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INSIGHT

Senate Committee Considers a Farm Bill Draft that Would Change the Upcoming State Sharing of SNAP Benefit Costs

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The Senate Agriculture Committee is considering legislation that would delay the onset of state sharing of Supplemental Nutrition Assistance Program (SNAP) benefit costs by one year, to begin October 1, 2028 (FY2029). It would also increase the maximum share of SNAP benefits that states with the highest payment error rates would have to pay from 15% to 20% beginning with FY2031.

The changes to SNAP cost-sharing are part of a proposed 2026 farm bill considered by the committee on August 6, 2026. The committee did not advance the bill to the full Senate; it recessed before concluding its consideration of the bill. The House-passed 2026 farm bill (H.R. 7567) has no such provision. The proposal has other significant changes to the nutrition title of the farm bill in the latest draft compared to the version published June 23, though these other changes are not discussed in this Insight.

SNAP Federal and State Financing

Historically, SNAP benefits have been 100% federally financed, though the program is administered by the states. Administrative costs have been split about 50%-50% between the federal government and the states.

The FY2025 budget reconciliation law (P.L. 119-21) newly requires a state that has a *payment error rate* of 6% or more to pay a share of SNAP benefits in the state. The payment error rate is an estimate of the dollar value of both over- and under-payments to households divided by total benefit payments in a state. The estimate comes from the SNAP *quality control system*, which takes a sample of households from each state and determines the accuracy of their SNAP eligibility and benefit determination. The FY2025 reconciliation law provision basing SNAP cost-sharing on payment error rates is in addition to financial liabilities from high error rates that were in pre-existing law.

Under the FY2025 reconciliation law provision, the percentage of benefit costs a state is required to pay depends on the state's payment error rate. **Table 1** shows the cost-sharing schedule. The benefit cost-sharing is scheduled to start October 1, 2027 (beginning of FY2028), though it is delayed for certain states with high payment error rates (see below).

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Table 1. State Share of SNAP Benefit Costs Based on the State Payment Error Rate, under Current Law

Payment Error Rate	State Share of SNAP Benefit Costs
0% to 5.99%	0%
6.00% to 7.99%	5%
8.00% to 9.9%	10%
10.00% or more[a]	15%

Source: CRS, based on the Food and Nutrition Act as amended by P.L. 119-21.

a. States with estimated payment error rates of 13.33% in FY2025 have their cost-sharing delayed to FY2029; states with estimated payment error rates of 13.33% or higher in FY2026 have their cost-sharing delayed to FY2030.

The FY2028 benefit cost-sharing percentage will be based on the lowest payment error rates from FY2025 or FY2026. For FY2029 and subsequent years, the benefit cost-sharing percentage will be based on the payment error rate for the third preceding fiscal year.

Under current law, the onset of cost-sharing can be delayed if a state's error rate is sufficiently high. States with estimated FY2025 payment error rates of 13.33% or higher have cost-sharing delayed until October 1, 2028 (FY2029). States with estimated FY2026 payment error rates of 13.33% or higher will have state cost-sharing delayed until October 1, 2029 (FY2030).

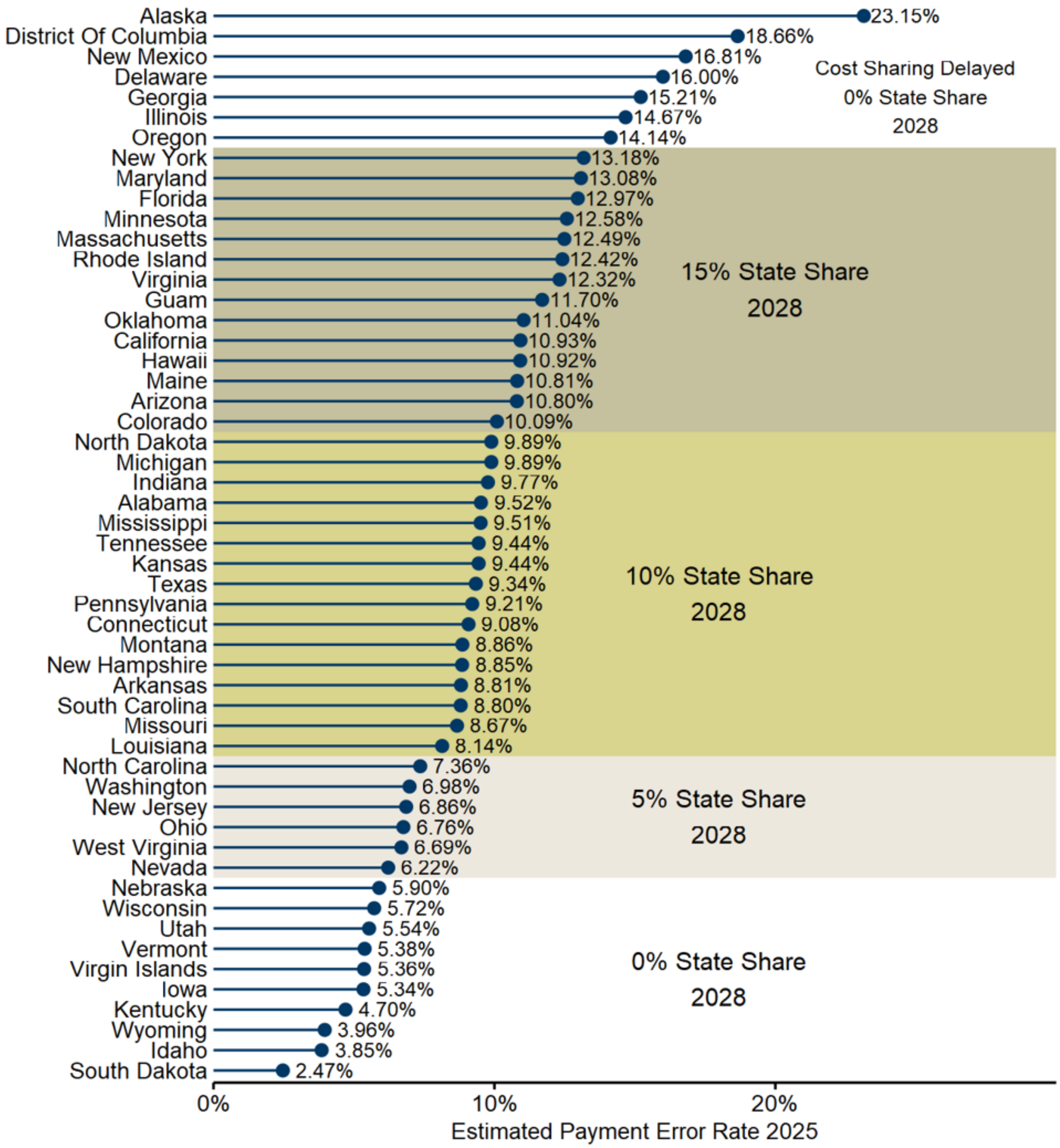
The FY2025 reconciliation law also increases the state share of administrative costs to 75%, effective October 1, 2026.

Most States Would Share Costs Under FY2025 Payment Error Rates

In June 2026, the U.S. Department of Agriculture released FY2025 payment error rates. **Figure 1** shows jurisdictions ranked by their FY2025 payment error rate and where those rates place them on the FY2028 SNAP cost-sharing schedule. Those with the highest payment error rates (of 13.33% or higher) qualify for a delay in cost-sharing to at least FY2029. Those with payment error rates of less than 6% would retain 100% federal financing of benefits. Other jurisdictions are subject to cost-sharing beginning in FY2028 unless their FY2026 payment error rate falls to less than 6%.

Figure 1. Expected FY2028 SNAP Benefit Cost-Sharing Based on FY2025 Payment Error Rates, Under Current Law

(subject to change based on FY2026 payment error rates)



Source: CRS, based on data from the U.S. Department of Agriculture (USDA).

Notes: USDA has yet to issue regulations or guidance on how state cost-sharing of SNAP will be implemented. The figure assumes that a state's cost-sharing will be based on the point estimate of its payment error rate.

Proposed Changes to Scheduled State SNAP Benefit Cost-Sharing

The 2026 farm bill considered by the Senate Agriculture Committee would delay the onset of state SNAP benefit cost-sharing by one year; it would begin on October 1, 2028 (FY2029). An amendment approved by the committee would permit states to base their FY2029 cost-sharing on the lower of FY2026 or FY2027 payment error rates.

States with payment error rates of 13.33% or higher in both FY2025 and FY2026 would qualify for a delay in cost-sharing until FY2030. In addition, beginning with FY2031, states with an error payment rate of 10% or higher would be required to pay 20% (instead of 15%) of benefit costs.

The Senate Agriculture Committee farm bill considered on August 6, would not affect the FY2025 reconciliation law's increase in the state share of administrative costs.

Additional Resources

2026 Farm Bill Draft Considered by the Senate Agriculture Committee on August 6, 2026.

SNAP Error Payment Rates.

USDA Description of the SNAP Quality Control System.

CRS Report R48918, *The 2026 Farm Bill: Comparison of the House and Senate Bills with Current Law* (does not include description of SNAP cost-sharing provision in Senate draft or other changes to the nutrition title made since Chairman Boozman released his initial draft in June).

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