Proposed Rules

Federal Register
Vol. 91, No. 120
Wednesday, June 24, 2026

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Food and Nutrition Administration

7 CFR Parts 272, 274, and 277

[FNS–2026–0595]

RIN 0584–AF22

Supplemental Nutrition Assistance Program: Changes in Federal-State Administrative Cost Sharing

AGENCY: Food and Nutrition Administration (FNA), USDA.

ACTION: Proposed rule.

SUMMARY: In response to Section 10106 of Public Law 119–21, the One Big Beautiful Bill Act of 2025, this proposed rule would amend the Supplemental Nutrition Assistance Program (SNAP) regulations to codify the reduction of the amount of the Federal government's share of annual SNAP State administrative costs from 50 percent to 25 percent, effective beginning in fiscal year 2027.

DATES: Written comments must be received on or before August 24, 2026, to be assured of consideration.

ADDRESSES: The Food and Nutrition Administration, USDA, invites interested persons to submit written comments on this proposed rule. Comments may be submitted in writing by one of the following methods:

* *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the online instructions for submitting comments.

* *Mail:* Send comments to Maribelle Balbes, Food and Nutrition Administration, U.S. Department of Agriculture, 1320 Braddock Place, Alexandria VA 22314, *SM.FN.SNAPSAB@usda.gov.*

* *Website:* Go to *http://www.regulations.gov.* Follow the online instructions for submitting comments.

* *Email:* Send comments to *SM.FN.SNAPSAB@usda.gov.* Include Docket ID Number [insert number], ''Supplemental Nutrition Assistance Program: Administrative Cost Sharing Proposed Rule'' in the subject line of the message.

All written comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. FNA will make the written comments publicly available on the internet via *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Maribelle Balbes, Chief, State Administration Branch, Program Administration and Nutrition Division, Food and Nutrition Administration, U.S. Department of Agriculture, 1320 Braddock Place, Alexandria VA 22314, *SM.FN.SNAPSAB@usda.gov.*

SUPPLEMENTARY INFORMATION:

Acronyms or Abbreviations

Code of Federal Regulations, CFR
Fiscal Year, FY
Food and Nutrition Act of 2008, the Act
Food and Nutrition Administration, FNA
One Big Beautiful Bill Act of 2025, OBBB
State agency, State agencies, or States
State Administrative Expenses, SAE
Supplemental Nutrition Assistance Program, SNAP or the Program
U.S. Department of Agriculture, the Department or USDA

I. Background

A. Statutory Authority

On July 4, 2025, President Donald J. Trump signed Public Law 119–21, the One Big Beautiful Bill Act of 2025 (OBBB). Section 10106 of OBBB amends section 16(a) of the Act by reducing the Federal share of administrative costs involved in the State administration of SNAP, from 50 percent to 25 percent, beginning in FY 2027.

B. Existing Requirements

Under existing Program rules, the Secretary is authorized to pay an amount equal to 50 percent of all administrative costs State agencies incur in the operation of SNAP. The enactment of OBBB reduces the Federal administrative cost share (also known as the Federal reimbursement rate) to 25 percent starting in FY 2027. However, OBBB did not amend the State administrative expense (SAE) categories included in Section 16(a) of the Act or current SNAP policies and procedures governing State agencies that participate in the program. Therefore, the proposed rule would only codify the change in percentage—other requirements including expense categories and reimbursement procedures will remain the same. State agencies shall continue to refer to Section 16(a) of the Act and regulations at 7 CFR 272.2(c)(1)(i) and 277 for detailed information about administrative costs and expense categories.

II. Discussion of Proposed Rule Changes

FNA proposes revising the following regulations that mention the Federal administrative cost reimbursement rate to reflect the new 25 percent rate starting in FY 2027:

Part 272

* Part 272 sets forth policies and procedures governing State agencies which participate in the Program.

* 7 CFR 272.5(c) specifically addresses the reimbursement of Program informational activities for low-income households.

Part 274

* Part 274 provides requirements for the issuance of Program benefits to eligible households and establishes related issuance responsibilities.

* 7 CFR 274.1(k)(4) addresses Federal funding for the costs State agencies incur when switching and settling SNAP interstate transactions under SNAP's interoperability and portability of Electronic Benefits Transfer (EBT) standards. Under Section 7(j) of the Act, State agencies may receive 100 hundred percent Federal funding for these costs. The 100 percent Federal funding is available annually but limited to $500,000 nationwide and once this limitation is exceeded the Federal reimbursement rate for costs reverts to the standard reimbursement rate of 50 percent. The proposed rule would amend the Federal reimbursement rate to 25 percent.

* 7 CFR 274.8(f) provides guidance to State agencies implementing the requirements for photo EBT. The proposed rule would amend language addressing allowable administrative costs for photo EBT (7 CFR 274.8(f)(13)) to the new Federal reimbursement rate, from 50 percent to 25 percent.

Part 277

* Part 277 outlines procedures for payment of administrative costs of State agencies.
* Regulations at 7 CFR 277.4(b), 7 CFR 277.4(g), 7 CFR 277.9(c)(1) and (2) and 277.18(f)(1) would be amended to reflect the new Federal reimbursement rate of 25 percent.

OBBB changes to Section 16(a) of the Act (7 U.S.C. 2025(a)) do not amend SNAP Employment and Training (E&T) 50 percent reimbursement rates for E&T administrative costs and E&T-related participant reimbursements (ex. transportation, child care) established in Section 16(h)(2) and Section 16(h)(3) of the Act. Therefore, reimbursement rates for SNAP E&T administrative costs and participant reimbursements remain unchanged. FNA is proposing to add language to regulations at 7 CFR 277.4(b)(3) to clarify that the reimbursement rate will remain at the 50 percent for these E&T costs as outlined in 7 CFR 273.7(d)(2).

Similarly, the new Federal reimbursement rate will not impact State agencies or Indian Tribal Organizations (ITOs), acting as State agencies, administering SNAP on a reservation.[1] FNA will continue to pay each State agencies administering SNAP on a reservation 75 percent of all approved administrative costs in accordance with Section 16(a) of the Act, 7 CFR 277.4(b)(2), and 7 CFR 281.9. Additionally, FNA is authorized to pay to each Indian Tribal Organization acting as a State agency and administering SNAP on a reservation 75 percent of all administrative costs approved by FNA as needed for operation of a SNAP on a reservation.

III. Procedural Matters

Executive Order 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs, benefits, and changes in transfers of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

This proposed rule has been determined to be economically significant under section 3(f)(1) of Executive Order 12866 and was reviewed by the Office of Management and Budget (OMB) in conformance with Executive Order 12866.

Regulatory Impact Analysis

As required for all rules that have been designated as significant by OMB, a Regulatory Impact Analysis (RIA) was developed for this proposed rule. It is posted in the docket for this proposed rule on *www.regulations.gov.* The following summarizes the conclusions of the RIA:

This rulemaking is needed to amend SNAP regulations to reflect the OBBB's reduction of the amount of the Federal government's share of annual SNAP administrative costs from 50 percent to 25 percent, beginning in FY 2027.

The Department estimates the total decrease in Federal administrative spending associated with this proposed rule to be approximately $16.9 billion over FYs 2027 to 2031, averaging $3.4 billion per year. Concomitantly, State administrative spending to implement this proposed rule is estimated to increase by a total of $16.9 billion over FY 2027 to FY 2031, or an annual average of $3.4 billion. The total net change in spending of this proposed rule is $0 as it shifts Federal costs to State agencies with no changes in administrative burden for the Federal government or State agencies. We assume this proposed rule will have a negligible impact on SNAP benefit spending or SNAP participation. We request comment on ways in which this shift in spending from the Federal Government to the States could change overall program spending or program operations.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires Agencies to analyze the impact of rulemaking on small entities and consider alternatives that would minimize any significant impacts on a substantial number of small entities. Pursuant to that review, it has been certified that this rule would not have a significant impact on a substantial number of small entities.

This proposed rule would not have an impact on small entities because it only impacts the State agencies that administer SNAP, which are large government entities.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments and the private sector. Under section 202 of the UMRA, the Department generally must prepare a written statement, including a cost benefit analysis, for proposed and final rules with ''Federal mandates'' that may result in expenditures by State, local or tribal governments, in the aggregate, or the private sector, of $100 million or more in any one year. When such a statement is needed for a rule, Section 205 of the UMRA generally requires the Department to identify and consider a reasonable number of regulatory alternatives and adopt the most cost effective or least burdensome alternative that achieves the objectives of the rule. This proposed rule contains Federal mandates (under the regulatory provisions of Title II of UMRA) that are expected to result in aggregate expenditures by State governments of more than $100 million or more in one year. Thus, this rule is subject to the requirements of Sections 202 and 205 of UMRA. The proposed change is required by statute and there are no alternatives.

The Regulatory Impact Analysis conducted by FNA in connection with this proposed rule includes a spending analysis and explains the requirement set forth in statute regarding the change in cost sharing between States and the Federal government for administrative costs for operating SNAP. Based on this analysis and the language in OBBB, the Department believes there are no alternatives to this proposal.

Executive Order 12372

This Supplemental Nutrition Assistance Program is listed in the Catalog of Federal Domestic Assistance under Number 10.551 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 2 CFR chapter IV.)

Federalism Summary Impact Statement

Executive Order 13132 requires Federal agencies to consider the impact of their regulatory actions on State and local governments. Where such actions have federalism implications, agencies are directed to provide a statement for inclusion in the preamble to the regulations describing the agency's considerations in terms of the three categories called for under Section (6)(b)(2)(B) of Executive Order 13132.

The Department has considered the impact of this rule on State and local governments and has determined that this rule does not have federalism implications. Therefore, under section 6(b) of the Executive Order, a federalism summary is not required.

[1] The proposed rule does not make any changes to the Food Distribution Program on Indian Reservations (FDPIR) reimbursement rate under Section 4(b)(4) of the Act.

Executive Order 12988, Civil Justice Reform

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full and timely implementation. This rule is not intended to have retroactive effect unless so specified in the Effective Dates section of the final rule. Prior to any judicial challenge to the provisions of the final rule, all applicable administrative procedures must be exhausted.

Civil Rights Impact Analysis

FNA has reviewed this proposed rule in accordance with USDA Regulation 4300–4, ''Civil Rights Impact Analysis,'' to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color, national origin, sex or disability. After a careful review of the rule's intent and provisions, FNA has determined that this rule is not expected to affect the participation of protected individuals in the Supplemental Nutrition Assistance Program.

Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

Executive Order 13175 requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on policies that have Tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. FNA is unaware of any current Tribal laws that could be in conflict with this rule.

This proposed rule does not have issues that rise to the level of requiring Tribal consultation. FNA held a consultation on October 22, 2025, and received no comments that have a direct impact on the rule. If a tribe requests further consultation, FNA will work with OTR to ensure meaningful consultation is provided.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C.3501–352035; 5 CFR part 1320) requires the Office of Management and Budget (OMB) approve all collections of information by a Federal agency before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number.

The proposed rule does not contain new or modified information collection requirements subject to approval by OMB under the Paperwork Reduction Act of 1995. This rule contains information collections that have been approved by OMB under OMB under OMB #0584–0594 and OMB #0584–0083. The reporting requirements relating to the use of the FNS–366A, Program and Budget Summary Statement, Part A—Budget projection, Standard Form (SF)–425, Federal Financial Report, and the FNS–778, Financial Status Report, are approved under OMB No. 0584–0594, Expiration Date: 9/30/2026. The recordkeeping requirements for the FNS–366A, SF–425/FNS–778, are approved under OMB No. 0584–0083, Expiration Date: 9/30/2026.

E-Government Act Compliance

The Department is committed to complying with the E-Government Act, 2002, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

7 CFR Part 272

Administrative practice and procedure, Supplemental Nutrition Assistance Program, Grant programs—social programs, Reporting and recordkeeping requirements.

7 CFR Part 274

Administrative practice and procedure, Supplemental Nutrition Assistance Program, Investigations, Grant programs—social programs, Reporting and recordkeeping requirements.

7 CFR Part 277

Supplemental Nutrition Assistance Program, Government procedure, Grant programs—social programs, Records, Reporting and recordkeeping requirements.

Accordingly, the Food and Nutrition Administration proposes to amend 7 CFR parts 272, 274, and 277 as follows:

■ 1. The authority citation for 7 CFR parts 272, 274, and 277 continues to read as follows:

Authority: 7 U.S.C. 2011–2036

PART 272—REQUIREMENTS FOR PARTICIPATING STATE AGENCIES

■ 2. In § 272.5, revise the fourth sentence of paragraph (c) to remove the word ''fifty'' and replace it with the number ''25''.

The revision reads as follows:

§ 272.5 Program informational activities.

* * * * *

(c) * * * Before FNA considers costs for allowable informational activities eligible for reimbursement at the 25 percent rate under part 277 of this chapter, State agencies shall obtain FNA approval for the attachment to their Plans of Operation as specified in § 272.2(d)(1)(ix). * * *

* * * * *

PART 274—ISSUANCE AND USE OF PROGRAM BENEFITS

■ 1. In § 274.1, revise the fourth sentence of paragraph (k)(4) to remove the number ''50'' and replace it with ''25''.

■ 2. In § 274.8, revise the second sentence of paragraph (f)(13) to remove the number ''50'' and replace it with ''25''.

The revision read as follows:

§ 274.1 Issuance system approval standards.

* * * * *

(k) *Federal financial participation.*

* * * * *

(4) * * * Once the $500,000 limitation is exceeded, Federal financial participation reverts to the standard 25 percent program reimbursement rate and procedure. * * *

* * * * *

§ 274.8 Functional and technical EBT system requirements.

* * * * *

(f) *State agency requirements for photo EBT card implementation—*

* * * * *

(13) * * * Appropriate implementation and administration of the photo EBT card consistent with all applicable requirements is an allowable State administrative cost that FNA shall reimburse at 25 percent in accordance with 7 CFR part 277. * * *

* * * * *

PART 277—PAYMENTS OF CERTAIN ADMINISTRATIVE COSTS OF STATE AGENCIES

■ 1. In § 277.4, revise the second sentence of paragraph (b) to remove the number ''50'' and replace it with ''25''.

■ 2. In § 277.4, revise paragraph (b)(4) to add ''(1)(i)'' after the regulation citation

''§ 273.7(d)'', and add ''and other Employment and Training administrative costs shall be funded at 50 percent as outlined in § 273.7(d)(2).'' after the word ''federally-funded''.

■ 3. In § 277.4, revise paragraph (g) to remove the number ''50'' and replace it with ''25''.

■ 4. In § 277.9, revise the second sentence on paragraph (c)(1) to remove the number ''50'' and replace it with ''25''.

■ 5. In § 277.9, revise the second sentence on paragraph (c)(2) to remove the number ''50'' and replace it with ''25''.

■ 6. In § 277.18, revise paragraph (f)(1) to remove the number ''50'' and replace it with ''25''.

The revision reads as follows:

§ 277.4 Funding

* * * * *

(b) * * * The base percentage for Federal payment shall be 25 percent of State agencies' allowable SNAP administrative costs.

* * * * *

(4) Employment and training program grants, as outlined in § 273.7(d)(1)(i) shall be 100 percent federally-funded and other Employment and Training administrative costs shall be funded at 50 percent as outlined in § 273.7(d)(2).

* * * * *

(g) Investigations of authorized retail or wholesale food concerns when performed in coordination with the USDA Office of Inspector General and FNA shall be funded at the 25 percent Federal reimbursement rate.

* * * * *

§ 277.9 Administrative costs principles.

* * * * *

(c) * * *

(1) *Direct cost.* Allowable direct costs may be charged to SNAP at the 25 percent or higher funding level as specified in this part.

(2) *Indirect Cost* Allowable indirect costs may also be claimed at the 25 percent or higher reimbursement funding level as specified in 2 CFR part 200, subpart E, and USDA implementing regulations 2 CFR parts 400 and 415.

* * * * *

§ 277.18 State Systems Advance Planning Document (APD) process.

* * * * *

(f) * * *

(1) A State agency may receive FFP at the 25 percent reimbursement rate for the costs of planning, design, development or installation of IS and information retrieval systems if the proposed system will:

* * * * *

Signed:

Stephen A. Vaden,

Deputy Secretary, U.S. Department of Agriculture.

[FR Doc. 2026–12696 Filed 6–23–26; 8:45 am]

BILLING CODE 3410–30–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Parts 4, 15, and 19

[Docket ID OCC–2026–0463]

RIN 1557–AF55

Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC), in coordination with the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control (OFAC), proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act's requirement to issue regulations implementing appropriate Bank Secrecy Act (BSA) and sanctions compliance standards for permitted payment stablecoin issuers subject to the OCC's jurisdiction.

DATES: Comments must be received by July 24, 2026.

ADDRESSES: Commenters are encouraged to submit comments through the Federal eRulemaking Portal. Please use the title ''Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management'' to facilitate the organization and distribution of the comments. You may submit comments by any of the following methods:

• *Federal eRulemaking Portal—Regulations.gov:*

Go to *https://regulations.gov/.* Enter Docket ID ''OCC–2026–0463'' in the Search Box and click ''Search.'' Public comments can be submitted via the ''Comment'' box below the displayed document information or by clicking on the document title and then clicking the ''Comment'' box on the top-left side of the screen. For help with submitting effective comments please click on ''Commenter's Checklist.'' For assistance with the *Regulations.gov* site, please call 1–866–498–2945 (toll free) Monday-Friday, 9 a.m.–5 p.m. ET, or email *regulationshelpdesk@gsa.gov.*

• *Mail:* Chief Counsel's Office, Attention: Comment Processing, Office of the Comptroller of the Currency, 400 7th Street SW, Suite 1E–216, Washington, DC 20219.

• *Hand Delivery/Courier:* 400 7th Street SW, Suite 1E–216, Washington, DC 20219.

Instructions: You must include ''OCC'' as the agency name and Docket ID ''OCC–2026–0463'' in your comment. In general, the OCC will enter all comments received into the docket and publish the comments on the *Regulations.gov* website without change, including any business or personal information provided such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this action by the following method:

• *Viewing Comments Electronically—Regulations.gov:* Go to *https://regulations.gov/.* Enter Docket ID ''OCC–2026–0463'' in the Search Box and click ''Search.'' Click on the ''Documents'' tab and then the document's title. After clicking the document's title, click the ''Document Comments'' tab. Comments can be viewed and filtered by clicking on the ''Sort By'' drop-down on the right side of the screen or the ''Refine Results'' options on the left side of the screen. Supporting materials can be viewed by clicking on the ''Documents'' tab. Click on the ''Sort By'' drop-down on the right side of the screen or the ''Refine Documents Results'' options on the left side of the screen checking the ''Supporting & Related Material'' checkbox. For assistance with the *Regulations.gov* site, please call 1–866–498–2945 (toll free) Monday-Friday, 9 a.m.–5 p.m. ET, or email *regulationshelpdesk@gsa.gov.*

The docket may be viewed after the close of the comment period in the same manner as during the comment period.

FOR FURTHER INFORMATION CONTACT: Melissa Lisenbee, Counsel, Henry Barkhausen, Counsel, or Jina Cheon, Assistant Director, Chief Counsel's