



**DEPARTMENT OF CHILDREN,
YOUTH, AND FAMILIES**

**Impact of H.R. 1 on SNAP in Minnesota
Recent Federal Actions**

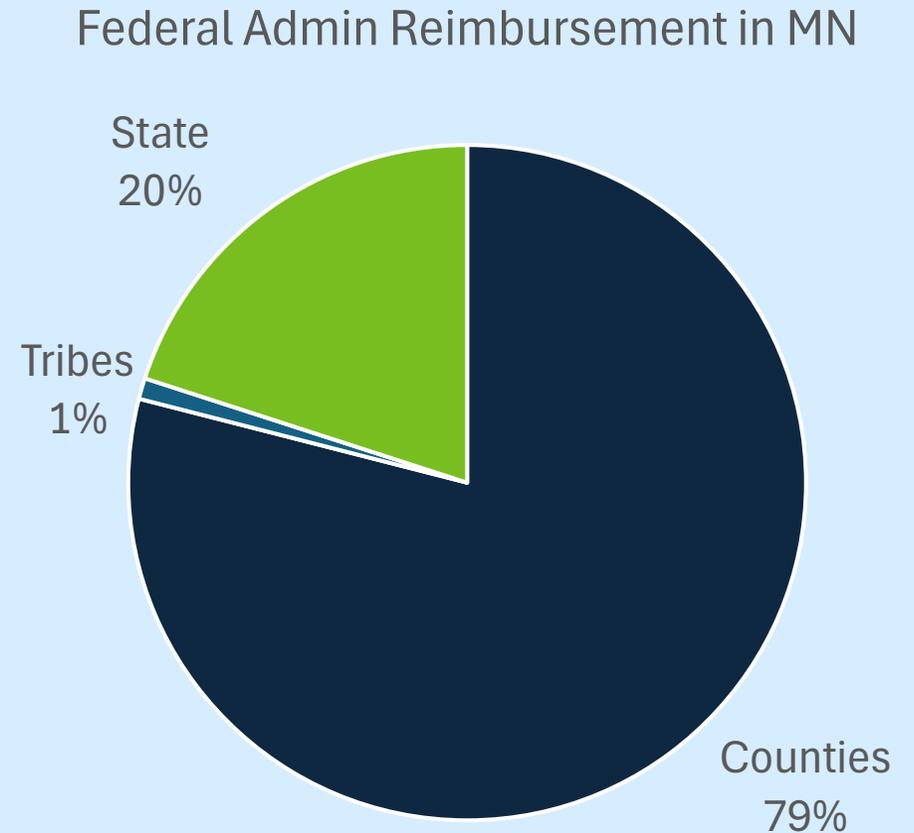
House Children and Families Committee - February 25, 2026

Background on H.R. 1

- H.R. 1 (P.L. 119-21) was signed into law by President Trump on July 4, 2025.
- The Congressional Budget Office estimates that H.R. 1 cuts federal SNAP spending by \$187 billion over the next 10 years.
- Includes major policy changes to SNAP:
 - Shifts more SNAP costs onto states and local governments
 - Expands work requirements to more groups
 - Changes how benefits are calculated
 - Narrows legal noncitizen eligibility

SNAP administrative funding cuts - \$41.1 million/year

- Cuts the federal reimbursement rate that states and local governments receive for administering SNAP from 50% to 25%.
- Effective October 1, 2026 (FFY 27).
- Minnesota will receive an estimated \$39 million less annually, weakening administrative and oversight capacity.
- An additional \$2.1 million will be lost for SNAP outreach activities.



SNAP benefit cost share - \$97 million/year

- Starting October 1, 2027, states will be required to pay a share of SNAP benefits based on payment error rates.
- MN's required share is estimated to be 10% of benefit costs or ~\$97M annually.

Benefit Cost Share	Payment Error Rate	State & National Error Rates for FFY24
0% Cost Share	Less than 6%	8 States
5% Cost Share	Between 6% and 8%	6 States
10% Cost Share	Between 8% and 10%	16 States <i>MN rate was 8.9%</i>
15% Cost Share	Over 10%*	20 States <i>National Average was 10.9%</i>

**For the first two years of implementation, states with a PER greater than 13.34% will have 0% benefit cost share.*



What is a payment error?

- A payment error is an incorrect benefit determination for a SNAP household, either an overpayment or underpayment.
- All overpayments and underpayments must be corrected.
- Payment error rates are driven by unintentional mistakes at the county or client level.
- Payment error rates often increase when new laws are implemented.
- USDA monitored error rates prior to H.R. 1; the new law uses the measure in a new way.

SNAP work requirement changes



Expands work requirements to adults through age 64 (previously 54) and limits the dependent child exemption to adults with children under 14 (previously 18).

- Implemented November 1, 2025.
- Also eliminates exemptions for veterans, people experiencing homelessness, and youth leaving foster care, and restricts geographic waivers to areas with 10%+ unemployment rates.
- 18,000 more adults in an average month will be subject to the SNAP work requirements.
- Two-thirds are older adults ages 55-64; a quarter are parents with children age 14 and older.



Adds new exemptions for American Indians, Alaska Natives, Urban Indians, and California Indians.

- Implemented November 1, 2025.
- 5,000-7,000 SNAP participants identifying as American Indian could qualify for an exemption.

SNAP benefit and eligibility changes



Thrifty Food Plan changes. A “cost-neutrality” restriction prevents USDA from increasing the cost of SNAP through reevaluations of the benefit formula, limiting updates to the Consumer Price Index.

- Next reevaluation may occur October 1, 2027.
- 440,000 participants will receive an estimated \$5 less per month on average beginning in 2027.



Utility deduction changes. Prohibits treating internet as a utility expense and using energy assistance payments to automatically qualify for the heating/cooling standard utility allowance for families without an elderly or disabled family member.

- Implemented October 1, 2025 (internet restriction) and November 1, 2025 (energy assistance restriction).
- SNAP participants will still qualify for the allowance if they have heating/cooling costs.



Legal noncitizen eligibility changes. Limits SNAP to U.S. citizens, lawful permanent residents, Cuban/Haitian entrants, and noncitizens lawfully in the U.S. under a Compact of Free Association.

- Implementing March 1, 2026.
- Roughly 9,000 fewer legal noncitizens, primarily refugees and asylees, will be eligible for federal SNAP in an average month.

SNAP-Ed funding eliminated - \$9.5 million/year

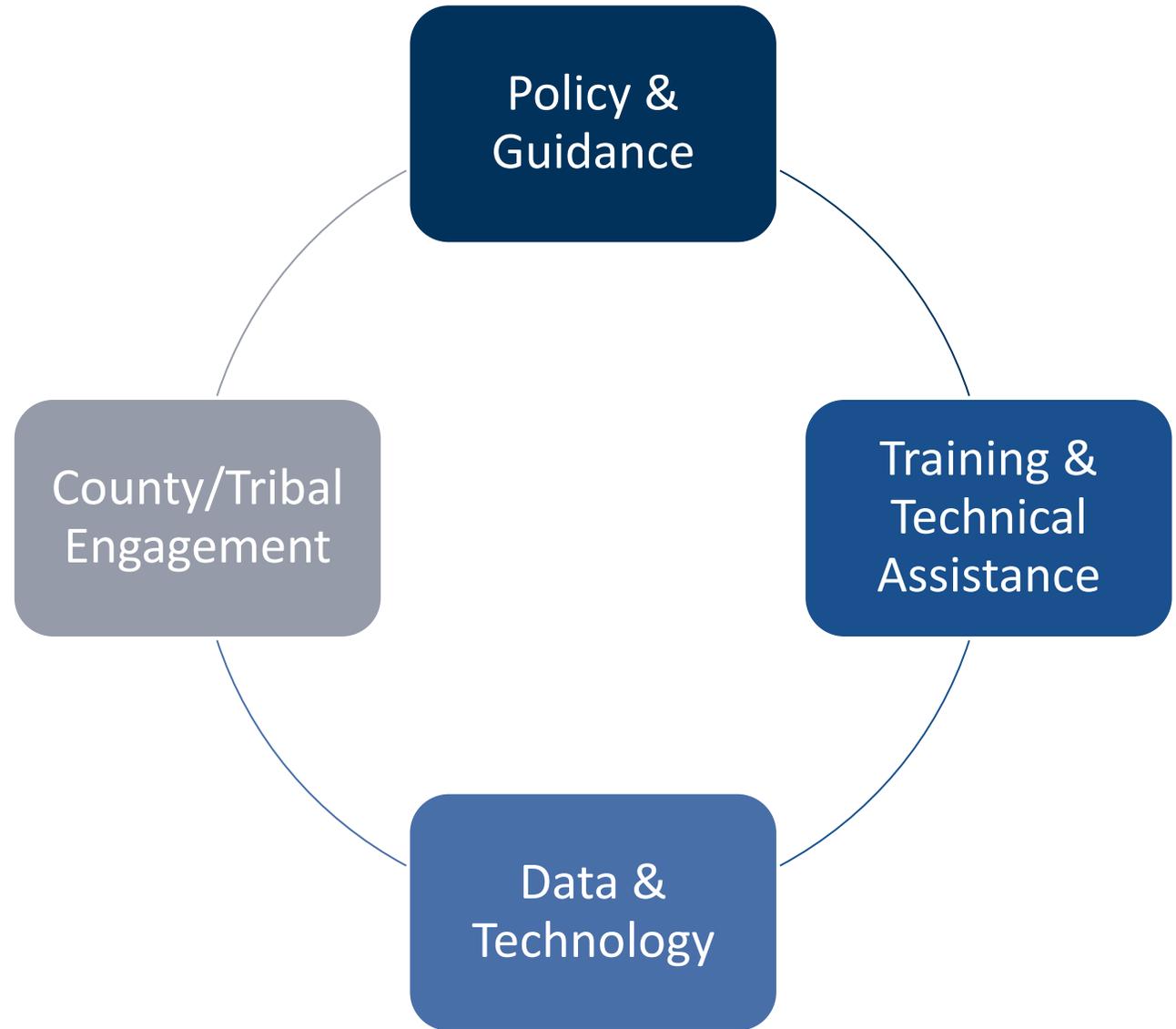


SNAP Education, or SNAP-Ed, eliminated after FFY 2025.

- Effective October 1, 2025.
- Minnesota received about \$9.5 million a year for nutrition classes and other initiatives that promote healthy eating, shopping, and cooking.
- Funding was distributed to the University of Minnesota Extension and Tribal Nations.
- In 2024, 2,644 nutrition classes were provided, with over 19,000 individuals (4,600 children) receiving direct education.



H.R.1 Implementation Efforts



County & Tribal Engagement

- DCYF meets and communicates regularly with Minnesota's counties on H.R. 1 implementation, payment error rate (PER) reduction, and continuous improvement.
- Since Sept 2025, the state and AMC have convened a Steering Committee to guide implementation of H.R. 1, including a SNAP Subcommittee.
- DCYF also meets regularly with Tribal Nation administrators (Mille Lacs Band of Ojibwe, Red Lake Nation, White Earth Nation) and with county affinity groups.
- Feedback from local administrators has informed DCYF implementation efforts and timelines, including our PER mitigation plan.

Policy & Guidance

Updating DCYF policy manuals and guidance	Timeline
Internet expenses change	Completed Oct 2025
Thrifty Food Plan annual COLA update	Completed Oct 2025
SNAP work requirement and exemption changes	Completed Nov 2025
Standard utility allowance (SUA)	Completed Nov 2025
Limits to non-citizen eligibility	Scheduled for Mar 2026

Simplifying policies and guidance tools to reduce PER	Timeline
Implement simplified reporting for all SNAP cases	Scheduled for Apr 2026
Eliminate household update form and use combined application for all cases	Scheduled for Sept 2026
Identify available policy waivers/options and feasibility	Ongoing assessment
Policy manual consolidation, enhanced search, and AI functionality	<i>Requires funding</i>

Training & Technical Assistance

Training for local agency staff on H.R. 1 policy changes	Timeline
H.R. 1 policy changes overview trainings	Completed Oct, Nov, and Dec 2025
Trainings and Q&A sessions on work requirement and utility allowance changes	Completed Oct, Nov, and Dec 2025
Trainings and Q&A sessions on non-citizen changes	Scheduled for Feb, Mar, Apr 2026

Training and technical assistance for local agencies to reduce PER	Timeline
Analyze and share root causes, frequent payment errors	Ongoing via QC case review data
Develop comprehensive training plan on frequent errors	Ongoing with monthly updates
Create client education materials to help them understand their responsibilities	Ongoing; new website Feb 2026
Collaborate with SNAP Outreach to reduce client errors	Ongoing with regular meetings

Enhancing training and quality assurance to reduce PER	Timeline
Increase new worker trainings, add experienced worker trainings	<i>Requires funding</i>
Conduct real-time quality assurance case reviews to prevent and correct local agency errors before they occur	<i>Requires funding</i>

Data & Technology

MAXIS updates to reduce PER	Timeline
Identify and create new MAXIS scripts for error prone areas to ease burden for workers	In progress
Explore MAXIS updates to improve error-prone shelter and utility panels	In progress
Prioritize MAXIS workarounds and backlogged IT system changes	In progress
Update MAXIS to enable Simplified Reporting for SNAP	Scheduled for Apr 2026

MAXIS modernization and technology enhancements to reduce PER	Timeline
Bridge to modernization via MAXIS eligibility system integration layer	Started with onetime funds; <i>requires ongoing funding</i>
Expand income verification technologies to target common errors and reduce mistakes	<i>Requires funding</i>
Add an applicant portal to improve information collection at onset of application process	<i>Requires funding</i>
Identify new data tools to provide more immediate and timely access to SNAP data	In progress; <i>requires funding</i>
Explore new IT options used in other states to better identify error prone cases	In progress; <i>requires funding</i>



Recent Federal Actions

Over the last 12 months DCYF has navigated through an unprecedented level of federal instability, all while following the law to protect programs serving the most vulnerable Minnesotans.



Impacted programs & litigation status

SNAP data demand. *Preliminary injunction granted*

- In May 2025, USDA made the unprecedented demand that states turn over sensitive, personal identifying information on millions of SNAP recipients or face fiscal penalties.
 - States routinely provide anonymized data sets to USDA to meet federal requirements, promote program integrity, and protect personal privacy.
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SNAP non-citizen guidance. *Preliminary injunction granted*

- In Oct. 2025, 1 day before states were required to implement H.R. 1's limits on SNAP eligibility for certain legal non-citizen groups, USDA issued guidance that incorrectly eliminated eligibility for certain lawful permanent residents.
 - A federal judge blocked the USDA from enforcing its incorrect guidance and extended the 120-day "hold harmless" period for implementation to April 2026.
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SNAP H.R. 1 policy guidance. *Under federal court review*

- In Jan. 2026, 23 states filed an amended complaint to the non-citizen litigation regarding delays in USDA guidance on work requirement and utility allowance changes.
- The amended complaint argues that USDA incorrectly applied the 120-day "hold harmless" period from July 4, rather than the date guidance was issued, meaning states could be prematurely assessed payment errors for H.R. 1-related changes.



Impacted programs & litigation status (continued)

SNAP “recertification pilot.” *Preliminary injunction granted*

- In Dec. 2025, USDA sent a letter to Minnesota requiring 4 counties to recertify more than 100,000 households in only 30 days or the state would face fiscal penalties.
 - Minnesota’s counties already recertify eligibility to ensure households continue to meet eligibility requirements, in accordance with federal law.
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USDA “funding freeze.” *Under state agency review*

- In Jan. 2026, USDA sent notice that the federal government would suspend payments totaling \$129M in awards to Minnesota and Minneapolis.
 - The notice did not specify which programs would be impacted, but USDA has represented in court that SNAP benefits will not be impacted.
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ACF “funding freeze.” *Preliminary injunction granted*

- In Jan. 2026, ACF issued a letter indicating the federal government would restrict drawdowns, essentially freezing funds, for the Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and Social Services Block Grant (SSBG) in five states including MN.
- In Feb. 2026, the court granted a preliminary injunction preventing ACF from freezing approximately \$10 billion in funding for the five targeted states.

Thank You