



Food and Nutrition Service
1320 Braddock Place
Alexandria VA, 22314

December 31, 2020

SUBJECT: SNAP Provisions in the Consolidated Appropriations Act, 2021

TO: All State Directors
Supplemental Nutrition Assistance Program

On December 27, 2020, the President signed into law the Consolidated Appropriations Act, 2021. Attached is an information memorandum describing the Supplemental Nutrition Assistance Program (SNAP) provisions of that Act.

Regional Offices should ensure that their States are apprised of these changes and should keep the National Office informed with progress concerning the implementation of these provisions. State agencies with questions regarding these adjustments should contact their respective Regional Office representatives. Regional Office staff with questions should contact the appropriate person listed on the chart below.

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

Section	Title	Contact
Sec. 272; 273; 702(a), (b)(1), (b)(2), (d), (e); 704	Sasha Gersten-Paal	sasha.gersten-paal@usda.gov
Sec. 702(b)(3), (b)(4), (c), (g)	Ron Ward	ronald.ward@usda.gov
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Attachment

The Consolidated Appropriations Act, 2021 (herein referred to as the Act) was recently signed into law. The Act contains changes that temporarily raise SNAP benefit levels, expand student eligibility, change the computation of client overissuance claims due to increased benefit levels, and allocate new administrative funding. The Act also provides additional funding for the Nutrition Assistance Programs in Puerto Rico, American Samoa and the Commonwealth of the Northern Mariana Islands.

In the coming weeks, additional details will be forthcoming.

Division N, Additional Coronavirus Response and Relief

TITLE VII—Nutrition and Agriculture Relief, Subtitle A—Nutrition (COVID-19 Relief Provisions)

Effective on January 1, 2020

Section 702(a) – Value of Benefits

This provision provides that benefits under the Supplemental Nutrition Assistance Program (SNAP) will be calculated using 115 percent of the June 2020 value of the Thrifty Food Plan (TFP) effective January 1, 2021 through June 30, 2021. FNS provided States with the June 2020 TFP adjusted allotment tables on December 28, 2020, via the memorandum entitled [SNAP – Temporary Increase in Maximum Allotments due to COVID-19](#).

Section 702(b)(1) and (b)(2) – Requirements for the Secretary – Administration

The Act requires the above increase to be considered as a “mass change”, which is defined and for which procedures are described in SNAP regulations at 7 CFR 273.12(e), and requires a simple process for States to notify households of the benefit increase.

Section 702(b)(3) – Requirements for the Secretary – Quality Control

The Act requires the Secretary to exclude any errors in the implementation of the benefit increases under Section 702 in the calculation of a State’s payment error rate. This quality control variance exclusion applies only to the additional benefits described in Section 702(a), effective January 1, 2021. Any variances resulting from mistakes in the amount of additional benefits authorized for a household resulting from the application of the adjusted benefit levels will be excluded from a State’s payment error rate.

Section 702(b)(4) Requirements for the Secretary – Client Overissuance Claims

Benefits overissued as a result of implementing the adjusted benefit levels outlined in Section 702(a) must be excluded when calculating the amount of a claim against a household. This exclusion will apply to any additional amount of benefits issued to a household under Section 702(a) from January 1, 2021, through June 30, 2021.

Effective as of Enactment

Section 702(d) – Certain Exclusions from SNAP Income

The Act excludes Federal pandemic unemployment compensation payments authorized under Section 2104 of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act; P.L. 116-136) from consideration as income or resources for the purposes of determining SNAP eligibility or calculating benefit allotments. Such payments may not be regarded as income or resources in the month of receipt or any of the following 9 months. Please note, this exclusion only applies to the Federal pandemic unemployment compensation payments (i.e. the additional \$300 provided by the Act through the CARES Act and the initial Federal unemployment compensation payment of \$600 in the CARES Act).

Section 703 – Additional Assistance for SNAP Online Purchasing and Technology Improvements

The Act provides up to \$5 million for the following:

- Additional support to conduct end-to-end testing, and technical assistance to educate retailers on the process and technical requirements, for the SNAP online purchasing program.
- Cooperative agreements or grants, provided on a competitive basis, to not more than 5 eligible entities, to build out functionality and provide assistance to enable direct-marketing farmers and farmers' markets to accept SNAP benefits through online transactions. An eligible entity means a non-profit entity with experience building online purchasing platforms or technology solutions, or with experience working with commercial entities that have experience building these platforms and solutions. FNS will prioritize eligible entities with experience building online purchasing platforms for technology solutions for farmers' markets and direct-marketing farmers.
- Technological developments related to security and privacy for mobile payment technology to support mobile payment demonstration projects as authorized by Section 7(k)(14) of the Food and Nutrition Act of 2008 will be reviewed. Methods to modernize electronic benefit transfer technology for improving security and integrity shall also be tested.

By January 31, 2022 (and annually until all funds have been expended), the Secretary will provide a report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry which includes a description of all activities covered in this section, a description of any grants, cooperative agreements, or contracts awarded under this section, an analysis of the technological developments for mobile payment technology, and a summary of EBT modernization testing.

Section 704 – Nutrition Assistance Programs

The Act provides \$614 million to the Commonwealth of the Northern Mariana Islands, Puerto Rico, and American Samoa for nutrition assistance in response to a COVID-19 public health emergency, of which \$14 million shall be available to the Commonwealth of the Northern Mariana Islands. This funding will remain available through September 30, 2021. FNS will work with these territories to revise their plans of operation and memoranda of understanding as necessary to provide these additional funds.

Other COVID-19 Relief Provisions that are effective subsequent to enactment

Section 702(c) – Administrative Expenses

The Act allocates \$100 million for State administrative costs associated with carrying out the change in benefits required by Section 702 of the Act and for administering SNAP in fiscal year (FY) 2021. Within 60 days of enactment of the Act, FNS will allocate \$100 million to State agencies. As required by the Act, 75 percent will be allocated to States based on each State's respective share of households that participate in SNAP for the most recent 12 month period for which data are available. The remaining 25 percent will be allocated to States based on the increase in the number of households that participate over the most recent 12 month period for which data are available. These allocations will be adjusted for participation in disaster SNAP programs as specified by the Act. Specific State amounts will be provided under separate cover.

State agencies will need to track the Act's administrative expenditures separately. Unless implementing guidance from the Office of Management and Budget necessitates other reporting procedures, State agencies should be prepared to report the Act expenditures on a separate SF-425 which FNS will make available within the Food Program Reporting System (FPRS). This will allow FNS to monitor State administrative costs and the expenditures associated with these funds and properly close the grant award at the end of the period of performance.

Section 702(e) – Provisions for Impacted Students

The Act temporarily expands student eligibility at Section 6(e) of the Food and Nutrition Act of 2008, as amended to include students enrolled at least half-time in an institution of higher education, who either:

- a) are eligible to participate in State or federally financed work study during the regular school year, as determined by the institution of higher education, or
- b) have an expected family contribution (EFC) of \$0 in the current academic year determined in accordance with part F of title IV of the Higher Education Act of 1965.

Unlike under regular rules at Section 6(e)(4) of the Food and Nutrition Act of 2008, as amended, and 7 CFR 273.5(b)(6), the Act expands the eligibility exemption to students who are eligible to participate in work study during the regular school year, without the requirement that they actually participate. States must implement this exemption expansion no later than 20 days after enactment of the law, or January 16, 2021. Beginning on that date, students who meet one of the two above outlined criteria may receive SNAP if they meet all other financial and non-financial SNAP eligibility criteria.

The Act further provides that the temporary student eligibility standards shall be in effect for initial applications for SNAP until 30 days after the COVID-19 public health emergency¹ is lifted. The temporary student eligibility standards authorized shall be in effect until the first recertification of a household beginning no earlier than 30 days after the COVID-19 public health emergency is lifted.

FNS will provide additional guidance on the temporary student eligibility standards under separate cover. In addition, the Department of Education, in consultation with the Secretary of Agriculture, must carry out activities to inform applicants for financial aid and students at institutions of higher education of the student eligibility expansion.

Section 702(f) – Redemption Rate Report

The Act directs USDA to submit a report to Congress on the redemption rate and account balances for benefits issued under Section 702(a) each month from January 2021 through June 2021. The report is due no later than July 31, 2021.

Section 702(g) – Shortening QC Waiver Timeframes

The Act shortens the SNAP quality control suspension period provided for in The Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159) from September 30, 2021 to June 30, 2021.

¹ Defined as the public health emergency declared or renewed by the Secretary of Health and Human Services under section 319 of the Public Health Service Act based on an outbreak of COVID-19

Other Provisions Affecting SNAP

Division N, Additional Coronavirus Response and Relief

Title II – Assistance to Individuals, Families, and Businesses, Subtitle B – COVID-Related Tax Relief, Chapter 1 – Continued Assistance to Unemployed Workers

Section 272 and 273. Additional 2020 Recovery Rebates for Individuals

This provision further amends the Internal Revenue Code at Section 6428 to authorize additional \$600 rebate payments to eligible individuals, including children—similar to those authorized under the CARES Act Section 2201. Pursuant to 26 U.S.C. § 6409, these rebates are excluded from consideration as income in the month of receipt and as a resource for 12 months following receipt for SNAP purposes. A household would not be considered to have exceeded the income limit due to these payments because they are excluded, but receipt of these payments could affect a household's eligibility after 12 months if the payments cause the household to exceed the resource limit.