

# Preliminary MLRI Analysis: SNAP Cuts Proposed by House Agriculture Committee, Harm to Massachusetts

Proposed Budget Reconciliation <u>language</u> would severely cut SNAP and harm millions of households - including 1 in 6 MA residents. See Governor Healey's May 15 press release calling on Congress to reject SNAP cuts <u>here.</u>

#### 1. State Cost Requirement

See *Appendix A* for more information, including an additional proposal to worsen accuracy of the error rate system.

Section	What it would do	Massachusetts impact
10007	Starting immediately upon passage, states would be responsible for 75% of administrative costs (versus 50%).	For state fiscal year 2026, according to the Healey Administration this would cost Massachusetts about <u>\$53</u> <u>million/year.</u>
10006	Starting FY2028, all states would be required to pay 5% of SNAP benefits. If a state has a payment error rate of between 6 and 8% the state cost requirement increases to 15%. Between 8 and 10% it increases to	If a 5% state cost requirement were in place now in Massachusetts, according to the Healey Administration it would cost the state \$131 million/year.
	20%. If the error rate is 10% or higher, the state share is 25%.	In FY23 MA <u>had an error rate of 9.86%.</u> <sup>1</sup> If MA needed to provide 20% of SNAP benefits, it would cost <b>\$529</b> <b>million/year.</b>
	(Note the bill proposes a \$0 error rate threshold - which would artificially inflate the error rate. See Appendix A).	For context, in 2024 universal free school meals cost Massachusetts about \$180 million.

#### 2. Cuts SNAP By Preventing Future Updates to Benefit Amount

Section	What it would do	Massachusetts impact
10001	In the 2018 Farm Bill, Congress directed USDA to re-evaluate the underlying food costs used for SNAP benefit amounts (the "Thrifty Food	SNAP grants are still too low. Across MA, on average the cost of a meal is <u>45%</u> <u>higher<sup>2</sup></u> than the SNAP benefit. Freezing

<sup>1</sup> In FY23 the national average was 11.68%. Most states had error rates higher than pre-pandemic levels due to unwinding from federal pandemic flexibilities. For nearly 20 years prior to COVID, MA's error rate was consistently between about 3-5%. See Appendix A for more information about the error rate.

<sup>2</sup> See Urban Institute analysis by county in Massachusetts.

Plan"). As a result, in 2021 USDA updated the Thrifty Food Plan for the first time in 50 years.	the Thrifty Food Plan will, over time, lead to SNAP grants that become more
SNAP benefits are now based on scientific	and more inadequate and out of step
nutrition standards, modern food prep, and	with modern life for low income
food costs. <u>SNAP increased an average of</u>	Massachusetts families.
<u>\$1.40/person/day.</u>	
	Freezing the Thrifty Food Plan cuts SNAP
The proposal prohibits USDA from making	for every MA SNAP household in the
future increases to the cost of the Thrifty	future (currently, <u>1 in 6 residents</u> - about
Food Plan - essentially freezing SNAP benefit	665,000 households - are on SNAP).
amounts outside of a cost of living	
adjustment, without regard for future changes	
to nutrition standards, food purchasing	
patterns, or systemic changes in food costs.	

## 3. Bars SNAP Benefits for Thousands of Legally Present Immigrants

Section	What it would do	Massachusetts impact
10012	Bars all legally present "qualified" immigrants who are not Lawful Permanent Residents (LPRs) from receiving SNAP. This includes low-income legally present immigrants who have long qualified for SNAP under the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193) - such as immigrants granted asylum, refugee status, withholding of deportation, Cuban and Haitian entrants, humanitarian parolees, and conditional entrants. <b>Note</b> : Federal SNAP law already imposes a 5 year waiting period on many LPRs, parolees, and battered/VAWA immigrants - with the exception of LPR children and severely disabled LPR adults (2002 Farm Bill, P.L. 107-171). Undocumented immigrants, Temporary Protected Status, victims of violence (U visas),	The House proposal would primarily harm immigrants granted legal status on the basis of a well-founded fear of persecution and/or fleeing war torn countries, including refugees. MLRI projects this could harm <b>20,000 to</b> <b>25,000 legally present immigrants</b> residing in MA. <sup>3</sup>

<sup>&</sup>lt;sup>3</sup> <u>USDA's FFY23 Characteristics of State Plans, Table B-16</u> identified that of the 1 million MA SNAP recipients, 974,000 are US citizens (US born and naturalized); 11,000 are refugees and 57,000 were "other non-citizens" include LPRs, asylees, humanitarian parolees, Cuban/Haitian entrants etc. USDA's FFY23 report does not break down participation further.

Deferred action and others have never been	
SNAP eligible.	

## 4. Vastly Expands Failed Work Requirements (Time-Limited SNAP Benefits)

#### See Appendix B for more information.

Section	What it would do	Massachusetts impact
Section 10002	<ul> <li>Expands existing harsh and ineffective</li> <li>3-month time limit to include:</li> <li>parents or grandparents of children 7 or older, unless caring for the child while both married to and living with an adult meeting the work rules.</li> <li>older adults until they turn 65.</li> <li>Current law excludes all families with children under 18 and subjects older adults to the time limit until their 55th birthday.</li> </ul>	Massachusetts impact Would put about 230,000 MA residents - including older adults and children - at <u>risk</u> of losing some or all of their household's SNAP benefits (click here to see breakdown by state and also Congressional district). This group is about 25% of the Massachusetts SNAP caseload.
	Congress expanded the time limit to include adults ages 50-54 in the Fiscal Responsibility Act of 2023, and added new exemptions for adults who are homeless, veterans, or under 24 and were in foster care when they turned 18. Congress sunset the expanded age range and new exemptions on October 1, 2030. The proposed language would make the age and parent/grandparent expansions permanent. It would not make the FRA's three exemptions permanent - those would still sunset on October 1, 2030.	

10003	Severely restricts the options states have to waive the time limit in areas with elevated rates of unemployment. Every state in the country has elected this option in the past. The proposed language would only allow states to choose to pursue this waiver if a county had an unemployment rate of over 10 percent - risking significant harm if the state experiences a recession or local economic downturn.	Massachusetts has qualified for waivers of the time limit in areas of the state with elevated rates of unemployment every year since 2016 (except when the time limit was suspended nationwide due to the Great Recession or COVID-19 pandemic). <u>Currently a number of areas</u> with elevated rates of unemployment are waived. Right now, the only MA county with an unemployment rate over 10% is <u>Nantucket county</u> . But adults contend with elevated unemployment rates in many MA cities and towns. <sup>4</sup> And, MA has 14 counties of varying geographic size. Within each county cities and towns face vastly different economic situations. <b>Thousands of vulnerable MA adults</b> would be at risk of losing SNAP if this proposal became law.
10003	DTA has an option called "discretionary months" it can use to selectively exempt individuals from the time limit for a single month at a time. The proposal reduces this bucket from a number that equals 8 percent of the individuals required to meet the time limit rules to 1 percent. Congress has repeatedly slashed this state tool (from 15 percent to 12 percent in the 2018 Farm Bill, and from 12 percent to 8 percent in the Fiscal Responsibility Act of 2023).	This would harm DTA's ability to selectively extend the time limit for certain vulnerable adults. For example, in the past - with the goal of ensuring participants could graduate with meaningful job skills - DTA applied these months to adults enrolled in a DTA employment and training program for less than 20 hours a week. A 1 percent pool would essentially eliminate this option for Massachusetts.

<sup>&</sup>lt;sup>4</sup> For example, the Department of Labor has 5 MA cities and towns listed as <u>Labor Surplus Areas</u> (meaning they had a two year unemployment rate of 6% or higher): Lawrence (6.4%), Provincetown (12%), Springfield (6.1%), Truro (8.3%), and Wellfleet (6.2%). Under current law, DTA can seek to waive the time limit in LSAs. Under the proposed language, residents in all of these areas would be subject to the punitive rules, and likely be cut-off from SNAP despite facing a weak job market where they live.

10008	Expands the "general work requirements" to	These red-tape laden rules increase
	include older adults ages 60 through 64.	administrative complexity for DTA and
		risks harm for older adults.

# 5. Narrows State Option to Calculate Utilities and Bars Internet Costs

Section	What it would do	Massachusetts impact
10004	<ul> <li>Reduces a state option to calculate shelter costs based on household eligibility for fuel assistance. Utility costs ("Standard Utility Allowance" or SUA) are part of the costs of living that impact the monthly SNAP benefit amount.</li> <li>Massachusetts uses a state option in current federal law to simplify SUA administration. This option allows DTA to apply a higher SUA to households who incur heating or air conditioning costs, or who receive fuel assistance.</li> <li>The proposal would limit the use of this option for fuel assistance recipients to only SNAP households with at least one member who is 60 or older or receiving a disability benefit.</li> </ul>	Would increase administrative burdens for DTA and risk underpayments to eligible working families and other struggling households who can't navigate the red tape of telling DTA about their specific utility costs. It may result in a SNAP cut for thousands of working families.
10005	After an extensive regulatory process, in 2024 USDA acted on a number of public comments by adding internet costs as a relevant part of the SUA. Federal and state agencies recognize internet access is critical in the modern world for low-income households to look for work and participate in school or training programs. The proposal would eliminate this regulation improvement and prohibit states from counting internet costs in the SUA.	Barring internet costs from impacting the SNAP math is a harmful and outdated approach that may cause a small SNAP cut for thousands of Massachusetts working families.

Section	What it would do	Massachusetts impact
10009	May delay applicants who were getting SNAP in another state and moved from accessing other benefits the state SNAP agency administers. The proposal does not address how to improve bureaucracy to make sure people who move can readily close their case in the state they left in order to open a new case in the state they moved to.	This proposal could prevent eligible Massachusetts residents from timely receiving TAFDC or EAEDC cash benefits in addition to SNAP - even after they have verified Massachusetts residency.

## 6. Delays Benefits for Applicants Who Recently Moved Between States

## 7. Eliminates SNAP Nutrition Education

Section	What it would do	Massachusetts impact
10011	Eliminate the Nutrition education and obesity prevention grant program	DTA administers <u>a SNAP Nutrition</u> <u>Education program</u> , connecting SNAP families to nutrition resources and services. The program would be eliminated.

### Appendix A: Additional information on the threat of a state cost requirement

- Unprecedented state cost requirement would harm SNAP's effectiveness for generations. SNAP benefits have been paid 100% by the federal government since the modern program was created in 1977 - nearly 50 years ago. Administration of the program is a 50/50 cost share. Dumping costs onto states will seriously undermine the program's role as the nation's foremost anti-hunger, anti-poverty program.
- Because Massachusetts must balance its budget, dumping SNAP costs onto the state will force Massachusetts to cut funding for other priorities to fund SNAP, further shrink already tight eligibility rules, and/or harm its commitment to closing participation gaps and reaching eligible households.
  - A Coalition of advocates in Massachusetts has worked for years to establish a common application and more easily connect eligible households to SNAP. A state cost requirement disincentives Massachusetts from closing participation gaps and making sure as many eligible families as possible are connected to SNAP. When more eligible families participate, the state must pony up more funds. This requirement would undercut SNAP's essential role combating hunger and poverty, and the <u>ways it acts as a</u> <u>stabilizing force during recessions and economic downturns.</u>

- Perversely, requiring states to pay more to administer the program in the short term will likely
  increase error rates by FY28. Requiring states to pay more to run the program means states will
  have to shrink their overall administrative costs this means <u>fewer workers</u>, fewer IT
  improvements, and worse customer service.
  - The vast majority of errors are from mistakes made by workers or clients trying to follow extremely complex rules. Most states are facing staffing challenges due to high turnover, inadequate investment, and high levels of need. DTA is already struggling to meet the needs of Massachusetts residents. For example, in February and March 2025 about 70% of calls trying to reach a SNAP worker were automatically disconnected due to high call volume.<sup>5</sup>
    - Massachusetts needs to invest in staffing and IT improvements, but additional administrative costs and a benefit cost requirement will undercut the state's ability to invest in the program.
    - Federal disinvestment places significant pressure on DTA and *expands* the workload and capacity issues that cause mistakes, rather than reducing them.<sup>6</sup>
- Major reductions to FNS staffing further harm the ability of states and federal government to work together to address the root cause of errors. Many USDA Food and Nutrition Service staff with SNAP expertise were fired by the Trump Administration or took resignation packages. The federal government's technical expertise and oversight needed to reduce errors is now sorely lacking.
- The error rate ("Quality Control" or QC) disregards overpayments and underpayments below a low threshold this is called the "error tolerance threshold." In FY25, the threshold amount is \$57. Starting FY26, Sec. 10010 would eliminate the threshold (by reducing it to \$0). This would mean DTA has an error even in cases where a mistake caused a \$1 or \$2 dollar over or under issuance. Running the QC system without a reasonable error tolerance threshold is a foolish and unnecessary waste of state administrative resources and, because it does not actually reflect systemic problems, it would artificially increase the error rate (increasing the state cost requirement).
  - In addition to the harm of Sec. 10010, FNS establishes regulations and policies that have the potential to change the error rate by changing the way cases are sampled and statistical analysis is conducted. This means that the administration could take steps to change how it calculates errors, and - misleadingly - inflate the error rate (resulting in even higher state cost percentages).

<sup>&</sup>lt;sup>5</sup> DTA Performance Scorecards

<sup>&</sup>lt;sup>6</sup> If a state has an elevated error rate that exceeds the national average by more than 105% for two consecutive fiscal years, FNS will apply a fiscal sanction. Historically, when FNS applied a sanction ("error rate liability"), it allowed states to invest half the amount of the sanction into program improvements to reduce the error rate, and waived the second half if the state successfully reduced its error rate. Essentially charging states significantly more in a state cost requirement when error rates are elevated entirely upends this system that has served the program well for decades.

# Appendix B: Additional information on the vast expansion of SNAP work requirements

- The House Agriculture committee has proposed the most drastic <u>expansion of SNAP Work</u> <u>Requirements (SNAP time limit)</u> since the time limit was created by the 1996 Welfare Reform law. <u>Decades of evidence show work requirements:</u>
  - Ignore systemic barriers in the labor market. The proposed expansion does nothing to create good, consistent jobs, expand training programs, or provide affordable, accessible child care.
  - Increase hunger and poverty for adults struggling to get and stay connected to good jobs. In Massachusetts, the 3 month time limit caused about 35,000 vulnerable adults to lose SNAP between 2016 and 2019.
  - Create massive red-tape and burden that undermines employment and terminates SNAP for adults who should be exempt from the rules. <u>DTA told the prior Trump</u>
     <u>Administration</u>: "Massachusetts' experience with the ABAWD authority and rules is that they pose a barrier to meaningful engagement with SNAP clients and require that Case Managers use their time trying to understand, communicate and comply with ABAWD rules rather than using their time to engage with clients, help them set meaningful employment goals and support them to find appropriate training and job readiness opportunities."
- Congressional Republicans falsely imply a job market county-wide is accessible for unemployed and underemployed adults - but are simply seeking to cut vulnerable Massachusetts adults off from SNAP.