

# Reconciliation Provisions Shifting SNAP Costs to States

The final reconciliation package signed into law on July 4, 2025 makes unprecedented cuts to SNAP, our nation's most effective tool to fight hunger. The federal spending reductions will be achieved in large part by shifting costs to the states: they will be forced to pay both a higher share of administrative costs, going from 50 percent to 75 percent starting in FY 2027, and for the first time ever, a share of benefit costs starting in FY 2028. While states with the lowest payment error rates would not have to contribute to benefit costs, most states and territories — 46 based on FY 2023 payment error rates and 44 based on FY 2024 — will have to pay between 5 to 15 percent of benefit costs. This will place a dramatic and unpredictable financial burden on states, putting millions at risk of losing critical food assistance.

## State Benefit Cost Responsibility Based on Error Rate

If your state has this error rate...	...you would be forced to pay this share of benefit costs
<6%	0%
6-8%	5%
8-10%	10%
>10%	15%

*Benefit cost sharing begins FY 2028 with 1-2 year delay for states with error rates  $\geq 13.34\%$  in FY 2025 or FY 2026. In FY 2028, the cost share percentage may be based on FY 2025 or FY 2026 error rate data; thereafter, all rates will be based on the data from the third preceding fiscal year (i.e. FY 2027 data for FY 2030).*

States already have skin in the game, covering half of the costs to administer SNAP plus penalties for quality control issues. The nationwide 6 percent decline in payment error rates from FY 2023 to FY 2024 shows that these methods do work. In recent years, states saw higher rates of payment errors due to the numerous administrative challenges that they faced during and after the COVID-19 pandemic, but 30 states lowered their rate last year. Forcing states to absorb an even greater share of administrative costs and millions more in benefit costs would be unsustainable and inevitably lead to substantially reduced access to the program, or the elimination of other vital state programs to make up the difference.

While less extreme than the House proposal, the final bill will still push under-resourced and overburdened state agencies beyond capacity, jeopardizing the stability of food assistance for those who need it most. Adequate staffing, integrated eligibility systems, and other modern technology solutions are critical to bringing down error rates, yet states will have to shoulder more of these costs. Inability to invest in these improvements will put more states at risk of paying a higher share of benefit costs, creating a vicious cycle that will hurt the efficiency and integrity of SNAP rather than improve it. Staff cuts at USDA and implementing other new requirements passed in reconciliation, like expanded work requirements, will also put states at risk of higher error rates.

The chart on the next page outlines the projected impact, showing FY 2023 and FY 2024 SNAP payment error rates, FY 2023 administrative costs and FY 2024 benefit totals to demonstrate the potential increase in cost burden in FY 2028 as well as possible year-to-year variation in cost burden based on error rate changes.

This bill doesn't just shift costs—it fundamentally restructures SNAP, threatening its future and the future of the millions of families who depend on it.

State	FY23 Payment Error Rate (%)	FY24 Payment Error Rate (%)	State Share of Benefits (FY24 PER) (%)	Current Total State Responsibility (50% Admin Costs for FY23) (M)	Est. FY28 State Responsibility (75% Admin Costs + Share of Benefits Based on FY23 PER) (M)	Est. FY28 State Responsibility (75% Admin Costs + Share of Benefits Based on FY24 PER) (M)
Alabama	7.07%	8.32%	10%	\$65	\$186	\$272
Alaska <sup>†</sup>	60.37%	24.66%	15%	\$12	\$56	\$56
Arizona	11.39%	8.84%	10%	\$70	\$400	\$300
Arkansas	9.57%	9.56%	10%	\$43	\$120	\$120
California*	13.4%	10.98%	15%	\$1,324	\$3,771	\$3,771
Colorado*	8.61%	9.97%	10%	\$93	\$267	\$267
Connecticut	8.91%	10.25%	15%	\$79	\$207	\$252
Delaware	22.8%	12.37%	15%	\$22	\$70	\$70
District of Columbia <sup>†</sup>	20.26%	17.38%	15%	\$37	\$102	\$102
Florida <sup>†</sup>	12.6%	15.13%	15%	\$89	\$1,121	\$1,121
Georgia <sup>†</sup>	12.07%	15.65%	15%	\$110	\$655	\$655
Guam	18.01%	9.72%	10%	\$2	\$22	\$16
Hawaii	20.94%	6.68%	5%	\$31	\$157	\$84
Idaho	3.42%	3.59%	0%	\$10	\$14	\$14
Illinois	9.91%	11.56%	15%	\$167	\$691	\$914
Indiana	10.46%	9.52%	10%	\$91	\$352	\$280
Iowa	5.19%	6.14%	5%	\$26	\$38	\$64
Kansas	12.07%	9.98%	10%	\$29	\$104	\$84
Kentucky	7.27%	9.11%	10%	\$106	\$213	\$270
Louisiana	6.65%	6.62%	5%	\$83	\$221	\$221
Maine	13.48%	10.26%	15%	\$13	\$75	\$75
Maryland <sup>†</sup>	18.98%	13.64%	15%	\$105	\$382	\$382
Massachusetts <sup>†</sup>	9.86%	14.10%	15%	\$86	\$389	\$520
Michigan	10.72%	9.53%	10%	\$192	\$736	\$583
Minnesota*	6.4%	8.98%	10%	\$87	\$172	\$215
Mississippi	10.15%	10.69%	15%	\$29	\$168	\$168
Missouri	10.54%	9.42%	10%	\$56	\$313	\$237
Montana	6.04%	8.89%	10%	\$14	\$29	\$38
Nebraska	7.06%	5.50%	0%	\$24	\$53	\$36
Nevada	6.71%	5.94%	0%	\$43	\$103	\$53
New Hampshire	12.53%	7.57%	5%	\$12	\$39	\$24
New Jersey**	35.7%	14.33%	15%	\$190	\$569	\$569
New Mexico <sup>†</sup>	14.4%	14.61%	15%	\$30	\$198	\$198
New York**	12.68%	14.09%	15%	\$492	\$1,827	\$1,827
North Carolina*	9.72%	10.21%	15%	\$136	\$500	\$647
North Dakota*	9.51%	7.91%	5%	\$13	\$30	\$25
Ohio*	7.01%	9.01%	10%	\$141	\$366	\$525
Oklahoma	10.64%	10.87%	15%	\$55	\$308	\$308
Oregon <sup>†</sup>	16.76%	14.06%	15%	\$160	\$476	\$476
Pennsylvania	16.61%	10.76%	15%	\$214	\$964	\$964
Rhode Island	12.4%	12.29%	15%	\$25	\$89	\$89
South Carolina	22.57%	9.25%	10%	\$33	\$244	\$179
South Dakota	3.27%	3.28%	0%	\$9	\$15	\$15
Tennessee	12.56%	9.47%	10%	\$125	\$429	\$348
Texas	6.7%	8.32%	10%	\$170	\$621	\$981
Utah	5.09%	5.74%	0%	\$26	\$37	\$37
Vermont	3.45%	5.13%	0%	\$12	\$18	\$18
Virginia*	9.86%	11.50%	15%	\$174	\$439	\$527
Virgin Islands	10.29%	3.54%	0%	\$5	\$18	\$7
Washington	6.74%	6.06%	5%	\$126	\$284	\$284
West Virginia	10.98%	9.43%	10%	\$18	\$113	\$85
Wisconsin*	5.15%	4.47%	0%	\$79	\$121	\$121
Wyoming	5.19%	5.12%	0%	\$9	\$13	\$13

\* State where the county administers SNAP; in all but North Dakota, counties pay for some or all administrative costs.

<sup>†</sup> State potentially eligible for delayed benefit cost shift implementation based on FY 2024 payment error rate; actual eligibility based on FY 2025 error rate.