Federal Funds Information for States
444 North Capitol Street, NW
Suite 642
Washington, DC 20001
www.ffis.org

Budget Brief 25-10, July 10, 2025

One Big Beautiful Bill Act: Nutrition Provisions Affecting States

By Sydnee Pottebaum • spottebaum@ffis.org

Summary

The president has signed the "One Big Beautiful Bill Act" (OBBBA; P.L. 119-21), which includes significant changes to nutrition programs. These changes are projected to generate $195 billion in federal savings over 10 years, primarily through modifications to the Supplemental Nutrition Assistance Program (SNAP). Notable changes include:

- Requiring states to pay a portion of SNAP benefit costs
- Increasing the state share for administrative costs

Based on fiscal year (FY) 2024 state error rates, which reflect the accuracy of eligibility and benefit determinations, FFIS estimates an annual cost shift of $15 billion. This *Budget Brief* summarizes the SNAP changes and provides state estimates of the two provisions that will shift costs to states.

Matching Requirements

Benefits

Under current law, SNAP benefits are fully federally funded. The OBBBA requires states with an error rate of 6% or more to contribute at least 5% of total SNAP benefits, **beginning in FY 2028**. States with high error rates are granted an extension for implementation, as described below. Contributions would increase based on a state's error rate, which reflects the accuracy of their eligibility and benefit determinations.

The table below summarizes the cost share associated with various error rates.

Error Rate	State Cost Share
0-5.99%	0%
6-7.99%	5%
8-9.99%	10%
10% or more	15%

In FY 2028, states can choose to use their FY 2025 or FY 2026 error rate to determine their cost share. Beginning in FY 2029, state match rates will be calculated based on the error rate from three fiscal years prior (e.g., FY 2026 error rate for FY 2029 contribution).

States with High Error Rates. The bill includes delayed implementation for states with high error rates in FYs 2025 and 2026. Specifically, if a state's FY 2025 error rate when multiplied by 1.5 is 20% or more, the implementation date for that state will be FY 2029. If a state's FY 2026 error rate when multiplied by 1.5 is 20% or more, the implementation date will be FY 2030. Using FY 2024 error rates, FFIS compiled the following list of states that would qualify for delayed implementation:

Alaska	Massachusetts
District of Columbia	New Jersey
Florida	New Mexico
Georgia	New York
Maryland	Oregon

Table 1 at the end of this brief estimates state contributions based on 2024 spending and the various matching rates. Estimates do not account for delayed implementation for qualifying states. Depending on final matching rates, states would contribute between $0 and $14.1 billion for benefits annually. Using FY 2024 error rates, states would contribute an estimated $11.6 billion for benefits annually. The estimates assume benefits are continued at their current levels.

Puerto Rico, American Samoa, and the Northern Mariana Islands do not receive SNAP benefits and instead receive annual block grants, which the bill does not change.

As shown in the table below, 20 states and the District of Columbia had error rates greater than 10% in 2024 while only eight states and the Virgin Islands had error rates less than 6%.

2024 Error Rates for States/Territories

0-5.99%	6-7.99%	8-9.99%	10% or more
Idaho	Hawaii	Alabama	Alaska
Nebraska	Iowa	Arizona	California
Nevada	Louisiana	Arkansas	Connecticut
South Dakota	New Hampshire	Colorado	Delaware
Utah	North Dakota	Indiana	District of Columbia
Vermont	Washington	Kansas	Florida
Wisconsin		Kentucky	Georgia
Wyoming		Michigan	Illinois
Virgin Islands		Minnesota	Maine
		Missouri	Maryland
		Montana	Massachusetts
		Ohio	Mississippi
		South Carolina	New Jersey
		Tennessee	New Mexico
		Texas	New York
		West Virginia	North Carolina
		Guam	Oklahoma
			Oregon
			Pennsylvania
			Rhode Island
			Virginia

Administrative Costs

While states do not currently pay for benefits, they do run the program and receive a 50% federal reimbursement for administrative costs. The OBBBA reduces the federal share from 50% to 25%, requiring states to pay 75% of SNAP administrative costs **beginning in FY 2027**.

Table 2 provides estimates of the total increase in state costs for both administration and benefits (using 2024 error rates to estimate benefit cost shares), based on FY 2024 spending. The administrative cost increase totals more than $3.5 billion each year, and the total cost shift to states exceeds $15 billion.

Other Provisions

The bill includes several additional nutrition provisions. These include:

- **Adjustments to the Thrifty Food Plan (TFP)** – The TFP determines the SNAP benefit allotment made to families. Currently, adjustments can be made to the TFP every five years based on reevaluations of the market baskets of current food prices, food composition data, consumption patterns, and dietary guidance. The OBBBA only allows annual adjustments to the TFP on October 1 based on the Consumer Price Index for All Urban Consumers. **This provision became effective upon enactment of the law.**

- **Able Bodied Adults Without Dependents (ABAWD) Work Requirements** – The law:
  - Expands the ABAWD work requirement age to 64 (from 54)
  - Narrows the work requirement exemption for caregivers and parents by changing the definition of “dependent child” from under 18 years of age to under 14
  - Carves out an exception to work requirements for a married person responsible for a child 14 years of age or older and residing with an individual who complies with SNAP work requirements
  - Exempts individuals who are eligible for the Indian Health Services

  This provision became effective upon enactment of the law.

- **ABAWD Waivers** – The law provides waivers for **Alaska** and **Hawaii** until December 31, 2028, if their unemployment rate is equal to or greater than 1.5 times the national rate, and the state is making a good faith effort to implement work requirements. **This provision became effective upon enactment of the law.**

- **Low Income Home Energy Assistance Program (LIHEAP) Payments in Determining SNAP Benefits** – The OBBBA restricts the use of LIHEAP payments of $20 or more to automatically qualify for the standard utility allowance in determining SNAP benefit amounts to households with elderly or disabled members. Previously, all households qualified. **This provision became effective upon enactment of the law.**

- **Household Internet Costs in Determining SNAP Benefits** – The bill prohibits the use of household internet costs from being used in computing the excess shelter expense deduction for SNAP benefits. **This provision became effective upon enactment of the law.**

- **Expiration of the National Education and Obesity Prevention Grant Program** – The bill allows the program, also known as SNAP-Ed, to expire after FY 2025. In FY 2024, states received $524 million to provide nutrition education and obesity prevention services to eligible individuals. **This provision becomes effective in FY 2026.**

- **Citizenship Requirements for SNAP Eligibility** – The provision limits SNAP benefits to individuals who reside in the United States and are 1) citizens or lawful permanent residents; 2) immigrants who have been lawfully admitted for permanent residence; 3) immigrants who have been granted the status of Cuban or Haitian entrant; or 4) individuals who are lawfully residing in the country in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau. **This provision became effective upon enactment of the law.**

- **The Emergency Food Assistance Program (TEFAP)** – The provision extends $4 million annually in mandatory funding through FY 2031 to carry out federal projects aimed at reducing food waste, providing food to individuals in need, and building relationships in agriculture.

According to estimates from the Congressional Budget Office, the federal savings from the various nutrition provisions are summarized below.

Nutrition Provisions in the OBBBA
($ in millions)

Section	Provision	10-Year Federal Savings
10102	SNAP ABAWD Work Requirements and Waivers	$68,600
10105	SNAP Benefit Cost Share Requirements	40,040
10101	Adjustments to the Thrifty Food Plan	37,300
10106	SNAP Administrative Costs Matching Requirement	24,660
10104	Limiting Internet Costs in Determining SNAP Benefit Allotments	10,980
10103	Limiting LIHEAP Payments in Determining SNAP Benefit Allotments	5,940
10107	Expiration of National Education and Obesity Prevention Grant Program	5,470
10108	SNAP Eligibility Citizenship Requirements	1,904
10603	TEFAP Funding Extension	-28
	Total	**$194,866**

Next Steps

The OBBBA was signed into law on July 4. If states are unable to meet the increased costs of SNAP administration and the new required cost share, they may choose to restrict the population eligible for SNAP or leave the program altogether. States with high error rates in FY 2025 and FY 2026 may not be subject to the required cost share until FY 2029 or FY 2030. SNAP changes in the OBBBA place additional burdens on already constrained state budgets, and states should prepare accordingly.

Back to Text

Table 1

State Share of SNAP Benefits Based on Error Rate Percentages

($ in thousands)

		State Share of Benefit Costs			
State	**FY 2024 Benefits**	**5% match**	**10% match**	**15% match**	**Based on FY 2024 Error Rate**
Alabama	$1,733,694	$86,685	$173,369	$260,054	$173,369
Alaska	250,803	12,540	25,080	37,620	37,620
Arizona	2,015,194	100,760	201,519	302,279	201,519
Arkansas	549,666	27,483	54,967	82,450	54,967
California	12,377,175	618,859	1,237,718	1,856,576	1,856,576
Colorado	1,303,173	65,159	130,317	195,476	130,317
Connecticut	892,820	44,641	89,282	133,923	133,923
Delaware	254,854	12,743	25,485	38,228	38,228
District of Columbia	319,119	15,956	31,912	47,868	47,868
Florida	6,604,797	330,240	660,480	990,720	990,720
Georgia	3,276,442	163,822	327,644	491,466	491,466
Hawaii	731,331	36,567	73,133	109,700	36,567
Idaho	281,230	14,062	28,123	42,185	0
Illinois	4,469,342	223,467	446,934	670,401	670,401
Indiana	1,434,112	71,706	143,411	215,117	143,411
Iowa	528,905	26,445	52,891	79,336	26,445
Kansas	408,410	20,421	40,841	61,262	40,841
Kentucky	1,150,201	57,510	115,020	172,530	115,020
Louisiana	1,902,468	95,123	190,247	285,370	95,123
Maine	363,839	18,192	36,384	54,576	54,576
Maryland	1,498,979	74,949	149,898	224,847	224,847
Massachusetts	2,617,667	130,883	261,767	392,650	392,650
Michigan	3,061,362	153,068	306,136	459,204	306,136
Minnesota	856,342	42,817	85,634	128,451	85,634
Mississippi	842,267	42,113	84,227	126,340	126,340
Missouri	1,512,571	75,629	151,257	226,886	151,257
Montana	169,447	8,472	16,945	25,417	16,945
Nebraska	331,710	16,586	33,171	49,757	0
Nevada	1,006,690	50,334	100,669	151,003	0
New Hampshire	154,255	7,713	15,425	23,138	7,713
New Jersey	1,925,845	96,292	192,585	288,877	288,877
New Mexico	1,028,091	51,405	102,809	154,214	154,214
New York	7,353,984	367,699	735,398	1,103,098	1,103,098
North Carolina	2,936,249	146,812	293,625	440,437	440,437
North Dakota	111,449	5,572	11,145	16,717	5,572
Ohio	3,177,572	158,879	317,757	476,636	317,757
Oklahoma	1,506,223	75,311	150,622	225,933	225,933
Oregon	1,596,585	79,829	159,659	239,488	239,488
Pennsylvania	4,268,082	213,404	426,808	640,212	640,212
Rhode Island	343,484	17,174	34,348	51,523	51,523
South Carolina	1,293,585	64,679	129,358	194,038	129,358
South Dakota	180,196	9,010	18,020	27,029	0
Tennessee	1,623,231	81,162	162,323	243,485	162,323
Texas	7,210,896	360,545	721,090	1,081,634	721,090
Utah	382,660	19,133	38,266	57,399	0
Vermont	147,197	7,360	14,720	22,080	0
Virginia	1,765,641	88,282	176,564	264,846	264,846
Washington	1,920,375	96,019	192,038	288,056	96,019
West Virginia	565,648	28,282	56,565	84,847	56,565
Wisconsin	1,363,922	68,196	136,392	204,588	0
Wyoming	56,702	2,835	5,670	8,505	0
Virgin Islands	70,458	3,523	7,046	10,569	0
Guam	119,036	5,952	11,904	17,855	11,904
Total	**$93,845,973**	**$4,692,299**	**$9,384,597**	**$14,076,896**	**$11,559,696**

Source for FY 2024 Benefits: USDA Food and Nutrition Service

Back to Text

Table 2

Increased Annual State Costs Based on FY 2024 Error Rates

($ in thousands)

State	Benefits	Administration	Total
Alabama	$173,369	$39,758	$213,127
Alaska	37,620	6,051	43,671
Arizona	201,519	46,549	248,068
Arkansas	54,967	37,171	92,137
California	1,856,576	882,314	2,738,890
Colorado	130,317	60,720	191,037
Connecticut	133,923	53,106	187,029
Delaware	38,228	16,000	54,228
District of Columbia	47,868	19,774	67,641
Florida	990,720	58,903	1,049,623
Georgia	491,466	79,139	570,605
Hawaii	36,567	21,572	58,138
Idaho	0	6,059	6,059
Illinois	670,401	111,775	782,176
Indiana	143,411	53,431	196,842
Iowa	26,445	13,795	40,240
Kansas	40,841	19,741	60,582
Kentucky	115,020	66,827	181,847
Louisiana	95,123	56,415	151,538
Maine	54,576	10,935	65,511
Maryland	224,847	68,205	293,051
Massachusetts	392,650	63,660	456,310
Michigan	306,136	84,841	390,977
Minnesota	85,634	55,396	141,030
Mississippi	126,340	19,453	145,793
Missouri	151,257	50,884	202,141
Montana	16,945	8,412	25,357
Nebraska	0	17,431	17,431
Nevada	0	25,169	25,169
New Hampshire	7,713	6,529	14,242
New Jersey	288,877	122,413	411,290
New Mexico	154,214	21,309	175,522
New York	1,103,098	266,026	1,369,124
North Carolina	440,437	96,242	536,679
North Dakota	5,572	8,962	14,534
Ohio	317,757	97,867	415,624
Oklahoma	225,933	40,230	266,163
Oregon	239,488	118,338	357,825
Pennsylvania	640,212	145,449	785,661
Rhode Island	51,523	15,760	67,282
South Carolina	129,358	24,528	153,886
South Dakota	0	7,590	7,590
Tennessee	162,323	77,290	239,613
Texas	721,090	114,925	836,014
Utah	0	14,817	14,817
Vermont	0	8,393	8,393
Virginia	264,846	123,526	388,372
Washington	96,019	87,805	183,824
West Virginia	56,565	13,351	69,915
Wisconsin	0	54,105	54,105
Wyoming	0	7,031	7,031
Virgin Islands	0	2,959	2,959
Guam	11,904	1,911	13,814
Total	**$11,559,696**	**$3,530,829**	**$15,090,525**

*The calculation for increased administrative costs includes fundings for the Nutrition Education and Obesity Prevention Grant Program ($524 million in FY 2024) and Employment and Training ($663 million in FY 2024); however, these are not subject to the match increase.