

USVI Braces for Deep SNAP Cuts Under New Federal Law as Local Budgets Face Mounting Pressure

As the Big Beautiful Bill cuts \$186 billion from SNAP, Virgin Islands officials warn that new work rules and cost-sharing mandates could force the cash-strapped territory to reduce aid or face deepening food insecurity for over 15,000 residents.

Federal / **Published On July 10, 2025 06:15 AM /**

Staff Consortium **July 10, 2025**

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The U.S. Virgin Islands is bracing for a seismic shift in food assistance as the federal One Big Beautiful Bill Act, signed July 4, ushers in major SNAP cuts and stricter eligibility rules.

The law – branded the “Big Beautiful Bill” by supporters – [slashes federal funding](#) for the Supplemental Nutrition Assistance Program by an estimated \$186 billion through 2034, the largest reduction in the program’s history. It extends work requirements and shifts more costs onto local

governments, changes that officials fear will hit the cash-strapped Virgin Islands particularly hard.

Under the new law, able-bodied adults ages 18 to [64 must prove they are working](#) at least 80 hours per month (about 20 hours a week) or enrolled in training to keep receiving SNAP. Previously, work mandates applied only up to age 54. Now, millions of older adults and parents of teenagers will have to meet the requirements as well. Critically, recent exemptions for certain vulnerable groups have been eliminated – veterans, people experiencing homelessness, and young adults aging out of foster care will no longer be automatically exempt from SNAP’s work rules.

“Those now at risk of losing work exemptions include [the] unhoused, veterans and youth who have aged out of foster care,” [Illinois officials warned](#) as they assessed the law’s impact.

Advocates worry these tougher rules will strip nutrition aid from people who genuinely struggle to find steady jobs. Indeed, the Congressional Budget Office (CBO) projects roughly 3 million people are likely to be dropped from SNAP rolls nationwide as time limits tighten and more beneficiaries are forced to comply with the new mandate. That could translate to vast unmet needs – on the order of 6 billion meals lost each year, according to [one food bank network’s analysis](#).

The cost-cutting law also shifts financial responsibility for SNAP to state and territorial governments in unprecedented ways. Starting in 2027, Washington’s share of administrative costs will shrink – the federal government will cover only 25% of program admin expenses (down from 50%), leaving states to pick up 75% of the tab. A year later, in fiscal 2028, states and territories with high error rates in their SNAP payment systems must begin paying a portion of the food benefits themselves, according to the Alaska Beacon. If a jurisdiction’s benefit payment error rate is above 6%, it will be required to cover at least some percentage of SNAP benefit costs – and as much as 15% in places with the highest error rates. This marks the first time in SNAP’s history that non-federal authorities will fund benefits out of their own budgets. Republican lawmakers backing the change argue it will give local administrators “[skin in the game](#)” to reduce waste, fraud and overpayments.

Critics counter that it simply shifts costs downward and will likely force local officials to cut enrollment or benefits, since most states (and especially territories) have limited capacity to replace federal dollars.

Around the country, anxiety is rising about how these SNAP cuts will play out at ground level. In the U.S. Virgin Islands, the stakes are acute. This small territory relies heavily on federal assistance, and its government has scant fiscal leeway to absorb new obligations. [Over 15,000 Virgin Islanders](#) – out of a population of roughly 87,000 – depend on SNAP to help put food on the table. That figure includes many working-poor families, seniors, and disabled residents for whom the program is a lifeline. Local officials say the islands’ budget is already strained after years of disasters and economic challenges, and they worry that shifting SNAP costs to the territorial level will “exacerbate the USVI’s longstanding fiscal fragility.”

The Virgin Islands, they note, is “heavily on federal programs to fund public services amid ongoing budget constraints”, unlike mainland states that can tap larger tax bases. [viconsortium.com](#). A sudden drop in federal support, officials warn, could force the territorial government – which is already cash-strapped – to divert scarce local funds just to maintain basic food aid.

Governor Albert Bryan Jr. has voiced concern that devolving such programs to the states and territories “serves to challenge [local] efforts significantly in the years to come,” given the islands’ limited resources. In essence, the USVI government might soon be expected to shoulder costs it

cannot easily bear: if the territory's SNAP error rate exceeds the 6% benchmark (as is the case in most U.S. jurisdictions post-pandemic, the islands would have to start covering a share of benefit payments for the first time ever, potentially up to 15%. On top of that, the local Department of Human Services would need to fund 75% of the program's administrative expenses going forward, compared to 50% today. These looming expenses raise red flags in a territory that has struggled to pay its bills and still carries unmet needs from hurricanes Irma and Maria. "The territory's ability to absorb these costs is virtually nil," one former senator commented off-record, noting that the USVI cannot run deficit spending like the federal government.

Local leaders are scrambling to understand how the SNAP cuts will ripple through the community. [This week](#) in a Senate hearing, Virgin Islands lawmakers pressed DHS officials for answers on the new law's impact. Taetia Phillips-Dorsett, an assistant commissioner at the Department of Human Services, candidly admitted they were still parsing the massive legislation. "It [was] signed just a couple days ago. We have not done as much of a deep dive... as we probably could have done," she told senators. "Medicaid and SNAP are going to be impacted mostly," Phillips-Dorsett noted, referring to the twin pillars of federal aid that many island residents rely on. While she expressed hope that the "majority of our [USVI] Medicaid beneficiaries already work" and thus might meet the new requirements, she acknowledged some people "may fall off the [SNAP] rolls again" once stricter rules kick in.

That scenario would be reminiscent of March 2023, when [roughly 10,850 Virgin Islands](#) households saw their food benefits drop overnight after pandemic-era emergency allotments expired. In the aftermath of those cuts, food banks and pantries reported surging demand that has yet to abate. The concern now is that another, potentially larger wave of need could be coming. "It's going to take a lot more teasing out on our part to look at the impact," Phillips-Dorsett said, indicating the government has much planning to do.

For the moment, territorial officials have a brief window to prepare. Many of the SNAP changes will not take effect immediately; the most significant benefit cuts and cost-sharing mandates are delayed until 2027–2028, after the next midterm elections. This gives the Virgin Islands some breathing room to strategize. However, community advocates worry that little is being done yet to avert a potential crisis.

"Additional cuts are coming... We cannot rely on the federal government for that assistance. We've got to figure it out ourselves," [warned](#) Delegate Stacey Plaskett, the territory's non-voting member of Congress, at a recent agricultural fair. Plaskett, who vehemently opposed the Big Beautiful Bill in Washington, [has blasted the SNAP reductions](#) as "cruel, shameful, unfair and un-American". She has urged Virgin Islanders to double down on local food production and self-reliance, calling for "innovative ways" to fill the gap for vulnerable seniors, children and veterans. "As we look ahead, it's impossible to ignore this... We need to create self-sufficiency [and] food security," Plaskett said, emphasizing that boosting local agriculture will be critical.

Meanwhile, those on the front lines of hunger relief fear a difficult road ahead. Charitable organizations in the USVI – from church food pantries on St. Thomas to community soup kitchens on St. Croix – are already stretched thin by high demand and tight resources. They know they cannot come close to replacing lost SNAP benefits if thousands of residents lose aid. [By one estimate](#), SNAP provides about nine meals for every one meal local food banks provide in the Virgin Islands.

The coming months will test how the U.S. Virgin Islands copes with this new mandate of doing more with less. Officials have quietly floated ideas – from seeking waivers or exemptions for the territory, to allocating local emergency funds for nutrition assistance – but no concrete plan has

been announced.

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