

Federal SNAP provisions in the 2025 reconciliation bill:

Impacts on Minnesota

The new federal law (H.R. 1, signed July 4, 2025) makes major changes to the Supplemental Nutrition Assistance Program (SNAP). The law cuts benefits, increases red tape, and shifts significant costs onto Minnesota. These changes will impact families, older adults, veterans, youth, and immigrants across the state.

Key provisions and impacts of the new law

Re-evaluation of the Thrifty Food Plan: Section 10101

What changes: All future re-evaluations of the Thrifty Food Plan must be cost neutral. Annual updates are limited to the Consumer Price Index. USDA may re-evaluate the Thrifty Food Plan no earlier than October 1, 2027.

Effective date: Upon enactment. Implementation pending USDA guidance.

Minnesota impact:

- SNAP benefits will lose value over time, reducing purchasing power.
- Over 440,000 Minnesotans who use SNAP monthly will be affected.
- Local retailers and economies will also experience reduced spending.

Modifications to SNAP work requirements: Section 10102

What changes: The new law expands SNAP work requirements to adults ages 18 through 64, limits the parent exemption to households with children under 14, removes exemptions for veterans, people experiencing homelessness, and youth leaving foster care, creates a new exemption for American Indians, Alaska Natives, Urban Indians, and California Indians, and restricts waivers to areas where unemployment is above 10 percent.

Effective date: Upon enactment. Implementation pending USDA guidance.

Minnesota impact:

- 12,700 adults without dependents newly subject to work requirements.
- 5,900 adults with children age 14 or older newly subject to work requirements.
- 9,000 veterans, youth leaving foster care, and people experiencing homelessness newly subject to work requirements.
- 7,000 American Indians, Alaska Natives, and Urban Indians newly exempt.
- Currently 17 counties and 9 Tribal Nations have waivers. Only 3 Tribal Nations would qualify under new rules. About 1,000 adults could lose benefits if waivers end.

Standard utility allowances and energy assistance: Section 10103

What changes: Limits the use of LIHEAP or similar state energy assistance payments to automatically qualify for the standard utility allowance and restricts households from excluding these payments as income unless elderly or disabled members are present.

Effective date: Upon enactment. Implementation pending USDA guidance.

Fiscal impact: Reduces SNAP benefits flowing to Minnesota.

Minnesota impact: 30,000–50,000 participants will see reduced benefits.

Restrictions on internet expenses: Section 10104

What changes: Prohibits internet costs from being included in excess shelter deductions for SNAP.

Effective date: Upon enactment. Implementation pending USDA guidance.

Fiscal impact: None.

Minnesota impact: None. Minnesota does not use internet costs in benefit calculations.

Matching funds requirement: Section 10105

What changes: States must pay 0–15% of SNAP benefit costs, tied to their Payment Error Rate (PER). Begins October 1, 2027. Special exemptions for high-error states may delay start until 2029 or 2030.

PER match structure:

- PER below 6 percent: 0 percent state match
- PER 6 to 7.99 percent: 5 percent state match
- PER 8 to 9.99 percent: 10 percent state match
- PER 10 percent or higher: 15 percent state match

Fiscal impact: \$86 million in new state costs annually (based on 2024 data).

Minnesota impact: Higher state costs; no direct effect on participants.

Administrative cost sharing: Section 10106

What changes: Federal reimbursement for administering SNAP reduced from 50% to 25%. States now cover 75% of costs. Effective October 1, 2026. SNAP outreach also loses reimbursement.

Effective date: October 1, 2026.

Fiscal impact: **\$39 million annual loss** in federal reimbursements. SNAP outreach also loses **\$2.25 million**.

Minnesota impact: Fewer administrative resources at state, county, Tribal, and community levels. Customer service and program delivery will suffer.

SNAP-Ed funding eliminated: Section 10107

What changes: Ends federal funding for SNAP Education (SNAP-Ed) on October 1, 2025.

Effective date: October 1, 2025.

Fiscal impact: Loss of \$9.5 million annually.

Minnesota impact: SNAP-Ed reached **1.7 million Minnesotans** in 2024; programming will end.

Non-Citizen SNAP eligibility restrictions: 10108

What changes: SNAP limited to U.S. citizens, lawful permanent residents, Cuban/Haitian entrants, and COFA residents. Requires counting all household members' resources, including those ineligible.

Effective date: Upon enactment. Implementation pending USDA guidance.

Fiscal impact: Reduces federal benefits to Minnesota; higher administrative costs for eligibility verification.

Minnesota impact: About **9,000 current participants** will lose eligibility, including:

- Amerasians
- Battered non-citizens
- Certain American Indians born abroad
- Conditional entrants
- Hmong and Highland Laotian tribal members
- Individuals granted asylum
- Individuals granted parole for at least one year
- Individuals with deportation withheld
- Iraqi and Afghan Special Immigrant Visa holders (SIV)
- Refugees
- Victims of severe trafficking

Effective dates summary

Upon enactment (pending USDA guidance): Thrifty Food Plan restrictions, work requirement changes, utility allowance restrictions, internet expense restrictions, non-citizen eligibility restrictions.

October 1, 2025: SNAP-Ed funding eliminated.

October 1, 2026: Administrative cost sharing shifts (states cover 75 percent).

October 1, 2027: State matching funds requirement begins (0 to 15 percent, tied to PER).

October 1, 2027 and later: USDA may re-evaluate Thrifty Food Plan market baskets.

Why it matters to Minnesota

Each month, more than **440,000 Minnesotans** count on SNAP. For many, **\$6 a day** makes the difference between going hungry and getting by. These federal provisions will:

- Shrink food budgets across the state.

- Push thousands off the program.
- Increase state and local costs by more than **\$125 million annually**.
- Strain food shelves and community organizations already facing record demand.

About the numbers

The caseload and fiscal estimates in this document are preliminary. They are based on recent Minnesota SNAP data and 2024 spending levels. These figures do not account for future caseload changes or how different provisions might interact, so actual impacts may be higher or lower over time.

Speak up for SNAP

This fact sheet is part of DCYF's Speak Up for SNAP toolkit, a statewide effort to raise awareness about the value of the Supplemental Nutrition Assistance Program (SNAP) in Minnesota communities.