



What we know about the SNAP changes in the new federal budget law

By Carol Gundlach, senior policy analyst | July 2025

The federal One Big Beautiful Bill Act does not immediately cut or end food assistance benefits for people who now receive them. People who are now getting food assistance under the Supplemental Nutrition Assistance Program (SNAP) should continue receiving their monthly benefits normally for the foreseeable future, just as they have in the past. But the law likely will harm many participants and strain state budgets in coming years.

The act includes three major types of changes to SNAP. An overview of each category is below.

1. Changes that affect state budgets

- Beginning in the 2026 regular session, the Alabama Legislature will have to appropriate an estimated \$35 million in new funding for SNAP administration. This is because the act will require states to cover 75% of SNAP administrative costs, up from the current 50%.
- Beginning in the 2027 regular session, the Alabama Legislature will have to

appropriate an estimated \$172 million in new funding for SNAP benefits. This amount could be smaller or larger each year based on annual changes in the state's SNAP "error rate," which includes both overpayments and underpayments of SNAP benefits. The error rate is not a measurement of fraud.

The act includes a sliding scale that requires states to pay for anywhere from 0% to 15% of SNAP benefits, depending on the state's SNAP error rate. Based on Alabama's most recent error rate, the state would have to cover 10% of the cost of SNAP benefits, or roughly \$172 million.

If Alabama lawmakers could not or would not provide the required state share of funding, the state would have to reduce the number of SNAP participants or opt out of the program entirely. Eliminating SNAP would end food assistance for more than 750,000 Alabamians who participate in the program.

Deep SNAP cuts like those would send hunger rates soaring in a state where roughly 1 in 6 people – including nearly 1 in 4 children – already struggle with food

insecurity, meaning they do not always have enough to eat or know where they are going to get their next meal.

Severe SNAP cuts also could be financially devastating for many grocery stores and other retailers. If those stores responded to the revenue loss by shutting down or reducing their hours of operation, that would decrease food access in communities across our state, particularly in rural areas.

2. Changes that place new requirements and limits on more people who participate in SNAP

- Many veterans, people who are experiencing homelessness and young adults who were in foster care as children may have to comply with work reporting requirements.
- Adults in a household with children aged 14 or older may have to comply with work reporting requirements. We don't know exactly when this change will happen, but people who will be affected will get notice and an opportunity to ask for an exemption.
- People who are between ages 55 and 64 may have to comply with work reporting requirements. We don't know exactly when this change will happen, but people

who will be affected will get notice and an opportunity to ask for an exemption.

- Some people between 60 and 65 who have received special SNAP benefits for older adults under the Alabama Elderly Simplified Application Project (AESAP) may face additional barriers to participation.
- Many people who are legally in the United States as refugees or asylum seekers may no longer be eligible for SNAP. We don't know exactly when this change will happen, but people in these categories who are participating in SNAP now should continue to get their benefits until notified of a change.

3. Changes that likely will reduce the amount of SNAP assistance over time

- The law will prohibit the federal government from changing the amount of SNAP assistance by updating the USDA's "Thrifty Food Plan," except to keep up with inflation. The Thrifty Food Plan is used as the basis for determining SNAP benefit amounts each year. This change will reduce SNAP assistance over time but won't affect current benefit levels.