



UNDERSTANDING H.R. 1: HOW NEW FEDERAL RULES COULD RESHAPE SNAP IN ILLINOIS

**We Accept EBT
Food Stamp
Benefits**



Putting Healthy Food
Within Reach

USDA

**Supplemental
Nutrition
Assistance
Program**

THE CIVIC FEDERATION

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EXECUTIVE SUMMARY

The recent federal government shutdown caused nationwide disruptions in public services and assistance across many domains, including food and nutrition supports for low-income individuals and households (see [Federal Shutdown Threatens Food Assistance for Illinois Families](#)). For the nation's 41+ million participants in the Supplemental Nutrition Assistance Program (SNAP), the shutdown [highlighted their vulnerability](#) to unexpected decreases in monthly benefits. Indeed, SNAP participants nationwide—including nearly [1.9 million in Illinois](#) alone—were [relieved when the shutdown ended](#), and SNAP benefits resumed, but the program remains headed for the most substantial revisions in decades due to the enactment of [H.R. 1](#) in July 2025.

H.R. 1 expands work rules for able-bodied adults without dependents (ABAWDs), narrows waiver flexibility, and shifts substantial costs to the state through a lower federal administration match and a new benefit cost-share tied to payment accuracy. Under these changes, Illinois must absorb part of the cost of SNAP benefits if it exceeds federal performance thresholds, primarily related to payment accuracy, work-requirement enforcement, and verification practices. If the State does not pay the required cost-sharing amount, USDA is authorized to recoup the unpaid balance by reducing future federal reimbursements, including administrative funds, until the obligation is satisfied. Persistent non-payment can also trigger corrective action requirements and intensified federal oversight, increasing both administrative burden and fiscal exposure for the State. These changes are predicted to reduce caseloads and will increase state fiscal exposure unless Illinois improves program payment accuracy, targets waivers, and expands Employment & Training (E&T) capacity.

Illinois' SNAP program faces three major challenges under H.R. 1:

1. A substantial reduction in SNAP participation. Expansion of work requirements to adults ages 18-64 and reduced waiver flexibility are expected to result in a 6-10% drop in total program caseloads, with 120,000-200,000 able-bodied adults without dependents (ABAWDs) likely to lose eligibility, removing \$310-530 million in federal benefits annually. Those most affected will be older adults nearing retirement age, workers with unstable or part-time hours, residents of rural and/or disinvested communities, people of color, and households facing health or verification barriers.
2. Significant new state government fiscal exposure. Beginning in FY2027, Illinois must absorb more of the SNAP administrative costs as the federal match falls from 50% to 25%, adding roughly \$80 million in annual state costs. In FY2028, Illinois will also be required to fund up to 15% of SNAP benefit costs if its payment error rate exceeds 6%. At the current error rate of 11.56%, this translates to \$694-725 million per year in new state obligations.

3. Broad budget environment impacts. A 6-10% caseload decline would increase demand for food banks and nonprofits; reduce consumer spending in grocery and retail sectors and put pressure on small grocers, especially in food deserts; increase food insecurity and worsen health outcomes; and cause greater instability among workers with irregular hours.

OVERVIEW OF SNAP PROGRAM AND PARTICIPATION

The [SNAP](#) program is intended to reduce food insecurity by supplementing grocery budgets, with program participation rising during economic downturns and easing as employment improves. The program is [administered](#) by the USDA Food and Nutrition Service (FNS), which sets national eligibility and benefit rules, while states administer day-to-day operations such as eligibility determinations, case management, and electronic benefit transfer (EBT) benefit issuance.

Prior to the passage of H.R. 1 over the summer, benefits were fully funded by the federal government, while administrative costs were shared evenly between the federal and state governments. Monthly benefits are typically delivered via [EBT cards](#), and are calculated by taking the maximum allotment for the household’s size, set by the [Thrifty Food Plan](#), and subtracting 30% of the household’s net income. Eligibility depends on income, household composition, and citizenship status, with most recipients being children, older adults, people with disabilities, or working families.

Characteristics of participating households in Illinois differ only modestly from their counterparts nationwide:

- Illinois SNAP households are more likely to report \$0 income and less likely to report incomes between 1% and 100% of the federal poverty level compared with SNAP households nationwide.

Household Income Relative to Federal Poverty Level (FPL)

	US	IL
# households (in thousands)	21,375	1,074
% with \$0 income	20.0%	28.1%
% with income 1% to 50% of FPL	15.0%	11.7%
% with income 51 to 100% of FPL	37.9%	31.7%
% with income > 100% of FPL	27.1%	28.4%
Total	100.0%	99.9%

Source: Supplemental Nutrition Assistance Program. “Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2023,” April 2025.

- Compared with SNAP households nationwide, Illinois SNAP households are somewhat less likely to include at least one elderly or non-elderly individual with a disability (45.5% vs. 50.0%) and are more likely to include non-disabled adults ages 18-49 without children (20.0% vs. 16.8%).

Household Composition

	US	IL
% HH w/children	34.3%	34.0%
% HH w/elderly	33.0%	30.3%
% HH w/non-elderly with disability	17.6%	15.6%
% HH w/elderly or non-elderly w/disability	50.0%	45.4%
% HH w/single adults w/children	21.2%	23.5%
% HH w/adults 18-49 w/o disability in childless HH	16.8%	20.0%

Source: Supplemental Nutrition Assistance Program. "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2023," April 2025.

FEDERAL POLICY CHANGES AND IMPACT

In 2025, Congress enacted [H.R. 1](#), reshaping federal work rules, limiting state flexibility, and shifting substantial administrative and benefit-related costs to states. These changes are phased in and will directly affect eligibility, state operations, and the financing structure that underpins SNAP.

EXPANSION OF WORK REQUIREMENTS AND TIGHTENED RULES FOR GEOGRAPHIC WAIVERS

Policy Change:

Beginning November 1, 2025, H.R. 1 expands federal work requirements to apply to adults ages 18-64 (previously, work requirements applied to ABAWDs ages 18 to 54) and reduces the age of dependents required for exemptions from 18 to 14, thus broadening the number of individuals subject to work requirements. ABAWDs who do not document at least 80 hours per month of employment or participation in approved SNAP E&T activities remain limited to three months of benefits within a 36-month period, unless they qualify for an exemption. The expansion brings older adults and individuals with intermittent or unstable work patterns under stricter eligibility rules.

Additionally, H.R. 1 reduces flexibility for geographic waivers. Under prior law, states could request ABAWD waivers in counties or labor markets with high unemployment or insufficient job opportunities. H.R. 1 significantly restricts this flexibility beginning November 1, 2025, by raising the unemployment threshold required for approval to 10%, shrinking the geographic areas eligible for waiver coverage, and reducing the number of individuals who may be

exempted. These constraints limit states' ability to account for local labor-market realities where job scarcity, long commutes, or limited transit options already undermine the feasibility of complying with federal work rules.

For example, some southern Illinois counties—where unemployment rates notably exceed the state average (for instance, Alexander County at [7.7%](#)) and public transportation options are limited—have at times been eligible for ABAWD waivers. Under H.R. 1's tighter criteria (including the 10% unemployment rule), many areas with persistent job scarcity and transit gaps may no longer qualify even though their local labor-market challenges remain unchanged.

Impact on Illinois Residents:

Illinois is estimated to experience a 6-10% decline in total SNAP participation under the expanded work requirements. The number of individuals subject to work requirements will rise from an estimated 227,000 to over 475,000. Of those, 401,000 are considered to be “at risk” from the new requirements, as they do not currently meet the work requirements (not working at all, or working fewer than 20 hours per week). Many, but not all, of these individuals may lose eligibility and drop off the rolls. Assuming a 30-50% reduction in enrollment, between 120,000 and 200,000 individuals, compared with the [state's estimate](#) of about 150,000 individuals, could lose eligibility.

Declines in participation will substantially reduce the flow of federal SNAP dollars into Illinois households and local economies. A 6-10% reduction in participants corresponds to an estimated \$310-530 million in lost federal benefits each year, going to individuals.

Impact of Work Requirements on SNAP Enrollments

	Number of Participants	Decrease in Enrollments
Pre-H.R. 1 ABAWDs	226,750	
Post-H.R. 1 ABAWDs	475,240	
Total ABAWDs At Risk	401,072	
30% Reduction	280,750	120,322
50% Reduction	200,536	200,536

Note: ABAWDs are able-bodied adults without dependents.

Source: U.S. Department of Agriculture, 2023 SNAP Quality Control (QC) Data.

The impacts of H.R. 1 will not be evenly distributed across Illinois. The expanded 80-hour-per-month work requirement is likely to affect adults who already face structural barriers to consistent employment. This distribution explains why the estimated 120,000–200,000 ABAWD enrollment reduction will fall disproportionately on individuals with unstable employment, limited transportation, or health and caregiving barriers.

- **Older Adults** [ages 55–64](#), newly subject to work rules, often have chronic health conditions, mobility limitations, or face age discrimination in hiring. [Many work intermittently](#) or part-time; as a result, they are disproportionately likely to fall short of monthly hour requirements even when actively seeking work.
- **Workers in unstable or low-hour jobs**—[especially](#) in retail, hospitality, care work, and warehousing—frequently experience [fluctuating schedules](#), shift cancellations, involuntary part-time work, and variable hours that do not consistently meet the 80-hour threshold. [Documenting](#) fluctuating hours also increases the risk of administrative terminations.
- **Residents in rural, post-industrial, and disinvested urban areas** face [limited job openings](#), long commute distances, and sparse [public transportation](#). These labor-market realities make meeting monthly hour requirements difficult even for motivated workers.
- **Black, Hispanic, and women workers** face well-documented [structural inequities](#)—including discrimination in hiring, lower access to stable jobs, and disproportionate caregiving responsibilities—that heighten the likelihood of not meeting federally required hours.
- **Adults with health limitations not classified as disabilities** (e.g., chronic pain, fatigue, mobility constraints) [may not qualify for exemptions](#) but still struggle to maintain steady work hours, increasing the likelihood of losing eligibility.
- **Mixed-status or complex households** may experience [partial benefit loss](#) when an adult loses eligibility, but children remain eligible, leading to smaller household allotments and more complicated case management.

REDUCTIONS IN FEDERAL ADMINISTRATIVE SUPPORT

Policy Change:

Beginning October 1, 2026, the federal reimbursement for SNAP administrative costs drops from 50% to 25%, increasing the share borne by states. Because administrative costs include eligibility determinations, case management, verification, and quality control, the shift places significant new pressure on state agencies that already face staffing and technology challenges. Lower federal support increases Illinois' fiscal responsibility for managing expanded work-rule compliance, appeals, verifications, and re-certifications across a growing at-risk population.

Impact on Illinois' Budget:

At Illinois' current administrative spending level—approximately [\\$320 million](#) in FY2023 according to the USDA Food and Nutrition Service (FNS)—the reduction in the federal cost-sharing rate from 50% to 25% beginning in FY2027 would require the State to assume roughly \$80 million in additional annual administrative costs. These higher costs come at the same time that H.R. 1 places substantial new administrative responsibilities on state agencies, particularly related to monitoring work requirements, verifying monthly employment hours, managing exemptions, and processing appeals. These demands will rise as more individuals become

subject to work rules and as the State implements updates to its verification systems to comply with federal standards.

While H.R. 1's expanded work requirements could eventually reduce caseloads—and with them some routine eligibility processing—the rule changes are expected to increase administrative workload overall. Enforcement of monthly work hours, exemption verification, documentation reviews, and compliance appeals are more labor-intensive than standard SNAP eligibility workflows. States that implemented similar work-requirement expansions in the past (e.g., [Arkansas](#)) experienced higher administrative demands in the first several years, even with smaller caseloads, because work-rule enforcement requires more frequent caseworker contact and more complex verification tasks.

NEW STATE COST-SHARING FOR SNAP BENEFITS

Policy Change:

Starting October 1, 2027, states must fund a portion of SNAP benefits based on their payment error rate, which measures overpayments and underpayments. States with error rates below 6% remain 100% federally funded, while those with higher error rates assume an increasing share of benefit costs up to a maximum of 15%. This policy places new fiscal risk on states with large caseloads, complex eligibility systems, or under-resourced local offices. For Illinois, maintaining or improving payment accuracy becomes a central financial concern, as higher error rates directly translate into substantial state-funded benefit obligations.

Impact on Illinois' Budget:

Beginning in FY2028, Illinois will be responsible for a portion of the cost of SNAP benefits, based on its payment error rate. With an error rate currently at 11.56%, Illinois would face the maximum 15% benefit cost-share unless accuracy improves.

To estimate the potential size of this obligation, we applied the 15% cost-share to 2023 total SNAP benefit spending but adjusted the estimate to reflect the projected 30-50% reduction in at-risk ABAWDs. After accounting for this reduction, Illinois' estimated additional state obligation would range from approximately \$694-725 million annually, depending on the actual decline in ABAWD participation and the State's future payment accuracy, and similar to the state's own [estimate of \\$705 million](#). These costs will persist unless the State is able to significantly reduce its error rate through targeted administrative improvements.

ECONOMIC AND PROGRAMMATIC SPILLOVERS

While the fiscal costs to the State are substantial, the projected reduction in SNAP participation will also create downstream pressures on other programs and local partners that indirectly affect Illinois' budget environment:

- **Higher demand at food pantries and local aid providers**, which may require additional state or county support as SNAP caseloads fall and [demand increases](#).
- **Reduced consumer spending in low-income communities**, with [SNAP losses](#) lowering grocery and retail activity in areas where benefits represent a meaningful share of household purchasing power. This will tighten revenues for employers and could lead to job losses in retail, food distribution, and transportation.
- **Potential increases in Medicaid and public health expenditures**, as research shows [food insecurity](#) is associated with higher rates of chronic illness and greater health-care utilization.
- **Greater instability among workers with irregular hours**, which can [spill over](#) into the workforce system and local social-service providers.

POLICY AND ADMINISTRATIVE CONSIDERATIONS

Illinois faces a dual challenge under H.R. 1: maintaining compliance with federal work and reporting requirements while mitigating substantial fiscal risks tied to administrative performance. The State's response will require coordinated action across agencies, investments in data and staffing capacity, and targeted outreach to ensure that residents can maintain access to food assistance.

STATE-LEVEL RESPONSE OPTIONS

1. Reduce the Payment Error Rate to Lower State Costs

Under the new federal cost-sharing model, Illinois' payment error rate directly determines the portion of SNAP benefits the state must fund. At an 11.56% error rate, Illinois would be responsible for the maximum 15% state cost share, equivalent to between \$694-725 million annually based on 2023 benefit levels and the 30-50% reduction in ABAWD enrollment.

Reducing the error rate yields substantial fiscal savings:

Illinois Payment Error Rate Cost-Share (in \$ millions)

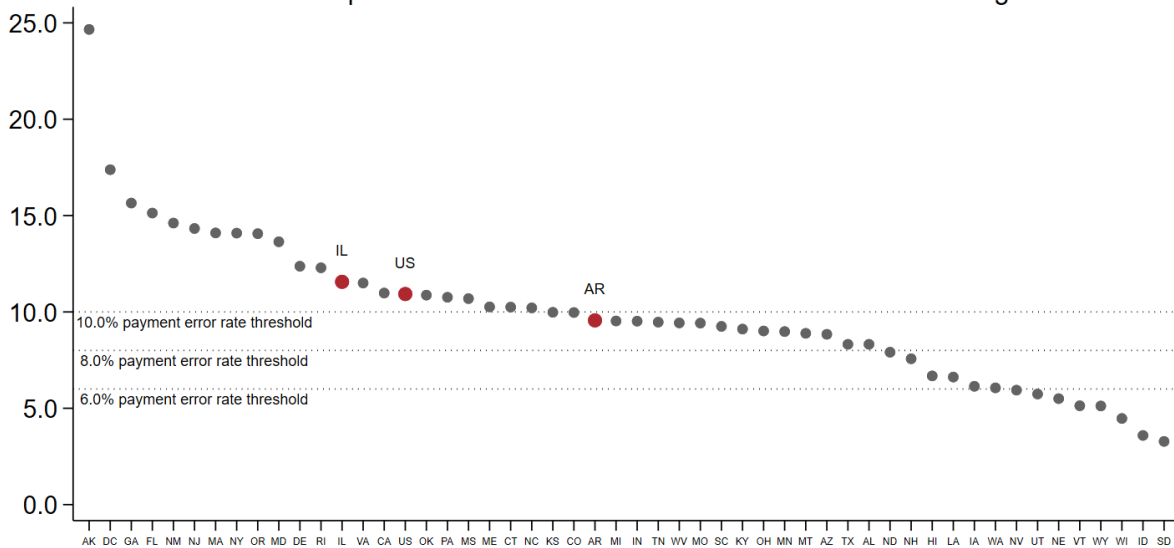
Payment Error Rate	Cost Share	At Current		Under 30%		Under 50%	
		Enrollment Levels	ABAWD Enrollment	Reduction in at risk	Reduction in at risk		
≥ 10.0%	15% Cost Share	\$ 772.9	\$ 725.7	\$ 694.2			
8.0% to < 10.0%	10% Cost Share	\$ 515.3	\$ 483.8	\$ 462.8			
6.0% to < 8.0%	5% Cost Share	\$ 257.6	\$ 241.9	\$ 231.4			
< 6.0%	0% Cost Share	\$ -	\$ -	\$ -			

Note: Based on 2023 SNAP QC and Average Monthly Payment Data.

Source: U.S. Department of Agriculture, SNAP FY 1969 to Current Average Monthly Benefit Data. U.S. Department of Agriculture, 2023 SNAP Quality Control (QC) Data.

Lowering the payment error rate below 6% would restore 100% federal coverage of benefit costs, eliminating the state’s (new, H.R.1-driven) exposure entirely. Even a modest two-point improvement, from 11.56% to 9.56%, would save the State between \$200-230 million annually. This change would move Illinois from 11th-highest error rate in the nation closer to the national average of 10.93%, and place it alongside states such as Arkansas (9.56%), positioning Illinois much closer to the median state rather than among the highest-error jurisdictions.

FY 2024 SNAP Program Payment Error Rates (percent)
50 states plus the District of Columbia and United States average



Source: USDA Food and Nutrition Service, Fiscal Year 2024 SNAP Quality Control Payment Error Rates. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-fy24QC-PER.pdf>.

Achieving this improvement will require significant administrative investments, including modernized eligibility verification systems, staff training, and enhanced data integration with other income and employment databases, [which Illinois has begun working towards](#). IDHS may also need to increase quality-control staffing to ensure accuracy in case management and

reporting. However, these administrative investments would be far outweighed by long-term savings from reduced state cost-sharing obligations.

2. Maximize Use of Geographic Waivers

Illinois can reduce the number of ABAWDs losing eligibility by applying for federal time-limit waivers in high-unemployment areas. While H.R. 1 narrows waiver criteria, certain regions, particularly in southern and western Illinois, may still qualify based on recent labor-market indicators.

For example, a number of southern and western Illinois counties—including Alexander, Hardin, Gallatin, and Pope—have posted [unemployment rates](#) that consistently exceed the statewide average (though fall short of H.R. 1's 10% threshold) and face long-standing structural labor-market challenges, such as limited job openings, declining industries, and sparse public transportation.

While many of these counties no longer meet H.R. 1's more stringent waiver thresholds, their underlying economic constraints have not changed. Identifying which counties remain eligible, based on current labor-market data, allows Illinois to strategically preserve waivers where possible.

Strategic use of waivers can preserve benefits for thousands of individuals unable to find consistent employment and reduce the administrative workload associated with case closures and appeals.

3. Expand Employment and Training (E&T) Program Capacity

To help ABAWDs meet work requirements, Illinois can expand its SNAP Employment and Training (E&T) programs, especially in economically distressed regions. Expanding partnerships with community colleges, workforce boards, and local employers would help more individuals qualify for continued benefits while supporting workforce participation goals. Leveraging federal E&T grants and public-private partnerships can help offset program expansion costs.

4. Enhance Data Coordination Between IDHS, IDES, and Local Partners

Improved data-sharing among the Illinois Department of Human Services (IDHS), Illinois Department of Employment Security (IDES), and regional workforce entities will be critical to efficiently tracking compliance and verifying employment hours. Developing interoperable data systems would reduce manual reporting burdens for both clients and caseworkers, lowering administrative error rates and the risk of improper benefit terminations.

COORDINATION WITH LOCAL PROVIDERS

Collaboration with Food Banks and Community-Based Organizations

Food banks, community action agencies, and local governments will play a central role in absorbing increased demand from individuals losing SNAP eligibility. Strengthening partnerships with these organizations can help IDHS coordinate outreach, assist clients in maintaining compliance, and identify at-risk populations early in the transition.

Outreach and Education for Affected Individuals

Clear communication will be essential to prevent avoidable benefit loss. IDHS and its partners can implement proactive communication campaigns to explain new work requirements, exemption criteria, and reporting procedures. Ensuring that recipients understand their rights and responsibilities will help minimize unnecessary benefit suspensions and improve payment accuracy.

EQUITY AND ECONOMIC IMPLICATIONS

The implementation of H.R. 1's SNAP provisions will likely magnify existing inequities in Illinois. Adults of color and older adults nearing retirement age will experience the greatest risk of benefit loss. These disparities [reflect broader patterns](#) in employment access, health status, and systemic barriers to workforce participation.

Mitigation strategies should therefore be equity-focused, prioritizing support in communities with high poverty rates, limited employment opportunities, and elevated food insecurity. Without targeted interventions, the new rules may exacerbate racial and age disparities in both economic stability and public health outcomes.

CONCLUSION

H.R. 1 represents a fundamental shift in how SNAP operates and how states share responsibility for its costs. For Illinois, the combined effect of expanded work requirements, reduced federal administrative support, and a new benefit cost-share tied to payment accuracy will reshape both program administration and the level of food assistance available to residents—and will put additional fiscal pressure on the state even as it faces [significant budget deficits](#) in the next few years, absent policy adjustments. The state faces a dual challenge: protecting access to nutrition supports for hundreds of thousands of low-income adults while managing substantial new fiscal exposure in the years ahead.

Illinois has meaningful opportunities to limit the scale of these impacts. Reducing the SNAP payment error rate is the most direct and fiscally consequential lever, with the potential to eliminate future benefit cost-sharing entirely. Targeted use of geographic waivers, strategic expansion of E&T programs, and modernized data-sharing across state agencies can further

reduce avoidable benefit loss and support compliance with federal rules. Strengthened partnerships with local governments, food assistance providers, and workforce organizations will also be essential as communities absorb rising demand from individuals who lose eligibility.

The transition ahead will test Illinois' administrative capacity, economic resilience, and commitment to household food security. Timely investments in accuracy, modernization, and cross-sector coordination can mitigate the most severe effects of H.R. 1, safeguard vulnerable residents, and preserve the stabilizing role that SNAP plays in both family budgets and the broader state economy.

METHODOLOGY

This analysis uses two primary federal data sources to estimate the potential effects of H.R. 1 on SNAP participation and state fiscal obligations in Illinois:

1. [2023 U.S. Department of Agriculture \(USDA\) SNAP Quality Control Data](#)

This dataset provides person- and household-level microdata on SNAP recipients, including demographics, work status, income, exemptions, and participation patterns. QC data was used to:

- Identify the number of able-bodied adults without dependents (ABAWDs) in Illinois under the 2023 and new program rules.
- Determine the subject of ABAWDs "at risk" of losing eligibility—defined as ABAWDs ages 18-64 who were not working or were working fewer than 80 hours per month.
- Calculate demographic characteristics of the at-risk population.
- Estimate the potential reduction in participation under alternative scenarios.

2. [FNS SNAP State Activity Report, FY2023](#)

This report contains state-level administrative and benefit expenditure data. It was used to:

- Establish Illinois' baseline administrative spending.
- Model the fiscal impact of reducing the federal administrative match from 50% to 25%.
- Estimate Illinois' potential benefit cost-sharing obligations beginning in FY2028, using the state's current payment error rate (11.56%).

ESTIMATING POTENTIAL CASELOAD REDUCTIONS

Because H.R. 1 has not yet been implemented, the report models reductions based on:

- National loss-of-eligibility projections from the [Congressional Budget Office](#) (CBO) and the [Center on Poverty & Social Policy](#), as well as Illinois projections from the [Department of Human Services](#) (IDHS).

ESTIMATING STATE FISCAL OBLIGATIONS

- Administrative cost impacts were calculated by applying the reduced federal match (25%) to Illinois' FY2023 administrative expenditures.
- Benefit cost-sharing obligations were estimated by applying a 15% state share to 2023 total SNAP benefit amounts, adjusted for the projected 6-10% reduction in caseload.

PYTHON CODE METHODOLOGY

All quantitative estimates were produced using a Python workflow that:

1. Imported and cleaned 2023 SNAP QC microdata.
2. Identified Illinois cases and filtered individuals in ABAWD/non-ABAWD groups based on federal definitions.
3. Computed at-risk status using indicators for hours worked, exemptions, caregiving status, age, and household structure.
4. Aggregated weighted counts using QC-provided sampling weights to estimate population-level impacts.
5. Produced summary tables used throughout the report.

Full code is available upon request for replication or review.