Lunch & Learn

SNAP Changes: Impacts on Montana

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Overview

- Supplemental Nutrition Assistance Program (SNAP)
  - Formerly known as “food stamps”
  - Eligible low-income individuals and households
    - Income restrictions, work requirements
  - Provided monthly through Electronic Benefit Transfer (EBT) cards
    - Benefits are income-adjusted allotments
  - Eligible food items at authorized retailers
    - Recent waiver to restrict non-nutritious items
      - Montana: high-sugar beverages, energy drinks, candy, prepared desserts (Nov. 1, 2026)
- Historically, 100.0% of SNAP benefits funded by federal government, while the federal and state governments shared administrative costs
  - Beginning in FFY 2028, states may pay a portion of SNAP benefits depending on their SNAP payment error rate



Eligibility

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Income Eligibility

- Means-tested program → two income thresholds:
  - Gross income = at or below 130.0% of the Federal Poverty Level (FPL)
    - States may establish higher thresholds (up to 200.0% FPL) through Broad-Based Categorical Eligibility (BBCE)
  - Net income = at or below 100.0% of the FPL after allowable deductions
- Montana's Eligibility
  - Elected for BBCE
    - Gross income limit: 200.0% FPL
  - Deductions: Earned income, dependent-care costs, paid child support, percentage of shelter costs, medical expense deduction for elderly and disabled
- State administration
  - Section 53-2-901, MCA, authorizes DPHHS to administer SNAP and adopt administrative rules governing eligibility and other program requirements

Household Size	100% FPL annually	130% FPL annually	200% FPL annually
1	$15,960	$20,748	$31,920
4	$33,000	$42,900	$66,000

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Work Requirements

- General Work Requirements
  - For people age 16 to 59 and able to work
    - Register for work
    - Participate in SNAP Employment and Training (E&T) if assigned by state agency
    - Take suitable job if offered
    - Do not voluntarily quit a job or reduce work hours below 30 hours per week
- Able-Bodied Adults without Dependents (ABAWD) Work Requirements
  - ABAWD
    - Working age (18 to 64 years old)
    - Has no dependent child under 14 living in household
  - Work 80 hours per month
    - Paid employment, job training or education, SNAP E&T, volunteer or community service
  - Exemptions
    - Earning wages equal to federal minimum wage times 80 hours per month; currently pregnant; verified physical or mental disability; American Indian/Alaska Native; lives in area with ABAWD waiver
  - Benefits limited to 3 months in 36-month period unless requirements are met

Household Examples

Eligibility Factor	Family of Four	Single Adult
Household Composition	2 adults, 2 children (14 and 9)	1 adult, age 30
Income as % of FPL	125%	< 100%
Gross Income	$41,250 annually $3,437 monthly	< $15,960 annually < $1,330 monthly
Passes gross income test?	Yes	Yes
Passes net income test?	Depends on deductions	Yes
General Work Requirements	Applies unless exempt	Applies unless exempt
ABAWD 80-hour requirement	Both adults exempt because child under 14	Applies unless met or exempt
Three-month benefit limit	Does not apply to either adult	Applies if requirements aren't met

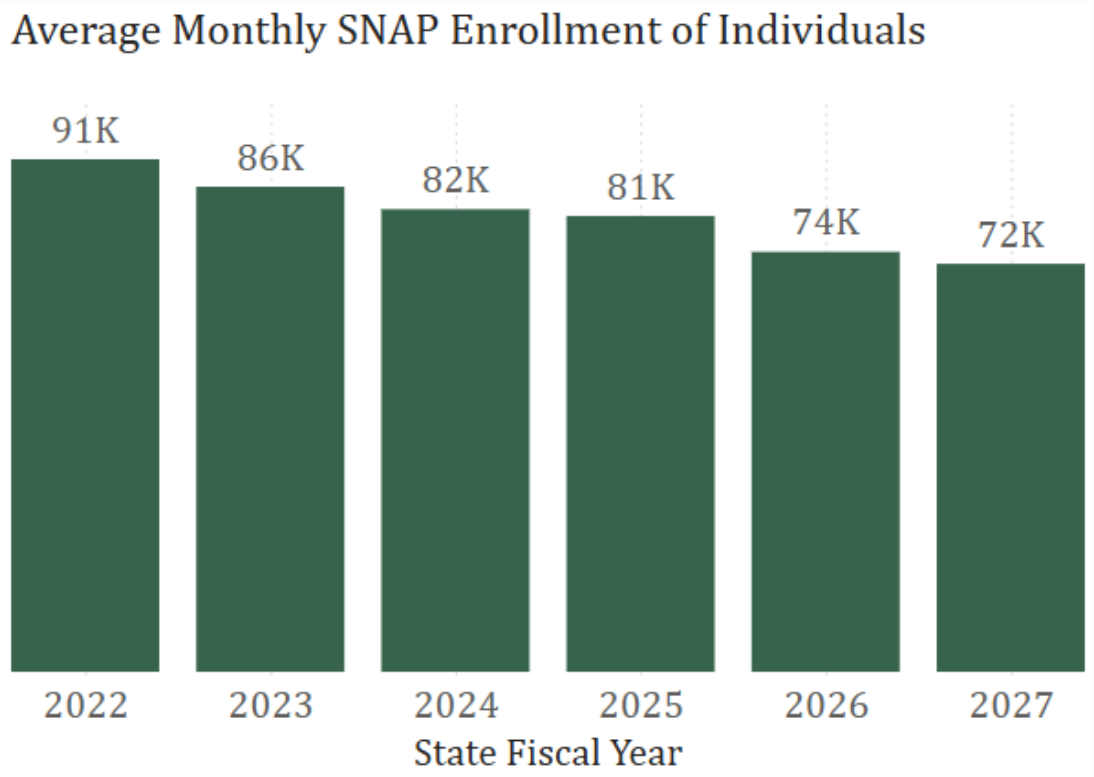


Participation

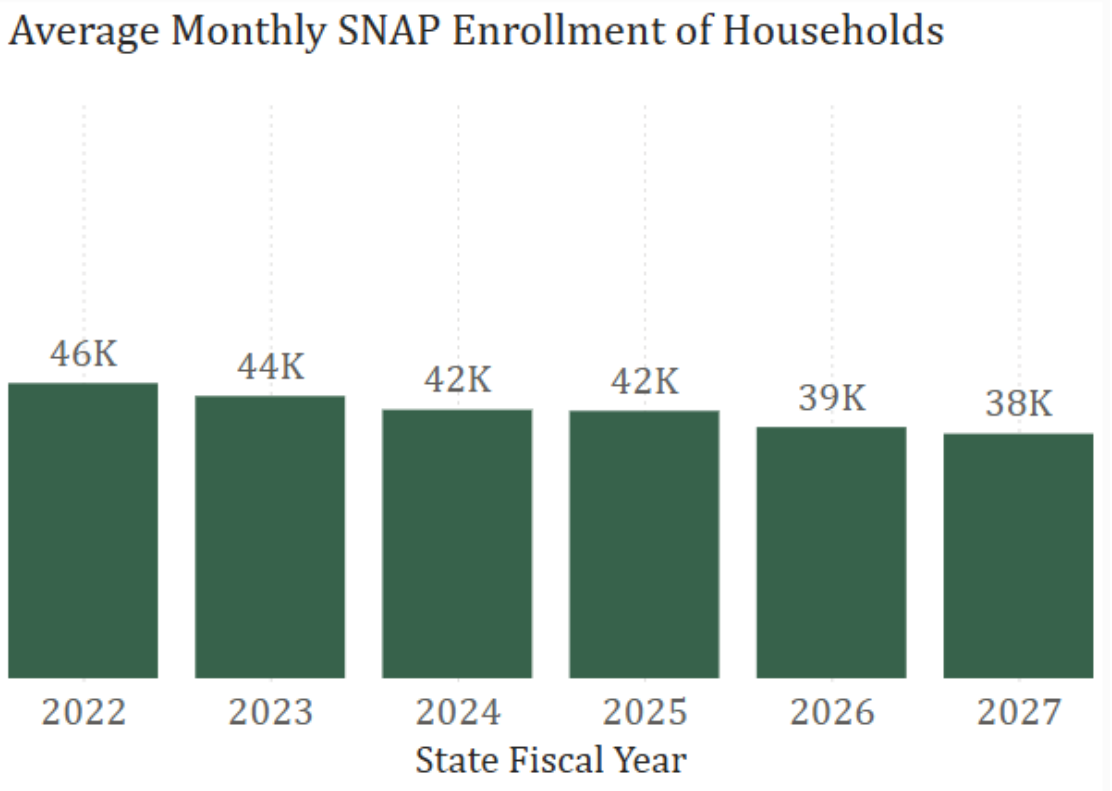
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SNAP Participation in Montana

Individuals

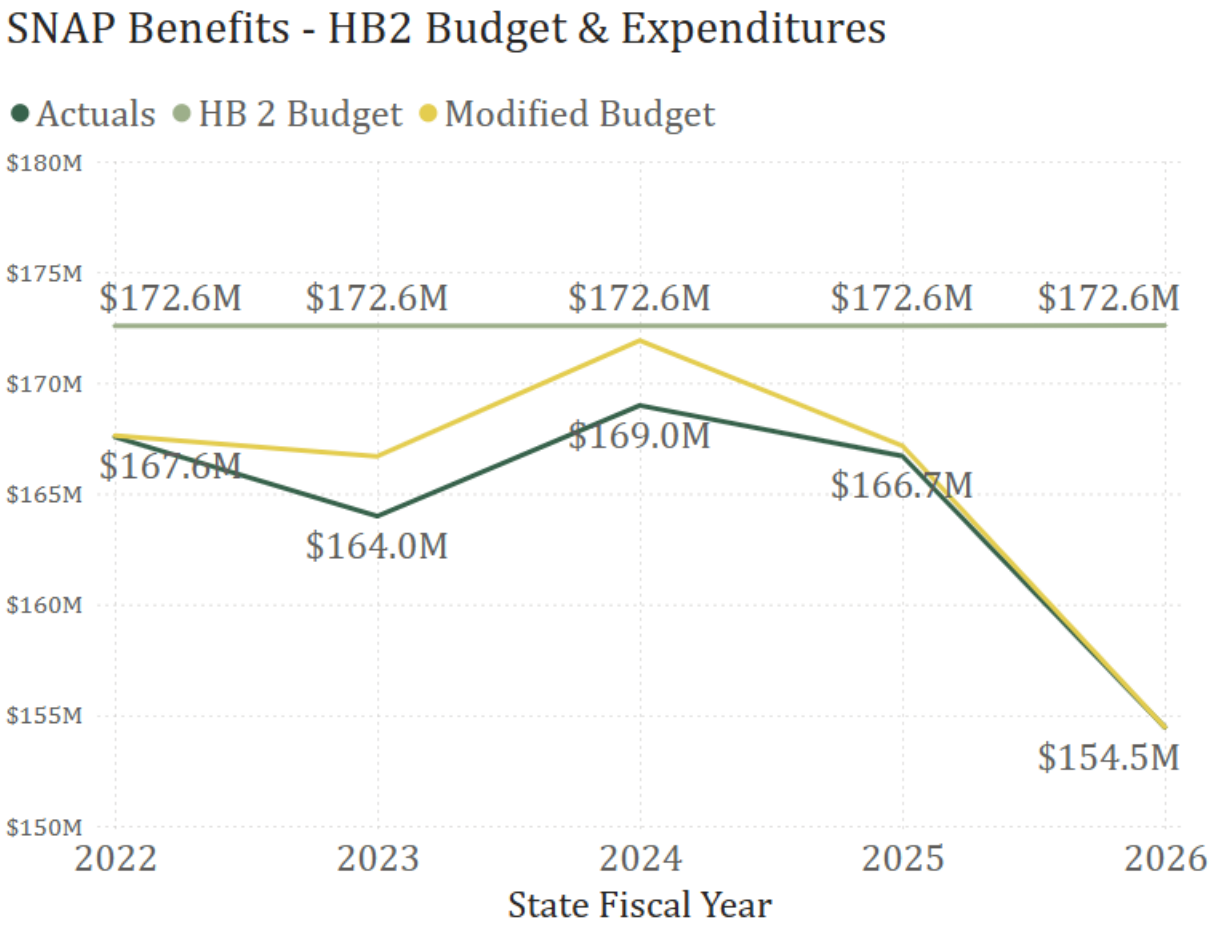


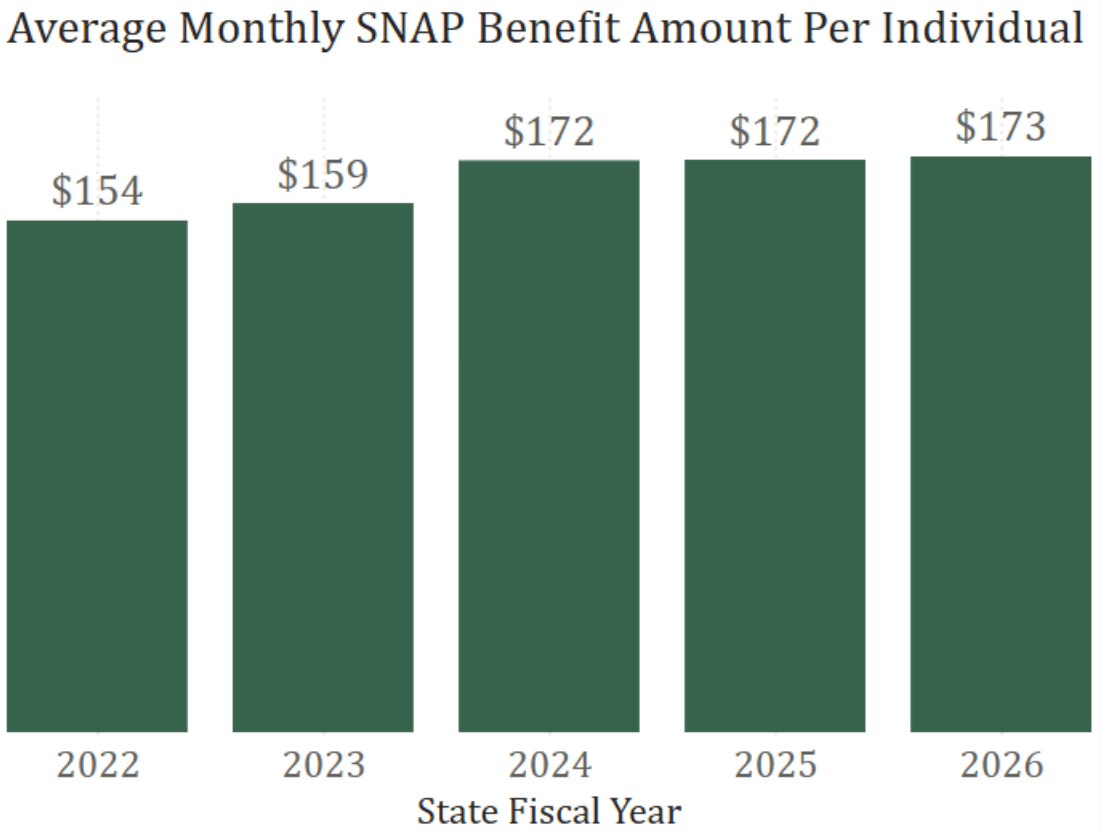
Households



LFD analysis of Montana Department of Health and Human Services, Public Assistance Dashboard

SNAP Benefits Expenditures

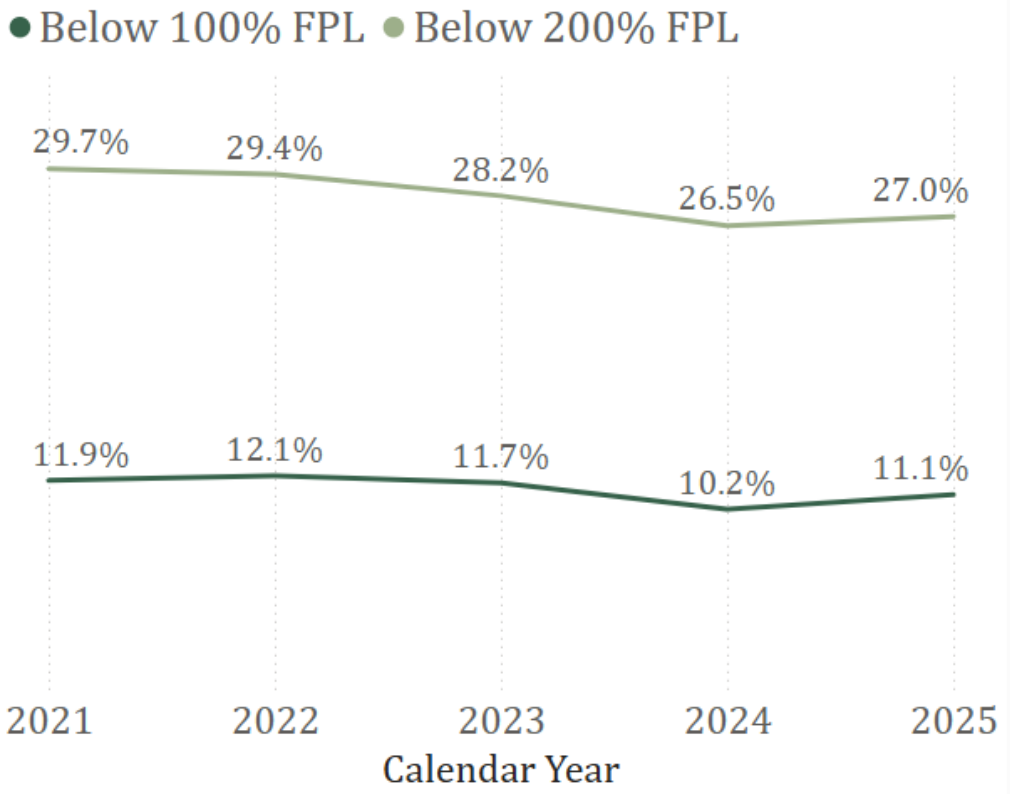




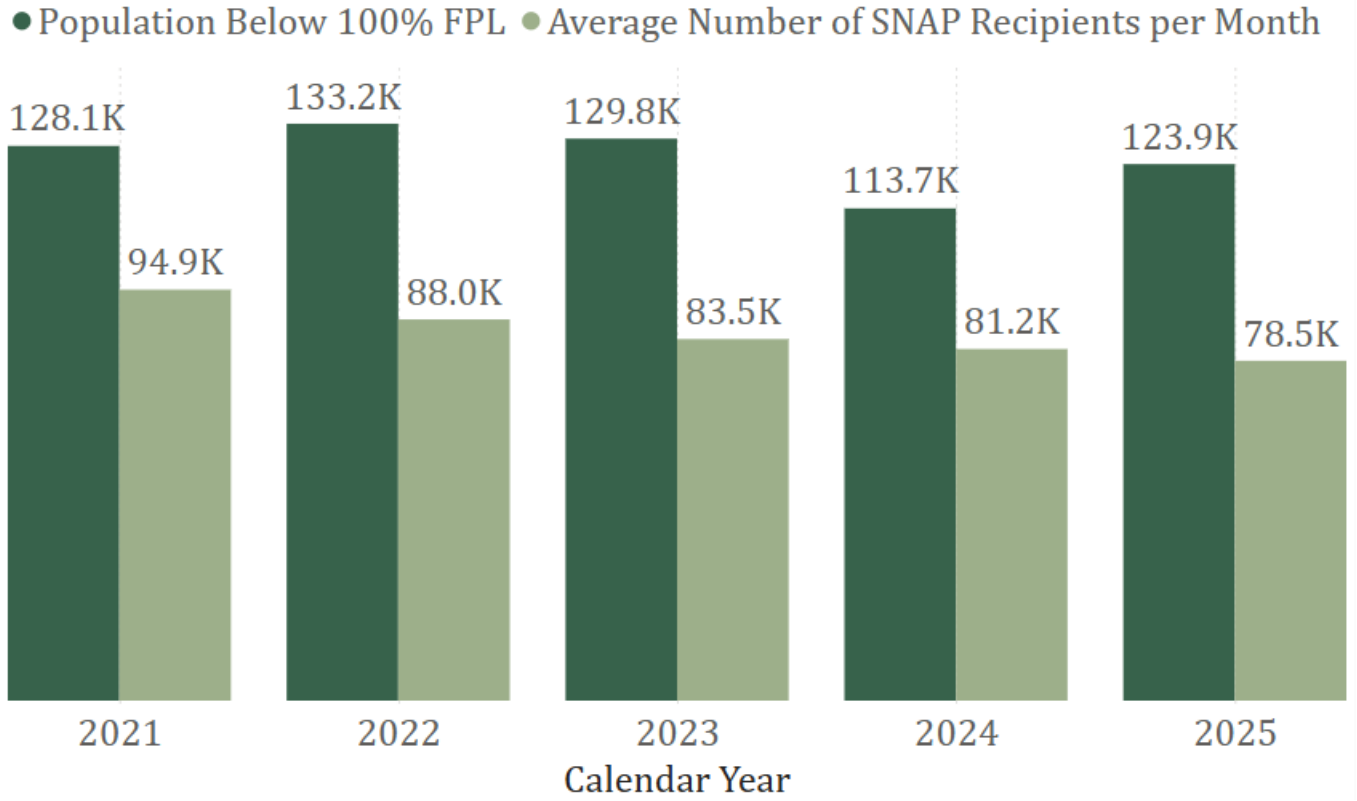
LFD analysis of SABHRS & Montana Department of Health and Human Services, Public Assistance Dashboard

Potential Demand in Montana

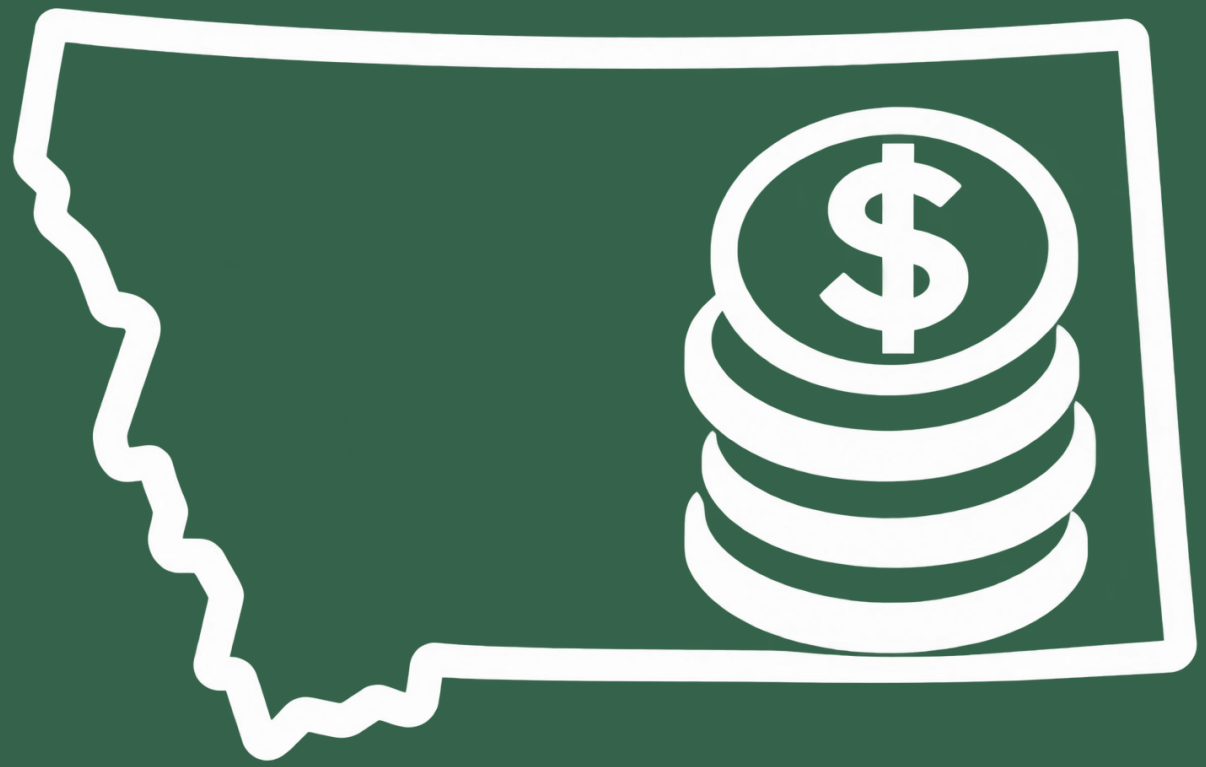
People with Incomes Below Percentages of the Federal Poverty Level (FPL)



Likely Eligible SNAP Recipients Compared to Actual Participation



LFD analysis of Census American Community Survey 1-Year, Table S1701, and Montana Department of Health and Human Services, Public Assistance Dashboard



State Cost-Share

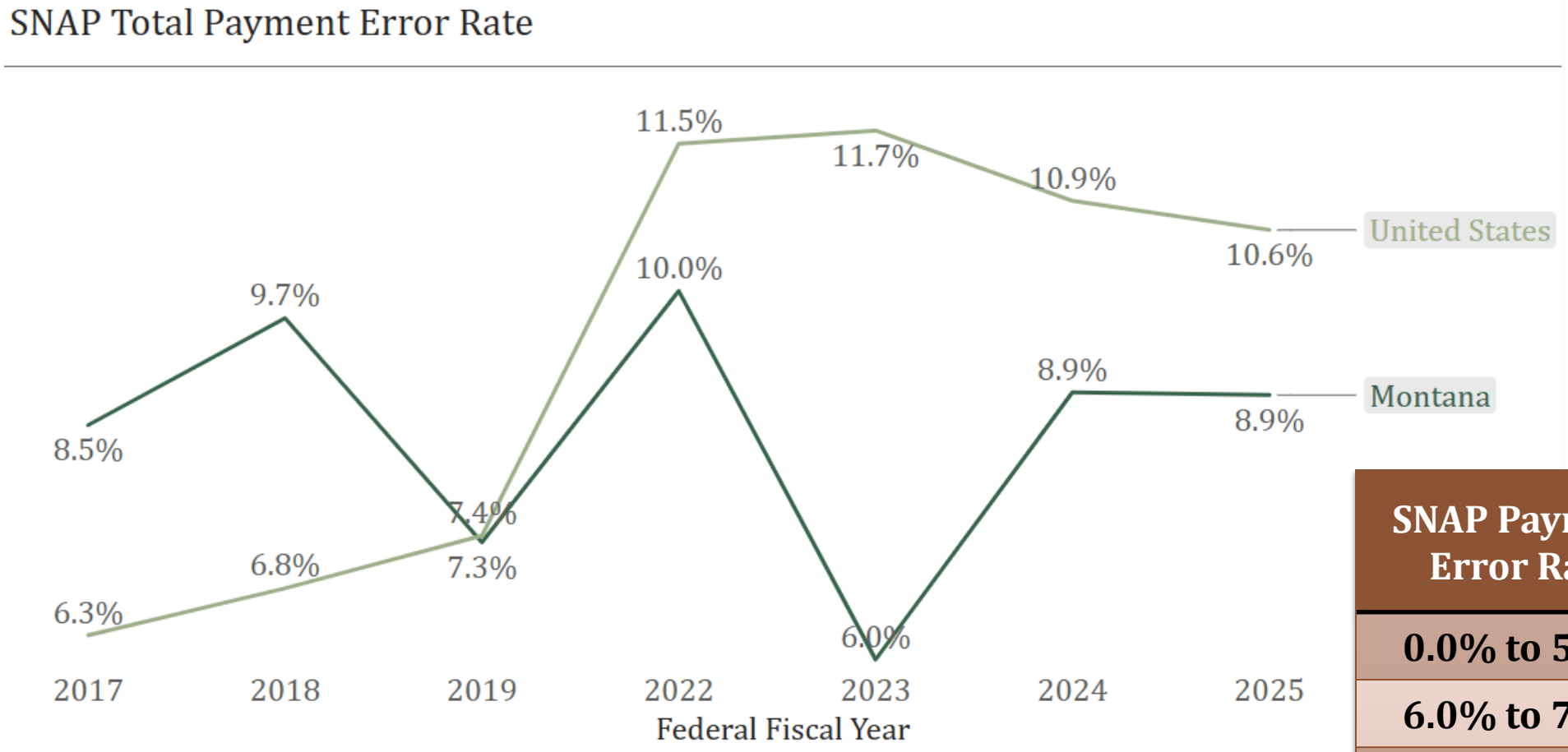
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State Cost-Share for SNAP Benefits

- Beginning FFY 2028, states will be obligated to pay a share of SNAP benefits based on their SNAP Payment Error Rate (PER)
  - FFY 2028 → FFY 2025 or FFY 2026 PER
  - Then, three years prior
- PER = over and under payment rates
  - FFY 2027 tolerance threshold is $59
- Calculated by USDA Food and Nutrition Administration
  - Reinterviews a representative sample of SNAP household
  - Releases new FFY rate around June/July of each year

SNAP Payment Error Rate	State Cost-Share Obligation
0.0% to 5.9%	0.0%
6.0% to 7.9%	5.0%
8.0% to 9.9%	10.0%
10.0% or more	15.0%

Montana's SNAP Payment Error Rate



LFD analysis of Food and Nutrition Administration, SNAP Payment Error Rate

SNAP Payment Error Rate	State Cost-Share for SNAP Benefits
0.0% to 5.9%	0.0%
6.0% to 7.9%	5.0%
8.0% to 9.9%	10.0%
10.0% or more	15.0%

Budgeting for 2029 Biennium and Beyond

SNAP Benefits

- FFY 2026 PER likely released in June/July 2027
  - May lower FFY 2028 obligation; used for FFY 2029 cost-share schedule

State Fiscal Year	Projected SNAP Benefit Expenditures	State Cost-Share Schedule			
		0.0%	5.0%	10.0%	15.0%
2028 (9 months)	$175,524,888	0	$6,582,183	$13,164,367	$19,746,550
2029	$178,804,114	0	$8,940,206	$17,880,411	$26,820,617
2030	$182,946,295	0	$9,147,315	$18,294,629	$27,441,944
2031	$187,088,475	0	$9,354,424	$18,708,847	$28,063,271

Expenditures are CPI adjusted