CENTER FOR Science IN THE Public Interest
Your Food and Health Watchdog

September 5, 2026

Maribelle Balbes
Chief, State Administration Branch
Program Administration and Nutrition Division
Food and Nutrition Administration
U.S. Department of Agriculture
1320 Braddock Place
Alexandria, VA 22314

Re: Supplemental Nutrition Assistance Program: Administrative Cost Sharing Proposed Rule (Docket No: FNA-2026-0034-0001)

Dear Ms. Balbes:

On behalf of the Center for Science in the Public Interest (CSPI), please accept these comments on the United States Department of Agriculture's (USDA's) Food and Nutrition Administration (FNA) Supplemental Nutrition Assistance Program (SNAP) Administrative Cost Sharing Proposed Rule.

CSPI is a non-profit consumer education and advocacy organization that has worked since 1971 to improve the public's health through better nutrition and food safety guidelines and policies. CSPI helped to lead efforts to win passage of the Nutrition Labeling and Education Act, the Healthy, Hunger-Free Kids Act, the Food Safety Modernization Act, chain restaurant menu labeling, and the Food Allergen Labeling and Consumer Protection Act. CSPI also publishes Nutrition Action (NA) and is supported by the subscribers to NA, individual donors, and foundation grants. CSPI is an independent organization that does not accept any corporate donations. CSPI is committed to advancing evidence-based policies and programs that improve healthy food access and nutrition security.

SNAP is the nation's primary defense against hunger and food insecurity and plays an important role in reducing food insecurity and poverty and supporting the health and well-being of low-income households.[1] SNAP served approximately 42 million people a month on average in fiscal year 2025.[2] The program primarily serves households facing significant economic hardship and households with characteristics that limit earning capacity. USDA data show that approximately 79 percent of SNAP households include a child, an older adult, or a person with a disability. SNAP households have extremely limited financial resources. In fiscal year 2024, the average SNAP household reported gross monthly income of approximately $1,117 and net monthly income of only $551. The average monthly SNAP benefit was approximately $341 per household.[3]

Under current law, the federal government and states generally share the administrative costs of operating SNAP equally, with the federal government reimbursing states for 50 percent of allowable administrative expenses. H.R. 1, enacted as Public Law 119-21 in July 2025, amended the Food and Nutrition Act to reduce the federal share of SNAP administrative costs to 25 percent beginning in fiscal year 2027. USDA is proposing this rule to implement that statutory change. Beginning in fiscal year 2027, the proposed rule would reduce the federal reimbursement rate from 50 percent to 25 percent, making states responsible for the remaining 75 percent of most SNAP administrative costs.[4] USDA's regulatory impact analysis estimates that this change will shift approximately $16.9 billion in administrative spending from the federal government to states between fiscal years 2027 and 2031.[5]

Because of the importance of SNAP to the well-being of American families, we are deeply concerned about USDA's proposal to reduce the federal reimbursement rate for most SNAP administrative costs from 50 percent to 25 percent beginning in Fiscal Year 2027.[6] This proposal would shift billions of dollars in administrative costs from the federal government to states, even as states implement the most consequential SNAP policy changes in decades.[7] These changes, which include expanded work requirements and exemptions, new state responsibility for a portion of SNAP benefit costs based on payment error rates, and changes to eligibility for certain households, require additional staffing, system modifications, training, quality control activities, public education, technology upgrades, and customer assistance, not fewer resources. The reduction in federal funding will force states to make difficult budget decisions that could reduce administrative capacity and hinder effective program operations.

The Rule Will Place Additional Pressure on State Budgets

The reduction in federal administrative funding transfers substantial costs previously borne by the federal government onto states and local governments. Because SNAP benefit levels and eligibility requirements are primarily established by federal law, states generally cannot offset these increased administrative costs simply by reducing SNAP benefit amounts. Instead, states will have to identify additional revenue, reduce administrative investments, or redirect funding from other priorities.[8,9] Many states already face budget constraints amid slowing revenue growth, rising Medicaid expenditures, and reductions in federal Medicaid funding under H.R. 1, alongside other fiscal pressures impacting basic need services.[10]

These pressures will be compounded by H.R. 1's new requirement that some states contribute directly toward SNAP benefit costs beginning in FY 2028. Historically, the federal government has paid 100 percent of SNAP benefits with 0% matching requirements by the state. Under H.R. 1, states with payment error rates in FY 2025 or 2026 below 6 percent will continue to have benefits fully federally funded, while states with error rates of 6 to less than 8 percent must pay 5 percent of benefit costs, states with rates of 8 to less than 10 percent must pay 10 percent, and states with rates of 10 percent or higher must pay 15 percent.[11] Together, these changes could force states to make difficult choices between funding SNAP and other priorities such as childcare and public health.[12]

The possibility that states could ultimately leave SNAP should not be discounted. The Congressional Budget Office estimated that in response to H.R. 1's benefit cost-sharing requirement, "some states will maintain current benefits and eligibility; others will modify benefits or eligibility or leave the program altogether."[13] North Carolina is already on the record acknowledging this possibility. In a January 2026 presentation to the North Carolina General Assembly, the North Carolina Department of Health and Human Services stated that if the state cannot pay its increased SNAP benefit cost share, it "will have to stop offering the SNAP program completely."[14] The administrative cost shift addressed by this rule adds another substantial fiscal burden at the same time states are confronting this unprecedented new responsibility for SNAP benefit costs.

Reduced Federal Administrative Funding Will Have Significant Operational Consequences for SNAP

Reducing the federal share of administrative funding by half will make it substantially more difficult for all states to administer SNAP effectively. Administrative funding supports virtually every aspect of program operations, including:

- Hiring, training, and retaining eligibility workers.
- Conducting eligibility interviews and processing applications.
- Timely processing of applications, recertifications, and reported changes.
- Quality control reviews and payment accuracy improvement efforts.
- Fraud prevention, investigations, and program integrity activities.
- Customer service centers and case management.
- Technology modernization and eligibility system improvements.
- Cybersecurity protections and Electronic Benefits Transfer (EBT) system security.
- Public outreach and multilingual program information required under federal regulations.
- Data matching and verification activities.
- Staff training on complex policy changes.
- Appeals, hearings, and administrative reviews.

The magnitude of this cost shift is already being predicted by states across the country. In North Carolina, where SNAP is administered jointly by the state and its 100 counties, the North Carolina Department of Health and Human Services estimates that reducing the federal administrative contribution from 50 percent to 25 percent will increase state costs by approximately $16 million annually and county costs by approximately $69 million annually, beginning October 2026.[15] Virginia faces a similarly substantial burden: state officials estimate that the change will require approximately $93 million in additional state funding each year to maintain current SNAP administrative operations.[16] States and counties that cannot fully absorb these new expenses may be forced to redirect funding from other essential programs or reduce investments in SNAP staffing, customer service, technology, and other administrative functions necessary to ensure timely and accurate access to benefits.[17] Reducing administrative resources while simultaneously increasing administrative responsibilities creates an unsustainable mismatch that will negatively affect both program integrity and participant access.

States are already implementing extensive changes to SNAP eligibility and participation rules required under H.R. 1.[18] These changes include developing new procedures for determining whether an individual is required to register for work, documenting exemptions, conducting additional screening during certification and recertification, monitoring ongoing compliance, applying sanctions when appropriate, determining when to make referrals, and ensuring that due process requirements are met.[19] Each of these activities requires trained staff, updated eligibility systems, quality assurance oversight, and ongoing customer communication. Even before the state administrative cost shift, states have been under enormous pressure.

Administrative capacity is also essential to ensuring eligible households can access SNAP. Reductions in staffing and customer service capacity can translate into longer wait times, delayed application processing, difficulty reaching caseworkers, and greater administrative burdens for participants. USDA's own regulatory impact analysis acknowledges this possibility, noting that if states reduce SNAP administrative spending in response to the increased state cost share, participants could experience increased administrative burden and reduced access to program benefits.[20] Each of these strains makes it more likely that an eligible household will have difficulty enrolling in or maintaining SNAP. These consequences are particularly concerning for older adults, people with disabilities, working families, and people with limited English proficiency who may already face barriers navigating the application and recertification process. A reduction in federal administrative funding therefore risks functioning as an indirect reduction in SNAP access even though it does not directly change benefit levels or eligibility.

Reducing Administrative Funding Will Undermine Efforts to Improve Payment Accuracy and Program Integrity

In addition to this administrative cost shift beginning in FY 2027 that will affect every state, in FY 2028 many states will also contribute directly to SNAP benefit expenditures based on their payment error rates. To maintain current levels of service, North Carolina is projected to require an estimated $153M for SNAP benefits while a few states including Florida face projected costs over $1B in SNAP benefit cost-sharing obligations based on their most recent error rates.[21] This creates a fundamental contradiction: states are expected to reduce payment error rates and avoid additional penalties tied to benefit costs, yet the federal government is simultaneously reducing the administrative capacity needed to achieve those very outcomes.

States cannot be expected to effectively lower payment error rates, implement corrective action plans, and avoid additional financial penalties if the federal government is reducing administrative support. Program integrity requires investing in staff.[22,23] States reduce errors when they can hire and retain experienced eligibility workers. States reduce fraud when they can invest in investigative staff, modern data systems, and fraud detection tools. States improve payment accuracy when they can provide comprehensive staff training, modernize outdated eligibility systems, improve document processing, and conduct meaningful quality assurance reviews.[24] Forced to cut back, states will be unlikely to realize these laudable goals.

The growing problem of SNAP benefit theft, with hundreds of millions of dollars in participant benefits stolen by criminals and scammers every year,[25] further underscores the need for continued federal investment in state administrative capacity. USDA plans to propose a rule in 2026 that would require state SNAP agencies to implement up-to-date card security measures in accordance with the law[26] —an overdue improvement to SNAP operations—but implementing chip-enabled EBT cards is an expensive undertaking. USDA estimates states' transition costs will range from $2 million to $11.5 million, depending largely on the size of the state's SNAP caseload.[27] Reducing federal administrative funding for SNAP as states prepare to take on this critically important investment in security undermines the ability of SNAP agencies to make sure SNAP benefits go to those who need them, not criminals and scammers.

USDA Has Not Adequately Demonstrated the Rule's Impacts

USDA estimates that this rule will shift approximately $16.9 billion in administrative costs from the federal government to states between FY 2027 and FY 2031, averaging $3.4 billion per year.[28]

Because SNAP benefit levels and eligibility requirements are established primarily by federal law, states cannot simply offset these increased administrative costs by reducing SNAP benefits. Instead, states will have to identify additional state revenue, redirect funding from other priorities, or reduce administrative investments and capacity. While reductions in administrative capacity do not formally reduce SNAP benefit levels, they can reduce effective access to benefits through staffing shortages, processing delays, reduced customer service, and other administrative barriers. USDA's assumption that a $3.4 billion annual increase in state costs will have a "negligible impact" on SNAP participation warrants substantially greater scrutiny. The relevant question is not whether the underlying administrative tasks have changed, but whether states will have sufficient resources to continue performing those tasks at current levels.

The regulatory impact analysis estimates the fiscal impact of the administrative cost shift, including projected increases in spending for each state, but provides limited analysis of how states are likely to respond to these substantial new costs. In particular, the regulatory impact analysis assumes that the change will have a negligible effect on SNAP benefit spending and participation without adequately examining whether states will reduce staffing or other administrative investments, redirect resources from other programs, delay technology modernization, or experience effects on application processing, payment accuracy, and participant access. Given USDA's estimate that the rule will shift approximately $16.9 billion in costs to states over five years, these potential responses and their consequences warrant more thorough consideration. Indeed, USDA specifically requests information on how the shift in spending could affect overall program spending and operations.

Similarly, USDA did not adequately fulfill its obligation under the Unfunded Mandates Reform Act of 1995 to include a statement accompanying significant regulatory actions.[29] Despite acknowledging this obligation in the proposed rule by citing the statutory obligation to change cost sharing under H.R. 1 and FNA's spending analysis in the regulatory impact analysis,[30] USDA failed to provide estimates of the effect on the national economy,[31] a description of the extent to which the agency consulted with elected state officials,[32] or a summary of comments and concerns from consulted state officials.[33]

Conclusion

We urge USDA to take all available steps to mitigate the harms associated with implementing the statutorily required reduction in the federal administrative reimbursement rate. If this rule is finalized as proposed, the USDA should complete and release a more comprehensive regulatory impact analysis and Unfunded Mandates Reform Act statement regarding this rule's operational, fiscal, and human consequences on states before finalizing it. USDA should also identify and use all available administrative flexibilities to minimize burdens on states, provide robust technical assistance during implementation, and closely monitor and publicly report the effects of the cost shift on staffing, application processing, payment accuracy, technology investments, and participation. These data will be critical for identifying emerging problems, informing corrective action, and ensuring that policymakers understand the consequences of the revised cost-sharing structure.

The federal-state partnership has supported successful SNAP administration for more than five decades by recognizing that administering a large, complex nutrition assistance program requires sustained federal investment. Reducing federal administrative support while expanding state responsibilities will strain state budgets, weaken administrative capacity, impede technology modernization, increase operational challenges, and ultimately make it more difficult for eligible households to access nutrition assistance accurately and efficiently.

We appreciate your consideration of these views.

Sincerely,

Lanae Hood, PhD
Senior Policy Associate

Alla Hill, PhD, RD
Senior Science Policy Associate

Ben Feldman, MS
Director of Legislative Affairs

Joelle Johnson, MPH
Deputy Director

References

[1] Keith-Jennings B, Llobrera J, Dean S. Links of the Supplemental Nutrition Assistance Program With Food Insecurity, Poverty, and Health: Evidence and Potential. *Am J Public Health*. 2019;109(12):1636-1640. doi:10.2105/AJPH.2019.305325
[2] U.S. Department of Agriculture, Food and Nutrition Administration. Supplemental Nutrition Assistance Program Participation and Costs. July 10, 2026. Accessed August 19, 2026. https://www.fna.usda.gov/sites/default/files/resource-files/snap-4fymonthly7.pdf
[3] U.S. Department of Agriculture, Food and Nutrition Service, Evidence, Analysis, and Regulatory Affairs Office. *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2024.* May 2026. Accessed August 19, 2026. https://fna-bwbufwdzbabpezgc.z01.azurefd.us/sites/default/files/resource-files/snap-fy2024householdcharacteristics-report.pdf
[4] Congress.gov. H.R. 1—One Big Beautiful Bill Act, 119th Congress (2025-2026). Library of Congress. Accessed August 27, 2026. https://www.congress.gov/bill/119th-congress/house-bill/1
[5] U.S. Department of Agriculture, Food and Nutrition Administration. Supplemental Nutrition Assistance Program: *Changes in Federal-State Administrative Cost Sharing Regulatory Impact Analysis.* August 6, 2026. Accessed August 19, 2026. https://www.regulations.gov/document/FNA-2026-0034-0002
[6] 91 Fed. Reg. 37837, Supplemental Nutrition Assistance Program: Changes in Federal-State Administrative Cost Sharing, https://www.federalregister.gov/documents/2026/06/24/2026-12696/supplemental-nutrition-assistance-program-changes-in-federal-state-administrative-cost-sharing
[7] https://www.congress.gov/crs-product/R48552
[8] Plata-Nino G, Najera T, Moore R. State Fiscal Impacts of H.R. 1 and Considerations to Navigate Challenges. Food Research & Action Center. March 20, 2026. Accessed August 19, 2026. https://frac.org/blog/state-fiscal-impacts-of-h-r-1-and-considerations-to-navigate-challenges
[9] Fielding-Singh P, Johnson J. One Year Later: How H.R. 1's SNAP Policy Changes Are Reverberating Across the Food System. Center for Science in the Public Interest and Global Food Institute at the George Washington University. July 2026. Accessed August 19, 2026. https://www.cspi.org/resource/one-year-later-how-hr-1s-snap-policy-changes-are-reverberating-across-food-system
[10] Plata-Nino G, Najera T, Moore R. State Fiscal Impacts of H.R. 1 and Considerations to Navigate Challenges. Food Research & Action Center. March 20, 2026. Accessed August 19, 2026. https://frac.org/blog/state-fiscal-impacts-of-h-r-1-and-considerations-to-navigate-challenges
[11] Congress.gov. H.R. 1—One Big Beautiful Bill Act, 119th Congress (2025-2026). Library of Congress. Accessed August 27, 2026. https://www.congress.gov/bill/119th-congress/house-bill/1
[12] Plata-Nino G, Najera T, Moore R. State Fiscal Impacts of H.R. 1 and Considerations to Navigate Challenges. Food Research & Action Center. March 20, 2026. Accessed August 19, 2026. https://frac.org/blog/state-fiscal-impacts-of-h-r-1-and-considerations-to-navigate-challenges
[13] Congressional Budget Office. Estimated Effects of Public Law 119-21 on Participation and Benefits Under the Supplemental Nutrition Assistance Program. August 11, 2025. Accessed August 19, 2026. https://www.cbo.gov/system/files/2025-08/61367-SNAP.pdf
[14] North Carolina Department of Health and Human Services. *Impact of H.R. 1 on SNAP in North Carolina & Implementation Update.* Presented to: Joint Legislative Oversight Committee on Health and Human Services; January 13, 2026. Accessed August 27, 2026. https://webservices.ncleg.gov/ViewDocSiteFile/104981
[15] North Carolina Department of Health and Human Services. *Impact of H.R. 1 on SNAP in North Carolina & Implementation Update.* Presented to: Joint Legislative Oversight Committee on Health and Human Services; January 13, 2026. Accessed August 27, 2026. https://webservices.ncleg.gov/ViewDocSiteFile/104981
[16] The Secretary of Health and Human Resources. Questions about H.R.1 impacts on SNAP and Medicaid in Virginia: What does this law cost Virginia taxpayers? Accessed August 19, 2026. https://www.hhr.virginia.gov/hhr-dashboard-faqs/#faq-financial
[17] Farmer L. As SNAP Changes Shift Food Assistance Costs, States Face New Choices. The Pew Charitable Trusts. January 14, 2026. Accessed August 19, 2026. https://www.pew.org/en/research-and-analysis/articles/2026/01/14/as-snap-changes-shift-food-assistance-costs-states-face-new-choices
[18] Center on Budget and Policy Priorities. Implementing the Harmful Republican Megabill: a Timeline. October 8, 2025. Accessed August 19, 2026. https://www.cbpp.org/research/federal-budget/implementing-the-harmful-republican-megabill-a-timeline
[19] Fielding-Singh P, Johnson J. One Year Later: How H.R. 1's SNAP Policy Changes Are Reverberating Across the Food System. Center for Science in the Public Interest and Global Food Institute at the George Washington

University. July 2026. Accessed August 19, 2026. https://www.cspi.org/resource/one-year-later-how-hr-1s-snap-policy-changes-are-reverberating-across-food-system
[20] US Department of Agriculture, Food and Nutrition Administration. Supplemental Nutrition Assistance Program: *Changes in Federal-State Administrative Cost Sharing Regulatory Impact Analysis.* August 6, 2026. Accessed August 19, 2026. https://www.regulations.gov/document/FNA-2026-0034-0002
[21] Food Research & Action Center. Economic Strain and New SNAP Cost-Shifts Under H.R. 1 Across All States. August 2026. Accessed August 19, 2026. https://frac.org/wp-content/uploads/SNAP-Cost-Shift-Table.pdf
[22] U.S. Digital Response. U.S. Digital Response SNAP Payment Accuracy Playbook. May 2026. Accessed August 19, 2026. https://usdr.gitbook.io/benefits-resource-hub
[23] Plata-Nino G. Two-Fold Approach to Prevent Further Decline in SNAP Participation: Farm Bill Must Reverse SNAP Cuts, States Must Prioritize Timeliness, Reduce Administrative Burdens, to Improve Payment Accuracy. Food Research & Action Center. April 24, 2026. Accessed August 19, 2026. https://frac.org/blog/two-fold-approach-to-prevent-further-decline-in-snap-participation-farm-bill-must-reverse-snap-cuts-states-must-prioritize-timeliness-reduce-administrative-burdens-to-improve-payment-accuracy
[24] Plata-Nino G. Two-Fold Approach to Prevent Further Decline in SNAP Participation: Farm Bill Must Reverse SNAP Cuts, States Must Prioritize Timeliness, Reduce Administrative Burdens, to Improve Payment Accuracy. Food Research & Action Center. April 24, 2026. Accessed August 19, 2026. https://frac.org/blog/two-fold-approach-to-prevent-further-decline-in-snap-participation-farm-bill-must-reverse-snap-cuts-states-must-prioritize-timeliness-reduce-administrative-burdens-to-improve-payment-accuracy
[25] Government Accountability Office. Nutrition Assistance: USDA Should Comprehensively Assess Benefit Thef Prevention Measures States are Implementing. Accessed August 26, 2026. https://www.gao.gov/assets/gao-25-107964.pdf
[26] Office of Management and Budget, Office of Information and Regulation Affairs. USDA RIN 0584-AE99: Enhancing Electronic Benefit Transfer (EBT) Card Security Measures. 2026. Accessed August 19, 2026. https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202510&RIN=0584-AE99
[27] U.S. Government Accountability Office. *Nutrition Assistance: USDA Should Comprehensively Assess Benefit Theft Prevention Measures States Are Implementing*. September 25, 2025. GAO-25-107964. Accessed August 19, 2026. https://www.gao.gov/products/gao-25-107964
[28] US Department of Agriculture, Food and Nutrition Administration. Supplemental Nutrition Assistance Program: *Changes in Federal-State Administrative Cost Sharing Regulatory Impact Analysis.* August 6, 2026. Accessed August 19, 2026. https://www.regulations.gov/document/FNA-2026-0034-0002
[29] 2 U.S.C. § 1532.
[30] 91 Fed. Reg. 37838.
[31] 2 U.S.C. § 1532(4).
[32] 2 U.S.C. § 1532(5)(A).
[33] 2 U.S.C. § 1532(5)(B) – (C).