

DATE: December 18, 2024

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) - Implementation of the

Program Purpose and Work Requirement Provisions of the Fiscal Responsibility

Act of 2023 Final Rule

TO: All State Agencies

All Regions

On December 17, 2024, the Food and Nutrition Service (FNS) published the final rule, Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023 (89 FR 102342).

This rule finalizes the requirements of the Fiscal Responsibility Act (FRA) of 2023 (<u>P.L. 118-5</u>), including updating the SNAP purpose statement, amending the exceptions from the time limit, and reducing the annual allotment of discretionary exemptions. State agencies were required to implement these provisions before this rule's publication. As a reminder, the changes to the exceptions from the time limit will end on October 1, 2030, unless otherwise amended by law.

This rule also includes requirements initially proposed on <u>April 30, 2024</u>, which describe various able-bodied adults without dependents (ABAWD) time limit policies including adding definitions of the FRA time limit exceptions, clarifying State agency screening and verification requirements. The final rule is effective January 16, 2025. State agencies must implement provisions of this rule on January 16, 2025, with a few exceptions.

The final rule codifies the requirements of the FRA and establishes requirements to assist State agencies in complying with SNAP work requirements policy and encourage collaboration across federal programs. This ensures State agencies properly apply time limit policy, protecting program access and program integrity.

The enclosure provides a summary of the final rule's provisions and the timeline for implementation. FNS will issue additional guidance in the coming months.

State agencies with questions regarding the final rule or its implementation should contact their respective <u>Regional Office representatives</u>.

Sincerely,

Sasha Gersten-Paal Director Program Development Division Supplemental Nutrition Assistance Program

Enclosure

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Supplemental Nutrition Assistance Program: Program Purpose and Work Requirement Provisions of the Fiscal Responsibility Act of 2023 (FRA) Final Rule

Section 1: Implementation Timeline

This section provides an overview of the various effective dates for provisions in the final rule.

FRA Provisions Effective Before January 16, 2025

The FRA required that State agencies implement certain provisions before this final rule's effective date.

On September 1, 2023, State agencies were required to apply new exception criteria to the able-bodied adult without dependent (ABAWD) time limit for individuals experiencing homelessness, veterans, and individuals aging out of foster care.

State agencies were required to gradually increase the upper age limit of the age-based exception as follows:

- to "51 or older" on September 1, 2023;
- to "53 or older" on October 1, 2023; and
- to "55 or older" on October 1, 2024.

Lastly, on October 1, 2023, FNS reduced the annual allotment of discretionary exemptions from 12 percent to 8 percent of the ABAWD caseload.

Provisions Effective January 16, 2025

On January 17, 2025, State agencies must implement provisions related to the:

- Definitions for homeless individuals, veterans, and individuals aging out of foster care at 7 CFR 273.24(c)(7), (8), and (9).
- Requirements to screen for exemptions from the general work requirements at 7 CFR 273.7(b)(3) and for exceptions from the time limit at 7 CFR 273.24(k).
- Requirements for verifying exceptions status at 7 CFR 273.24(l).

Provisions Effective After January 16, 2025

Beginning October 1, 2025, State agencies must follow the provisions related to discretionary exemptions at 7 CFR 273.24(h)(2)(i).

Sunsetting

Beginning October 1, 2030, State agencies must readjust the age-based exception at 7 CFR 273.24(c)(1) to "50 or older" and stop applying the three new exceptions at 7 CFR 273.24(c)(7), (8), and (9).

Section 2: Provisions Based on the Fiscal Responsibility Act

This section provides an overview of provisions in the final rule that comply with the statutory provisions of the FRA.

Program Purpose Statement - 7 CFR 271.1(a)

Revises the Supplemental Nutrition Assistance Program (SNAP) purpose statement to include assisting low-income adults in obtaining employment and increasing their earnings. This change aligns with the Food and Nutrition Act of 2008, as amended.

Modified Exception Criteria

Age-Based Exception Criteria - 7 CFR 273.24(c)(1)

Implements the final increase to the upper age limit of the age-based exception to "55 or older."

New Exception for "Homeless Individual" - 7 CFR 273.24(c)(7)

Implements the new exception from the time limit for homeless individuals, as defined in 7 CFR 271.2.

New Exception for Veteran - 7 CFR 273.24(c)(8)

Implements the new exception from the time limit for veterans, as defined in 7 CFR 273.24(c)(8).

New Exception for Individual Aging Out of Foster Care - 7 CFR 273.24(c)(9)

Implements the new exception from the time limit for individuals aging out of foster care, as defined in 7 CFR 273.24(c)(9).

Sunset of Modified Exception Criteria - 7 CFR 273.24(c)(10)

Stipulates that the upper limit of the age-based exception will return to "50 or older" and the time limit exception criteria for individuals experiencing homelessness, veterans, or aging out of foster care will end on October 1, 2030, unless otherwise amended by law.

Discretionary Exemptions

Change in Annual Allotment of Discretionary Exemptions - 7 CFR 273.24(g)(3)

Reduces the annual allotment of exemptions from 12 percent to 8 percent of the ABAWD caseload.

<u>Limitations on Carryover of Unused Discretionary Exemptions - 7 CFR 273.24(h)(2)(i)</u>

Limits the carryover of unused exemptions to only those earned in the previous year starting in FY 2026.

Section 3: Provisions to Support Implementation of the Fiscal Responsibility Act

This section provides an overview of additional provisions in the final rule that are necessary to support implementation of the statutory provisions of the FRA discussed above.

Revised Definitions

Definition of "Homeless Individual" - 7 CFR 271.2

Amends the definition of "homeless individual" at 7 CFR 271.2 to clarify that individuals who are "imminently homeless" are considered homeless because they lack a fixed and regular nighttime residence.

The rule also defines a homeless individual at 7 CFR 273.24(c)(7) consistent with the definition of "Homeless individual" at 7 CFR 271.2.

Definition of Veteran - 7 CFR 273.24(c)(8)

Defines a veteran as an individual who, regardless of the conditions of their discharge or release, served:

- In the United States Armed Forces (such as Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, and National Guard),
- In a reserve component of the Armed Forces, or
- As a commissioned officer of the Public Health Service, Environmental Scientific Services Administration, or the National Oceanic and Atmospheric Administration.

Definition of Individual Aging Out of Foster Care - 7 CFR 273.24(c)(9)

Defines an individual aging out of foster care as an individual who:

- Is 24 years of age or younger, **and**
- Turned 18 while in foster care under the responsibility of any State, District, U.S.
 Territories, Indian Tribal Organization, or Unaccompanied Refugee Minors Program, regardless of if the individual remained in extended foster care until the maximum age or left extended foster care before the maximum age.

<u>Definition of Screening - 7 CFR 271.2 "Screening"</u>

Amends the definition of "screening" to include evaluating individuals for all exemptions from the general work requirements and all exceptions from the time limit. This is in addition to evaluating if an individual should be referred for participation in an employment and training program.

Requirements for Screening for Work Requirements

Screening at Certification and Recertification Application - 7 CFR 273.7(b)(3) and 273.24(k) Requires State agencies to screen individuals for all exemptions from the general work requirements and all exceptions from the time limit at certification and recertification. The rule requires State agencies to apply the general work requirement exemption and time limit exception effective the longest for the individual.

Changes in Exception Status During Certification Period - 7 CFR 273.24(k)(1)(i) and (ii)
Requires State agencies to screen for exceptions after an individual loses their exception status and determine that the individual does not meet any other exceptions before assigning countable months.

Also requires State agencies to act promptly to apply a new exception and stop assigning countable months when the State agency receives information during the certification period that the individual is now meeting an exception. If the information is questionable, State agencies must verify the information, following rules for verifying exception status and unclear information. Once the exception is verified, the State agency would apply the exception and stop applying countable months.

Requirements for Verification of Exception Status - 7 CFR 273.24(l)

Requires State agencies to utilize all available information to verify an individual's exception status before requiring individuals to provide sources of verification.

Limitations on Carryover of Unused Discretionary Exemptions - 7 CFR 273.24(h)(2)(i) Stipulates that unused discretionary exemptions are carried over in order of accrual.