



**TESTIMONY**

**MODIFYING SNAP INCOME AND  
ASSET REQUIREMENTS**

House File 3831

March 24, 2026

**TESTIMONY BEFORE**

**MINNESOTA HOUSE OF REPRESENTATIVES**  
Children and Families Finance and Policy Committee

**TESTIMONY BY**

*Matthew Schmid*

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AMERICA FIRST POLICY INSTITUTE



Good afternoon, Chairman West, Co-Chair Kotyza-Witthuhn, Vice Chairman Nelson, Co-Vice Chair Hanson and members of the Minnesota House Children and Families Finance and Policy Committee. Thank you for the opportunity to testify today.

My name is Matthew Schmid, and I serve as the Director of the Farmers First campaign at the America First Policy Institute. As someone who works professionally to advance state and federal policies that promote good governance and who has previously worked as a budget official at the state level, I want to point out today how the policies contained within HF 3831 provide common sense guardrails needed to restore public trust in our welfare system and help prevent a fiscal disaster for the state.

Americans are a generous people who established the food stamp program to act as a temporary safety net for the most vulnerable. The program, now called SNAP, provides over [\\$850 million](#) in benefits annually to Minnesotans, 100% of which is currently federally-funded. Yet it is the states and local governments that administer the program, with further financial assistance from the federal government, meaning that states, or in the case of Minnesota, counties, are entrusted to manage the program well on behalf of *all* American taxpayers.

### The Problem

Trust that the American tax dollars invested into the SNAP program are properly managed has eroded in recent years, and for good reason. The SNAP payment error rate in Minnesota, a measure of good program administration, [was almost 9% in 2024](#), translating to tens of millions of dollars in improperly-issued taxpayer-funded SNAP benefits. This error rate will result in almost \$87 million dollars in new state spending to cover a share of recipient benefits. Moreover, a new federal will place Minnesotans will be on the hook for these funds if not addressed immediately.

According to the Government Accountability Office (GAO), the federal government's auditor, a [main contributor](#) to payment errors is a loophole known as [Broad Based Categorical Eligibility \(BBCE\)](#), which states can use to confer SNAP eligibility on individuals who do not meet federal eligibility requirements. **The fundamental concern is that BBCE confers eligibility without asset testing and prior to income testing.** This means that hard data about finances is not always provided up front, contributing to errors later when the United States Department of Agriculture audits those benefit determinations. The GAO also found that the removal of asset testing under BBCE reduced caseworker ability to investigate and identify inconsistencies and possible fraud.

### The Solution

Closing the BBCE loophole will give county caseworkers the tools that they need to verify resources and income up front to avoid errors, ensure that applicants really are who they say they are, and that they truly qualify for the needed assistance. This reform will go a long way toward restoring public trust and integrity to Minnesota's food stamp program. **Prior to 2007, these commonsense guardrails existed and Minnesota should bring them back.**



Recent [polling](#) has shown that 78% of voters agree that SNAP should have mandatory income and asset limits. Minnesota’s county employees need hard numbers about applicants to reduce the state error rate. Otherwise, a tremendous financial cost sharing burden will hit your state budget. When state budgets get hit, services and grant programs get reduced, which could also impact Minnesota’s robust food shelf and social services network – closing this loophole will help prevent that impact.

### Limited Impact on SNAP Recipients

Further, these reforms do not change the income limits for SNAP beneficiaries. Instead, the reforms move the point in time when verification takes place, so that income is verified up front, for both SNAP eligibility purposes as well as for benefit allocation determinations. This reform is about eliminating a main source of the math errors contributing to the state payment error rate. Closing the BBCE loophole will not impose a “benefits cliff”, nor will it reduce monthly SNAP benefit payments amounts.

In addition, the re-introduction of asset testing will have limited impact on SNAP recipients who truly need it, as the proposed asset threshold is still significantly higher than federal limits. The asset threshold of \$10,000 applies to countable resources in readily accessible bank accounts. It does not apply to homes and primary vehicles, among other exceptions, or to participants who qualify for childcare assistance programs. This asset threshold prevents people with sizable resources like millionaires, lottery winners, and others with healthy bank accounts from an inappropriate allocation of tax dollars.

### County Impact

As to the impact to the counties with this reform, in my years working in state policy development and later in a state budget office, I wrote or contributed to hundreds of fiscal notes and I understand the counties’ concerns with re-introducing asset testing. However, I would reiterate that asset testing was the norm prior to 2007 with much smaller county budgets. For example, according to state budget records, Hennepin County’s budget has more than doubled since 2006, when asset testing was required. Resources may have been diverted in the years since, but the county managed to asset test when their budget was over 50% lower. Budgets were not reduced in the years after introducing BBCE, which is often billed as an efficiency due to its lack of eligibility verification by caseworkers.

Finally, and most critically, the administrative efficiency of categorical eligibility for SNAP remains intact and tied to eligibility for cash assistance. In fact, the proposed reforms in HF 3831 would use the same asset thresholds as the Minnesota Family Investment Program (MFIP) and the General Assistance (GA) programs which *do* require asset testing. A person who is eligible under MFIP or GA, can be automatically eligible for SNAP, maintaining administrative efficiency. Thus, a new and separate asset test is not envisioned.

Failure to fix Minnesota’s SNAP error problem immediately, places county financial assistance in danger within the next year as the state must find an additional \$87 million in the budget.



**Conclusion**

The proposed reforms are not dramatic but are important. These reforms will return Minnesota to a previous era of good governance where the public could trust that American generosity was zealously safeguarded by elected leaders who held the line. This bill is an opportunity to restore that trust and protect Minnesota’s state budget.

Thank you.



March 23, 2026

Dear Members of the Children and Families Finance and Policy Committee:

We are writing to offer our endorsement of HF1900 and strong opposition to HF3831 and HF3603—all based on the same principle that at a time of record high food insecurity, we should be removing barriers to food assistance, not adding them.

- HF1900 removes the outdated provision subjecting SNAP participants to random drug testing. By removing this provision, Minnesota will be following the lead of other states that have ended SNAP drug felony restrictions and achieved lower rates of substance use disorders.
- HF3831 would add an asset limit to SNAP eligibility, which penalizes households attempting to achieve financial stability and disproportionately impacts seniors and people with disabilities—creating greater food insecurity and weakening nutrition outcomes. In addition, asset limits are extremely complex to administer and risk increasing Minnesota’s SNAP payment error rate and adding costs that would significantly outweigh any prospect of savings.
- HF3603 would prohibit using SNAP to purchase certain foods, undermining the dignity of participant choice without proof that these changes will improve diets. It will lead to significant red tape for local retailers—risking the loss of local grocers accepting SNAP and thus an overall loss of access to food for those who need it most.

As the Minnesota hunger relief system is facing ongoing strain with more than 9 million food shelf visits in 2025 – a new record for the 4th consecutive year— now is the time to protect and strengthen SNAP as our most effective tool to address food insecurity. SNAP provides nine meals for every one meal provided by the state’s existing hunger relief systems.

We ask for your support for HF1900, which honors Minnesota’s long history of caring for our neighbors when they are struggling and urge your opposition to HF3831 and HF3603, which create unnecessary barriers to food assistance and additional red tape.

Thank you for your leadership and consideration,

Advocates for Better Health

Children’s Defense Fund Minnesota

City of Minneapolis

CLUES- Comunidades Latinas Unidas En Servicio

Community Emergency Services, Inc.

Fairview Health Services

Friendly Hmong Farms

ICA Food Shelf

Jewish Family & Children’s Services of MN

Keystone Community Services

Legal Services Advocacy Project

MN Academy of Nutrition and Dietetics (MAND)

Minnesota Budget Project

Minnesota Grocers Association

PRISM

Second Harvest Heartland

Second Harvest Northland

The Center for Victims of Torture

The Food Group

The Open Door

Valley Outreach

## **Help vs. Harm: A Case for SNAP Reform**

By Cally Proctor

I was probably too young when I learned what “writing a hot check” meant. In my house, it usually meant groceries.

My parents worked constantly, but it never quite cut it. Most months involved decisions about which bills could wait and which couldn't.

Not long ago, I asked my mom something I had never thought about before: why didn't we ever use food stamps when we were young?

She told me they did once, for a short period. And when they did, they drove forty minutes to a grocery store in another town, because they were afraid of running into someone they knew.

That story has stayed with me—not because anyone should feel shame for needing help, but because it reflects how these programs were once understood. Assistance was meant to be a bridge through a difficult season, not something around which an entire life was organized.

Over the course of my career in social services, I completed hundreds of applications for food assistance through the Supplemental Nutrition Assistance Program (SNAP). Often, I filled them out almost entirely on behalf of the individual.

That was the training: remove barriers, meet people where they are, and make sure no one misses out on help because the process is confusing or overwhelming. It was meant to be compassionate. But over time I began to see how easily good intentions inside a system can drift away from their purpose.

The spirit of government assistance programs should be lifting people out of difficult circumstances, not quietly arranging systems that make it easier to stay there.

I also recognize that my family's hardship was different from the poverty I would later encounter in my human services work. We struggled financially, but we were surrounded by people who worked and by at least a few relationships that could help if things became truly desperate. I grew up watching my parents get up every day and do what needed to be done. I didn't realize until much later how important that example was.

Many of the individuals I later worked with did not have that kind of network. For them, poverty was not a temporary season but a generational pattern.

Working inside the system, I began to notice how easily the line between assistance and manipulation could blur. Social workers and case managers are trained to help people

overcome barriers to receiving benefits. In practice, that can mean completing applications for clients without their participation, suggesting ways to describe a household that will meet eligibility rules, or quietly navigating situations where income or living arrangements are not fully reported.

Typically, none of this begins with bad intentions. People are often trying to survive difficult circumstances, and social services workers are trying to help them keep their heads above water. But over time, systems shape behavior. Social workers and clients alike can begin to treat public benefits less as temporary support and more as part of the landscape of long-term survival.

SNAP was designed to supplement a household's food budget during difficult periods. In many cases, it still does exactly that.

But after years working closely with people in deep poverty, addiction, and housing instability, I also saw another side of the system. Minnesota has one of the most accessible food shelf networks in the country. Many communities offer free meals and other related support. For some individuals navigating this landscape, SNAP becomes one more resource within a broader survival economy—sometimes even something that is sold or bartered.

None of this means people in poverty are living easy lives. In fact, most are living extraordinarily difficult ones.

The question, then, is not whether we should help people. Of course we should. The question is what the purpose of that help should be and how do we maintain trust for the American public who are generously providing those benefits.

This is why conversations about program integrity matter.

Minnesota uses a policy known as [Broad-Based Categorical Eligibility](#) (BBCE), which allows some households to qualify for SNAP through indirect eligibility tied to other programs while waiving certain income and asset checks that were originally part of the program. In some cases, simply receiving informational materials connected to another program can trigger eligibility.

Policies like this weaken eligibility standards, contribute to rising SNAP payment errors, and undermine public trust. Minnesota's SNAP payment error rate recently reached about nine percent—high enough that under new federal rules, the state could soon be responsible for almost one hundred million dollars in new spending as we begin covering a portion of SNAP benefit payouts, which are usually entirely paid by the federal government.

State Rep. Pam Altendorf has proposed bringing SNAP eligibility in Minnesota back in line with federal standards by closing this loophole. The goal is not to eliminate assistance, but

to ensure the program has the guardrails in place to reduce our payment error rate and focus the program on the households it was designed to serve.

Some will frame debates like this as compassion versus cruelty. That framing misses the point.

Real compassion asks whether the systems we create are encouraging stability, responsibility, and the possibility of moving forward at a time when diminished public trust requires leaders who don't look the other way.

Programs like SNAP were meant to be bridges through hardship and a demonstration of American goodness and generosity—not systems people learn to live inside. That spirit is worth protecting.

*Cally Proctor is a downtown Minneapolis resident who worked in social services*

# Minnesotans for Food and Beverage Choice

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## Oppose SNAP Restrictions on soft drinks and other grocery items

Some states are proposing to ban the purchase of soft drinks and other grocery items with Supplemental Nutrition Assistance Program (SNAP) benefits. While well-intentioned, these restrictions are unworkable, will drive up costs and will fail to change the dietary habits of SNAP recipients. Extra work. Higher costs. Zero benefit.

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### 1. Expanding Government Bureaucracy

- An estimated **650,000 foods & beverages** are available in the U.S. market, with **20,000 new products added annually**. The average grocery store carries between 33,000 & 45,000 products.
- These proposals don't create an objective criterion to evaluate similarly situated products. Creating and enforcing a "good food/bad food" list would require a new permanent bureaucracy and would be **more complex than the tax code**.

### 2. No Savings or Health Benefits

- **While adult obesity is up 37.4% since 2000, beverage calories per serving are down 44.2%**. 60% of beverages Americans buy today have zero sugar or calories.
- Restrictions **won't save one dollar** on SNAP costs—they just restrict what families can buy

### 3. Hurts Minnesota Businesses

- Increases costs for businesses (on top of all the mandates already passed in Minnesota):
  - Upgrade point-of-sale systems – this is particularly expensive for mom-and-pop stores who don't have sophisticated IT systems
  - Train staff on new rules and customer interactions
  - Manage inventory changes and deal with customer backlash
- Makes Retail Cashiers (often young entry level people) the state's police to enforce the policy
- Retailers near the border could lose SNAP sales to neighboring states, putting Minnesota stores at a competitive disadvantage

### 4. Confusion for Consumers & Cross-Border Inconsistencies

Families near state borders would face a confusing patchwork of rules depending on where they shop. A product allowed in Wisconsin or Iowa could be prohibited in Minnesota, even though it's the exact same item and SNAP benefits are valid nationwide.

### 5. Smarter Alternatives

- **Incentives, not restrictions:** USDA itself says positive incentives and nutrition education are more effective than bans.
  - A better approach is to **target fraud and eligibility errors**.
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## Bottom Line

SNAP restrictions on soft drinks and other items are a **government-knows-best policy** that:

- **Expands bureaucracy**
- **Saves no money**
- **Doesn't improve health**
- **Undermines personal freedom**

**Trust families, limit government, and support market-driven solutions instead of new mandates**

Minnesota Grocers Association  
Minnesota Retailers  
Fueling Minnesota

Minnesota Beverage Association  
Minnesota Service Station & Convenience Store Association  
Teamsters Joint Council 32