HOUSE COMMITTEE ON
AGRICULTURE
CHAIRMAN GT THOMPSON

HOLDING STATES ACCOUNTABLE: INCENTIVIZING A MORE *EFFICIENT* & *EFFECTIVE* SNAP PROGRAM

NEED FOR CHANGE:

Unlike every other State administered entitlement program, the SNAP benefit is 100 percent funded by the Federal government, resulting in minimal incentive for States to control costs, enhance efficiencies, and improve outcomes for recipients. Instead, we have seen States discourage work and expand benefits for those the program was not intended to serve.

In evaluating the previous six years, SNAP rolls have increased by 17 percent, from 36 million in 2019 to 42 million today, meanwhile the overall cost of the program has grown by 83 percent, ballooning from $60 billion to $110 billion annually.[1]

Despite a time limit and work requirement enshrined in law for Able-Bodied Adults Without Dependents (ABAWDs) on SNAP, only 28 percent of these individuals have earned income from work.[2] USDA and States have intentionally limited enforcement of the SNAP work requirement for ABAWDs through waivers, leaving 40 percent of these work-ready individuals today under a waiver of the ABAWD work requirement, remaining on the SNAP rolls long after the three-month time limit.

Moreover, the statutory gross monthly income limit is set at 130 percent of the Federal Poverty Line (FPL) for SNAP eligibility. The statute also specifies certain asset limits. Nonetheless, 44 States have opted into some form of Broad-Based Categorical Eligibility (BBCE), a loophole in the law that the Obama Administration exploited[3] to allow States to increase SNAP eligibility up to 200 percent of the FPL and waive asset limits entirely simply because an individual is receiving a brochure from another welfare program.[4] This loophole violates the income and asset limits set in the law by Congress.

Increasing SNAP caseloads have consequences for those this program was intended to serve. States, who administer the program, collectively make close to $13 billion per year in erroneous payments, both overpayments and underpayments, to participants in the SNAP program. Error rates for individual States range from over 60 percent to less than 5 percent, with a national average error rate of 11.68 percent, which has nearly doubled since 2019.[5] Moreover, the majority of SNAP State agencies are out of

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[1] https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap
[2] https://www.fns.usda.gov/research/snap/characteristics-fy22
[3] https://www.fns.usda.gov/snap/eligibility/BBCE-improving-access
[4] https://www.fns.usda.gov/snap/broad-based-categorical-eligibility
[5] https://www.fns.usda.gov/snap/qc/per

compliance with processing applications on time.[6] Federal law is clear: States must process SNAP applications within 30 days for most households, and seven days for those who are elderly or disabled. **This failure by the States means families in need are waiting too long for assistance.**

REFORMS:

Under current law, the federal government covers 100 percent of the cost of SNAP benefits ($1.12 trillion from 2026-2035) and 50 percent of the State administrative costs ($61.7 billion from 2026-2035) to run the program.

- **a.** As recommended by several outside groups and in President Trump's FY18 budget request[7], the Committee's reconciliation text implements a base five percent State benefit cost share in the SNAP program to begin in **Fiscal Year (FY) 2028** for all States. States with payment error rates of six percent or higher will have to contribute more. For States with error rates equal to or great than six percent but less than eight percent, the share will be 15 percent. For States with error rates equal to or greater than eight percent but less than 10 percent, the share will be 20 percent. And for States with error rates equal to or greater than 10 percent, the share will be 25 percent. The error rate that will determine the State's share of the SNAP benefit in FY2028 will be the FY26 error rate, which will be published by USDA in June of 2027**. Every single State has achieved an error rate below 6% in the last 10 years; federal policy should incentivize them to return to this behavior.**

- **b.** As was proposed in President Trump's FY21 budget request to Congress[8], the Committee's reconciliation text includes language to control administrative costs and increase efficiency in the State administration of the SNAP program. The Federal government currently reimburses 50 percent of State administrative costs to run the SNAP program with no cap. From 2021-2023, in response to the COVID pandemic, the Federal government reimbursed 100 percent of the State's administrative expenses. In 2025, State administrative expenses have not returned to pre-pandemic levels, and CBO projects Federal spending on SNAP administration to increase by 40 percent by 2035.[9] This section would reduce the uncapped Federal match on SNAP administrative expenses from 50 percent to 25 percent, **controlling costs and encouraging States to serve SNAP participants in a more efficient manner.**

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[6] https://www.fns.usda.gov/snap/qc/timeliness/letter#:~:text=I%20have%20committed%20USDA%20to,for%20those%20most%20in%20need; https://www.fns.usda.gov/snap/qc/timeliness

[7] https://www.aei.org/research-products/report/a-reform-framework-for-the-supplemental-nutrition-assistance-program/ ; https://epicforamerica.org/social-programs/food-stamps-a-culture-of-dependency/; https://www.usda.gov/sites/default/files/documents/32fnsexnotes2018.pdf

[8] https://www.usda.gov/sites/default/files/documents/32fns2021notes.pdf

[9] https://www.fns.usda.gov/pd/snap-state-activity-reports; https://www.cbo.gov/system/files/2025-01/51312-2025-01-snap.pdf

HYPOTHETICAL STATE COST-SHARE BASED ON DIFFERENT HISTORIC MEASURES

	Based on 2023 Error Rate	Based on 10-Year Average	Based on Pre-COVID (2010-2019) Average	Based on the Lowest Error Rate in Last 10 Years
Alabama	15%	5%	5%	5%
Alaska	25%	25%	5%	5%
Arizona	5%	15%	15%	5%
Arkansas	5%	15%	5%	5%
California	15%	15%	5%	5%
Colorado	20%	5%	5%	5%
Connecticut	25%	15%	15%	5%
Delaware	25%	20%	15%	5%
Florida	5%	5%	5%	5%
Georgia	20%	15%	5%	5%
Hawaii	15%	15%	5%	5%
Idaho	5%	5%	5%	5%
Illinois	20%	15%	5%	5%
Indiana	20%	15%	5%	5%
Iowa	25%	15%	15%	5%
Kansas	15%	5%	5%	5%
Kentucky	15%	5%	5%	5%
Louisiana	5%	5%	5%	5%
Maine	25%	20%	15%	5%
Maryland	20%	20%	5%	5%
Massachusetts	5%	5%	5%	5%
Michigan	25%	15%	15%	5%
Minnesota	20%	15%	15%	5%
Mississippi	15%	5%	5%	5%
Missouri	5%	15%	5%	5%
Montana	15%	15%	15%	5%
Nebraska	5%	5%	5%	5%
Nevada	15%	15%	15%	5%
New Hampshire	20%	15%	5%	5%
New Jersey	20%	15%	5%	5%
New Mexico	20%	15%	15%	5%
New York	15%	15%	5%	5%
North Carolina	5%	15%	5%	5%
North Dakota	5%	5%	5%	5%
Ohio	20%	5%	5%	5%
Oklahoma	20%	15%	5%	5%
Oregon	20%	20%	5%	5%
Pennsylvania	15%	15%	5%	5%
Rhode Island	25%	25%	25%	5%
South Carolina	5%	5%	5%	5%
South Dakota	5%	5%	5%	5%
Tennessee	15%	15%	5%	5%
Texas	15%	5%	5%	5%
Utah	5%	5%	5%	5%
Vermont	5%	5%	15%	5%
Virginia	25%	15%	5%	5%
Washington	5%	5%	5%	5%
West Virginia	15%	15%	15%	5%
Wisconsin	5%	5%	5%	5%
Wyoming	5%	5%	5%	5%