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DEPARTMENT OF AGRICULTURE

Food and Nutrition Administration

7 CFR Part 273

[FNA-2026-0661]

RIN 0584-AF10

Supplemental Nutrition Assistance Program: Reforming Categorical Eligibility

AGENCY: Food and Nutrition Administration (FNA), USDA.

ACTION: Proposed rule.

SUMMARY: Under section 5(a) of the Food and Nutrition Act of 2008, households in which each member receives benefits under a State program funded by Temporary Assistance for Needy Families (TANF) are categorically eligible for the Supplemental Nutrition Assistance Program (SNAP). Current SNAP regulations consider TANF benefits to include both cash assistance and non-cash or in-kind benefits or services from TANF-funded programs. This proposal would limit categorical eligibility to only households that receive TANF assistance, as defined at 45 CFR 260.31. These revisions would ensure that SNAP benefits are targeted to needy households that have qualified for TANF assistance while still aligning categorical eligibility's statutory purpose of simplifying program administration.

A 100-word summary of this rule has been posted to www.regulations.gov and can be found here.

DATES: Written comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] to be assured of consideration.

ADDRESSES: The Food and Nutrition Administration, USDA, invites interested persons to submit written comments on this proposed rule. Comments may be submitted in writing by one of the following methods:

● Federal eRulemaking Portal: Go to http://www.regulations.gov. Follow the online instructions for submitting comments.

● Mail: Send comments to SNAP Program Development Division, Food and Nutrition Administration, 5601 Sunnyside Ave, Beltsville, MD 20705

● Web Site: Go to http://www.regulations.gov. Follow the online instructions for submitting comments.

● E-Mail: Send comments to: sm.fn.snappdbrules@usda.gov. Include Docket ID Number [FNA-2026-0661], "Supplemental Nutrition Assistance Program: Reforming Categorical Eligibility" in the subject line of the message.

● All written comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. FNA will make the written comments publicly available on the Internet via http://www.regulations.gov. The Department believes that this proposal to limit categorical eligibility to only households that receive TANF assistance, as defined at 45 CFR 260.31, aligns with SNAP's statutory eligibility requirements. However, the Department invites comments on whether there are alternative approaches to limit categorical eligibility with TANF that achieve the same policy goals.

FOR FURTHER INFORMATION CONTACT: SNAP Program Development Division, Food and Nutrition Administration, 5601 Sunnyside Ave, Beltsville, MD 20705, Phone: (703) 305-2022.

SUPPLEMENTARY INFORMATION:

Prior Rulemaking

The U.S. Department of Agriculture (USDA or the Department) previously proposed changes to categorical eligibility on July 24, 2019. The proposed rule, titled "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)," would have limited the Temporary Assistance for Needy Families (TANF) benefits that may be used to confer categorical eligibility for SNAP to those that were ongoing and substantial (84 FR 35570). Categorical eligibility allows households that have been determined eligible for TANF or certain other means-tested programs to also be eligible for SNAP. The Biden Administration withdrew the proposed rule on June 10, 2021 (86 FR 30795). The Department is now proposing revised changes to categorical eligibility rules to limit categorical eligibility only to households that receive TANF assistance, as defined at 45 CFR 260.31. As explained in the Regulatory Impact Analysis accompanying this rule, the Department acknowledges these revisions may result in some level of increased administrative burden on States, a reduction in SNAP benefit spending, and associated effects on school meals eligibility.

Background

SNAP provides nutrition assistance to eligible, low-income households who apply for participation and meet nationwide income and resource standards created by Congress.[1] The Food Stamp Act of 1977 (Pub. L. 93-86) established eligibility for SNAP, then known as food stamps, based on household income and resources. The Omnibus Reconciliation Act of 1982 (Pub. L. 97-759) revised those income eligibility standards to

[1] The terminology used in the Food and Nutrition Act of 2008 (the Act) differs somewhat from that used in SNAP regulations. While the Act uses both the terms "resources" and "assets," SNAP regulations typically use the term "resources."

create the Federal standards SNAP uses today. Currently, the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) (the Act) requires that households without elderly or disabled members have a monthly gross income equal to or lower than 130 percent of the Federal Poverty Guidelines (FPG) and a net income equal to or lower than 100 percent of the FPG to be SNAP eligible. Households with an elderly or disabled member need only meet the net income limit. The Act also specifies resource limits for SNAP households.

To simplify the eligibility determination process for households that qualify for a variety of benefit programs in addition to SNAP, the Food Security Act of 1985 (Pub. L. 99-198) amended Section 5(a) of the Act to create a categorical eligibility pilot project which eliminated the need for State workers to repeat an eligibility determination for SNAP if a household had already been determined eligible for another means-tested assistance program with financial criteria equal to or more restrictive than SNAP. The Food Security Act of 1985 temporarily established SNAP categorical eligibility for households in which all members received Supplemental Security Income (SSI) benefits or cash benefits from the Aid to Families with Dependent Children (AFDC) program.
The Hunger Prevention Act of 1988 (Pub. L. 100-435) made categorical eligibility permanent. In describing the purpose of categorical eligibility, the Senate report on the Hunger Prevention Act of 1988 noted that "relying on eligibility determinations made under other programs can greatly reduce the paperwork burden on both applicants and eligibility workers while assuring that food stamps go only to very needy individuals."[2]

SNAP certification starts with an eligibility determination, followed by a benefit calculation. Categorical eligibility impacts the eligibility determination by allowing State

[2] Senate report 100-397; June 23, 1988

SNAP agencies to "deem," or accept, specified eligibility factors from another means-tested program's eligibility determination for the purpose of determining SNAP eligibility. These factors are limited to resources, gross and net income limits, residency, social security number, and sponsored alien information, as described in 7 CFR 273.2(j)(2)(v). Individuals who are not eligible for SNAP based on certain nonfinancial factors, including alien ineligibility, student ineligibility, and failure to comply with work requirements, cannot become eligible via categorical eligibility. Current SNAP regulations do not require State agencies to verify categorically eligible households' incomes to determine their *eligibility*, but they must verify all households' incomes to determine their *benefit calculation*.

At the time Congress created categorical eligibility, AFDC and SNAP had similar eligibility requirements and served a similar population. AFDC provided cash assistance to needy families with children. While States had flexibility under AFDC to define need, set benefit levels, and establish resource limits, the income and resource limits had to fall within Federal limitations, which in most cases aligned with or were more stringent than those of SNAP.[3] Almost all AFDC families were income-eligible for SNAP, and about 85 percent of AFDC families also received SNAP.[4] Therefore, Congress authorized categorical eligibility permanently based on similarities between the programs at the time.

[3] Federal law specified that families with more than $1,000 in countable resources were ineligible for AFDC. *See* 42 U.S.C. 602(a)(7)(B). In addition, while no Federal income limit was established under AFDC, the income of eligible AFDC families could not exceed 185 percent of the State-defined standard of need. *See* 42 U.S.C. 602(a)(18) (1981) The provision was implemented through federal regulation at 45 C.F.R. 233.20(a)(3)(xiii)(C) (1984), which required states to deny AFDC assistance to families whose gross income exceeded 185 percent of the state's need standard.

[4] https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf

The close alignment between the programs began to shift with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). PRWORA replaced AFDC with the Temporary Assistance for Needy Families (TANF) block grant program. This represented a fundamental change in the program, transitioning from primarily cash assistance to cash assistance and other non-cash services.[5] States gained significant control over TANF eligibility criteria, and the Federal parameters for income and resource limits under AFDC were eliminated. While States continued to offer cash assistance, many States began to use TANF funds on non-cash benefits, such as programs and benefits without the income and resource limits that had defined AFDC. TANF allows States to fund a wide range of services, including childcare, work, education and training activities, pre-K and Head Start, nonrecurrent short-term benefits, child welfare services, and a variety of other family support services.[6] Resource limits are set by States, and not Federally required, for TANF-funded benefits, and States' income criteria for non-cash assistance vary greatly and can sometimes far exceed SNAP limits. The proliferation of programs with eligibility criteria significantly different from SNAP standards has created a challenge for the Department in preserving categorical eligibility as originally intended.

In the wake of PRWORA, the Department acknowledged the complexity introduced by the change from AFDC to TANF but reaffirmed categorical eligibility's original purpose of supporting program administration. A July 14, 1999, policy memo noted that the intent

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[5] States must use TANF funding to provide income support and services designed to accomplish the program's four broad purposes. The four purposes of TANF are to: (1) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) Encourage the formation and maintenance of two-parent families. 42 U.S.C. 601(a); 45 CFR 260.20.

[6] HHS, "TANF and MOE Spending and Transfers by Activity, FY 2023 Charts". September 2024. https://acf.gov/sites/default/files/documents/ofa/fy2023_tanf_moe_national_data_pie_chart.pdf.

of categorical eligibility was "to deem eligibility for food stamp families already subjected to an income and resource test" under TANF.[7] Therefore, the memo affirmed, States have discretion over whether to confer categorical eligibility to recipients of TANF-funded benefits that are not limited to needy families.[8]

Less than two years later, with the publication of a final rule codifying PRWORA changes to SNAP,[9] the Department acknowledged the degree of State discretion allowed by the 1999 memo had "allowed State agencies to use categorical eligibility beyond the scope of what was originally intended." The rule attempted to place bounds, that were still beyond the scope of what was originally intended, on categorical eligibility by establishing a 200 percent FPG gross income limit for TANF- or state maintenance of effort (MOE)-funded programs not designed to target "needy families." In doing so, the rule acknowledged that the changes made by PRWORA allowed States to fund in-kind and non-cash TANF benefits, including some benefits (under TANF purposes three and four) without income eligibility criteria. However, the rule reiterated the Department's understanding that the purpose of categorical eligibility was to eliminate superfluous eligibility tests, not to increase income eligibility criteria, or eliminate eligibility criteria entirely.

Despite the guardrails the rule attempted to establish, the practice of using non-cash TANF-funded programs to confer categorical eligibility continued and, in fact, expanded.

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[7] Food and Nutrition Service, "Letter to Regions on Categorical Eligibility," July 14, 1999, https://www.fns.usda.gov/snap/letter-regions-categorical-eligibility

[8] TANF-funded benefits that further the first or second statutory TANF purposes one or two, as well as any benefit funded with State maintenance-of-effort (MOE) funds, are limited to needy families, and State TANF agencies define "needy." TANF-funded benefits that further TANF purposes three or four are not limited to needy families and are not required to have income eligibility criteria. See footnote 5 for a discussion of the four TANF purposes.

[9] "Food Stamp Program: Noncitizen Eligibility, and Certification Provisions of Pub. L. 104–193, as Amended by Public Laws 104–208, 105–33 and 105–185," 65 FR 70134, November 21, 2000.

Initially, these non-cash programs included benefits, such as work supports, kinship care resources, and transitional benefits. Beginning in 2009, States began implementing particularly expansive categorical eligibility policies, known as "broad-based categorical eligibility" or BBCE.[10] At the time, data indicated many eligible low-income households were not accessing SNAP benefits. SNAP participation had dropped after the passage of PRWORA[11] and BBCE was seen as a way to increase participation among eligible households. From FY 2008 to FY 2011 the number of States implementing BBCE policies grew from 18 to 43. This widescale adoption of the policy was not organic but was encouraged formally by USDA under the Obama administration explicitly "to increase SNAP participation".[12] There was a corresponding rise in the number of SNAP participants overall reaching a record of nearly 45 million participants,[13] and also an increase in households that exceeded SNAP's Federal income and resource limits for SNAP, reflecting their eligibility only due to BBCE. In recent years, the share of participants in households with income and/or resources exceeding the Federal limits for SNAP has increased to 17.6 percent (as shown in the Regulatory Impact Analysis).[14]

States were encouraged specifically by USDA to use benefits of nominal value, such as "an informational pamphlet or an 800-number to call to locate TANF-funded services,"

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[10] "Improving Access to SNAP through Broad-Based Categorical Eligibility," September 30, 2009, https://www.usda.gov/sites/default/files/guidance-documents/fns.snap-improvingAccessBBCE.pdf; "Categorical Eligibility Questions and Answers," November 20, 2009, December 15, 2009, and January 26, 2010, https://www.fns.usda.gov/snap/eligibility/BBCE-questions-answers

[11] Food and Nutrition Service, Report Series - Estimates of State SNAP Participation Rates (Reaching Those in Need), January 1994-FY 2008, https://www.fns.usda.gov/research/snap/state-participation-rates

[12] "Improving Access to SNAP through Broad-Based Categorical Eligibility," September 30, 2009, https://www.usda.gov/sites/default/files/guidance-documents/fns.snap-improvingAccessBBCE.pdf;

[13] USDA, Food and Nutrition Service, Office of Research and Analysis, "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011," https://fns-prod.azureedge.us/sites/default/files/2011Characteristics.pdf.

[14] The estimates here and in the Regulatory Impact Analysis use data from the U.S. Census Bureau's Survey of Income and Program Participation (SIPP) for December 2019 in an algorithm used to estimate SNAP households' resource levels. The prior years used data from the SIPP for August 2009.

as the "benefit" to confer categorical eligibility.[15] BBCE has enabled States to use non-cash TANF program eligibility criteria to create a de facto and significant increase in the SNAP gross income and significant increases and even total elimination of resource statutory limits. Such an expansion has compromised the statutory underpinnings of categorical eligibility, as it goes beyond flexibility to reduce administrative burdens and increases eligibility for households who would not otherwise qualify based on the income and resource limits established in law. The Department believes the proposed changes would ensure States implement categorical eligibility in accordance with its original intent and would address concerns that States used BBCE to expand SNAP eligibility beyond congressionally approved limits intended to preserve benefits for the truly needy.

Over time, BBCE has created a varied "patchwork" of eligibility criteria across States. Many States now use income and resource limits for their non-cash TANF benefits that are higher than the statutory standards for SNAP eligibility.[16] As of December 2025, forty-six States are currently using BBCE to expand eligibility to households that receive non-cash TANF benefits of nominal value.[17] Of those, thirty-seven States have gross income limits higher than the SNAP gross income limit and forty-one States have no resource limit at all.

The expansion of SNAP eligibility under BBCE policies may threaten the integrity of the program by eroding public trust that SNAP benefits are available only to those who meet the eligibility limits set in law. For example, in States with no resource limit, a household

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[15] "Improving Access to SNAP through Broad-Based Categorical Eligibility," September 30, 2009, https://www.usda.gov/sites/default/files/guidance-documents/fns.snap-improvingAccessBBCE.pdf;
[16] The most recent chart indicating States that have taken the BBCE option can be found here: https://www.fns.usda.gov/snap/broad-based-categorical-eligibility. The chart lists the TANF/MOE program benefit that confers categorical eligibility in each State and the gross income and resource limits for these programs. This chart is based on State-reported information.
[17] USDA. "Broad-Based Categorical Eligibility (BBCE). Updated December 2025. Accessed Dec. 10, 2025. https://www.fns.usda.gov/snap/broad-based-categorical-eligibility.

with a million dollars or more in available resources but no regular income could apply for and be eligible to receive SNAP benefits. “Resources” in SNAP include liquid or near liquid assets, with many exclusions including a home and retirement and pensions. The Department is aware of instances where millionaires have received SNAP benefits.[18] It is irresponsible to Congress and the taxpayer to support regulations that permit this practice.

Federal audits have also raised concerns about BBCE’s implications for the integrity of the SNAP eligibility determination process. A 2012 Government Accountability Office (GAO) report exposed weaknesses of categorical eligibility policies, describing them as having “a potentially negative effect on SNAP program integrity” and suggested that BBCE may contribute to more payment errors.[19] In particular, there were payment errors for 17.2 percent of SNAP households eligible under BBCE that had incomes over the Federal limits in Fiscal Year (FY) 2010, compared to just 6.7 percent of other SNAP households. Findings from a 2015 USDA Office of Inspector General (OIG) audit identified similar vulnerabilities with BBCE. The audit took issue with the way BBCE essentially deferred SNAP eligibility determinations to TANF and seemed to solidify the perception of those outside of SNAP that BBCE lacks rigor.[20] Together, these findings demonstrate a policy out of sync with the directive of Congress to ensure that SNAP benefits are reserved for the most vulnerable households.[21]

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[18] https://www.cbsnews.com/minnesota/news/waite-park-millionaire-food-stamps-loophole-minnesota-legislature/

[19] Government Accountability Office. “Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed,” July 2012, Available at: https://www.gao.gov/products/gao-12-670. Note that the GAO estimates measures the percentage of SNAP households with errors. This estimate differs from the SNAP payment error rate, which is the percentage of SNAP benefits paid in error, including both underpayments and overpayments.

[20] Office of the Inspector General. September 2015, “FNS Quality Control Process for SNAP Error Rate.” https://www.oversight.gov/reports/audit/fns-quality-control-process-snap-error-rate

[21] Senate report 100-397; June 23, 1988.

The Department is also strongly committed to responsible stewardship of taxpayer dollars and ensuring SNAP benefits are targeted to needy households. In contrast, many State BBCE policies expand SNAP to households that would otherwise not qualify under the SNAP income and resource limits established in law, adding unnecessary program costs. In FY 2010, only about four percent of SNAP participants were in households with income and/or resources exceeding the Federal limits,[22] indicating that they were only eligible due to BBCE. The share doubled to eight percent by FY 2013 and remained relatively constant reaching a peak of 10 percent in FY 2018.[23] [24] More recent 2019 U.S. Census Bureau data suggests that the proportion of participating households exceeding the resource limit has grown substantially since that time. The Department estimates that 11.5 percent of participating SNAP households in FY2024 (2.5 million households containing 5.4 million individuals) had resources above the SNAP limit and 5.4 percent of households (1.2 million households containing 2.0 million individuals) had incomes above the Federal SNAP gross or net income limits.[25] [26]

BBCE households, like other SNAP households, with three members or more must have net incomes low enough to receive a SNAP benefit. The SNAP benefit is calculated after eligibility is established, so some households determined eligible for SNAP through BBCE may receive zero SNAP benefits. However, all SNAP-eligible households with one or two members get at least the minimum SNAP benefit regardless of their income or

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[22] Food and Nutrition Service. "Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010," p. 43: https://fns-prod.azureedge.us/sites/default/files/Trends2010.pdf.
[23] Food and Nutrition Service. "Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2013," p. 77: https://fns-prod.azureedge.us/sites/default/files/ops/Trends2010-2013.pdf.
[24] Food and Nutrition Service. "Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2013," p. 54: https://fns-prod.azureedge.us/sites/default/files/resource-files/Trends2016-2018.pdf.
[25] To avoid double-counting, households and individuals who fail both the income and resource tests are only included in the total for those failing the income test.
[26] Current regulations at 7 CFR 273.2 (j)(2)(i)(C) and (ii)(B) permit categorical eligibility to be conferred from certain TANF/State MOE-funded programs that have a maximum gross monthly income at or below 200 percent of the Federal poverty level.

deductions.[27] The Department estimates in the Regulatory Impact Analysis (RIA) that more than 840,000 one- and two-person households received the minimum SNAP benefit in 2024 only because they were determined to be categorically eligible for SNAP through BBCE. Most of these households (94 percent) would have been ineligible for SNAP under the SNAP income and resource limits and thus receive no SNAP benefit in the absence of BBCE. This represents nearly $214 million to households whose incomes or resources exceeded SNAP's statutory limits in 2024, but still received a minimum benefit. This spending does not align with Congress' intent or the Secretary's guiding principle to support policy options that protect both truly needy recipients and the American taxpayer.[28] A rule change is necessary to avoid the continuation of SNAP regulations that allow a categorical eligibility policy that expands SNAP to households without demonstrated needs and reaches far beyond the congressional intent to simplify eligibility determinations for needy households.

Therefore, the Department proposes aligning categorical eligibility more closely to the policy originally implemented in 1985 based on Federal law, under which categorical eligibility was conferred only to those households receiving cash assistance payments, rather than those receiving non-assistance benefits, such as childcare, training, or other services. Specifically, the proposed rule would revise regulations at 7 CFR 273.2(j)(2) to align with the definition of TANF assistance in 45 CFR 260.31(a). Under 45 CFR 260.31(a), TANF "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs, which includes certain non-cash supportive services, such as child care and transportation assistance for parents who

[27] In accordance with Sec. 8(a) of the Food and Nutrition Act and regulations at 7 CFR 273.10(e)(2)(ii)(C), all one- or two-person SNAP households receive at least a minimum benefit, which is 8 percent of the maximum allotment for a household of one, rounded to the nearest whole dollar. In FY 2025, the minimum SNAP benefit is $23.

[28] Secretary Brook L. Rollins, "Secretary Rollins' Vision for the Department's 16 Nutrition Programs," February 13, 2025, https://www.fns.usda.gov/rollins-statement-nutrition-programs.

are unemployed.[29] The U.S. Department of Health and Human Services (HHS) uses the term "non-assistance" to refer to the variety of other TANF-funded services, as described at 45 CFR 260.31(b), which includes the types of benefits used in BBCE policies. Current SNAP regulations do not distinguish between TANF "assistance" and "non-assistance," but rather between "cash" and "non-cash or in-kind benefits or services." In this rule, "TANF assistance" refers to the cash and non-cash supportive services referred to in 45 CFR 260.31(a), while "non-cash or in-kind benefits or services" means the TANF "non-assistance" described in 45 CFR 260.31(b).[30] This proposed change would limit categorical eligibility conferred through TANF to those households receiving TANF assistance, rather than the non-cash or in-kind services from TANF-funded programs that also currently confer categorical eligibility.

Like AFDC before it, TANF assistance as defined at 45 CFR 260.31(a) is largely a cash payment benefit designed to meet the basic needs of families with incomes and resources below the SNAP statutory requirements. The definition of TANF assistance includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs. Additionally, TANF assistance programs have a robust eligibility determination that thoroughly reviews household income and resources. Income standards used to determine TANF assistance eligibility vary by State but are typically lower than SNAP standards.[31]

Summary of Proposed Approach

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[29] 45 CFR 260.31(a)(3)

[30] GAO makes a similar distinction in its December 2012 report, "Temporary Assistance for Need Families: More Accountability Needed to Reflect Breadth of Block Grant Services," GAO-13-33, pg. 1, pg 5, https://www.gao.gov/assets/gao-13-33.pdf.

[31] The Welfare Rules Databook: State and Territory TANF Policies as of July 2023, available at https://acf.gov/opre/report/welfare-rules-databook-state-and-territory-tanf-policies-july-2023

The proposed rule would change SNAP categorical eligibility regulations at 7 CFR 273.2(j)(2) by limiting the TANF benefits that a State agency can use to confer categorical eligibility to only TANF assistance, defined at 45 CFR 260.31(a). To conform with this change, the proposed rule would also eliminate the use of "non-cash or in-kind benefits or services" to confer categorical eligibility for SNAP. Finally, the Department proposes several conforming amendments.

Categorical eligibility from TANF assistance

Current regulations at 7 CFR 273.2(j)(2)(i)(A) require States to confer categorical eligibility to households in which all members receive or are authorized to receive "cash" through a TANF program. The Department proposes to amend 7 CFR 273.2(j)(2)(i)(A) to replace "cash" with "assistance as defined at 45 CFR 260.31(a)." The vast majority of TANF assistance is cash or cash equivalents, intended to meet families' basic needs.[32] Aligning the terminology in SNAP regulations with that used in TANF regulations promotes consistency between the programs. Additionally, such a change would close the loophole that has allowed for 17.6 percent of the SNAP participant caseload to be eligible solely due to receiving TANF non-assistance, i.e., non-cash benefits with eligibility criteria that far exceed Federal SNAP limits.

Eliminating categorical eligibility from non-cash or in-kind benefits or services

Current SNAP regulations provide two ways in which non-cash or in-kind benefits or services from a TANF-funded program may confer categorical eligibility: a mandatory requirement, described at 7 CFR 273.2(j)(2)(i)(B) and (C), and a State option, described

[32] TANF assistance also includes some non-cash supportive services, such as transportation and childcare for unemployed families, but USDA understands from HHS that these supportive services largely go to families who are also receiving cash TANF and include similar eligibility requirements. For all practical purposes, those receiving TANF assistance are receiving cash, while those receiving TANF "non-assistance" are receiving other non-cash services of the kind used to confer BBCE.

at 7 CFR 273.2(j)(2)(ii). These various provisions are based on the proportion of the program funded by TANF or State MOE funding, the TANF purposes that the program furthers, and the gross income limit of the program.

The proposed rule would remove 7 CFR 273.2(j)(2)(i)(B), (2)(i)(C), and (2)(ii), meaning States would no longer be permitted to confer categorical eligibility for SNAP to households that receive non-cash or in-kind TANF- or State MOE-funded benefits or services, other than TANF assistance. This would eliminate the practice of States using nominal TANF benefits from programs with a variety of weaker gross income and resource limits to confer categorical eligibility. The proposed change would help ensure closer alignment with congressional intent.

Authorized to receive

Current regulations throughout 7 CFR 273.2(j) apply categorical eligibility for SNAP to households in which all members receive or are "authorized to receive" specified TANF, Supplemental Security Income (SSI), or general assistance (GA) benefits. The "authorized to receive" language does not align with Congress's intent for categorical eligibility and creates a loophole that could make households categorically eligible for SNAP based on their eligibility for a TANF benefit, even if they do not actually receive it.[33] The Department wants to strike the right balance between administrative streamlining and ensuring that households actually receive the benefit that confers categorical eligibility. Therefore, the Department is removing the "authorized to receive" language throughout 7 CFR 273.2.

[33] Government Accountability Office. "Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed," July 2012, pg. 34-36. Available at: https://www.gao.gov/products/gao-12-670; Office of the Inspector General. September 2015, "FNS Quality Control Process for SNAP Error Rate," pg. 36-37. Available at: https://www.oversight.gov/reports/audit/fns-quality-control-process-snap-error-rate

Conforming amendments

The Department proposes to amend the regulations at 7 CFR 273.2(j)(2)(iv), 273.2(j)(4)(vi), and 273.8(e)(17) to update or remove the citations to conform with the regulations redesignated or removed by this rule.

Alternate Approach for Consideration

The Department also considered an alternative approach, which is the "ongoing and substantial" framework proposed in the 2019 proposed rule (described below). The Department believes the current proposal to align SNAP categorical eligibility with receipt of TANF assistance is the best solution because it eliminates discrepancies between SNAP and TANF regulations and is easier to operationalize than the two alternatives; however, the Department is seeking public comment on how this alternate approach would compare to the proposed approach.

Alternative approach

The Department considered returning to the categorical eligibility framework originally proposed in the July 24, 2019, proposed rule, "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP)".[24] Under the "ongoing and substantial" framework of the 2019 proposed rule, both cash and non-cash TANF benefits could confer categorical eligibility but only if those benefits were "ongoing and substantial". To be considered "ongoing," the benefits would be those a household receives for a period of at least six months. To be considered "substantial," the benefits would be valued at a minimum of $50 per month or, should HHS develop a minimum threshold amount for TANF cash benefits, the higher of the two standards.

In addition, non-cash categorical eligibility would be limited to specific types of TANF benefits—subsidized employment, work supports, and/or childcare—that support family self-sufficiency and involve meaningful eligibility determinations. The Alternative approach would remove mention of TANF purposes from 7 CFR 273.2(j)(2), since the Department understands from HHS that these distinctions are not necessarily meaningful in conferring non-cash categorical eligibility because different States may consider similar benefits to be furthering different TANF purposes. Instead, the Alternative approach would link categorical eligibility to specific types of TANF *benefits* rather than to TANF block grant *purposes.*

Finally, the Alternative approach would also simplify the terminology used at 7 CFR 273.2(j)(2) from "non-cash or in-kind benefits or services" to "non-cash benefits." For oversight purposes, the proposal would also require State agencies to inform FNA of all non-cash TANF benefits conferring categorical eligibility.

With the introduction in the Alternative of the "ongoing" and "substantial" requirements, the Department would seek to eliminate the practice of conferring categorical eligibility based on receipt of nominal, one-time benefits. Categorical eligibility based on the receipt of benefits that are nominal in value encourages cursory or nonexistent eligibility determinations because the value of those TANF benefits do not warrant the cost of staff time and resources to conduct robust eligibility determinations. Requiring the benefits to be substantial limits categorical eligibility to only those TANF benefits for which a State is more likely to establish a meaningful eligibility determination.

In addition, the types of benefits conferring categorical eligibility under the Alternative approach would be limited to those that provide opportunities for households to obtain

employment and financial stability. The emphasis on TANF benefits that directly encourage self-sufficiency aligns with the amendments to the Act made by Sec. 313 of the Fiscal Responsibility Act of 2023 (FRA, Pub. L. 118-5). In June 2023, the FRA expanded SNAP's purpose to include assisting low-income adults in obtaining employment and increasing their earnings. The Department believes this reaffirms efforts to reduce dependency on public assistance programs and increase self-sufficiency. The framework of the Alternative approach would align categorical eligibility with the new statutory purpose of the program, which is explicitly tailored to support work.

In withdrawing the 2019 proposed rule, the Department determined the proposed revisions did not sufficiently justify the impact on SNAP households or the costs to State agencies to implement the change. However, the Department believes that the Alternative approach merits reconsideration at this time. Unlike the proposal in this NPRM, it acknowledges that some TANF non-assistance, non-cash benefits may comport with SNAP's standards for eligibility requirements and SNAP's mission to support participants' self-sufficiency through employment. Ultimately, the Department chose the proposal in this NPRM because implementation of categorical eligibility based on alignment with TANF assistance would be less administratively burdensome for State agencies than the "ongoing and substantial" standard.

Additional Request for Comment

Current regulations at 7 CFR 273.2(j)(2)(i)(A) limit categorical eligibility from TANF cash programs to those program "funded in full or in part" by Federal TANF money or State MOE funds. Regulations at 7 CFR 273.2(j)(2)(i)(B) and (C) are more specific, creating a requirement for categorical eligibility for specified programs "more than 50 percent funded" by Federal TANF or State MOE money. Similarly, 7 CFR

273.2(j)(2)(ii)(A) and (B) create a State option for categorical eligibility for specified programs "less than 50 percent funded" with Federal TANF or State MOE money. Although this proposed rule would remove the regulations at 7 CFR 273.2(j)(2)(i)(B), (i)(C), (ii)(A) and (ii)(B), the Department seeks public comment on the impact of adding specific funding percentage requirements to TANF assistance programs at 7 CFR 273.2(j)(2)(i)(A), particularly if it were to advance an alternative option.

Procedural Matters

Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

This proposed rule has been determined to be economically significant under section 3(f)(1) of Executive Order 12866 and was reviewed by the Office of Management and Budget (OMB) in conformance with Executive Order 12866.

Regulatory Impact Analysis

A Regulatory Impact Analysis (RIA) was developed for this proposed rule, consistent with the requirements of Executive Order 12866. It follows this rule as an Appendix. The following summarizes the conclusions of the regulatory impact analysis:

The Department estimates the total reduction in Federal SNAP transfers (SNAP benefit spending) associated with the provisions of this proposed rule to be approximately $44.649 billion over the five-year period FY 2027-FY 2031. Effects on Federal reimbursement of State administrative costs are estimated to be approximately $309.5 million over the five-year period FY 2027-FY 2031. The Department also estimates a net reduction in State spending on SNAP (per Section 10105 of P.L. 119-21) to be approximately $5.243 billion over the five year period, including an estimated reduction in State transfers of approximately $6.172 billion and an increase in State SNAP administrative costs of approximately $928.5 million. Effects on household burden are estimated to be approximately $71.7 million over the five-year period FY 2027-FY 2031.

The Department estimates that approximately 16.9 percent of participating SNAP households (17.6 percent of SNAP participants) would no longer receive SNAP benefits because their income or resources exceed the Federal statutory limits for SNAP. This represents 3.2 million households containing 6.3 million individuals in FY 2029, the first year the proposed rule is expected to reach its full effects.

The proposed rule impacts other nutrition assistance programs where SNAP participation confers eligibility in lieu of an income assessment. The programs measurably impacted are the National School Lunch Program and School Breakfast Program (collectively referred to as the School Meals programs), Summer Electronic Benefit Transfer (SEBT), and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The Department estimates about 1.78 million children would no longer be categorically eligible for free school meals due to this rule, although almost all such children (approximately 97 percent) would still retain eligibility for free or reduced price school meals based on their household income and could certify for school meals through

a different process. About1.66 million of these children would still receive free school meals, 93,000 children would move from free to reduced price school meals, and 28,000 would pay full price for their school meals based on their households' resources. The Department estimates that approximately 42,000 children could potentially no longer receive SEBT beginning in the summer of 2029, including an estimated 13,000 children who would choose not to apply for SEBT, even though they remain eligible. The Department also estimates that 16,500 of 22,000 WIC participants eligible through BBCE would remain income eligible for WIC and could certify through a different process. The remaining 5,500 women, infants, and children would no longer be eligible for WIC based on an accurate, individualized assessment of eligibility. There were a total of approximately 6.87 million WIC recipients in FY 2025.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires Agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant impacts on a substantial number of small entities. As discussed in the Regulatory Impact Assessment, school districts nationwide would face a small increase in administrative costs as a result of this rule. In total, the Department estimates that school districts would need to process 197,000 additional applications for the School Meals programs, which would take an estimated 30,000 additional hours and add costs of about $2.0 million in SY 2028-29 and about $6.3 million over the five-year period of FY 2027 to FY 2031. About 30 million children are served through the school meals program each year. The Department does not have geographic data to estimate what share of this burden would fall to small jurisdictions, but the reduction in SNAP benefits overall will reduce SNAP redemptions, so some small retailers may experience reductions in sales.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of $100 million or more in any one year. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule.

The Regulatory Impact Analysis conducted by the Department in connection with this proposed rule includes a cost/benefit analysis. Based on this analysis, the Department believes there are no alternatives to the proposal that would accomplish the stated objectives in a less burdensome manner. However, the Department invites comments regarding less burdensome approaches to achieving the stated objectives. Per the Food and Nutrition Act, the Federal government would pay 25 percent of allowable State administrative costs required under this proposed rule, beginning in FY 2027.

Executive Order 12372

This Supplemental Nutrition Assistance Program is listed in the Catalog of Federal Domestic Assistance under Number 10.551 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR chapter IV.)

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section (6)(b)(2)(B) of Executive Order 13132.

The Department has determined that this rule does not have Federalism implications. This rule does not impose substantial or direct compliance costs on State and local governments. Therefore, under Section 6(b) of the Executive Order, a Federalism summary impact statement is not required.

Executive Order 12988, Civil Justice Reform

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

Civil Rights Impact Analysis

USDA has reviewed the proposed rule, in accordance with the Agriculture Improvement Act of 2018, “2018 Farm Bill”, Section 12403, Civil Rights Analyses, to identify and address any major civil rights impacts the proposed rule might have on specific groups. While we expect that a change in the categorical eligibility requirements has the potential to impact households where the head of household is Asian, Hispanic, or reported multiple races, as well as households with children and households with elderly

members, the implementation of mitigation strategies and monitoring by SNAP and CRD will likely lessen these impacts. The mitigation strategies include: working to ensure State agencies fully understand the changes in the rule prior to implementation; publishing rule guidance on the USDA public website; providing technical assistance to State agencies and assisting them in developing their plans; and encouraging State agencies to target program information activities to potentially impacted households. USDA will conduct monitoring through the SNAP Management Evaluation (ME) process, the CRD ongoing monitoring of trends in program discrimination complaint activity, and oversight of programmatic inquiries concerning the proposed rule at the State level. Additionally, CRD will propose further outreach and mitigation strategies to alleviate any unforeseen impacts, if deemed necessary. All relevant mitigation and outreach strategies and monitoring activity will be conducted in accordance with applicable Federal laws and regulations. Additionally, CRD will propose further outreach and mitigation strategies to alleviate any unforeseen impacts, if deemed necessary.

Executive Order 13175

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

This rule may contain policies that require consultation. USDA will have a consultation before the issuing of the final rule. FNA will work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided.

Executive Order 14192

Executive Order 14192, titled "Unleashing Prosperity Through Deregulation," was issued on January 31, 2025, and requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. This proposed rule, if finalized as proposed, is expected to be exempt from otherwise-applicable requirements of E.O. 14192, per footnote 1 of OMB's Accounting Methods.[34]

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; 5 CFR 1320) requires the Office of Management and Budget (OMB) approve all collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number.

In accordance with the Paperwork Reduction Act of 1995, this proposed rule would contain information collections that are subject to review and approval by the Office of Management and Budget; therefore, FNA is submitting for public comment the changes in the information collection burden that would result from adoption of the proposals in the rule.

Comments on this proposed rule must be received by [Insert date that is 30 days from publication in the FEDERAL REGISTER]. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of

[34] Accounting Methods under Executive Order 14192, https://www.reginfo.gov/public/pdf/eo14192/Accounting_Methods_under_EO_14192.pdf.

information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Title: Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery and Gambling, and State Verification

OMB Number: 0584-0621

Expiration Date: 1/31/2029

Type of Request: Revision to existing collection

Abstract: Section 5(a) of the Food and Nutrition Act of 2008, as amended, (the Act), provides that households in which each member receives benefits under a State program funded under Part A of Title IV of the Social Security Act (SSA) (also known as Temporary Assistance for Needy Families (TANF) block grants) shall be categorically eligible for SNAP. Current SNAP regulations consider TANF benefits to include both cash assistance and non-cash or in-kind benefits or services from TANF-funded programs. This proposal would limit categorical eligibility to only households that receive TANF assistance, as defined at 45 CFR 260.31. These revisions would ensure that SNAP benefits are targeted to households that have sufficiently demonstrated need by qualifying for TANF assistance while aligning categorical eligibility's statutory purpose of streamlining program administration.

Congress established categorical eligibility to reduce administrative burden, not to increase eligibility in the program. However, States have used the flexibility of the TANF

program to implement particularly expansive categorical eligibility policies, known as "broad-based categorical eligibility" or BBCE. BBCE has enabled States to use non-cash TANF program eligibility criteria to create a de facto increase in the SNAP gross income and resource statutory limits. Under the Act's regular program rules, households without an elderly or disabled member must have a gross income of no more than 130 percent of the Federal Poverty Guidelines (FPG) to qualify for SNAP; under BBCE, States can increase such limits to as much as 200 percent FPG. The Act also specifies resource limits for SNAP households, but under BBCE policies, States can increase or entirely eliminate resource limits. Such an expansion has compromised the statutory underpinnings of categorical eligibility, as it goes beyond flexibility to reduce administrative burdens and increases eligibility for households who would not otherwise qualify.

The proposed rule would provide more uniform SNAP eligibility across the country by limiting categorical eligibility through TANF to households that qualify for TANF assistance, rather than the non-cash or in-kind services from TANF-funded programs that also currently confer categorical eligibility. Section 5(j) of the Act indicates that households who are categorically eligible are considered to have met the SNAP resource limit and therefore these households do not undergo another resource determination. The proposed rule would reduce the number of households who would be categorically eligible. Therefore, States would have to apply regular SNAP income and resource tests to determine SNAP eligibility for more households. The Department estimates that 11.5 percent of currently participating SNAP households (2.5 million households or 5.4 million individuals) have resources above the SNAP limit and 5.4 percent (1.2 million households or 2.0 million individuals) have incomes above the Federal SNAP gross income limit of 130 percent FPG and/or net income limit of 100 percent FPG. While States do not verify categorically eligible households' incomes to

determine their *eligibility*, they must verify all households' incomes to determine their *benefit calculation*. However, as noted earlier, some States have BBCE policies that entirely eliminate resource limits. Under this rule, those States would need to add resource assessments to their SNAP eligibility determination process for an increased number of non-categorically eligible households.

FNA is requesting to revise OMB Control Number 0584-0621 for the requirements in this proposed rule, Supplemental Nutrition Assistance Program: Reforming Categorical Eligibility. Because State agencies do not verify resources for applicants that are categorically eligible per 5(j) of the Act, they would be required to make changes to their application process to assess the resources of those households' that would no longer be categorically eligible. As of December 2025, 46 out of the 53 State agencies have adopted BBCE, and 41 States are not currently assessing resource information as part of the SNAP eligibility determination process.[35]

FNA will reconcile the burden hours associated with the final rulemaking for this rule for all States by revising OMB Control Number 0584-0621.There is no new recordkeeping burden required for this information collection request. The recordkeeping burden for State agencies is currently covered under the approved information collection burden for application processing, OMB Control Number 0584-0064 (expiration date: 6/30/2027), which already accounts for the case file documentation that States must maintain for each SNAP household at 7 CFR 273.2(f)(6).

Description of Costs and Assumptions: This proposed rule would limit categorical eligibility through TANF only to households that receive TANF assistance, as defined at 45 CFR 260.31(a). The proposed restriction of categorical eligibility would reduce the number of households who would be categorically eligible for SNAP and require States

[35] The burden hours and cost estimates in this PRA were prepared prior to Alaska implementing BBCE on July 1, 2025. Hence the estimates are based on 45 States, rather than 46 States, having BBCE.

to assess more households' resources to determine if they are eligible for SNAP. Under the rule, the 45 State agencies that have expanded categorical eligibility would now be required to assess resource information from more households. For example, States and households would need to contact financial institutions, Departments of Motor Vehicles, or other entities to obtain documentation of household resources. The proposed rule may require the States that do not currently assess resources to modify their eligibility systems to both collect and verify household resource information as needed. System costs include the cost of requirements gathering, design, development, testing, implementation, and operations and maintenance.

Reporting Burden Activities: Currently, all applicant households are required to meet the SNAP resource limits at 7 CFR 273.8 (Resource eligibility standards); applicants who are categorically eligible are considered to have met the SNAP resource limit (Section 5(j) of the Act). Under this rulemaking, fewer SNAP households would be categorically eligible through their receipt of non-cash TANF benefits. As fewer SNAP households would be categorically eligible, more households would therefore need to have their resources assessed by SNAP eligibility workers to determine whether the households meet the SNAP resource limit. Resources are one of several factors used to determine SNAP eligibility and are subject to verification if questionable (7 CFR 273.2 (f)(2)).

State Agency Burden Assessment Feedback

FNA used the estimates in OMB Control Number 0584-0621 (expiration date: 1/31/2029) to estimate the amount of time that resource verification would take for the additional 45 State agencies that have expanded categorical eligibility. FNA estimates that 11 States would verify resources for households at all times ("Always" States), 10 States would verify resources only when deemed questionable ("Self-Attestation States"),

and 24 States would adopt a policy to verify a household's resources if close to the resource limit ("High Limit States").

Using the estimates in OMB Control Number 0584-0621 (expiration date: 1/31/2029), FNA estimates that State agency staff in "Always" States would on average spend 32.5 minutes (.534 hours) per case at initial certification and 19.16 minutes (.321 hours) per case at recertification. FNA estimates that State agency staff in "Self-Attestation" States would on average spend 12.4 minutes (.201 hours) per case at initial certification and 8.8 minutes (0.135 hours) per case at recertification. FNA estimates that State agency staff in "High Limit" States would on average spend 33.15 minutes (0.554 hours) per case at initial certification and 33.2 minutes (0.550 hours) per case at recertification to verify resources.

FNA then needed to estimate the percentage of a State's caseload that would be subject to these resource verification requirements to calculate the State agency burden. In the estimated 11 "Always" States, the entire caseload would be subject to verification. In "Self-Attestation" and "High Limit" States, only a certain percent of SNAP applicants would meet the criteria (e.g., substantial resources or questionable information) that would necessitate the caseworker undertaking resource verification.

Using caseload data, FNA estimates that "High Limit" States would have to verify household resources about 27 percent of the time; FNA rounded up to 30 percent to take into account caseworker discretion to verify when questionable. FNA estimates that "Self-Attestation States" States would have to verify household resources 10 percent of the time. Accordingly, the estimated number of households whose resources would be verified by a caseworker are adjusted to 30 percent of the caseload in the estimated 24 "High Limit" States and 10 percent of the caseload in the estimated 10 "Self-Attestation" States. The estimated number of households for the 11 "Always" States would be 100 percent of the SNAP applicant households in those States.

In addition, the Department anticipates one-time costs related to changes to application forms, staff training, and modifications to State systems. The Department has limited data on the potential costs of these changes, particularly the system changes. System costs include the cost of requirements gathering, design, development, testing, and implementation. For the purpose of calculating the burden for this proposed rule, FNA assumes that all 45 State agencies that confer expanded categorical eligibility collect, but do not currently verify, resource information from households. The Department seeks additional comment on whether this assumption is correct, and if not, how long it would take States to make changes to their systems to gather, review, and verify this information beyond the efforts described above.

Household Burden

Recent data[36] shows that 21.8 percent of SNAP households are categorically eligible through receipt of SSI, cash TANF, or General Assistance (GA). Under the proposed rule, these households will still be considered categorically eligible. Other categorically eligible households, i.e., households eligible through BBCE, make up 73.9 percent of the SNAP households. Therefore, the household estimates in this burden narrative only include the 73.9 percent of households who would lose categorical eligibility under this proposed rulemaking and would be subject to the additional burden.

The Department then estimated the burden hours for households to provide verification. FNA referenced the currently approved estimated number of applicants in OMB Control Number 0584-0064 (expiration date: 6/30/2027) and updated these numbers to reflect the most recently available participation data (Fiscal Year (FY) 2024) for SNAP initial applicants and recertification applicant households.[37]

The Department finds it reasonable to use the estimates in OMB Control Number 0584-0064 (expiration date: 6/30/2027) regarding household burden for providing verification and estimates that providing verification would take 4 minutes or .0668 hours per household at initial certification and 6 minutes or .1002 hours at recertification. Using the estimates above for the number of households in each State subject to verification requirements (100 percent in 11 States, 10 percent in 10 States, and 30 percent in 24 States), we then calculated the total number of households that would have to participate in this annual burden. We have rounded these burden times in the chart below.

The Department is interested in States' comments on the requested information burden, as the vast majority of households in most States have been certified under BBCE and therefore have not been subject to a SNAP resource assessment in recent years. All comments will be reviewed and considered in the final rulemaking process.

The overall estimated burden we are requesting for both the Individuals/Households and State agencies is 14,981,300.28 total annual burden hours and 26,931,893 total annual responses. The reporting burden details are provided below for State Agencies and SNAP applicant households. This request associated with rulemaking reflects an increase of 13,425,498.31 total annual burden hours and 11,649,207.97 total annual responses for State agencies and 914,934.84 total annual burden hours and 11,606,509.97 total annual responses for Households (SNAP Participants).

Respondents: State Agencies

Estimated Number of Respondents: 45

Estimated Number of Responses per Respondent: 258,871.29

Estimated Total Annual Burden on Respondents: 11,649,207.97

Estimated Time per Response: 1.15248164

Estimated Total Annual Burden Hours: 13,425,498.31

Respondents: SNAP households

Estimated Number of Respondents: 11,606,510

Estimated Frequency of Response Per Year: 1.00

Estimated Total Annual Responses: 11,606,509.97

Estimated Time per Response: 0.078829453

Estimated Total Annual Burden Hours: 914,934.84

Reg. Section	Respondent Type	Description of Activity	Estimated Number of Respondents	Estimated Frequency of Response	Total Annual Responses	Number of Burden Hours Per Response	Estimated Total Burden Hours	Previous Burden in Use Without Approval	Differences Due to Program Changes	Difference Due to Adjustments	Hourly Wage Rate*	Estimated Cost to Respondents (50 percent cost share)
Affected Public: State Agencies												
7 CFR 273.2(f)(1) & (2)	State Agency Eligibility Worker	Verification of resources at initial application (States verifying all resources)	11	386,784.96	4,254,634.60	0.534	2,271,974.88	0	2,271,974.88	2,271,974.88	$31.24	$35,488,247.57
7 CFR 273.2 (f)(1) & (2)	State Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if questionable)	10	38,678.50	386,784.96	0.201	77,743.78	0	77,743.78	77,743.78	$31.24	$1,214,357.81
7 CFR 273.2 (f)(1) & (2)	State Agency Eligibility Worker	Verification of resources at initial application (States verifying resources if close to limit)	24	116,035.49	2,784,851.74	0.554	1,542,807.86	0	1,542,807.86	1,542,807.86	$31.24	$24,098,658.82
7 CFR 273.2 (f)(8)(i)	State Agency Eligibility Worker	Verification of resources at recertification (States verifying all resources)	11	217,720.76	2,394,928.41	0.321	768,772.02	0	768,772.02	768,772.02	$31.24	$12,008,218.93
7 CFR 273.2 (f)(8)(i)	State Agency Eligibility Worker	Verification of resources at recertification (States verifying resources if questionable)	10	21,772.08	217,720.76	0.135	29,392.30	0	29,392.30	29,392.30	$31.24	$459,107.78
7 CFR 273.2 (f)(8)(i)	State Agency Eligibility Worker	Verification of resources at recertification (States verifying resources if close to limit)	24	65,316.23	1,567,589.50	0.550	862,174.23	0	862,174.23	862,174.23	$31.24	$13,467,161.41
8 CFR 273.2 (f)(8)(i)	State Agency Eligibility Worker	Staff Training	45	945	42,525.00	19.13	813,503.25	0	813,503.25	813,503.25	$31.24	$12,706,920.77
7 CFR 273.2 (f)(1) & (2)	State Agency IT Staff	Modify State systems to the gross income limit	38	1	38.00	1710	64,980.00	0	64,980.00	64,980.00	$81.66	$2,653,198.38
7 CFR 273.2 (f)(1) & (2)	State Agency IT Staff	Modify State systems to add the net income test	45	1	45.00	33660	1,514,700.00	0	1,514,700.00	1,514,700.00	$81.66	$61,846,715.70
7 CFR 273.2 (f)(1) & (2)	State Agency IT Staff	Modify State systems to collect resource information	40	1	40.00	134680	5,387,200.00	0	5,387,200.00	5,387,200.00	$81.66	$219,964,763.20
7 CFR 273.2 (f)(1) & (2)	State Agency IT Staff	Modify State systems to collect resource information	5	1	5.00	225	1,125.00	0	1,125.00	1,125.00	$81.66	$45,934.88
7 CFR 273.2(f)(1) & (2)	State Agency IT Staff	Revise the indicator or system rules to identify categorically eligible households	45	1	45.00	2025	91,125.00	0	91,125.00	91,125.00	$81.66	$3,720,724.88
Sub-Total State Agencies			45	258,871.29	11,649,207.97	1.15248164	13,425,498.31	0.00	13,425,498.31	13,425,498.31	$28.88	$387,674,010.11
Affected Public: Individual/Households												

7 CFR 273.2 (f)(1) & (2)	Applicants for initial certification	Verification of resources at initial application	7,426,271	1	7,426,271.30	0.0668	496,074.92	0	496,074.92	496,074.92	$22.96	$11,389,880.23
7 CFR 273.2 (f)(8)(i)	Applicants for recertification	Verification of resources at recertification	4,180,239	1	4,180,238.67	0.1002	418,859.91	0	418,859.91	418,859.91	$22.96	$9,617,023.65
Sub-Total Individual/Households			11,606,510	1	11,606,509.97	0.078829453	914,934.84	0.00	914,934.84	914,934.84	$22.96	$21,006,903.88
Existing Burden in 0584-0621			1,838,188	2	3,676,176.00	0.174329828	640,867.13	640,867.13	0.00	640,867.13	$13.33	$8,542,070.98
Reporting Grand Total Burden Estimates			13,444,742.97	2.00	26,931,893.95	0.556266125	14,981,300.28	640,867.13	14,340,433.15	14,340,433.15	$29.09	$417,222,984.97

E-Government Act Compliance

The Department is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

7 CFR Part 273

Administrative practice and procedure, Employment, SNAP, Government employees, Grant programs-social programs, Reporting and recordkeeping requirements, Supplemental Security Income, Wages.

Accordingly, 7 CFR part 273 is revised to read as follows:

PART 273 – CERTIFICATION OF ELIGIBLE HOUSEHOLDS

1. The authority citation for part 273 continues to read as follows:

Authority: 7 U.S.C. 2011-2036

2. In 7 CFR 273.2:

a. Amend the introductory paragraph (j) by removing the last four sentences;

b. Revise paragraph (j)(2)(i)(A);

c. Remove paragraphs (j)(2)(i)(B) and (j)(2)(i)(C);

d. Revise paragraph (j)(2)(i)(D) and redesignate as (j)(2)(i)(B);

e. Revise paragraph (j)(2)(i)(E) and redesignate as (j)(2)(i)(C);

f. Remove and reserve paragraph (j)(2)(ii);

g. Remove and reserve paragraph (j)(2)(iii);

h. Remove and reserve paragraph (j)(2)(iv);

i. Remove the first sentence of paragraph (j)(2)(vi);

j. Revise paragraph (j)(4)(vi); and

k. Amend the introductory paragraph (k) by revising the fourth sentence.

§ 273.2 Office operations and application processing.

* * * * *

(j) ***PA, GA and categorically eligible households.*** The State agency must notify households applying for public assistance (PA) of their right to apply for SNAP benefits at the same time and must allow them to apply for SNAP benefits at the same time they apply for PA benefits. The State agency must also notify such households that time limits or other requirements that apply to the receipt of PA benefits do not apply to the receipt of SNAP benefits, and that households which cease receiving PA benefits because they have reached a time limit, have begun working, or for other reasons, may still qualify for SNAP benefits. If the State agency attempts to discourage households from applying for cash assistance, it shall make clear that the disadvantages and requirements of applying for cash assistance do not apply to SNAP benefits. In addition, it shall encourage applicants to continue with their application for SNAP benefits. The State agency shall inform households that receiving SNAP benefits will have no bearing on any other program's time limits that may apply to the household. The State agency may process the applications of such households in accordance with the requirements of paragraph (j)(1) of this section, and the State agency must base their eligibility solely on SNAP eligibility criteria unless the household is categorically eligible, as provided in paragraph (j)(2) of this section. If a State has a single Statewide GA application form, households in which all members are included in a State or local GA grant may have their application for SNAP benefits included in the GA application form. State agencies may use the joint application processing procedures described in paragraph (j)(1) of this section for GA recipients in accordance with paragraph (j)(3) of this section. The State agency must base eligibility of jointly processed GA households solely on SNAP eligibility criteria unless the household is categorically eligible as provided in paragraph (j)(4) of this section. The

State agency must base the benefit levels of all households solely on SNAP criteria. The State agency must certify jointly processed and categorically eligible households in accordance with SNAP procedural, timeliness, and notice requirements, including the 7-day expedited service provisions of paragraph (i) of this section and normal 30-day application processing standards of paragraph (g) of this section. * * *

(2) * * *

(i) * * *

(A) Any household (except those listed in paragraph (j)(2)(vii) of this section) in which all members receive assistance as defined at 45 CFR 260.31(a) through a PA program funded with Federal money under Title IV-A or with State money counted for maintenance of effort (MOE) purposes under Title IV-A;

(B) Any household in which all members receive SSI benefits, except that residents of public institutions who apply jointly for SSI and SNAP benefits prior to their release from the institution in accordance with § 273.1(e)(2), are not categorically eligible upon a finding by SSA of potential SSI eligibility prior to such release. The State agency must consider the individuals categorically eligible at such time as SSA makes a final SSI eligibility and the institution has released the individual.

(C) Any household in which all members receive PA and/or SSI benefits in accordance with paragraphs (j)(2)(i)(A) through (j)(2)(i)(B) of this section.

(ii) [Reserved]

(iii) [Reserved]

(iv) [Reserved]

(v) * * *

(vi) Categorical eligibility shall be assumed at recertification in the absence of a timely PA redetermination. If a recertified household is subsequently terminated from PA

benefits, the procedures in § 273.12(f)(3), (4), and (5) shall be followed, as appropriate. * * *

* * * * *

(4) * * *

(vi) ***Combination households.*** Households consisting entirely of recipients of PA, SSI and/or GA from a program that meets the requirements of § 273.2(j)(4)(i) shall be categorically eligible in accordance with the provisions for paragraph (j)(2)(v) of this section for members receiving PA and SSI or provisions of paragraphs (j)(4)(iv) and (v) of this section for members receiving GA.

* * * * *

(k) * * * However, households in which all members are either PA or SSI recipients (as discussed in § 273.2(j)) shall be SNAP eligible based on their PA/SSI status as provided for in § 273.2(j)(1)(iv) and (j)(2). * * *

3. In 7 CFR 273.8, revise (e)(17).

The revisions read as follows:

§ 273.8 Resource eligibility standards.

(e) * * *

(17) The resources of a household member who receives SSI or PA benefits. Individuals entitled to Medicaid benefits only are not considered recipients of SSI or PA. * * * * *

Signed:

Stephen A. Vaden,
Deputy Secretary.

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