”); HUPAC\_RC1 (“HH 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”).

among those aged 50–54 years was 10 percentage points lower than those aged 18–49 years who are subject to the ABAWD work requirement. The Department assumed that FY 2023 would have “high” waiver coverage and would decline each year to reach “low” waiver coverage in FY 2026.

#### 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. States 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 proposed rule’s burden table:

- *State agency program staff*: FY 2023 fully-loaded labor rate is \$31.48. This is based on Bureau of Labor Statistics (BLS) May 2022 estimates of the median hourly wage rate for occupation code 21–1090, Miscellaneous Community and Social Service Specialists (\$23.67) multiplied by 1.33 to represent fully-loaded wages.
- *State agency program manager*: FY 2023 fully-loaded labor rate is \$51.18. This is based on BLS May 2022 estimates of the median hourly wage rate for occupation code 11–9151, Social and Community Service Managers (\$38.48) multiplied by 1.33 to represent fully-loaded wages.
- *State agency computer developers*: FY 2023 fully-loaded labor rate is \$52.69. This is based on BLS May 2022 estimates of the median hourly wage rate for occupation code 15–0000, Computer and Mathematical Operations (\$39.62) multiplied by 1.33 to represent fully-loaded wages.
- *Federal program analyst*: FY 2023 fully-loaded labor rate is \$71.38. This is based on OPM 2023 salary data for the Washington-Baltimore-Arlington, DC–MD–WV–PA locality pay region for a GS–13 Step 1 employee (\$53.67) multiplied by 1.33 to represent fully-loaded wages.
- *Federal supervisory analyst*: FY 2023 fully-loaded labor rate is \$84.36. This is based on OPM 2023 salary data for the Washington-Baltimore-Arlington, DC–MD–WV–PA locality pay region for a GS–14 Step 1 employee (\$63.43) multiplied by 1.33 to represent fully-loaded wages.
- *Federal division director*: FY 2023 fully-loaded labor rate is \$99.22. This is based on

OPM 2023 salary data for the Washington-Baltimore-Arlington, DC–MD–WV–PA locality pay region for a GS–15 Step 1 employee (\$74.60) multiplied by 1.33 to represent fully-loaded wages.

- *SNAP participants*: FY 2023 labor rate is \$22.02. This is based on the Current Population Survey (CPS) FY 2023 median weekly wage for full-time and salary workers, ages 16 and up (\$1,101/week, divided by 40 hours to produce an hourly rate of \$27.525). 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 \$22.02.

The labor rates presented above are inflated for estimates of burden costs in future years using CPI–W projections from the Office of Management and Budget’s (OMB) FY 2025 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.

#### IV. Section-by-Section Analysis

The increases and decreases in SNAP benefit transfers, administrative costs, and burden hours associated with each provision of the proposed 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 proposed 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 proposes adding 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 expands the category of individuals subject to the ABAWD work requirement and time limit by adjusting the upper age limit from 49 to 54, on a phased-in timeline between September 2023 to

October 2024, as well as creates three new categories of exceptions from the ABAWD time limit. All components of this provision will sunset on October 1, 2030, pending any future legislative changes.

#### Changes to Age-Based Exceptions

*Discussion*: This provision gradually raises the upper age limit defining who is subject to SNAP’s ABAWD work requirement from age 49 to age 54, thereby expanding the group of SNAP participants who are subject to the time limit. 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 will change from age 52 to age 54 on October 1, 2024. Upon full phase-in of these adjustments, the ABAWD 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 ABAWD time limit (such as a physical or mental condition that limits ability to work, need to care for a dependent household member, or meeting an exemption from the general SNAP work requirement) would be newly considered subject to the ABAWD time limit.

*Effect on SNAP Participants*: The Department expects the changes to the age-based exception to decrease program participation among SNAP participants ages 50 to 54 who are newly subject to the ABAWD work requirement and time limit from implementation in FY 2023 until sunset of the provision. If these individuals are not able to meet the ABAWD work requirement, the time limit will take effect and they will 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 SNAP QC data) estimates 1.8 percent of all SNAP participants, approximately 753,000 individuals (450,000 individuals ages 50 to 52, and 302,000 individuals ages 53 to 54) may be impacted by the age adjustments and be newly subject to the ABAWD work requirement and 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 2.3 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. As a result of the increased work hours, SNAP benefits for these individuals will decrease by an average of \$121 per month in FY 2026. This small share of new individuals (about 17,000 people in FY 2026) subject to the ABAWD time limit will not lose SNAP eligibility because of the time limit.

The Department estimates that 33 percent of the remaining individuals will qualify for an exception from the ABAWD work requirement and time limit for reasons other

than the three new exceptions temporarily established by the FRA (e.g., a physical or mental condition that limits ability to work) because they are exempt from the SNAP general work requirement for a reason other than disability.

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 345,000 individuals will lose SNAP eligibility and an average of \$272 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 ABAWD work requirement, though a 2021 USDA study on the ABAWD 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 ABAWD time limit has a small, statistically significant negative impact on employment outcomes.<sup>45</sup>

<sup>45</sup> Wheaton, Laura et al. (2021) *The Impact of SNAP Able-Bodied Adults Without Dependents*

A sensitivity analysis among a smaller group of time-limited participants in this study showed no statistically significant impact of the ABAWD 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 employer age discrimination, increased likelihood on health challenges, and lack of training opportunities, among other reasons.<sup>46</sup>

At full implementation in FY 2026, the Department estimates that benefit losses

*(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>.

<sup>46</sup> 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.

among 50-to-54-year-olds newly subject to the ABAWD time limit will represent a 0.94 percent reduction in total annual SNAP benefit spending (transfers), or about \$1.1 billion. The Department estimates federal transfers to decrease over the nine-year analysis period of FY 2023 to FY 2031 by a total of \$6.5 billion because of this provision.

In addition to the direct impacts discussed above, there are additional secondary impacts which are difficult to quantify. The individuals who will lose eligibility for SNAP benefits are likely to experience hardship through increased food insecurity or poverty. This, in turn, could have societal impacts through increased healthcare costs related to increases in food insecurity and poverty or impacts on other nutrition assistance, including food banks. The Department notes that while there are studies that describe the relationships between SNAP, food security, poverty, and health care costs, these studies do not permit estimation of potential impacts on transfers specific to the dispersed ABAWD population that might be affected by this proposed rule.

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**Table 4: Participation and Federal Transfer Impacts of Changes to Age-Based Exceptions**

<b>Time-Limited Participants Ages 50 to 54 Losing Eligibility</b>	<b>Percent of Group</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31<sup>^</sup></b>	<b>Total Cost</b>
Time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		-464	-760	-753	-747	-740	-734	-725	N/A	
Adjust for phase-in at certification/recertification**		232	153							
Increase work hours to 20+ hours per week	2.28%	5	14	17	17	17	17	17	N/A	
Already receiving exception (e.g., unfit for work)	33%	75	196	243	241	239	237	234	N/A	
Share that reside in area with time limit waiver		40%	35%	30%	30%	30%	30%	30%	N/A	
Reside in area with time limit waiver		61	139	148	147	145	144	142	N/A	
<b>Total time-limited participants ages 50 to 54 estimated to lose eligibility due to changes to age-based exceptions*</b>		<b>-91</b>	<b>-258</b>	<b>-345</b>	<b>-342</b>	<b>-339</b>	<b>-336</b>	<b>-332</b>	<b>0</b>	
	<b>Share of TFP</b>									
Benefit loss for those losing eligibility	26.6%	-\$259	-\$265	-\$272	-\$278	-\$284	-\$291	-\$297	N/A	
Benefit decline for those who increase work hours	11.9%	-\$116	-\$118	-\$121	-\$124	-\$127	-\$130	-\$133	N/A	
Average months of benefit loss per year for those losing eligibility		11	11	11	11	11	11	11	N/A	
<b>Total Savings from time-limited participants ages 50 to 54 losing eligibility/benefits (\$millions)*</b>		<b>-\$267</b>	<b>-\$774</b>	<b>-\$1,055</b>	<b>-\$1,071</b>	<b>-\$1,086</b>	<b>-\$1,101</b>	<b>-\$1,113</b>	<b>\$0</b>	<b>-\$6,468</b>

\* 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.

<sup>^</sup> 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.

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## New Exceptions

In addition to expanding the group of individuals subject to the ABAWD work requirement and 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 ABAWD work requirement 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 ABAWD time limit.

The FRA provides exceptions from the time limit for individuals experiencing homeless. To consistently implement this provision nationwide, the Department is proposing to standardize the definition of a "homeless individual" at 7 CFR 271.2 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, provided that primary nighttime residence will be lost within 14 days, no

subsequent housing has been identified and the individual lacks support networks or resources needed to obtain housing; 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 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 3.2 percent of all SNAP participants experience homelessness. However, SNAP participants subject to the ABAWD time limit are much more likely to experience homelessness. In the most recent data available to the Department 20.6 percent of time-limited participants experience homelessness.<sup>47</sup>

In FY 2026 when this provision is fully implemented, the Department (using SNAP QC data) estimates 1.8 percent of all SNAP participants, approximately 766,000 individuals (615,000 individuals ages 18 to 49, and 151,000 individuals ages 50 to 54) experiencing homelessness may be affected by the new exception from the ABAWD work requirement and 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

<sup>47</sup> This estimate includes 50-to-54-year-olds newly subject to the ABAWD work requirement and time limit.

general population of time-limited participants in SNAP, fewer participants who are experiencing homelessness are meeting the work requirement in the QC data.

Additionally, individuals experiencing homelessness can face substantial barriers to gaining or retaining employment, including poor access to transportation, poor access to health care, and 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 2.3 percent observed amongst all time-limited participants in the SNAP QC data.

The Department estimates that 32 percent of the remaining individuals will be excepted from the ABAWD work requirement and time limit for reasons other than the three new exceptions temporarily established by the FRA (e.g., a physical or mental condition that limits ability to work) because they are exempt from the general work requirement for a reason other than disability. 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, would 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 \$305 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 0.92 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 \$7.3 billion because of this new exception for individuals experiencing homelessness.

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**Table 5: Participation and Federal Transfer Impacts of New Exception for Individuals Experiencing Homelessness**

<b>INDIVIDUALS EXPERIENCING HOMELESSNESS</b>	<b>Percent of Group</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>Total Cost</b>
Homeless time-limited participants ages 18 to 49 not working 20+ hours per week (000s)		937	621	615	610	605	600	592	583	
Adjust for phase-in at certification/recertification and phase-out**		-469								-292
Increase work hours to 20+ hours per week	1.00%	-5	-6	-6	-6	-6	-6	-6	-6	-3
Already receiving exception (e.g., pregnant, unfit for work)	32%	-148	-197	-195	-193	-192	-190	-188	-92	
Share that reside in area with time limit waiver		50%	45%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-158	-188	-166	-164	-163	-162	-160	-79	
Total homeless time-limited participants ages 18 to 49 estimated to retain eligibility*		158	230	248	247	244	242	239	118	
Homeless time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		93	152	151	149	148	147	145	N/A	
Adjust for phase-in at certification/recertification**		-46								
Increase work hours to 20+ hours per week	1.00%	0	-2	-2	-1	-1	-1	-1	N/A	
Already receiving exception (e.g., unfit for work)	32%	-15	-48	-48	-47	-47	-46	-46	N/A	
Share that reside in area with time limit waiver		50%	45%	40%	40%	40%	40%	40%	N/A	
Reside in area with time limit waiver		-16	-46	-41	-40	-40	-40	-39	N/A	
Total homeless time-limited participants ages 50 to 54 estimated to retain eligibility*		16	56	61	60	60	59	59	N/A	
<b>TOTAL Homeless Time-Limited Participants Ages 18 to 54 Retaining Eligibility*</b>		<b>173</b>	<b>286</b>	<b>309</b>	<b>307</b>	<b>304</b>	<b>302</b>	<b>298</b>	<b>118</b>	
	<b>Share of TFP</b>									
Benefit gain for those retaining eligibility	29.9%	\$291	\$298	\$305	\$312	\$319	\$326	\$334	\$342	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
<b>Total Cost from Homeless Time-Limited Participants ages 18 to 54 Retaining Eligibility (\$millions)*</b>		<b>\$555</b>	<b>\$938</b>	<b>\$1,037</b>	<b>\$1,053</b>	<b>\$1,068</b>	<b>\$1,083</b>	<b>\$1,094</b>	<b>\$443</b>	<b>\$7,271</b>

\* 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 proposes 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.

*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 ABAWD work requirement and time limit.

In FY 2026, when the FRA's provisions are fully implemented, the Department estimates approximately 92,000 individuals (63,000 individuals between the ages of 18 and 49 and 29,000 individuals ages 50 to 54) are veterans that may be affected by the new exception to the ABAWD work requirement and 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 qualify for an exception from the ABAWD work requirement for reasons other than the three new exceptions temporarily established by the FRA (*e.g.*, a physical or mental condition that limits ability to work) because they are exempt from the SNAP general work

requirement for a reason other than disability.

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 39,000 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 \$264 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 0.10 percent increase in total annual SNAP benefit spending (transfers), or about \$115.0 million. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$787.6 million as a result of this new exception.

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**Table 6: Participation and Federal Transfer Impacts of New Exception for Veterans**

<b>VETERANS</b>	<b>Percent of Group</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>Total Cost</b>
Veteran time-limited participants ages 18 to 49 not working 20+ hours per week (000s)		95	63	63	62	62	61	60	59	
Adjust for phase-in at certification/recertification and phase-out**		-48							-30	
Already receiving exception (e.g., pregnant, unfit for work)	32%	-15	-20	-20	-20	-20	-20	-19	-9	
Share that reside in area with time limit waiver		50%	45%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-16	-19	-17	-17	-17	-17	-16	-8	
Total veteran time-limited participants ages 18 to 49 estimated to maintain eligibility*		16	24	26	25	25	25	25	12	
Veteran time-limited participants ages 50 to 54 not working 20+ hours per week (000s)		18	29	29	29	29	28	28	N/A	
Adjust for phase-in at certification/recertification**		-9								
Already receiving exception (e.g., unfit for work)	32%	-3	-9	-9	-9	-9	-9	-9	N/A	
Share that reside in area with time limit waiver		40%	35%	30%	30%	30%	30%	30%	N/A	
Reside in area with time limit waiver		-2	-7	-6	-6	-6	-6	-6	N/A	
Total veteran time-limited participants ages 50 to 54 estimated to maintain eligibility*		4	13	14	14	14	14	13	N/A	
<b>TOTAL Veteran Time-Limited Participants Ages 18 to 54 Retaining Eligibility*</b>		<b>20</b>	<b>37</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>38</b>	<b>38</b>	<b>12</b>	
	<b>Share of TFP</b>									
Benefit gain for those retaining eligibility	25.9%	\$252	\$258	\$264	\$270	\$277	\$283	\$289	\$296	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
<b>Total Cost Veteran Time-Limited Participants ages 18 to 54 Retaining Eligibility (\$millions)*</b>		<b>\$55</b>	<b>\$104</b>	<b>\$115</b>	<b>\$116</b>	<b>\$118</b>	<b>\$120</b>	<b>\$121</b>	<b>\$39</b>	<b>\$788</b>

\* 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 or such higher age as the State has elected 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.

In creating the implementation guidance, the Department clarified that “foster care under the responsibility of a State” includes foster care programs run by Districts, Territories, or Indian Tribal Organizations. The Department also clarified that the exception applies to individuals who are in foster care when they reach 18 years of age even if they elect to stay in foster care up to the State’s maximum age, as well as individuals aged 18 to 24 who were in foster care at the time they turned 18 years of age, even if the individual exits 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)<sup>48</sup> about how many youth 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 (0.08 percent of all SNAP participants) who are subject to the ABAWD work requirement 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 ABAWD work

<sup>48</sup> 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>.

requirement, or not subject to the ABAWD work requirement and 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, 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 \$262 per month in FY 2026 because of this new exception. In FY 2026, this represents a 0.05 percent increase in total annual SNAP benefit spending (transfers), or about \$60.0 million. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$425.4 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

<b>FORMER FOSTER YOUTH</b>	<b>Percent of Group</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>Total Cost</b>
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		50%	45%	40%	40%	40%	40%	40%	40%	
Reside in area with time limit waiver		-9	-16	-14	-14	-14	-14	-14	-7	
<b>Total Former Foster Youth Time-Limited Participants Estimated to Retain Eligibility*</b>		<b>9</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>10</b>	
	<b>Share of TFP</b>									
Benefit gain for those retaining eligibility	25.7%	\$250	\$256	\$262	\$268	\$274	\$280	\$287	\$293	
Months of benefit gain per year for those retaining eligibility		11	11	11	11	11	11	11	11	
<b>Total Cost from Former Foster Youth Time-Limited Participants Retaining Eligibility (\$millions)*</b>		<b>\$24</b>	<b>\$54</b>	<b>\$60</b>	<b>\$61</b>	<b>\$63</b>	<b>\$64</b>	<b>\$66</b>	<b>\$34</b>	<b>\$425</b>

\* 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**

## Combined Impacts for All Changes to Exceptions—Federal Transfers

As a result of this proposed 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 55,000 individuals per year when fully implemented in FY 2026. In FY 2026, this includes 345,000 participants losing eligibility, 369,000 participants retaining eligibility, and about 30,000 new participants.<sup>49</sup> The

<sup>49</sup>This estimate of about 30,000 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.

Department estimates that a small number of new participants (ages 18–49) will newly 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 may have thought they would be ineligible due to the ABAWD work requirement and time limit. The Department estimates federal transfers to increase over the nine-year period of FY 2023 to FY 2031 by a total of \$2.8 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 \$306.5 million.

In addition to the direct impacts discussed above, there are additional secondary

impacts which are difficult to quantify. The individuals who will retain eligibility for SNAP benefits are less likely to experience increased food insecurity or poverty than if they had lost access to SNAP benefits in absence of the new exceptions provided by the FRA. This in turn could have societal impacts through decreased healthcare costs related to food insecurity and poverty or impacts on other nutrition assistance, including food banks. The Department notes that while there are studies that describe the relationships between SNAP, food security, poverty, and health care costs, these studies do not permit estimation of potential impacts on transfers specific to the dispersed ABAWD population that might be affected by this proposed rule.

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**Table 8: Combined Participation and Federal Transfer Impacts of Exception Updates**

<b>Summary of SNAP Benefit Transfers Due to the SNAP Proposed Rule Implementing <i>The Fiscal Responsibility Act of 2023</i></b>									
	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>FY30</b>	<b>FY31</b>	<b>Total Cost</b>
Total time-limited participants ages 50 to 54 estimated to lose eligibility (000s)	-91	-258	-345	-342	-339	-336	-332	N/A	
Total savings from time-limited participants ages 50 to 54 losing eligibility/benefits (\$millions)	-\$267	-\$774	-\$1,055	-\$1,071	-\$1,086	-\$1,101	-\$1,113	N/A	-\$6,468
Total homeless, veteran, and former foster youth time-limited participants ages 18 to 54 retaining eligibility (000s)	202	342	369	367	364	361	357	140	
Total cost from time-limited participants ages 18 to 54 retaining eligibility (\$millions)	\$634	\$1,096	\$1,212	\$1,230	\$1,249	\$1,267	\$1,280	\$516	\$8,484
New Participants (000s)	-	31	30	30	30	30	29	14	
Total Cost from New Participants (\$millions)	\$0	\$110	\$111	\$113	\$115	\$116	\$117	\$59	\$742
<b>NET PARTICIPANT IMPACT (000s)*</b>	<b>111</b>	<b>114</b>	<b>55</b>	<b>55</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>155</b>	
<b>NET COST (\$millions)*</b>	<b>\$367</b>	<b>\$432</b>	<b>\$268</b>	<b>\$273</b>	<b>\$277</b>	<b>\$281</b>	<b>\$285</b>	<b>\$575</b>	<b>\$2,758</b>

\* 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 ABAWD time limit. These individuals will be required to report work hours and review and respond to notices informing them of the ABAWD work requirement and time limit. Based on estimates provided in the burden table prepared for the proposed rule's information collection request, an estimated 366,751 individuals will experience an annual 15.5-minute burden related to these activities for total time of 94,744 hours annually and an annual cost of \$2.3 million in FY 2026. In addition, 317,000 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 work requirement, estimated to be an additional 4-minute burden per person for a time of 21,133 hours annually and a total annual cost of \$502,616 in FY 2026.

Upon sunset of this provision on October 1, 2030, the upper limit of ages subject to the ABAWD work requirement 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 at 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 at their next recertification or screening during FY 2031, the Department estimates a one-time burden on 490,271 participants of 15.5 minutes related to work reporting administrative activities for a total of \$3.4 million in FY 2031. While a portion of this group is expected to meet the work requirement, receive an exemption, or meet a different exception from the time limit, approximately 367,703 individuals are expected to have an additional 4-minute burden to review and respond to NOAAs, at a one-time total approximate cost of \$653,188 in FY 2031.

**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 ABAWD 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 proposed rule is estimated to be approximately 473,857 hours, totaling \$10.3 million for start-up activities in FYs 2023 and 2024 for 53 State agencies, after 50 percent federal cost reimbursement. The Department is unable to disaggregate the portion of that cost that applies specifically to each provision of the proposed rule.

**Ongoing:** On an ongoing basis, State agencies will need to discuss the ABAWD work requirement, verify hours worked, and provide appropriate noticing to individuals who are newly subject to the ABAWD work requirement and time limit (estimated at 366,751 participants). This is estimated to take 15.5 minutes per individual and cost an estimated \$1.6 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 317,000 participants who will need to be issued Notices of Adverse Action (NOAAs) due to not meeting the work requirement for a total annual cost of \$359,285 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 administrative costs are estimated to be a total one-time burden of 625,024 hours, equating to about \$15.0 million for 53 State agencies in FYs 2030 and 2031 after 50 percent federal cost reimbursement.

**Combined Impacts for All Changes to Exceptions—Federal Administrative Costs**

**Implementation:** In addition to the federal transfer effects previously discussed, the Department expects it will take 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 \$6,760 in FY 2024. However, the Department is unable to disaggregate the portion of those 90 hours that apply specifically to each provision of the proposed rule. Additionally, the federal share of State agencies' administrative expenses to implement all provisions of the proposed rule is estimated to be a total one-time cost of \$10.3 million for start-up activities in FYs 2023 and 2024. Similarly, the Department is unable to disaggregate the portion of that cost that applies specifically to each provision of the proposed rule.

**Ongoing:** To provide administrative support throughout the duration of the FRA's changes to exceptions from the ABAWD time limit, the Department estimates ongoing administrative costs to the Federal Government to be on average \$32.2 million annually during years of full implementation (FY 2026–FY 2030) for the federal share of State agencies' ongoing administrative expenses.

**Sunsetting:** When the FRA exception provisions sunset on October 1, 2030, the Department estimates the federal administrative burden in FY 2030 to be a

one-time cost of \$5,813, and a one-time cost of \$15.0 million in FYs 2030 and 2031 for the Federal share of State agencies' administrative expenses.

**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 have 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.

**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 ABAWD 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.<sup>50</sup> As a result, this analysis scores 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

<sup>50</sup> 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.

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 ABAWD time limit may be affected.

In FY 2024 and FY 2025, the Department anticipates that State agency application of discretionary exemptions could change as State agencies attempt to "spend down" discretionary exemptions that will otherwise expire. This "use-or-lose" scenario could incentivize some State agencies to use more discretionary exemptions in FYs 2024 and 2025, which could result in fewer individuals losing SNAP eligibility due to the ABAWD time limit in these two fiscal years. However, given that State agencies typically under-use the discretionary exemptions available to them, the Department does not expect measurable changes to SNAP participation or transfers to occur.

*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 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 will take 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 \$6,760 in FY 2024. However, the Department is unable to disaggregate the portion of those 90 hours that apply specifically to each provision of the proposed rule.

Additionally, as previously discussed, the federal share of State agencies' administrative expenses to implement all provisions of the proposed rule is estimated to be a total one-time cost of \$10.3 million in FYs 2023 and 2024. Similarly, we are unable to disaggregate the portion of that cost that applies specifically to each provision of the proposed rule. This provision is not expected to generate any ongoing administrative costs to the Federal Government. Finally, there are no sunseting administrative costs pertaining to this provision, as it is enacted on a permanent basis.

#### D. Screening

*Discussion:* This provision would require State agencies to evaluate individuals to determine if they are subject to the time limit or if they qualify for an exception. This includes determining if an individual is exempt from the general work requirement, as individuals are not subject to the time limit if they meet an exemption from the general work requirement. The Department refers to this process as "screening." Screening would be required at initial and recertification application and State agencies would be prohibited from assigning countable months to an individual if the State agency has not screened them for exceptions, including the new exceptions established by the FRA. If an individual subject to the time limit has a change in circumstances that result 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 proposes to outline at 7 CFR 271.2, 273.7(b)(3), and 273.24(k) to ensure countable months are not applied inappropriately.

*Effect on SNAP Participants:* This provision is intended to ensure that SNAP participants are not incorrectly deemed ineligible for SNAP for not meeting the ABAWD work requirement, without first requiring the State agency to determine that they are not eligible for any exceptions. The Department does not currently have information available that would permit it to estimate how many individuals may retain SNAP eligibility because of more effective screening for exceptions from the time limit and exemptions from the SNAP work requirements. Among those who do retain eligibility as a result of this provision, the Department estimates each individual will continue to receive an average of \$252 in

monthly SNAP benefits (25.9 percent of the TFP in FY 2024).

Aside from benefit impacts of this provision, SNAP participants are expected to bear an administrative burden due to increased screening. FNS estimates that screening for exceptions from the ABAWD work requirement 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 ABAWD work requirement are also subject to the general work requirement and therefore will incur 8 minutes of burden, per screening. In total, screening will affect approximately 19.0 million SNAP participants and equal approximately 1.7 million additional hours annually in FY 2026. This would equate to an estimated annual burden of \$40.2 million across all individuals in FY 2026. Because this provision of the rule does not sunset, there are no expected burden costs of sunseting this provision.

*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 proposed rule is estimated to be approximately 473,857 hours, totaling \$10.3 million for start-up activities (including system changes) in FYs 2023 and 2024 for 53 State agencies, after 50 percent federal cost reimbursement. The Department is unable to disaggregate the portion of that administrative cost that applies specifically to each provision of the proposed rule.

Due to the additional estimated 4 or 8 minutes of time spent with participants during the screening process, explained above, the annual projected administrative burden to State agencies is 1.7 million hours, or approximately \$28.8 million annually in FY 2026 after 50 percent federal cost reimbursement. Because this provision of the rule does not sunset, there are no expected administrative costs of sunseting this provision.

*Effect on Federal Spending:* Federal administrative burden associated with implementing the final rule have been discussed in previous sections of the RIA. The federal share of State agencies' administrative expenses to comply with this update is estimated to be approximately \$28.8 million annually in FY 2026 for 53 State SNAP agencies. There are no sunseting administrative costs pertaining to this provision, as it is enacted on a permanent basis.

## V. Distributive Impacts

### A. Differences in State-Level Impacts

Effects of the FRA's provisions in the proposed 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 ABAWD time limit will have smaller portions of their participants affected by changes to the ABAWD work requirement. The provision to make 50-to-54-year-olds subject to the ABAWD work requirement and 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 2 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 0.5 percent in Nebraska, to 4.8 percent in the U.S. Virgin Islands. 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 estimates<sup>51</sup> 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.

The share of each State's SNAP participants who are experiencing homelessness, or are time-limited participants *and* experiencing homelessness, also varies. Nationally, about 3.2 percent of SNAP participants are experiencing homelessness, according to pre-pandemic FY 20 SNAP QC data. More specifically, about 1.9 percent of SNAP participants are considered subject to the ABAWD work requirement and experiencing homelessness. The State with the lowest share of time-limited participants experiencing homelessness is Mississippi (0.1 percent) and the State with the highest share is California (5.9 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 based on the QC data.

### B. Differences Among Subgroups

While the ABAWD work requirement and time limit do 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 this proposed rule. A small share of individuals subject to the ABAWD work requirement and time limit (8.3 percent) are in a SNAP household with an elderly or disabled person. If these individuals lose eligibility because of the ABAWD time limit, their household will experience a decrease in total SNAP benefits available to the household. The provisions included in this proposed rule will not affect SNAP households with children, as individuals subject to the ABAWD work requirement, by definition, do not have children in their SNAP household.

Individuals affected by the provisions in the proposed rule are more likely to be male, when compared all adults between ages 18 and 54 in the SNAP caseload (50 percent, compared to 35 percent). While participants subject to the ABAWD work requirement and time limit between ages 18 and 54 are equally divided between males and females, those who are over age 50 are more likely to be female (54 percent) and those who experience homelessness are more likely to be male (61 percent). See Table 9, below, for estimates of the sex of SNAP participants in several subgroups affected by the proposed rule's provisions. The Department does not have data on the sex of SNAP participants who are subject to the ABAWD work requirement and time limit who are also veterans or former foster youth.

**Table 9: Sex of SNAP Participants Affected by Proposed 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%	51%	46%	50%	61%
Female	65%	49%	54%	50%	39%
Total	100%	100%	100%	100%	100%

Data from pre-pandemic FY 2020 SNAP QC data.

The distribution of races and Hispanic ethnicity among SNAP participants affected by the proposed rule is generally similar to the distribution among all SNAP participants ages 18 to 54, with the exception of homeless time-limited participants. SNAP participants subject to the ABAWD work requirement ages 18 to 54 have roughly the same likelihood of being white or black (42 percent and 27 percent, respectively) as all SNAP participants ages 18 to 54 (42 percent and 26

percent). However, SNAP participants who are subject to the ABAWD work requirement and experiencing homeless are less likely to be white (36 percent) than SNAP participants ages 18 to 54 (42 percent), and more likely to be black or Hispanic or Latino of any race (30 percent and 17 percent, respectively) compared to all SNAP participants ages 18 to 54 (26 percent and 12 percent). It is important to note that the Department does not have data on the race or ethnicity of 14

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 proposed rule's provisions. The Department does not have data on the race or ethnicity of SNAP participants who are subject to the ABAWD work requirement who are also veterans or former foster youth.

<sup>51</sup> Available here: <https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>.

**Table 10: Race and Ethnicity of SNAP Participants Affected by Proposed Rule’s**

**Provisions**

<b>Race/Ethnicity</b>	<b>All SNAP participants ages 18-54</b>	<b>Time-limited participants , ages 18-49</b>	<b>Time-limited participants , ages 50-54</b>	<b>All time-limited participants , ages 18-54</b>	<b>Time-limited participants , ages 18-54 experiencing homelessness</b>
White	42%	41%	45%	42%	36%
American Indian/Alaska Native	1%	2%	1%	2%	2%
Asian	2%	1%	1%	1%	1%
Black or African American	26%	26%	28%	27%	30%
Native Hawaiian or Pacific Islander	0.5%	0.4%	0.3%	0.4%	0.3%
Multiple Races	2%	2%	2%	2%	3%
Hispanic or Latino of any race	12%	14%	12%	14%	17%
Missing	14%	13%	11%	13%	11%
<b>Total*</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Data from pre-pandemic FY 2020 SNAP QC data.

\*Totals may not add due to rounding.

**VI. Uncertainties**

*A. Effectiveness of Screening for New Exceptions*

In this analysis, the Department assumes that all individuals subject to the ABAWD work requirement are correctly screened for qualifying exceptions. For example, we assume that all individuals who are experiencing homelessness and subject to the ABAWD work requirement are correctly excepted from the time limit. Human error is likely to result in some share of individuals not receiving an exception for which they qualify, and 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 proposed 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 ABAWD 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.

*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 ABAWD work requirement 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 0.22 percent of participants), we do not expect this uncertainty to result in significant changes to the net transfer impact associated with the proposed rule.

#### VII. Sensitivity Analysis

Table 11, below, illustrates how the RIA's estimates might change if different assumptions regarding the uncertainties discussed above were used. 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**

Estimated Change in SNAP Benefits (\$Millions)	One-Year (FY 2026)	Nine-Year (FY 2023 – 2031)
In RIA as proposed	\$268.1	\$2,758.3
Scenario A: Assume 10% less effective screening for exceptions	\$135.8	\$1,835.7
Scenario B: Assume 10 percentage point increase in waiver coverage	\$214.3	\$2,229.1
Scenario C: Assume 10 percentage point decrease in waiver coverage	\$322.0	\$3,287.5

The proposed rule would result in a 0.27 percent increase in total SNAP benefit spending over the nine-year period of analysis, or \$268.1 million in FY 2026 and \$2.8 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 0.18 percent. In FY 2026, Scenario A would decrease the cost of the proposed rule by \$132.2 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 proposed rule by approximately \$922.6 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 \$53.8 million increase or decrease in overall SNAP spending in reference year FY 2026 (\$529.2 million over FY 2023–FY 2031) compared to the primary estimates in this RIA. This represents approximately a 0.05 percentage-point increase or decrease in transfer spending.

#### VIII. Alternatives

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

alternatives is limited. The proposed rule would implement changes to exceptions from the ABAWD work requirement and time limit in a way that closely adheres to the FRA's statutory language. In order to provide needed guidance to State agencies implementing the FRA's changes to the ABAWD work requirement, the Department has 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 this proposed rulemaking. However, these definitions do not expand upon the categories included in the FRA.

The Department has determined the clarification of definitions of who qualifies for the FRA's new exceptions would have limited effect on the welfare effects of the rule. The Department did not consider alternative definitions for these groups 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 is proposing one addition to the FRA's required provisions to amend the regulations to clarify requirements for screening individuals for exceptions from the work requirements and time limit. This added provision would require 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 addresses 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 a measurable effect on transfers, but would reduce State administrative expenses, household burden expenses, and federal administrative costs; the precise reduction in administrative costs for this provision alone cannot be disaggregated from the projected 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. 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 is proposing to require 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 clarifies 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.

The Department did not consider any other alternatives for inclusion in the proposed 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**

<b>State</b>	<b>Share of participants that are 50-to-54-years-old and time-limited</b>
Alabama	1.8%
Alaska	3.0%
Arizona	2.5%
Arkansas	2.0%
California	2.9%
Colorado	3.0%
Connecticut	3.4%
Delaware	2.4%
District of Columbia	4.7%
Florida	2.0%
Georgia	1.5%
Guam	2.5%
Hawaii	2.2%
Idaho	1.3%
Illinois	1.8%
Indiana	1.1%
Iowa	2.6%
Kansas	1.3%
Kentucky	2.3%
Louisiana	1.5%
Maine	1.0%
Maryland	3.5%
Massachusetts	1.8%
Michigan	2.3%
Minnesota	1.9%
Mississippi	2.2%
Missouri	2.3%
Montana	2.7%
Nebraska	0.5%
Nevada	1.1%
New Hampshire	0.8%
New Jersey	0.9%
New Mexico	2.1%
New York	1.5%
North Carolina	2.5%
North Dakota	1.0%
Ohio	2.8%



Oklahoma	2.3%
Oregon	2.1%
Pennsylvania	1.6%
Rhode Island	2.0%
South Carolina	3.5%
South Dakota	2.1%
Tennessee	2.1%
Texas	0.7%
Utah	1.2%
Vermont	1.5%
Virginia	2.5%
Virgin Islands	4.8%
Washington	2.6%
West Virginia	1.7%
Wisconsin	1.4%
Wyoming	1.5%
<b>U.S. Total</b>	<b>2.0%</b>

## 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	1.1%	0.7%
Alaska	5.7%	3.0%
Arizona	5.6%	4.8%
Arkansas	2.8%	2.1%
California	7.5%	5.9%
Colorado	7.7%	4.3%
Connecticut	2.9%	2.5%
Delaware	1.6%	0.8%
District of Columbia	7.6%	2.0%
Florida	2.3%	1.0%
Georgia	2.1%	1.0%
Guam	2.6%	0.8%
Hawaii	3.4%	1.6%
Idaho	1.2%	0.5%
Illinois	2.1%	1.2%
Indiana	2.7%	0.4%
Iowa	3.2%	1.5%
Kansas	2.4%	1.2%
Kentucky	1.4%	0.6%
Louisiana	1.4%	1.3%
Maine	1.9%	0.7%
Maryland	6.5%	2.6%
Massachusetts	7.0%	3.6%
Michigan	4.2%	1.1%
Minnesota	3.8%	2.3%
Mississippi	0.6%	0.1%
Missouri	4.8%	2.3%
Montana	3.2%	2.6%
Nebraska	2.4%	1.5%
Nevada	4.2%	3.4%
New Hampshire	2.9%	1.7%
New Jersey	1.9%	0.5%
New Mexico	5.2%	3.9%
New York	1.8%	1.0%
North Carolina	1.7%	0.9%
North Dakota	2.0%	0.2%
Ohio	2.9%	1.1%
Oklahoma	2.6%	1.7%
Oregon	3.3%	2.5%

Pennsylvania	0.4%	0.4%
Rhode Island	8.0%	5.6%
South Carolina	1.5%	0.9%
South Dakota	2.7%	1.4%
Tennessee	2.9%	1.0%
Texas	0.8%	0.2%
Utah	4.5%	2.6%
Vermont	5.8%	2.0%
Virginia	0.5%	0.5%
Virgin Islands	1.4%	1.0%
Washington	7.1%	5.3%
West Virginia	0.3%	0.3%
Wisconsin	5.8%	2.7%
Wyoming	1.9%	0.4%
<b>U.S. Total</b>	<b>3.2%</b>	<b>1.9%</b>

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