

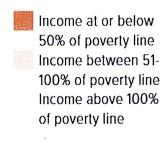
Policy Brief October 29, 2025

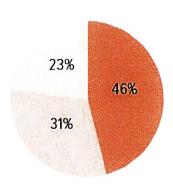
Options Exist to Fund SNAP Benefits in November

433,000 Arizona households don't need to go hungry

Most SNAP Participants in Arizona Have Incomes Below the Poverty Line

Share of participants by household income, fiscal year 2022





Source: CBPP analysis of data from USDA Food and Nutrition Service.

Key points:

- 433,000 Arizona households, including 347,000 children, utilize SNAP benefits
- The USDA has <u>\$6 billion</u> in a contingency fund available to cover SNAP allocations in the event of a government shutdown.
- Arizona has two options to help cover November benefits for the state, which will cost \$155 million — both would be repaid once the federal government reopens.
 These include:
 - The state's fiscal year revenue exceeds projections by \$128 million
 - o The state has \$1.5 billion in its stabilization fund

Regardless of whether you blame the current budget predicament on Democrats or Republicans in Washington, DC, there is no good reason not to fund SNAP benefits in November. Federal and

state resources are available to cover the cost until the government re-opens, at which point the latter would be repaid.

Ending a federal government shutdown often requires points of sufficient pressure to force a resolution. Republicans have been pushing a so-called clean continuing resolution that extends funding in the short-term. Democrats have refused, pushing for the renewal of health insurance subsidies through the Affordable Care Act (ACA) marketplace for those households that will otherwise face large and often unaffordable health insurance premium increases next year. Open enrollment for 2026 ACA plans starts on November 1.

In addition, the United States Department of Agriculture (USDA) has indicated that recipients of the Supplemental Nutrition Assistance Program (SNAP) will not receive any benefits due to the shutdown starting on November 1.

The impact on lower-income families will be potentially devastating. In September, 433,000 Arizona households, including 347,000 children, received SNAP benefits. The typical household received \$359 in food assistance that month. About half of these households have incomes less than half of the poverty line, which means they are getting by on less than \$13,000 a year.¹ Without SNAP, those households still have food needs and pay more for food, which may mean they don't have enough money to cover December's rent or a car repair, and can easily start them on a slippery slope to being destitute. It should be a priority for everyone to make sure that does not happen. Options to fund SNAP benefits exist at both the federal and state levels.

1. On the federal level, USDA has \$6 billion in a contingency fund available to cover SNAP allocations in the event of a government shutdown. Contingency funds have been allocated as part of the budget process and cover two years—so the \$3 billion from FY2024 expires at the end of FY2026 and the \$3 billion from FY2025 (that just ended) expires at the end of FY2027. On September 30, the USDA published a lapse of funding plan that has since been scrubbed from their website. It states: "Congressional intent is evident that SNAP's operations should continue since the program has been provided with multi-year contingency funds that ... are also available to fund participant benefits in the event that lapse occurs in the middle of the fiscal year."

USDA is <u>now instead claiming they cannot use the funds</u>, contradicting their own published plan.

While \$6 billion would cover about 70% of federal SNAP benefits for November, the administration has already tapped Section 32 of the Agricultural Adjustment Act, which had \$23 billion earlier this month, to fund the Women, Infants & Children (WIC) program during the government shutdown. Both of these funding sources were cited in the <u>lawsuit</u>

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¹ The 2025 Poverty lines are \$15,650 for a single individual, \$21,150 for a family of two, and \$26,650 for a family of three (2025 Poverty Guidelines). The Center for Budget and Policy Priorities estimated with 2022 data that 46% of Arizona's SNAP recipients were living on half or less of their respective poverty line (A Closer Look at Who Benefits from SNAP: State-by-State Fact Sheets | Center on Budget and Policy Priorities).

<u>seeking a federal injunction to prevent the stoppage of SNAP</u> payments, to which Arizona Attorney General Kris Mayes is one of the state plaintiffs.

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- 2. Governor Katie Hobbs also <u>claims to be powerless</u>. She may not have the direct ability to transfer funds if the federal government refuses, but she has at least two sources of funds that could be pulled from if she were to call a special session of the legislature. Keep in mind, once the federal government shutdown ends, the state would be reimbursed for these expenses—so this is a short-term, not a long-term commitment. But most critically, it helps protect the most vulnerable in the state.
 - a. The Joint Legislative Budget Committee's monthly finance report in October indicated that current revenue for the state is coming in at \$128 million above projections for the fiscal year. Given that the monthly federal SNAP benefit total for the state is about \$155 million, these funds would go a long way toward covering a month.
 - b. Arizona has a budget stabilization fund, which may soon be critical if the economy takes a nosedive. However, in the short-term, JLBC indicated that for FY2025, it had a balance of \$1.5 billion. Funding SNAP for one month would require only 10% of those funds, which would later be repaid.

So, regardless of whether you blame Democrats or Republicans in Washington, DC, for the current budget predicament, there is no good reason not to fund SNAP benefits in November.

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