

IMPACT OF HR 1 ON SCHOOL MEAL PROGRAMS



Impact of HR 1 on School Meal Programs

Summary of Key Provisions

Overview

Signed into law on July 4, 2025, the One Big Beautiful Bill (HR 1) introduces changes to Medicaid and the Supplemental Nutrition Assistance Programs (SNAP) that could affect school meal program access. In most cases, the children of families enrolled in these programs are automatically eligible for free or reduced-price school meals, without having to complete an application. HR1 will ultimately reduce the number of families eligible for SNAP and Medicaid benefits, impacting the number of children automatically certified for school meal benefits. The two primary mechanisms are:

- 1. Changes to Medicaid and SNAP eligibility and a new SNAP state cost share**, which will reduce enrollment and direct certification for free or reduced-price school meals. These changes will trigger a domino effect, reducing the number of schools enrolled in the Community Eligibility Provision (CEP), which provides free school meals to all students, reduces administrative burdens, and boosts funds for school meal programs.
- 2. Increased financial pressure on states**, forcing potential cuts in current state level school meal investments to cover the new state level costs.

Federal Budget Reconciliation: Key Provisions

Supplemental Nutrition Assistance Program

1. State Cost Share for Benefits:

Currently, the federal government pays 100% of the cost of SNAP food benefits. For the first time, states may need to contribute up to 15% of the cost of SNAP food benefits depending on the state’s SNAP administrative error rate.

Starting in federal fiscal year 2028 (begins October 1, 2027), each state can select either the FY25 or FY26 payment error rate to calculate their cost share. In FY29 and each fiscal year after, the state match is calculated using the payment error rate that is from three fiscal years prior. The percentage that each state must contribute will change based on the state’s SNAP payment error rate.

Error Rate Range	Percentage Cost Share
< 6%	0
6%-7.99%	5
8% - 9.99%	10
> 10%	15

Effective Date:

- For states with error rates between 6 and 13.34%, October 1, 2027
- For states with error rates above 13.34%, October 1, 2029



Impact on School Meals:

States unable to afford the cost share may choose to adjust SNAP eligibility requirements, which could result in children losing SNAP benefits and, consequently, their direct certification for free school meals. In particular, states that use Broad-Based Categorical Eligibility to extend SNAP benefits to families just above the SNAP gross income threshold may be forced to eliminate this benefit. This change would disproportionately affect children from families on the margins, potentially causing them to lose access to free meals entirely. With fewer children directly certified, fewer schools will enroll in the CEP, which allows all students to receive free meals without household applications. A decline in CEP participation, combined with the financial burden of cost-sharing, could lead some states, currently nine, to end universal free school meal policies. Additionally, other state-level investments in school meals, such as funding for local produce, covering the reduced-price meal copay, or providing free school breakfast, may also be at risk of being cut.

2. Work Requirements:

This bill will increase the number of participants subject to time limits on their benefits for certain able-bodied adults. SNAP participants ages 55 through 64, as well as parents of a school-age child aged 14 and older, will now be subject to time limits (previously applied only to those with children over 18).

Effective Date:

Effective upon enactment of the bill.

Impact on School Meals

Although the work requirements should not impact SNAP eligibility for children, the loss in the overall household benefit when a parent is penalized for not meeting work requirements may result in the benefit being so low that it is not worth parents continuing on the program. If a child loses the benefit when a parent chooses not to participate at all, it will decrease direct certification for students into school meals.

3. Immigration Status Restrictions:

This proposal removes access to SNAP for refugees and asylum seekers, while also adding access for certain entrants from Cuba and Haiti, and U.S. residents who live in Marshall Islands, Federated States of Micronesia & Palau.

Effective Date:

Effective upon enactment of the bill.

Impact on School Meals

Affects a small group, but may eliminate SNAP eligibility for certain children and therefore decrease direct certification for school meals.

4. Elimination of SNAP-Ed:

This proposal eliminates funding for Section 28 of the Food & Nutrition Act: The Nutrition Education and Obesity Prevention Grant Program, known as SNAP-Ed, after fiscal year 2025. Currently, programs funded by SNAP-Ed provide education on food choices, nutrition and healthy cooking demonstrations/ classes to help improve diet-related chronic diseases like obesity for SNAP participants.

Effective Date:

July 1, 2025

Impact on School Meals:

Cuts nutrition education programs that support healthy eating in schools.





Medicaid Provisions

1. Medicaid Expansion:

Eliminates the temporary incentive for the current 41 states, including D.C., to adopt Medicaid expansion to non-elderly adults with incomes up to 138% of the federal poverty line.

Effective Date:

January 1, 2026

Impact on School Meals:

If states choose to discontinue this expansion or alter its current structure, some children may lose benefits and direct certification to school meals.

2. Work Requirements

This bill requires states to condition Medicaid eligibility for individuals ages 19–64 applying for coverage or enrolled through the ACA expansion group on working or participating in qualifying activities for at least 80 hours per month. This includes work requirements for parents with children 13 and older.

Effective Date:

No later than December 31, 2026

Impact on School Meals:

Although children are not directly subject to work requirements, the policy could indirectly reduce their coverage. Parents losing Medicaid due to work requirements may not renew coverage for their children, causing a loss in direct certification for school meals.

3. Change in Qualified Immigrant Status:

Restricts the definition of qualified immigrants for purposes of Medicaid or Children's Health Insurance Program (CHIP) eligibility to Lawful Permanent Residents, certain Cuban and Haitian immigrants, citizens of the Freely Associated States (COFA migrants) lawfully residing in the US, and lawfully residing children and pregnant adults in states that cover them.

Effective Date:

October 1, 2026

Impact to School Meals:

Could reduce the number of children eligible for Medicaid and therefore impact direct certification to school meals.

4. Provider Taxes:

Prohibits states from establishing any new provider taxes or from increasing the rates of existing taxes to pay for state share of Medicaid administration.

Effective Date:

None specified

Impact to School Meals:

New state level costs to cover Medicaid may compete with state level school meal investments.

Conclusion

HR 1 introduces structural changes to SNAP and Medicaid that pose risks to school meal access. In some instances, children may lose eligibility for school meals or at least direct certification when losing Medicaid or SNAP benefits. More concerning, however, are the broader cost-shift and structural provisions that could force states to make difficult decisions. These decisions may result in reduced eligibility or enrollment in SNAP and Medicaid, fewer children directly certified for school meals, increased administrative burdens on school nutrition operators and families, and potential threats to state-level investments in school nutrition programs. At this time, we cannot say exactly how school meals will be impacted because states will have to determine how to manage the new state level costs and policy shifts. Each state will be unique.

SNA will continue to monitor the implementation of these provisions and provide resources and guidance to help protect access to school meals.

Relevant Links

Bill Language: <https://www.congress.gov/bill/119th-congress/house-bill/1/text>

FNS error rates: <https://www.fns.usda.gov/snap/qc/per>

Potential state share of SNAP benefits: <https://www.cbpp.org/research/food-assistance/senate-republican-leaders-proposal-risks-deep-cuts-to-food-assistance-some>

Medicaid Analysis: Tracking the Medicaid Provisions in the 2025 Reconciliation Bill | KFF

