

# SNAP Healthy Choice Demonstration Waiver Request



United States Department of Agriculture Food and Nutrition Service

## SNAP HEALTHY CHOICE/FOOD RESTRICTION STATE DEMONSTRATION REQUEST

Section 17(b) of the Food and Nutrition Act of 2008, as amended (the Act), allows FNS to waive statutory requirements of the Act to conduct pilot projects designed to test program changes to increase the efficiency of the Supplemental Nutrition Assistance Program (SNAP) and improve the delivery of SNAP benefits to eligible households. The Act limits the provisions that may be waived. Projects may be approved for a period of 5 years and the Act requires that each project must include an evaluation component that demonstrates the effects of the project.

This template intends to guide and assist States in submitting a SNAP Food Restriction Demonstration Project Request. States should follow the guided prompts and questions and offer any additional detail, if applicable, under each section to ensure a complete understanding of the State's proposed project.

States should review the impermissible projects prohibited by Section 17 (b)(1)(B)(iv) of the Act and additional restrictions on demonstration projects in the appendix below before requesting a SNAP Food Restriction demonstration project. Additionally, to facilitate the demonstration review process, FNS strongly suggests States inform their Regional Office to discuss the project and provide any necessary technical assistance prior to submission of a request. The FNS National Office SNAP Food Restriction demonstration pilot team is also open to join Regional or State Agency calls to provide technical assistance.

SNAP Food Restriction demonstration projects are intended to test innovative ideas that develop and implement modernized programmatic systems, infuse SNAP with new programmatic energy and vision, and strengthen State strategies to encourage healthy choices, healthy outcomes, and healthy families. FNS looks forward to working with States on potential changes to program operations that align with the Secretary's vision for nutrition assistance programs.

FNS reserves the right to withdraw its waiver approval and terminate demonstration projects at any time if FNS determines that the project is inconsistent with SNAP goals to increase the efficiency of the program and to improve the delivery of SNAP benefits to raise levels of nutrition among low-income individuals. If the State is unable to provide the data required as part of the terms and conditions of waiver approval or if FNS determines that the project is associated with significant increases in payment errors or access concerns, **FNS may suspend or terminate the project at any time.**

## **SNAP Healthy Choice Demonstration Waiver Request**

**Type of Request:** SNAP HEALTHY CHOICE/FOOD RESTRICTION

**Date of Request:** 8/1/2025

**State:** Colorado

**Region:** MPRO

### **Statutory Citations:**

*Provide the statutory citations from the [Act](#) the State seeks to waive. FNS will work with the State to identify any additional statutory waivers needed for the proposed demonstration project.*  
**7 USC Ch. 51 §2012 (k)**

### **Regulatory Citations:**

*Provide the regulatory citations from [7 CFR](#) the State seeks to waive. FNS will work with the State to identify any additional regulatory waivers needed for the proposed demonstration project.*

**7 CFR 271.2**

### **Summary of Food Restriction Demonstration Project Request:**

According to 7 U.S.C. § 2012(k), recipients of the Supplemental Nutrition Assistance Program (SNAP) are authorized to purchase any food or food product for home consumption, as well as seeds and plants intended for food production. Certain eligible populations may also utilize SNAP benefits to procure prepared meals from designated facilities, including senior centers, domestic violence shelters, substance misuse treatment centers, and homeless shelters. Federal regulations prohibit the use of SNAP benefits to acquire alcoholic beverages, tobacco products, and hot foods or hot food products prepared for immediate consumption, except as permitted under specific provisions. The State of Colorado proposes an alternative procedure to impose additional purchase restrictions on “soft drinks” within the SNAP program.

### **Proposed Alternative Procedures to Operate Project:**

*Provide a detailed explanation of the proposed Food Restriction demonstration project, and how the State intends to operate the food restriction choice project that differs from how SNAP currently operates.*

### **SNAP-Eligible Food and Food Products Amended by the Food Restriction Demonstration Waiver**

- *Describe the food(s) of interest that will be restricted under this demonstration waiver. What are the desired outcomes of limiting these food(s)?*
- *If applicable, describe incentivization projects to entice SNAP-eligible households to increase purchasing of fruits and/or vegetables.*

The State of Colorado Department of Human Services (CDHS) is requesting to exercise Section 17 of the Food and Nutrition Act of 2008 to modify the definition of eligible foods under the Supplemental Nutrition Assistance Program (SNAP). Colorado will exclude from the definition of eligible foods “soft drinks” as defined at §39-26-707, C.R.S.

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Soft drinks: nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume.

This request abides by the provisions outlined in Section 17, 7 U.S. Code § 2026, permitting States to conduct projects on a trial basis to align the goals of Colorado to the goal of SNAP—providing food assistance to raise levels of nutrition among low-income individuals.

### **SNAP-Eligible Household Considerations:**

*Please complete the next section with possible impacts and considerations to SNAP-eligible households.*

#### ***Participating households and individuals***

- *Describe the target population included in this waiver.*
  - *Will the State limit the project to households that meet certain requirements? For example, targeting households of a certain size, households with individuals participating in SNAP-Ed, households with individuals participating in WIC, households receiving medical assistance, or households with pregnant women and/or young children?*
- *Describe the pilot approach for households.*
  - *Will all households be participating at once?*
  - *Will there be a phased in approach based on certain household factors?*
    - *If yes, describe the household types and phase in approach below.*

The proposed initiative will be implemented on a statewide basis and apply to all SNAP participants purchasing food within the State of Colorado upon implementation of the Waiver.

Colorado will work with FNS to finalize and implement a SNAP Participant Communication Plan, which outlines how the State will leverage existing contracts, programs, and partnerships to communicate the change to SNAP households. Participant communication will include print and digital communication materials.

### **SNAP-Authorized Retailers Considerations:**

*Please complete the next section with possible impacts and considerations to SNAP-authorized retailers.*

#### ***SNAP-Authorized Retailers Participating in the Food Restriction Demonstration Waiver***

- *List the retailers participating in this pilot. Include brick-and-mortar stores, participating retailers' online platforms (e.g., Amazon.com, Walmart.com), and specialty retailer types (e.g., farmers' markets, direct marketing farmers, etc.). Write "all" if all retailers in the state will be subject to the pilot.*
- *Explain how the participating retailers were selected.*
- *Will retailer participation in the pilot be phased in? If yes, what does that plan look like?*

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Colorado intends for all authorized SNAP retailers across the state to participate in the Waiver. This will include retail chains, large- and medium-sized retailers, convenience stores, wholesale suppliers, online retailers, and smaller locally owned businesses. At this time, no phased implementation is planned.

### ***Consideration of retailer size***

- *Provide the State's plan to adjust implementation time based on retailer size and system capabilities, if applicable.*

Colorado will work with retailers of all sizes to develop strategies based on retailer size and technology. Knowing that a one-size model doesn't fit the different types of retailers, the State will collaborate with other states to identify effective and successful retailer size-based approaches.

### ***Retailer-Level System Changes***

*Describe any retailer-level system changes and/or updates the retailer(s) will incur in the operation of this demonstration project, for example:*

- *Describe how the retailer systems will be able to support all alternative procedures required of the project, or will it require an upgrade or enhancements?*
- *Describe any exemptions for retailers that are unable to make the necessary system changes.*

Colorado will work with all SNAP retailers throughout the state through approved Retailer Communications and Retailer Monitoring/Compliance Plans, which will include implementation, technical assistance, and support with integration into point of sale systems or any other effective alternative procedures.

### **Impacts to the State Agency:**

*Please complete the next section with possible impacts to the State agency.*

### ***State-Level System Changes***

*Describe any State-level system changes and/or updates the State will incur in the operation of this demonstration project, for example:*

- *If applicable, describe how the State system will be able to support all alternative procedures required of the project, or will it require any upgrade or enhancements?*
- *If your state operates Summer EBT, will it also be subject to these restrictions or will EBT system changes be required to ensure no impact to that program?*

The implementation of the “soft drink” waiver will require amendment of Colorado SNAP regulation 10 CCR 2506-1-4.130.2, which defines eligible foods. That regulatory modification process will begin upon implementation of the waiver. No other state-level systems will need modifications.

Colorado operates a Summer EBT program. Summer EBT participants will also be subject to the statewide “soft drink” restriction.

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### ***Healthy Choice Waiver Compliance Plans***

- *Describe the State's plans for enforcing compliance with the pilot among SNAP-authorized retailers in the targeted geographical location (e.g., county-wide, regional, statewide).*
  - *How will the State work with retailers to ensure compliance?*
  - *Once implemented, how will the State confirm restrictions have been implemented at the retailer level?*
  - *How will retailers be held responsible if their equipment is not updated and clients are able to make ineligible purchases?*
  - *How will retailers authorized after project launch be notified of the pilot parameters?*

Colorado will work with all SNAP retailers throughout the state through an approved Retailer Monitoring/Compliance Plan. This plan includes an implementation and annual Attestation by all Colorado retailers of their compliance with the “soft drink” restrictions. Retailers who fail to submit the required Attestation by the specified deadlines will be subject to follow-up outreach from the State to address any barriers to compliance and offer additional support. If a retailer continues to be non-compliant despite these efforts, the State will coordinate with the FNS to determine the appropriate course of action.

### ***Staff Capacity and Training***

- *Describe the State's staffing capacity to administer the project and the policy training plan on the alternative procedures required by the project.*
  - *Will the State designate a specific team for the project? If so, please describe it.*

Colorado plans to use existing staff resources from the SNAP program, CDHS communications team, and agency leadership to support planning, outreach, and implementation activities for the Waiver. The SNAP program will lead efforts working with retailers and key stakeholders. The Department's communication teams will develop messaging and materials to be used by all stakeholders for consistent messaging. The SNAP team will educate and work with County eligibility staff who will help answer SNAP participant questions and complaints.

### **Communication Plan:**

*States must develop a strategic roll out plan for communicating this project to impacted populations for FNS approval. FNS expects ongoing and frequent outreach to SNAP-eligible individuals and retailers throughout the planning process and implementation phase of this project. We also encourage outreach to relevant stakeholder groups and local media to raise awareness of the impending program changes.*

- *Describe the anticipated timeframe and details of the State's plan, including any training and communication, to reach the target SNAP population for the project.*
  - *Also describe how communication and training will be provided to SNAP households that become eligible after the project launch.*

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- *If applicable, describe any nutrition education (ex- SNAP-ed) provided, or planned to be provided, to SNAP-eligible households.*
- *Describe the anticipated timeframe and details of the State's outreach plan, including any training and communication, to reach the participating retailers for the project.*
  - *Also describe how communication and training will be conducted with newly authorized retailers over the course of the demonstration project.*

Colorado will implement SNAP Participant and Retailer Communication Plans after approval by FNS.

Key components of these communication plans include:

- SNAP Participant communication materials, including print and digital materials, and the use of existing State communications.
- Leveraging existing contracts and partnerships such as SNAP Outreach Partners, SNAP Employment and Training Partners, and other Colorado organizations.
- Training for CDHS and county staff, particularly those conducting SNAP interviews or handling customer interactions, to ensure they are prepared to explain the changes and answer questions accurately and confidently.
- Retailer-facing resources available through a dedicated website and regular updates such as email updates.

### **Timeline:**

- *Provide an overall timeline of expected timeframes and end dates for specific tasks required to achieve project outcomes. This may be presented as a chart or other format (e.g., Gant Chart, Visio). At a minimum, the timeline should include:*
  - *SNAP target population and household communication plans;*
  - *Retailer communication plans;*
  - *Retailer readiness target date(s);*
  - *Go-live implementation, including phases if applicable.*

Target Approval Date: August 8, 2025

Pre-Implementation Phase One: August 2025 to October 2025

- Partnership meetings with retailers and key stakeholders
- Collaboration with FNS to finalize required Plans
  - Retailer Communications Plan
  - Client/SNAP Participant Communications Plan
  - Evaluation Plan
  - Monitoring/Compliance Plan
- Research and review identified strategies implemented in other approved states

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- Develop retailer and SNAP participant initial website content

Pre-Implementation Phase Two: November 2025 to January 2026

- Develop the final project implementation plan and additional dates
- Create communication materials for retailers, SNAP participants, and County/State staff
- Create staff training and materials for communicating with customers
- Launch retailer and SNAP participant initial websites
- Begin pre-launch Waiver evaluation activities
- Provide retailers with pre-implementation support

Implementation Phase: February 2026 to March 2026

- Continue retailer support and technical assistance in preparation for implementation
- Distribute retailer informational and training materials
- Send SNAP Participants pre-implementation informational materials
- State and county staff training

Post Implementation and Monitoring Phase: April 2026 and onwards

- Collect Attestation Forms from all retailers (initial and annual) and modify any compliance processes
- Collect data and information for the Evaluation
- Update retailer and SNAP participant websites on a recurring basis

### **Justification for Request:**

*Explain how the demonstration project will benefit the administration of SNAP in the State and improve the delivery of SNAP benefits to eligible households. Use the space below to describe how implementing this demonstration project will achieve the intended objectives, for example:*

- *Describe how the project will impact administrative burden.*
- *Describe how the project will strengthen strategies to encourage healthy choices, healthy outcomes, and healthy SNAP families.*

The Declaration of Policy, which prefaces the Food and Nutrition Act of 2008 (P.L. 88-525, as amended via P.L. 118-5), emphasizes the health and well-being of the Nation, as well as a nutritious diet. Supporting the health of Coloradans is of paramount importance. The proposed package of changes in this waiver request ensures that SNAP dollars are not being spent on sweetened beverages with no or negative nutritional value and that SNAP participants can instead spend those SNAP dollars on foods that provide meaningful nutritional support. This expands not only the positive nutritional and health impact of SNAP benefit spending but also enhances the impact of the purchasing power of a household's SNAP benefits.

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### **Proposed Evaluation Procedures:**

*Demonstration projects must include an evaluation component to determine the project's effects. FNS will require quarterly evaluation reports during the first year of implementation. Thereafter, States will be required to report on an annual basis.*

*Use the space below to describe how the State plans to evaluate the demonstration project and measure the intended outcomes and benefits, for example:*

- *Describe what data will be collected as part of this project.*
  - *FNS strongly encourages the State to collect data on food and beverage purchase consumption and health outcomes by interviewing recipients and collecting qualitative data on food purchasing habits and non-SNAP spending either through a collection of food purchase receipts or a 24-hour dietary recall.*

### ***SNAP-Eligible Individuals***

- *Describe how the State will evaluate the impact of this project on program administration and program access.*
- *Describe how the State will measure client satisfaction.*

Colorado's current Waiver Evaluation Plan/study will be conducted through a collaboration with the Colorado Department of Human Services and The Colorado School of Public Health's Rocky Mountain Prevention Research Center. The evaluation will be an outcome study (examination of the extent to which an intervention program achieves its stated goals; does not establish cause and effect conclusions) using a convenience sampling approach to analyze participant food purchasing and consumption behaviors at two time points: pre-implementation and post-implementation of the SNAP demonstration project. Regular planning meetings will be held with The Colorado Department of Human Services and The University of Colorado, Denver's Rocky Mountain Prevention Research Center.

The target population will be SNAP-enrolled Coloradans. Participants will receive survey questions about their shopping and consumption behaviors. Implementing agencies in Colorado that work with SNAP-eligible populations will enroll participants through established recruitment channels and/or use existing data to establish baseline measures. The state will also survey SNAP-enrolled individuals about their purchasing and consumption behaviors before and after the waiver implementation.

A survey instrument will be developed to address the research questions. The instrument will be created using the SNAP-Ed Evaluation Framework and Interpretive Guide: specifically, indicators ST1 and MT1, which measure goals and behaviors around dietary intake; as well as ST2 and MT2, which measure goals and behaviors around grocery shopping. The measures



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reflect the Transtheoretical model (Stages of Change). Study design and instruments will be approved by the Colorado Multiple Institutional Review Board (COMIRB).

### ***SNAP-Authorized Retailers***

- *Describe how the State will evaluate the impact of this project on program administration and program access as it relates to retailers.*
- *Describe how the State will measure retailer satisfaction.*

Colorado will obtain aggregate EBT redemption data to identify SNAP purchasing behaviors prior to the implementation of the healthy choice waiver and at intervals throughout the demonstration project. Data elements may include the following information:

- Establishing baseline data collection prior to the demonstration implementation.
- Regular analysis of transaction data following implementation to monitor:
  - In-state vs. out-of-state SNAP usage,
  - Shifts in redemption trends related to excluded items,
  - Changes in where and how SNAP benefits are spent,
  - Potential retailer or customer adaptations in response to the restricted items policy.

This data collection will help Colorado measure the direct impacts of the demonstration over time and assess whether the intended outcomes, such as healthier purchasing decisions, are effective. Findings will also inform adjustments and future modifications of the Waiver and associated processes.

### ***Redemption and Transaction Data***

- *Describe how the State will track and evaluate out-of-state transactions in bordering states.*

Colorado will use aggregate EBT transaction data to track the volume and locations of out-of-state transactions to evaluate changes and trends.

- *FNS will require the following additional data be provided:*
  - *Client complaints about the pilot project;*
  - *Retailer complaints about the pilot project;*
  - *Any additional feedback on the pilot project provided by key stakeholders (e.g., grocer associations or community-based organizations); and*
  - *Out of state transaction data to determine cross-border shopping transactions.*

Colorado has a number of established processes for receiving customer complaints at both the state and county level. CDHS will require County SNAP offices to collect data on complaints tied to the Waiver. CDHS will use communication channels created through the Retailer Communications and Monitoring/Compliance Plans to track complaints from retailers.

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### **Anticipated Implementation Date:**

*Provide the anticipated implementation date. FNS will provide technical assistance, as it relates to this waiver, to help the State reach the goal implementation date.*

February - March 2026

*Note: States should submit a demonstration request at least six months before their anticipated implementation date.*

### **Anticipated Program Costs:**

*Use the space below to describe what additional expenses will be incurred to implement this pilot project. This could reflect costs associated with notifying clients and retailers, EBT system changes, evaluation contract support, or other items not listed here.*

Colorado plans to utilize existing resources and staffing to absorb the costs for this demonstration.

**Anticipated Expiration Date:** January 2031

**Signature of Requesting Official:** 

### **State Contact:**

Name: Teri Chasten

Email: [teri.chasten@state.co.us](mailto:teri.chasten@state.co.us)

Telephone: 303.889.9661

### **Regional Office Contact:**

Name:

Email:

Telephone:

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## Appendix

### Impermissible Projects

Section 17(b)(1)(B)(iv) of the Act explicitly prohibits waivers of certain provisions of the Act. FNS is unable to approve projects that involve a waiver of these provisions.

### Impermissible eligibility criteria waivers

Food Restriction demonstration projects may not:

- Change the definition of household for those living in Federally subsidized housing for older adults, group living arrangements, domestic violence shelters, homeless shelters, and drug and alcohol treatment centers), institutions, or boarding houses (Sec. 3(m)(4) and (5));
- Change the gross income standards of eligibility for households that do not have an elderly or disabled member to a level other than 130 percent of the Federal Poverty Level (Sec. 5(c)(2));
- Change the work requirements exemption for parents or household members caring for with dependent children under the age of 6 or caring for an incapacitated person (Sec. 6(d)(2)(B));
- Increase the shelter deduction for households with low or no out-of-pocket housing costs; or
- Deny benefits to an otherwise eligible individual or household (last sentence of Sec. 5(a)).

### Impermissible State operations waivers

Food Restriction demonstration projects may not:

- Waive the requirements (Sec. 11(e)(2)(B)) for States to:
  - Provide timely, accurate and fair service to SNAP applicants and participants;
  - Develop a SNAP application; and if the State has a website, make the application available on their website in every language a printed application is available;
  - Allow a household to apply on the same day they first contact a SNAP office during office hours;
  - Consider an application with only name, address, and signature to be filed on the date of application;
  - Require an adult representative to certify that the information on the application is true and that all members are citizens or eligible aliens;
  - Provide a method of certifying and issuing benefits to homeless households; or
  - Determine applicant eligibility within 30 days of the date of the filing of an application (time standard in Sec. 11(e)(3)).
- Change the provisions outlining which parts of the Act are not allowed to be waived;
- Absolve a State from acting with reasonable promptness on substantial reported changes in income or household size;
- Prohibit States from operating a Workfare Program or change the 50/50 matching provisions for workfare activities, including reimbursements for participants in workfare activities;

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- Waive provisions of the Simplified SNAP (an optional program for TANF households);
- Waive the State Option to issue benefits to individuals who are not compliant with the work requirements established by welfare reform. If the State issues benefits to these individuals, they must pay the Federal Government back and will not receive Federal match for those recipients.
- Change the 50/50 Federal reimbursement provisions;
- Change QC system requirements, payment error rate, and associated liability process for payment error rates; or
- Change 50/50 Federal reimbursement provisions for eligibility systems.

FNS is available to answer questions and provide technical assistance to States requesting demonstration projects. If you are unsure whether your State's request would require an impermissible waiver, please contact FNS.

### **Additional Restrictions on Demonstration Projects**

- Demonstration projects may be approved for up to five years with extensions possible thereafter.
- If a demonstration project reduces benefits by more than 20 percent for more than 5 percent of households in the project area (excluding households whose benefits are reduced for failure to comply with work requirements), the demonstration project:
  - cannot affect more than 15% of households in the State AND
  - may not continue for more than 5 years unless the Secretary approves an extension request.
- Demonstration projects **may not**:
  - Provide benefits in the form of cash or a manner otherwise non-restricted to food (except for a project approved before August 22, 1996);
  - Allow SNAP funds to be used to fund other public assistance programs, or use the funds for any purpose other than the purchase of food, program administration, or employment and training activities; or
  - Count SNAP benefits as income or resources for tax purposes, welfare, public assistance programs or any other Federal, State, or local assistance program (Sec. 8(b)).