

# 2025 Federal Budget Law

P.L. 119-21

Implications for the New Jersey
Supplemental Nutrition Assistance Program (NJ SNAP)





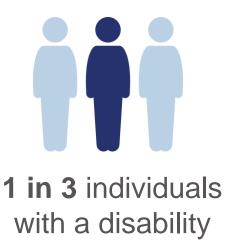


Roughly \$2B in SNAP benefits were issued during State Fiscal Year 2025.

#### In NJ, SNAP serves:



More than 800K people, of which more than 40% are children







SNAP dollars are spent at 6K authorized retailers throughout the state.







The law **eliminated SNAP-Ed**, a program that received \$9.9M during Federal Fiscal Year 2025 to teach NJ residents with low incomes how to make healthy, budget-friendly food choices and lead more active lives.





**SNAP-Ed** 

# Able-Bodied Adults Without Dependents (ABAWDs)



#### The law changes the:

- age of individuals who must comply with the 80 hours/month work requirement from 18-54 to **18-65**.
- work requirement exception for those with dependent children from households with children under the age of 18 to households with children under the age of 14.



## **Non-Citizen Eligibility**

The law changes who may be eligible, as long as they meet all other SNAP financial and non-financial eligibility requirements.

#### **Pre-2025 Federal Budget Law:**

- Lawful permanent residents (LPR) or Green Card holders
- Compact of Free Association (COFA) citizens
- Cuban entrants
- Haitian entrants
- Refugees
- Asylees
- Survivors of Human Trafficking
- Non-citizens battered by family members while in the United States
- Persons whose deportation is withheld due to threat of serious harm or torture upon deportation
- Those granted parole into the United States for a period of at least one year
- American Indians Born in Canada
- Members of Federally Recognized Tribes Born Abroad

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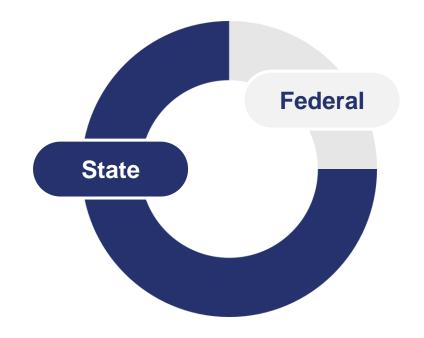


# **Administrative Cost Sharing Requirement**

The law changes the administrative cost contribution required by the state, which is paid by the state *and* counties, from:

• 50% federal, 50% state to **25% federal, 75% state.** 

The increased administrative cost will amount to roughly \$90M, and \$78M of this would need to be covered by the counties.





# **Benefit Cost Sharing Requirement**

The law changes the cost of benefits, which used to be fully covered by the federal government, to:

 shift responsibility to the states to pay allotment of benefits depending on their SNAP Quality Control Payment Error Rates (PER).

Match amounts that will be required by states based on their error rates:

- Below 6% error rate: 0% match
- Between 6% and 7.99% error rate: 5% match
- Between 8% and 9.99% error rate: 10% match
- 10% or higher error rate: 15% match
- Each 5% cost share will amount to \$100M in NJ. A 15% cost share will amount to more than \$300M.





## **Quality Control and Payment Error Rates**

- SNAP Quality Control (QC) is an arbitrary and changing process, which at times contradicts federal regulations.
- NJ's error rate averaged between 5% and 6% for almost 20 years, but an arbitrary change in 2023 caused our rate to increase to 35%.
- QC review criteria are different from eligibility standards, so the review is not apples to apples.
- Error rates do not measure "waste, fraud and abuse."
  - E.g., in most of the errors found in NJ, the federal government determined that the person was eligible and the benefit calculation was correct, but the supporting paperwork was yet to be filed.



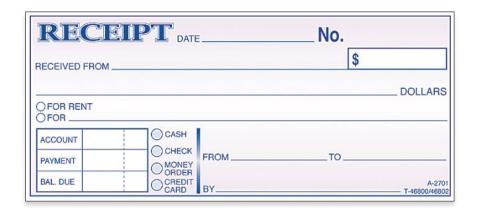
# **Inconsistencies Between Application Requirements and Quality Control Requirements**

- Under federal rules, when a NJ resident applies for SNAP, they can produce a rent receipt to prove how much they pay.
- However, when that same case is reviewed by quality control officials, they require more information, such as the landlord's phone number.
- If that phone number is missing, the case is assessed as a "payment error."

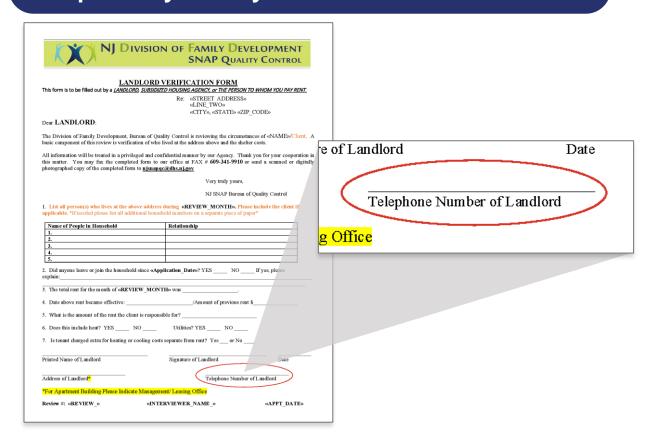




#### **Required by Feds at Time of Application:**

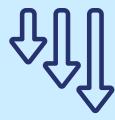


### Required by Quality Control for Federal Review:









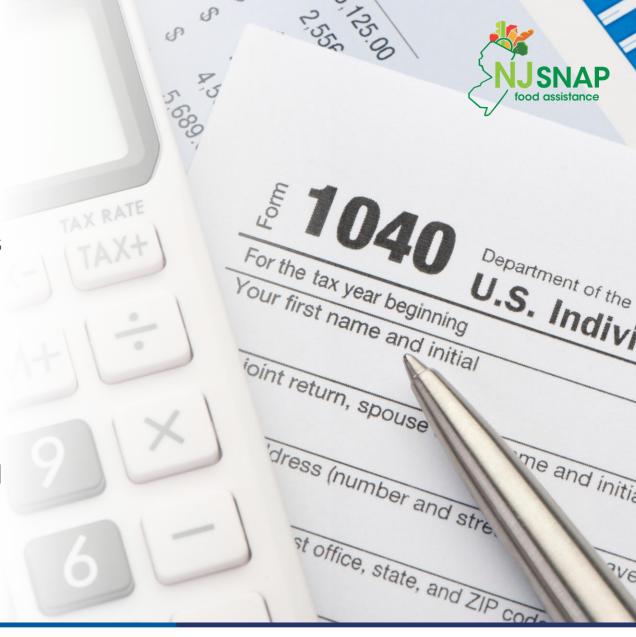
The law changes the relationship between SNAP and the LIHEAP heating and cooling program. This will result in many SNAP recipients, who are not elderly or disabled, receiving reduced SNAP benefits.



In addition, this change would have an administrative impact that could increase the state's Payment Error Rate, which could, in turn, cost the state more in SNAP benefits.

### **Return on Investment**

- Both the administrative and benefit cost sharing are not cuts, but rather cost shifts. NJ taxpayers will be paying these costs from NJ taxes, rather than federal taxes.
- In NJ, residents and businesses already send more money to the federal government in comparison to how much federal money is received and distributed within the state. In 2022, NJ sent \$165B to Washington D.C. and received \$125B. Between 2015 and 2022, NJ consistently ranked among the bottom three states when looking at return on the dollar.







### The law will negatively impact:



New Jersey taxpayers, who will have to carry more of the benefit and administrative cost of SNAP.





Immigrants, who entered this country legally under certain special circumstances determined by the Attorney General, who will lose SNAP eligibility.

# **Questions?**

