State by State Analysis of the SNAP Administrative Cost Shift:

Over 2/3's of States Will Not Close the Gap

Under the One Big Beautiful Bill Act (H.R. 1), the federal share of SNAP administrative costs for states will be reduced by 50% from 50% to 25% of the total, requiring states to cover 75% of SNAP administrative costs starting October 1, 2026, the start of federal fiscal year (FFY) 2027. The USDA estimated in its Regulatory Impact Analysis that federal administrative spending on the SNAP program will decrease by about $16.9 billion over FFYs 27 to 31 and assumes the shift will have a negligible impact on SNAP benefit spending and participation. In other words, USDA assumes that administration spending will be absorbed by states with no effect on low-income SNAP recipients including how quickly states process applications.

USDA's baseline for state cost estimates is the same as the FFY 27 President's budget request, which was developed by aggregating state reported administrative expense for the most recent fiscal year available. USDA failed to acknowledge that most state fiscal years (SFY) run from July through June, rather than October through September. Many states' SFY 27 SNAP administrative costs cover three months of the previous 50%/50% cost share and nine months at the new 25%/75% cost share. Many states also have biennial budgets passed before the SNAP reductions in federal share administrative costs were enacted, thereby underestimating the impact on states.

USDA acknowledged that its assumption of the administration cost shift having a negligible impact may not hold in practice and recognized that states may need to reduce administrative spending. USDA also acknowledged that this could lead to longer wait times for SNAP application or delays in certifications and recertifications, and increased error rates caused by reduced anti-fraud efforts. States must balance their budgets and are unable to run deficits. Insufficient state funding for SNAP administrative costs could lead state lawmakers to raise taxes or fees, cut funds for other priorities or reduce SNAP access or tighten eligibility rules.

Nearly 70% of states (37 states) that have increased their SNAP administrative funding in response to the law are still below the USDA's estimated annual increase in state spending for SFY 27. Nine states still have not increased their SNAP administrative funding for SFY 27 (19%), while two states and territories have made increases, the amount of which is unclear due to lack of information from the state government.

State	USDA Estimated Increase in Annual State Spending Due to Reimbursement Rate Change (Average FFY 27 to FFY 31) (dollars in millions)	SFY 27 Enacted Budget (dollars in millions)	Difference in SFY 27 Enacted Budget and Estimated Increase in Annual Spending

			(dollars in millions)
Alabama	$41.96	$35[1]	($6.96)
Alaska	$8.16	$7.99	($0.17)
Arizona	$41.92	$31.80	($10.12)
Arkansas	$27.57	$0	($27.57)
California	$821.22	$344.88	($476.34)
Colorado	$53.44	$10.96	($42.48)
Connecticut	$50.53	$12.63[2]	($37.9)
Delaware	$14.08	Unknown[3]	
District of Columbia	$20.29	$36	$15.71
Florida	$59.60	$38	($21.60)
Georgia	$76.83	$46.30	($30.53)
Guam	$1.52	$1.7[4]	$0.18
Hawaii	$19.72	$13.40	($6.32)
Idaho	$6.13	$4.32	($1.81)
Illinois	$101.69	$0	($101.69)
Indiana	$61.80	$0	($61.80)
Iowa	$17.08	$8.70	($8.38)
Kansas	$18.32	$12.10	($6.22)
Kentucky	$67.11	$43.50	($23.61)
Louisiana	$51.73	$42.30	($9.43)
Maine	$8.78	$2.97	($5.81)
Maryland	$72.68	$43.12	($29.56)
Massachusetts	$60.96	$0	($60.96)
Michigan	$120.69	$94.30	($26.39)
Minnesota	$55.14	$10.70	($44.44)
Mississippi	$18.53	$15	($3.53)

[1] Commissioner of Alabama Department of Human Resources request for FY 2027
[2] SFY 2027 only covers ¾ of FFY 2027. Connecticut passed $50 million in additional funding in its Federal Cuts Response Fund, but it is unclear how much finding will be used to cover reduced federal funding for SNAP administrative Costs
[3] Partners report that the state legislature increased SNAP administrative funding for SFY 2027, but the exact number is not clear. According to Delaware Department of Health and Social Services Budget Development document, they recommend an increase of $461,500 for FY 2027 SNAP state administration funding.
[4] Guam's SFY 2027 budget request includes a $1.7 million increase for SNAP administrative costs. It is unclear whether the enacted budget includes that amount.

Missouri	$38.58	$29.30	($9.28)
Montana	$8.88	$0	($8.88)
Nebraska	$17.88	$11.25	($6.63)
Nevada	$25.50	$19.42	($6.08)
New Hampshire	$6.88	$0	($6.88)
New Jersey	$113.65	$61	($52.65)
New Mexico	$20.01	$37	$16.99
New York	$262.12	$0	($262.12)
North Carolina	$98.67	$0	($98.67)
North Dakota	$8.24	$0	($8.24)
Ohio	$85.27	$12.50	($72.77)
Oklahoma	$34.65	$25.50	($9.15)
Oregon	$85.20	$54.40	($30.80)
Pennsylvania	$138.30	$87	($51.30)
Rhode Island	$15.96	$9.30	($6.66)
South Carolina	$21.17	$34.06	$12.89
South Dakota	$7.36	$5.50	($1.86)
Tennessee	$84.90	$58.30	($26.60)
Texas	$124.78	$0	($124.78)
Utah	$15.28	$9.98	($5.30)
Vermont	$7.37	$4.30	($3.07)
Virgin Islands	$2.55	To be determined	
Virginia	$116.17	$43	($73.17)
Washington	$73.37	$45.70	($27.67)
West Virginia	$15.15	$13.50	($1.65)
Wisconsin	$45.03	$32.34	($12.69)
Wyoming	$4.83	$850,671	($3.98)

Only two states (South Carolina and New Mexico) and two territories (Washington, DC and Guam) have increased their SNAP budgets to sufficiently cover the estimated increase in administration spending for SFY 27. Of all states and territories (those that have and have not increased their budgets) that will not have sufficient budget for the increase in SNAP administrative spending, 22 will face a deficit of less than $10 million, while 24 will face a deficit of $10 million or greater. There are 11 states that will face a SNAP budget deficit of over $50 million. The states with the largest deficits in funding for SFY 27 are California (-$476.34 million), New York (-$262.12 million) and Texas (-$124.78 million). States covering 75% of administrative costs for SNAP will need to do more with less as agencies implement operational changes under H.R. 1, which requires states to redesign eligibility systems, implement expanded work documentation requirements, and increase anti-fraud measures.