SHARE OUR STRENGTH

SNAP ADMINISTRATIVE AND BENEFIT COST SHIFT: PROJECTED STATE OBLIGATIONS IN FY28

Last year, Congress made unprecedented cuts to SNAP, our nation's most effective tool to fight hunger, through H.R.1. This reconciliation bill substantially shifted costs to the states: they will be forced to pay both an increased share of administrative costs, going from 50 percent to 75 percent starting on October 1, 2026, and for the first time ever, a share of benefit costs starting on October 1, 2027. While states with the lowest payment error rates do not have to contribute to benefit costs, **as many as 36 states and territories will have to pay between 5 to 15 percent of benefit costs in FY 2028**. This fundamental restructuring of SNAP places a dramatic and unpredictable financial burden on states, putting millions at risk of losing critical food assistance.

STATE BENEFIT COST RESPONSIBILITY BASED ON PAYMENT ERROR RATE

If your state has this error rate...	...you would be forced to pay this share of benefit costs
< 6%	0%
6 - 7.99%	5%
8 - 9.99%	10%
≥ 10%	15%

Benefit cost sharing begins in FY 2028 with a 1–2-year exemption for states with error rates >13.33% 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 payment errors. In recent years, states saw higher rates of payment errors due to the numerous administrative and staffing challenges that they faced during and after the COVID-19 pandemic, but 30 states lowered their rate from FY 2023 to FY 2024, well before H.R.1 was introduced. The nationwide 6 percent decline in error rates proves that existing methods do work, it just takes time. Further improvements are important, but the H.R.1 provisions are counterproductive by taking away resources the state could have used to invest in reducing their errors or addressing fraud.

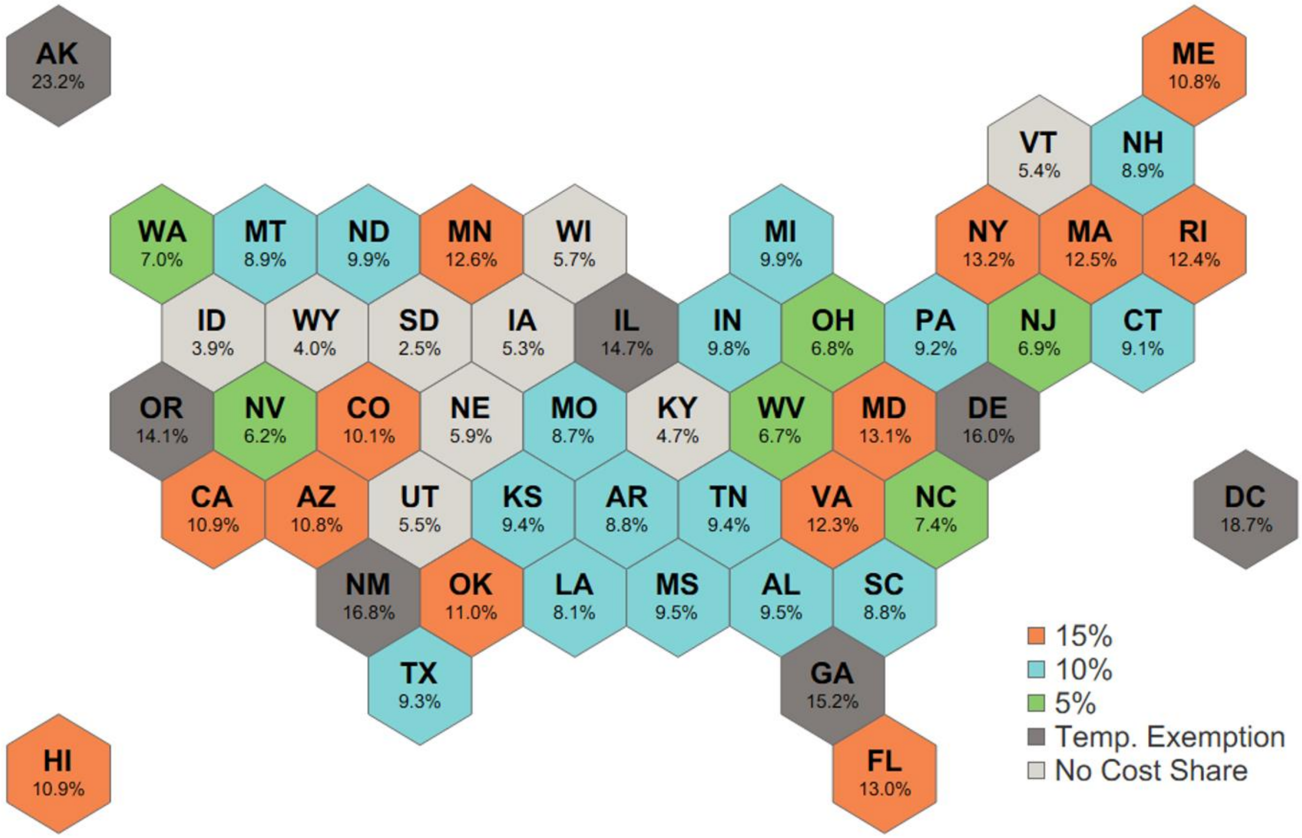
The cost shift will push under-resourced and overburdened state agencies beyond capacity. Millions of people have already lost access to SNAP in the past year, and the cost shift taking full effect will further reduce access to the program for those who need it most and even jeopardize other vital state programs. 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. USDA staff cuts and the impending relocation effort as well as implementation of other requirements passed in reconciliation, like expanded time limits, will also put states at risk of higher error rates.

The chart on the next page outlines the projected impact, using FY 2025 SNAP payment error rates, FY 2023 administrative costs and FY 2025 benefit totals to demonstrate the potential increase in cost burden in FY 2028. For FY 2028 only, states may use either their FY 2025 or FY 2026 payment error rate to determine their annual benefit cost share, so the number in the chart represents a maximum. The actual state responsibility in FY 2028 will also depend on SNAP benefit levels at that time and participation throughout the fiscal year.

State	FY25 SNAP Payment Error Rate (%)	Max FY28 State Share of Benefits	Current Total State Responsibility (50% Admin Costs for FY23) (M)	Estimated Max FY28 State Responsibility (75% Admin Costs + Share of Benefits Based on FY25 PER) (M)
Alabama	9.52	10%	$65	$271
Alaska	23.15	0% *(exempt)*	$12	$18
Arizona	10.8	15%	$70	$398
Arkansas	8.81	10%	$43	$115
California*	10.93	15%	$1,324	$3,869
Colorado*	10.09	15%	$93	$353
Connecticut	9.08	10%	$79	$203
Delaware	16	0% *(exempt)*	$22	$33
District of Columbia	18.66	0% *(exempt)*	$37	$56
Florida	12.97	15%	$89	$1,159
Georgia	15.21	0% *(exempt)*	$110	$165
Guam	11.7	15%	$2	$22
Hawaii	10.92	15%	$31	$150
Idaho	3.85	0%	$10	$15
Illinois	14.67	0% *(exempt)*	$167	$251
Indiana	9.77	10%	$91	$276
Iowa	5.34	0%	$26	$39
Kansas	9.44	10%	$29	$84
Kentucky	4.7	0%	$106	$159
Louisiana	8.14	10%	$83	$309
Maine	10.81	15%	$13	$72
Maryland	13.08	15%	$105	$379
Massachusetts	12.49	15%	$86	$521
Michigan	9.89	10%	$192	$601
Minnesota*	12.58	15%	$87	$260
Mississippi	9.51	10%	$29	$122
Missouri	8.67	10%	$56	$240
Montana	8.86	10%	$14	$37
Nebraska	5.9	0%	$24	$36
Nevada	6.22	5%	$43	$115
New Hampshire	8.85	10%	$12	$33
New Jersey*	6.86	5%	$190	$382
New Mexico	16.81	0% *(exempt)*	$30	$45
New York*	13.18	15%	$492	$1,891
North Carolina*	7.36	5%	$136	$357
North Dakota*	9.89	10%	$13	$32
Ohio*	6.76	5%	$141	$372
Oklahoma	11.04	15%	$55	$318
Oregon	14.14	0% *(exempt)*	$160	$240
Pennsylvania	9.21	10%	$214	$746
Rhode Island	12.42	15%	$25	$89
South Carolina	8.8	10%	$33	$191
South Dakota	2.47	0%	$9	$14
Tennessee	9.44	10%	$125	$359
Texas	9.34	10%	$170	$1,011
Utah	5.54	0%	$26	$39
Vermont	5.38	0%	$12	$18
Virginia*	12.32	15%	$174	$527
Virgin Islands	5.36	0%	$5	$8
Washington	6.98	5%	$126	$289
West Virginia	6.69	5%	$18	$55
Wisconsin*	5.72	0%	$79	$119
Wyoming	3.96	0%	$9	$14

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

Maximum State FY28 Benefit Cost Share Category Based on FY25 SNAP Payment Error Rates

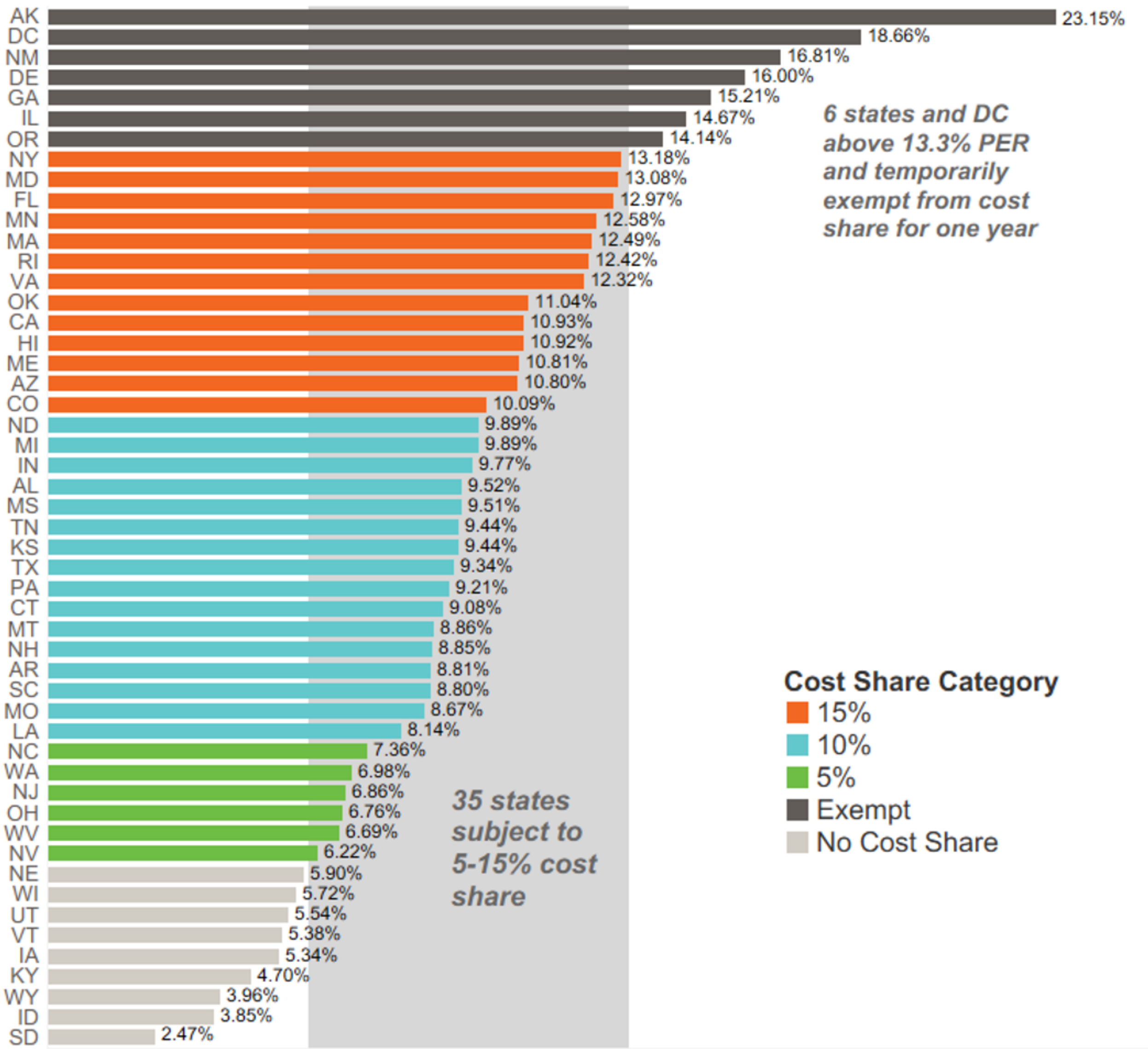


Guam and US Virgin Islands not included in graphic.

Guam is potentially subject to a 15% benefit cost share in FY28 based on its FY25 Payment Error Rate.

The U.S. Virgin Islands is not subject to the benefit cost share in FY28 because its FY25 Payment Error Rate was below 6%.

State FY25 SNAP Payment Error Rates by Maximum FY28 Benefit Cost Share Category



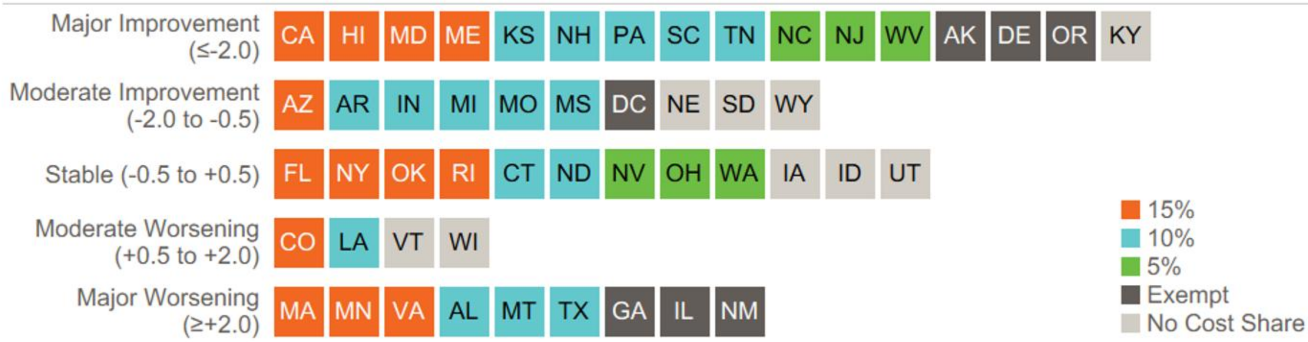
Guam and US Virgin Islands not included in graphic.

Guam is potentially subject to a 15% benefit cost share in FY28 based on its FY25 Payment Error Rate.

The U.S. Virgin Islands is not subject to the benefit cost share in FY28 because its FY25 Payment Error Rate was below 6%.

State SNAP Payment Error Rate Change from FY23 to FY25
– Magnitude and Year-Over-Year Trajectory –
by Maximum FY28 Benefit Cost Share Category

Magnitude of State Payment Error Rate Change FY23 to FY25



Year-Over-Year Trajectory in State Payment Error Rate FY23 to FY25