



# Oh SNAP! How Much is That Going to Cost?

## Utah's Nutritional Assistance Impacts from H.R. 1

By Josh Pittman | August 8, 2025

### Key Findings

Federal enactment of the "One Big Beautiful Bill Act" (H.R. 1) creates a fiscal impact for the state of Utah and provides some risk of future financial responsibility. H.R. 1 increases Utah's portion of administration costs by approximately \$13 million annually from changing the program's match rate. Currently, the state's error rate (the rate of incorrect payments made to program participants) will not increase the state's cost. However, if Utah's error rate were to increase marginally, Utah would be required to contribute to the cost of benefits which could cost the state \$20 million per year.

### Overview

The Supplemental Nutrition Assistance Program (SNAP), initially approved as the Food Stamp Act of 1977 and later modified in the Food and Nutrition Act of 2008, set out to promote general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition among low-income households. Assistance is provided to Utahns in the form of electronic benefits on debit cards to buy eligible food in authorized retail stores.

In Fiscal Year (FY) 2025, approximately \$49.9 million was spent on administrative costs to disburse \$400 million in benefits for recipients of SNAP. The cost of administration for FY 2025 was divided equally with a 50/50 match rate between state and federal funds, and the full cost of benefits was 100% federally funded.

However, with the passage and signature of H.R. 1 there are some changes to how the program is funded that will result in significant fiscal impact to the state. H.R.1 has not granted any additional administrative or program design flexibility to the states. The additional state matching requirements are "all-or-nothing", meaning if the state chooses not to provide the necessary matching funds, SNAP will not be available in Utah. The SNAP program is optional for states.

### Administrative Costs

The first adjustment to SNAP funding comes from an adjustment of the match rate. H.R. 1 changes the 50/50 match rate to a 25/75 match rate. This reduces the federal share from 50% to 25%, requiring states to pay 75% of SNAP administrative costs beginning FY 2027 (October 1, 2026).

Administrative costs for this program are not fixed, and fluctuate based on economic conditions, number of applicants, and other economic variables. However, based on past years' administrative costs, Utah's burden to continue to administer the program could easily grow by \$13 million ongoing to cover this change in match rate.

### Benefit Costs

The next adjustment to SNAP funding centers on who pays for the benefits. Previously, the full benefit was paid for by the Federal Government. H.R. 1 requires a state to pay a proportion of the SNAP benefit, which is dependent on state payment error rates.



The individual state payment error rates measure the accuracy of each state’s eligibility and benefit determinations while the national performance measure or national payment error rate represents the average of these rates, weighted by state caseload sizes. Payment errors include both underpayments and overpayments, as well as customer non-report.

Error Rate	Percent of State Share under H.R. 1	Potential Cost to the State of Utah
0-5.99%	0%	\$0
6-7.99%	5%	\$20,000,000
8-9.99%	10%	\$40,000,000
10% or more	15%	\$60,000,000

This change would go into effect during FY 28. Currently, the state of Utah falls within the 0-5.99% error rate, resulting in no estimated additional cost. However, it is important for the state to maintain current error rate levels to ensure no additional cost to the state. According to the USDA, in 2024 the [Utah error rate was 5.74%](#), stemming mostly from overpayments.

### Other Provisions

Additional stipulations were included in H.R. 1 that may have some policy and pragmatic changes. These provisions are as follows:

Programmatic Change	Impact to Utah	Implementation Date
Adjustments to the Thrifty Food Plan (TFP) are only permitted on October 1 based on the Consumer Price Index for All Urban Consumers.	The SNAP benefit amount is adjusted annually at a federal level, as a result the Department of Workforce Services (DWS) already has an established process to make such benefit adjustments.	Upon enactment of the law.
Able Bodied Adults Without Dependents (ABAWD) changes include: <ul style="list-style-type: none"><li>Increasing the work requirement from 18 - 54 to 18 - 64.</li><li>Narrows the work requirement exemption for caregivers and parents by lowering the age of a “dependent child” from under 18 years to 14 years.</li><li>Exempts individuals who are eligible for the Indian Health Services.</li></ul>	<p>This change will result in more individuals being required to participate in work requirements to continue to receive SNAP benefits.</p> <p>DWS will need to make one-time changes to the eligibility enterprise system as well as support those newly required to meet work requirements</p> <p>The state is awaiting federal guidance on implementation and will use that guidance to determine the amount of those impacted.</p>	Upon enactment of the law.



Programmatic Change	Impact to Utah	Implementation Date
Low Income Home Energy Assistance Program (LIHEAP) Payments in Determining SNAP Benefits will change. H.R. 1 restricts the use of LIHEAP payments of \$20 or more to automatically qualify for the standard utility allowance in determining SNAP benefit amounts to households with elderly or disabled members. Previously, all households qualified.	<p>This change adjusts allowable expenses and will likely impact the benefit amount of some SNAP recipients; however, this likely does not change who is eligible.</p> <p>DWS will need to make one-time changes to the eligibility enterprise system to come into compliance and the state is awaiting federal guidance on implementation.</p>	Upon enactment of the law.
H.R. 1 prohibits the use of household internet costs from being used in computing the excess shelter expense deduction for SNAP benefits.	<p>This change adjusts allowable expenses and will likely impact the benefit amount of some SNAP recipients; however, this likely does not change who is eligible.</p> <p>DWS will need to make one-time changes to the eligibility enterprise system to come into compliance and the state is awaiting federal guidance on implementation.</p>	Upon enactment of the law.
The National Education and Obesity Prevention Grant Program expires the program, also known as SNAP-Ed after FY 2025.	DWS currently has contracted out SNAP-Ed services to Utah State University. With this change, the contract will expire effective September 30, 2025.	FY 2026
Citizenship Requirements for SNAP benefits to individuals who reside in the United States and are 1) citizens or lawful permanent residents; 2) immigrants who have been lawfully admitted for permanent residence; 3) immigrants who have been granted the status of Cuban or Haitian entrant; or 4) those who are lawfully residing in the country in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau.	<p>This change will result in some individuals currently eligible, possibly losing SNAP eligibility.</p> <p>DWS will need to make one-time changes to the eligibility enterprise system and evaluate those whose eligibility for SNAP may have changed.</p> <p>The state is awaiting federal guidance on implementation and will use that guidance to determine the amount of those impacted.</p>	Upon enactment of the law