

United States Department of Agriculture Food and Nutrition Service

#### SNAP HEALTHY FOOD CHOICE 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 Healthy Food Choice 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 Healthy Food Choice 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 Healthy Choice team is also open to join Regional or State Agency calls to provide technical assistance.

SNAP Healthy Food Choice 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.** 

Type of Request: SNAP HEALTHY FOOD CHOICE

**Date of Request: 5/29/2025** 

State: FL Region: SERO

#### **Statutory Citations:**

Provide the statutory citations from the <u>Act</u> the State seeks to waive. FNS will work with the State to identify any additional statutory waivers needed for the proposed demonstration project.

Section 17(b) of the Food and Nutrition Act of 2008, as amended (the Act), allows the Secretary of the United States Department of Agriculture to waive statutory requirements (7 U.S.C. § 2026(b)) for purposes of conducting pilot projects designed to test program changes to increase the efficiency of SNAP and improve the delivery of SNAP benefits to eligible households within specific parameters.

# **Regulatory Citations:**

Provide the regulatory citations from <u>7 CFR</u> the State seeks to waive. FNS will work with the State to identify any additional regulatory waivers needed for the proposed demonstration project.

Utilize 7 CFR 282.1 to amend 7 CFR 271.2 which outlines eligible food items for purchase through SNAP benefits, to include any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption.

# **Summary of Healthy Food Choice Demonstration Project Request:**

Explain in a few words the goal of the project and its intended outcomes. (250 words)

Florida is seeking a waiver to restrict the purchase of soda, energy drinks, candy and prepared desserts. The intended outcome is for SNAP households to have access to healthy food and drink options and promote healthier outcomes for Florida families.

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

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

# SNAP-Eligible Food and Food Products Amended by the Healthy Food Choice 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 Florida Department of Children and Families values its partnership with the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) and is committed to operationalizing the promotion of nutritious foods purchased through the taxpayer funded Supplemental Assistance Nutrition Program (SNAP). As such, Florida is proposing an amendment to items outlined in 7 CFR 271.2, to further prioritize the health of SNAP benefit recipients across Florida. More specifically,

the Florida Department of Children and Families seeks to remove soda, energy drinks, candy, and prepared desserts from the list of eligible SNAP items as defined below.

"Soda" means a beverage that is made with carbonated water and that is flavored or sweetened with added sugar or artificial sweeteners such as corn sweetener, corn syrup, dextrose, fructose, glucose, high-fructose corn syrup, lactose, malt syrup, maltose, molasses, raw sugar, and sucrose. "Soda" does not include carbonated water which is plain or naturally flavored or any beverage that is greater than 50 percent vegetable or fruit juice by volume, or that contains less than five grams of added sugar.

"Energy drinks" means a beverage containing at least sixty-five (65) milligrams of caffeine per eight (8) fluid ounces that are advertised as being specifically designed to provide metabolic stimulation or an increase to the consumer's mental physical energy. "Energy drinks" does not include coffee or tea or any substantially coffee or tea-based beverage.

"Candy" means a product that involve the preparation of sugar or artificial sweeteners in combination with chocolate, fruits, nuts, caramels, gummies, and hard candies or other ingredients or flavorings in the form of bars, drops, or pieces.

"Prepared Desserts" means a processed, shelf-stable, ready-to-eat, pre-packaged sweet food intended for immediate consumption without any further preparation. This would include foods mostly made out of "chemically" modified substances extracted from foods, along with additives to enhance taste, texture, appearance, and durability, with minimal whole foods.

Through the USDA's partnership with Florida retailers authorized to accept SNAP benefits, the Florida Department of Children and Families will promote nutrition assistance and ensure families use SNAP benefits to purchase heathier options at the point of sale.

# **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.*

As of April 2025, Florida had a statewide SNAP caseload of 1,684,461 households and 2,986,470 individuals. Should this waiver be approved all SNAP recipients will be impacted by the change to allowable purchases utilizing SNAP benefits. It is anticipated that through this waiver, households will shift the use of SNAP funds to purchase healthier drink and food options. The State will provide additional education to the public and SNAP households about available healthy drink and food choices

including strategic partnerships with specific stakeholders to enhance accessibility. A public communications campaign will be launched prior to the implementation to give households time to inform SNAP recipients of possible changes related to the utilization of SNAP benefits and allowable purchases.

# **SNAP-Authorized Retailers Considerations:**

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

# SNAP-Authorized Retailers Participating in the Healthy Food Choice 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?

This project will impact all USDA approved SNAP retailers in Florida. The State will coordinate with USDA to communicate the implementation of this project since USDA enrolls and regulates retailers for the SNAP program. The state will educate existing retailers about which items may be purchased with SNAP.

#### Consideration of retailer size

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

N/A – All SNAP retailers must participate in the demonstration project.

#### 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.

Retailers will be required to implement point-of-sale (POS) system changes to support real-time transaction determinations. All SNAP retailers must implement any changes necessary to comply with the project requirements.

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

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

The Florida Department of Children and Families believes the restriction of SNAP benefits on unhealthy items promotes the overall health of Floridians and further aligns with the intended purpose of the SNAP program. Additionally, as conservative fiscal stewards, federal funding should not support the purchase of products that increase the occurrence of obesity and other chronic diseases.

The State will work with key stakeholders and leaders including integral industry partners that prioritize the distribution and access to nutritious food. Communication of program changes will include the utilization and harnessing of existing frameworks like SNAP Education and SNAP Outreach to force multiply the cascading of information and resources to impacted Florida families.

# 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 State does not anticipate eligibility system changes or updates in the operation of this demonstration project, since system adjustments will be required of retailers to comply with the program.

#### Healthy Food Purchases 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?

The State will coordinate with USDA to communicate the implementation of this waiver as USDA enrolls and regulates retailers for the SNAP program. The State will educate existing retailers about which items may be purchased with SNAP. The State will utilize the existing reporting channels to alert USDA FNS of known suspected noncompliance. After the project launch, the State will continue to provide technical assistance to existing and new SNAP-authorized retailers.

# 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.

The State does not anticipate an impact on eligibility staff capacity. The Florida Department of Children and Families' Customer Contact Center, eligibility staff, and other Department staff will be provided talking points for the general public that includes information about the allowable items for purchase and resources for identifying healthy food and drink options.

#### **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.
- 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.

The State will work with key stakeholders and leaders including integral industry partners that prioritize the distribution and access to nutritious food. This stakeholder engagement process will begin promptly after approval of the demonstration project. The retailer communication strategy may include flyers, social media messages, retailer engagement webinars, etc. The State will also begin a communication plan for the general public and current SNAP recipients. Those strategies may include informational flyers provided through a variety of mechanisms such as existing community partners, existing notifications for SNAP recipients as well as text/email campaigns, social media messages, etc.

# **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:
  - o SNAP target population and household communication plans;
  - Retailer communication plans;
  - Retailer readiness target date(s);
  - o Go-live implementation, including phases if applicable.

The State will begin critical activities promptly after approval with an implementation start date 6 months after FNS approval.

- Eligibility staff and Customer Contact Center Training/Talking Points Month 1-3
- General public and SNAP target population communication deployment Month 1-6
- Retailer communication plan deployment Month 1-6
- Retailer readiness target date(s) established Month 4
- Go-live implementation Month 6

# **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.

As established in 7 U.S.C. Chapter 51, the primary objective of the SNAP is to promote access to a nutritious diet among low-income households. However, USDA data and recent research indicate a significant discrepancy between this goal and current purchasing trends. Notably, soda ranks as the most frequently purchased item using SNAP benefits. Moreover, national spending estimates for Fiscal Year 2025 and research from the Foundation for Government Accountability (FGA) reveal that SNAP expenditures on sweetened beverages, candy, and prepared desserts exceed total spending on fruits and vegetables. FGA's January 2025 report states that SNAP participants are projected to spend approximately \$20.8 billion on these low-nutrition items in Fiscal Year 2025, while spending just \$11.4 billion on fruits and vegetables. This disparity raises serious concerns regarding nutritional value, public health, and the intended purpose of SNAP funding.

The United States Departments of Health and Human Services (HHS) and Agriculture (USDA) have formed a united partnership to underscore the importance of healthy and nutritious options for all Americans. In April, Secretary Kennedy and Secretary Rollins highlighted data that demonstrated 1 in 5 children and 2 in 5 adults in the United States are obese and 1 in 3 children ages 12-19 have pre-diabetes.<sup>2</sup> These and other chronic health conditions are amongst the greatest contributors to healthcare cost in the United States leading to 90% of overall costs.

According to the Center for Disease Control (CDC), consuming to much added sugar can lead to obesity, type 2 diabetes, high blood pressure, and tooth decay. Moreover, the CDC reports that 3 in 5 Americans over the age of 2 consume more than the recommended amount of added sugars in their diet. The main sources of added sugars are sugary drinks such as soda (24%), desserts and sweet snacks (19%), and candy (9%).<sup>3</sup> Excluding purchases of soda, energy drinks, candy, and prepared desserts from the list of eligible SNAP items aligns program spending with public health objectives.

In addition to potential health benefits achieved through this waiver, there is also a significant fiscal impact to taxpayers. In Florida, approximately 62% (1,855,278 individuals) of SNAP recipients are also receiving Medicaid for their health coverage. Healthcare costs associated with diabetes and other chronic conditions continue to rise, putting further strains on government spending. The 2023 Florida Diabetes Advisory Council report noted that Medicaid expenditures for diabetes care rose from \$248 million in State Fiscal Year 2016–2017 to approximately \$950 million in State Fiscal Year 2020–2021.<sup>4</sup> Florida leads the nation in freedom first policies and prioritizes conservative taxpayer stewardship. As such, government funded programs should support resources that bolster positive health outcomes and lower the costs of health care.

The State of Florida aims to build on the significant efforts and leadership of the Trump Administration by supporting policy changes that promote healthier outcomes for American families. These reforms are

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 $<sup>^{1}\,\</sup>underline{Make-America-Healthy-Again-Stop-Taxpayer-Funded-Junk-Food}$ 

<sup>&</sup>lt;sup>2</sup> Agriculture and Housing and Human Services Secretaries on Nutrition Programs | Video | C-SPAN.org

Be Smart About Sugar | Healthy Weight and Growth | CDC

<sup>&</sup>lt;sup>4</sup> Florida Diabetes Advisory Council - 2023 Legislative Report

designed to ensure taxpayer dollars are spent on nutritious foods, which will help families provide the nourishment they need to lead healthy and thriving lives.

In alignment with Secretary Rollins' charge to states to be pioneers of creative solutions to better serve Americans now and for generations to come, the State of Florida respectfully requests approval from the USDA for a demonstration waiver. This waiver seeks to remove soda, energy drinks, candy, and prepared desserts from the list of eligible SNAP items, reinforcing the program's key principle: to ensure that low-income households have access to adequate nutrition and health.

# **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.

In order to evaluate the effectiveness of this demonstration waiver, changes in health behaviors and purchasing patterns will be monitored. Evaluation procedures would include:

# SNAP Purchase Trend Analysis:

The Florida Department of Children and Families will work in partnership with USDA, FNS and our EBT vendor to collect baseline data on SNAP recipients spending patterns before the demonstration project is implemented. Quarterly, over the course of the first year of implementation, the Florida Department of Children and Families will analyze changes to SNAP recipient spending patterns to determine how this demonstration project has changed the composition and category of food/drink purchases utilizing SNAP benefits. The analysis will focus on the percentage change of consumption for food/drink categories to determine what types of foods/drinks SNAP recipients are purchasing to replace the restricted options.

#### Health Outcome Analysis

The Florida Department of Children and Families will conduct an analysis utilizing Medicaid claims data for SNAP recipients that are also receiving Medicaid coverage to assess changes to health outcomes over the course of the demonstration period. An initial baseline will be collected for the diagnosis and treatment of conditions related to high consumption of sugar sweetened beverages and food products such as obesity, Type 2 diabetes, and cardiovascular diseases. After year one of implementation, the Florida Department of Children and Families will monitor changes in Medicaid claims data for those from the original baseline cohort to identify any trends that would indicate changes to health outcomes and the overall health care costs related to these conditions. The Florida Department of Children and Families may engage an external research partner to ensure methodological rigor and independent analysis.

#### **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.

The Florida Department of Children and Families will evaluate program impact and client satisfaction through existing tracking mechanisms within the Office of Enterprise Support. This team is responsible for receiving and addressing client complaints and relaying information to Florida Department of Children and Families leadership as necessary.

#### **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.

# **Purchasing Patterns:**

The Florida Department of Children and Families will work in partnership with USDA, FNS to utilize data from retailers to review purchasing patterns before, during, and after the demonstration period to determine the impact of excluding soda, energy drinks, candy, and prepared desserts from SNAP eligible foods pertinent to the request for waiver.

In partnership with the Florida Retail Federation and businesses, the Florida Department of Children and Families will:

- Develop a statewide retailer readiness and needs assessment survey to identify technical capabilities, implementation costs, and barriers to adoption.
- Track retailer progress towards implementation through periodic check-ins with Florida Retail Federation, businesses, and USDA's FNS Retailer Service team at 4, 5, and 6 months post-FNS approval for the purposes of gathering feedback and informing possible adjustments.
- Evaluate and analyze changes in redemption trends and areas to enhance communication and partner engagement.

#### Redemption and Transaction Data

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

The State's EBT vendor (FIS) provides monthly reports on all out-of-state transactions completed with EBT cards. These reports include total number of transactions, redemption value, and transaction state/zip

code, the reports do not, however include item-level data on SNAP purchases. The Florida Department of Children and Families will use available information to evaluate out-of-state transaction patterns.

The Florida Department of Children and Families will evaluate program impact and client satisfaction through existing internal tracking mechanisms. Additionally, as it relates to retailer and stakeholder engagement, the State will utilize the avenues listed in previous sections such as engagements with retailers at routine intervals for collecting feedback.

# **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.

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

Implementation will take place 6 months following approval of the demonstration project.

# **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 noticing clients and retailers, EBT system changes, evaluation contract support, or other items not listed here.

The Florida Department of Children and Families does not anticipate expenses related to notifying retailers, both prior to the implementation and after the implementation, monitoring compliance, nor changes to the FIS EBT contract.

# **Anticipated Expiration Date:**

September 30, 2030

Signature of requesting official:

Bridget Royster

**Assistant Secretary** 

Office of Economic Self Sufficiency

Florida Department of Children and Families

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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

Healthy Food Choice 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**

Healthy Food Choice demonstration projects may not:

- Waive the requirements (Sec. 11(e)(2)(B)) for States to:
  - o Provide timely, accurate and fair service to SNAP applicants and participants;
  - O 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;
  - o 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;
- 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:
  - o cannot affect more than 15% of households in the State AND
  - o 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)).