

3SquaresVT Program Changes

Miranda Gray, Deputy Commissioner, Economic Services Division, DCF

Leslie Wisdom, Food and Nutrition Program Director

Executive Summary

- Federal Legislation:** H.R.1 enacted in July 2025 introduced significant changes to the Supplemental Nutrition Assistance Program (SNAP), known as 3SquaresVT in Vermont.
- Implementation Timeline:** Changes were set to roll out between 2025 and 2027, affecting eligibility, benefits, administration, and outreach.
- State Response:** Vermont aims to comply with federal mandates promptly to avoid payment errors and audits that could alter the SNAP program in Vermont for years to come.

3SquaresVT HR1 Changes to Administrative Cost Sharing

- Effective 10/1/2026 (FFY27)
- Reduces the federal portion of **administrative costs** from 50% to 25%
- States are now responsible for 75% of **administrative costs** to run the SNAP program
- Also applies to administrative costs of the Outreach program.
- This is an estimated \$8 million extra/year obligation for the state.
- Does not apply to Summer EBT or SNAP Employment and Training

3SquaresVT HR1 Changes to Funding of SNAP Benefits

- Effective 10/1/2027 (FFY28)
- SNAP/3SquaresVT **benefits** have historically been 100% federally funded
- This new law requires states to pay a portion of the **benefit amounts** based on whether the state has a payment error rate (PER) above 6%:
 - PER below 6% = 0% state match
 - PER 6 – 7.99% = 5% state match
 - PER 8 – 9.99% = 10% state match
 - PER 10% or higher = 15% state match

3SquaresVT HR1 Changes to Funding of SNAP Benefits.

- Vermont's official FFY24 PER is 5.13%
- Unofficially, the cumulative PER for FFY25 for cases reviewed through May is 5.93%
- States can choose either their FFY25 or FFY26 official PER for benefit cost-sharing requirement starting FFY28 (10/1/2027)
- Starting in FFY29 and going forward, states will use the PER from 3 years prior (ex. FFY29 benefit cost-sharing is based on the FFY26 PER)
- Vermont issues around \$12.5 million in benefits every month. For context, a 5% state match would cost the state \$7.5 million annually

3SquaresVT HR1 Changes

- **Funding for SNAP-Education Removed**
- National nutrition education and obesity prevention program – 100% federally funded
- Effective 10/1/2025 no new funding is available
- In Vermont, SNAP Ed was administered by ESD and VT Department of Health, in partnership with community providers

3SquaresVT HR1 SNAP Policy Changes

Time-Limited Benefit Work Requirements

Effective July 4, Implemented October 1

Removes the following exemptions:

- Experiencing homelessness
- Veterans
- Aged out of foster care

Changes the following exemptions:

- Limits the child in the home exemption to under age 14 (was under age 18)
- Expands the age subject to the work requirements to 18-64 (was 18-54)

Adds a new exemption:

- Individuals who are Indians, Urban Indians, California Indians and other Indians who are eligible for Indian Health Services

3SquaresVT HR1 SNAP Policy Changes

Availability of Standard Utility Allowances

Effective July 4, Implemented October 1

Utility allowance is a countable expense in the 3SquaresVT budget. The more allowable expense a household has, the higher their benefit can be (up to the set maximum).

Limits the availability of "heat and eat" to only households with an elderly or disabled member

Households without a senior or disabled member are assigned the utility allowance that matches what utilities they pay for:

- Standard Utility Allowance \$1096: allowed if paying for heating or cooling costs
- Basic Utility Allowance \$311: if the household does not pay for heating or cooling but is responsible for 2 or more of other utilities (electricity, cooking fuel, water/sewage, garbage, telephone)
- Telephone allowance \$37: used if the household's only utility expense is a phone

3SquaresVT HR1 SNAP Policy Changes

Non-Citizen Eligibility

Effective July 4, Implemented October 1

Limits categories of non-citizens eligible for SNAP/3SquaresVT benefits

Removes eligibility for refugees and asylees

Eligible categories now are:

- Lawful Permanent Resident (disabled, under 18, work quarter, 5 yrs, military)
- Haitian/Cuban Entrant
- Compacts of Free Association (COFA) Citizen
- Amerasian Immigrant
- Canadian Born Native American
- Hmong or Highland Laotian Tribal Member

3SquaresVT

October 1 Updates

The Federal Government updated the Thrifty Food Plan with a cost-of-living increase. Maximum benefits by household size:

- HH of 1 = \$298 (was \$292)
- HH of 2 = \$546 (was \$536)
- HH of 3 = \$785 (was \$768)
- HH of 4 = \$994 (was \$975)
- HH of 5 = \$1183 (was \$1158)

Deductions also increased

Gross income limits also increased (185% FPL):

- HH of 1 = \$2413 (was \$2322)
- HH of 2 = \$3261 (was \$3152)
- HH of 3 = \$4109 (was \$3981)
- HH of 4 = \$4957 (was \$4810)
- HH of 5 = \$5805 (was \$5640)

Outcomes of the law implementation – work requirements

Work Requirements

- As a result of recent federal changes, just over 4,000 individuals currently receiving 3SquaresVT benefits either lost an existing exemption or became newly subject to federal work requirements.
- By standard process, everyone who is subject to work requirements automatically gets three “no cause” months at the start of every three-year cycle. The new cycle begins on November 1.
 - The three “no cause” exemption months are used upfront unless someone qualifies for an exemption or reports that they are already meeting the work requirements.
 - Households can use the three months now or save them for later in the three-year cycle.
 - Impacted individuals can report now any activities that might meet their work requirements.

Outcomes of the law implementation – Non-Citizenship Eligibility Changes

Non-Citizenship Eligibility Changes

- Federal law changes have also required Vermont to review households with non-citizen members to determine whether they will continue to meet eligibility.
- As of October 1, over 500 households with non-citizen members retained eligibility and were not affected.
- 119 households were impacted; 33 households experienced a partial benefit decrease because some members became ineligible. 86 households lost eligibility for 3SquaresVT benefits entirely.

Federal Government Shutdown

Current Status

- The Vermont Department for Children and Families (DCF) has received federal guidance from the U.S. Department of Agriculture's Food and Nutrition Service (FNS) requiring all states to pause issuance of new 3SquaresVT (SNAP) benefits until further notice.
- This pause is due to the ongoing federal government shutdown, which has interrupted funding for the Supplemental Nutrition Assistance Program.
- Federal guidance also explains that State funds will not be reimbursed if a State chooses to issue benefits during November.

Here's what we know right now:

- October benefits were issued as scheduled and remain available for use.
- We do not yet know if or when November benefits will be issued until the federal government restores or authorizes funding.
- This is a federal decision, not a state one. Vermont is maintaining close communication with our federal partners and coordinating with other states to understand possible next steps.
- More than 63,000 Vermonters currently receive 3SquaresVT benefits.
- Yesterday, the Eboard and Administration met and have decided to State fund the first 15 days of eligible households' 3SquaresVT benefits. Benefits are expected to be issued on or around November 7th. The board members also approved \$250,000 for the Vermont Food bank to support local food shelves while eligible households wait for their benefits.

Questions about this presentation can be emailed to:

Miranda Gray: Miranda.Gray@vermont.gov

Leslie Wisdom: Leslie.Wisdom@vermont.gov

To receive this information in an alternative format or for other accessibility requests, please contact:

Monika Madaras: Monika.Madaras@vermont.gov

Media Inquiries related to this presentation can be emailed to:

AHS.DCFCommunications@vermont.gov