



September 6, 2023

Honorable David Scott
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Re: Request for a cost estimate for H.R. 1581, the America Works Act of 2023

Dear Congressman:

You have asked the Congressional Budget Office to provide a cost estimate for H.R. 1581, the America Works Act of 2023, as introduced on March 14, 2023. CBO estimates that enacting H.R. 1581 would reduce direct spending for the Supplemental Nutrition Assistance Program (SNAP) by \$90 billion to \$120 billion over the 2024-2033 period.¹

Bill Summary

H.R. 1581 would expand the work requirement for SNAP in two ways: by broadening the population subject to the requirement and by restricting states' ability to waive the requirement in certain areas.

Under current law, certain able-bodied adults who do not live with dependent children must work or attend a training program for at least 80 hours a month to receive SNAP benefits for more than 3 months within a 36-month period. Until June 2023, the requirement applied to adults up to age 49. With the enactment on June 3, 2023, of the Fiscal Responsibility

1. In the time available, CBO has been able only to assess the policy changes that would have the largest effects on the program's spending. Therefore, rather than providing point estimates of the budgetary effects and the number of people affected, as would be typical for a formal cost estimate, the agency is providing ranges within which final estimates are expected to fall. If the bill is ordered to be reported, CBO will publish a full cost estimate showing estimated budgetary effects in each year, as required by the Congressional Budget Act of 1974. (Even for such an estimate, however, significant uncertainty would remain concerning the bill's effects, which could be larger or smaller than CBO estimated.)

Act of 2023 (FRA, Public Law 118-5), the population subject to the work requirement changed.

Under the FRA, until October 1, 2030, the work requirement will be expanded in fiscal year 2024 to able-bodied adults ages 50 to 52 who do not live with dependent children and then (in fiscal years 2025 and later) to able-bodied adults up to age 54 who do not live with dependent children. The FRA also newly exempts several groups from the work requirement in those years: people experiencing homelessness, veterans, and people ages 18 to 24 who were in foster care when they turned 18.

Current law allows states to waive the work requirement for people who live in an area where the unemployment rate is above 10 percent. States also can waive the requirement for people who live in an area where the number of jobs is insufficient. The Department of Agriculture allows such waivers for areas designated as Labor Surplus Areas by the Department of Labor's Employment and Training Administration and for areas where the 24-month average unemployment rate is 20 percent higher than the national average, for example.

H.R. 1581 would permanently expand the population subject to the work requirement to include able-bodied adults up to age 64 who do not live with dependent children and adults ages 18 to 64 who live with dependent children age 7 or older. The bill would eliminate exemptions for people experiencing homelessness, veterans, and people ages 18 to 24 who were in foster care when they turned 18. Under the bill, waivers would be allowed only in areas where the unemployment rate is above 10 percent.

Estimated Budgetary Effect

CBO estimates that in an average month under H.R. 1581, between 3.0 million and 3.5 million fewer people would receive SNAP benefits than under current law, and another 150,000 to 200,000 people would receive smaller monthly benefits because of their new income.

Thus, CBO estimates that enacting H.R. 1581 would reduce direct spending for SNAP by \$90 billion to \$120 billion over the 2024-2033 period. That estimate accounts for a reduction of \$40 billion to \$50 billion from the expansion of the population subject to the work requirement, a reduction of \$30 billion to \$40 billion from the restriction on area waivers, and a reduction of \$20 billion to \$30 billion from the interaction of the two provisions. That interaction would arise because reductions in the number of area waivers would not only affect beneficiaries otherwise subject to the work requirement under current law but would also apply to beneficiaries

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who are part of the population subject to the expansion of the work requirement under the bill.

CBO estimates that enacting H.R. 1581 would not increase long-term net direct spending or deficits.

If you have any further questions, we would be pleased to answer them.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip L. Swagel", with a long, sweeping flourish extending to the right.

Phillip L. Swagel
Director

cc: Honorable Dusty Johnson

Honorable Glenn "GT" Thompson
Chairman
House Committee on Agriculture

Honorable Debbie Stabenow
Chairwoman
Senate Committee on Agriculture, Nutrition, and Forestry

Honorable John Boozman
Ranking Member
Senate Committee on Agriculture, Nutrition, and Forestry