

States Pay, Families Lose: Idaho Food Assistance Under the OBBBA

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On July 4, 2025, the U.S. President signed H.R. 1, the One Big Beautiful Bill Act (OBBBA), into law.¹ The passage of OBBBA resulted in the largest reduction in the Supplemental Nutrition Assistance Program (SNAP) funding in the program's history and shifts a significant share of costs onto Idaho's future state budgets. In total, the legislation cut \$187 billion from the Supplemental Nutrition Assistance Program (SNAP), which is roughly 20 percent of the program's funding.²

Notable changes to SNAP include:

- Forces states to cover up to 15 percent of food benefit costs based on error rates, starting in 2028. This amount is estimated to be between \$0 and \$42 million annually in Idaho.
- Increases the state share of administrative costs from 50 percent to 75 percent in 2027.
- Narrows exemptions and expands work requirements to older adults up to age 65, while removing work requirement exemptions for homeless individuals, veterans, and youth aging out of foster care.
- Ends required funding for SNAP Nutrition Education (SNAP-Ed) after 2025. SNAP-Ed is an evidence-based program that helps people make their SNAP dollars stretch and teaches them how to shop for and cook healthy meals.
- Preventing future program funding and food assistance from increasing by requiring all changes to the Thrifty Food Plan (TFP) to be cost neutral regardless of increased food prices or inflation.

These unprecedented funding cuts and program changes put millions of households at risk nationally. In Idaho, an estimated 8,000 individuals could face a reduction in their food assistance, and 4,000 could lose their SNAP benefits entirely, resulting in a total of 12,000 Idahoans impacted.³ Roughly 130,000 Idahoans rely on SNAP to keep food on their tables, and those most at risk of losing food benefits include veterans, former foster youth, families with children, and Idahoans with disabilities.⁴ This includes the 6,000 veterans⁵ who rely on SNAP to help make ends meet, the two out of three⁶ Idaho SNAP recipients who are in families with children and the one out of three households with older adults or people with disabilities.⁷

The result will be thousands of Idahoans losing access to food assistance, greater financial strain on struggling families, weakened basic needs programs in times of economic downturn, and a rise in hunger across the state.

Cost Share Model

Since SNAP's creation, food benefits have been fully federally funded with states sharing half of the administrative costs.⁸ Under the OBBBA, states will now be required to pay a portion of the food benefit costs based on their error rates, which is a calculation that includes any clerical error such as underpayments or incorrect administrative steps. States will also shoulder 75 percent of administrative costs, up from the current 50 percent.⁹

Tying Idaho's share of the food benefit cost to our annual error rate adds a layer of unpredictability and uncertainty to budgeting that will be difficult for the Idaho State Legislature to plan for. Idaho's cost shares will be determined annually based on program error rates, which can fluctuate substantially from year to year. Under these changes, Idaho will be required to pay millions more each year to keep the program operating at its current capacity. If the state can't absorb these new costs, lawmakers may be forced to make cuts to avoid a budget deficit. Leading to the potential reduction or elimination of benefits for families who rely on the program.

Food Benefit Costs

To date, SNAP food benefits have been fully funded by the federal government, ensuring families receive the assistance they qualify for. With the passage of the OBBBA, states will now be required to cover a share of SNAP food benefit costs for the first time in the program's history.¹⁰ The amount a state owes depends entirely on its annual payment error rate.¹¹

Under the new provisions, states will be required to pay anywhere from 0 to 15 percent of SNAP food benefit costs.¹² The OBBBA establishes a tiered system to determine a state's mandatory cost share of the program.

State SNAP Error Rate	State Share of SNAP Food Benefit Costs	Estimated Annual Cost for Idaho by Tier
Below 6%	0%	\$0
6% – 7.99%	5%	≈ \$14 million
8% – 9.99%	10%	≈ \$28 million
10% or higher	15%	≈ \$42 million

Note: Although some states may qualify for the 0 percent tier each year, it remains uncertain how much states will owe on a year-to-year basis due to the dynamic nature of error rates.¹³

In FY 2023, Idaho’s error rate was 3.59 percent, well below the 6 percent threshold for the state’s cost-share to trigger. However, Idaho’s highest recorded error rate between 2003 and 2024 was reached in 2003 at 11.31 percent. This history shows how unpredictable error rates can be. If Idaho’s error rate ever jumped above 6 percent again, the state would be on the hook for an estimated annual minimum of \$14 million in food benefit costs. In the worst-case scenario, costs could climb to as much as \$42 million per year if error rates exceed 10 percent.¹⁴

Idaho’s Error Rate (2003–2024)	Implications for State Costs
2023 Actual Error Rate: 3.59%	No additional state share owed (below 6% threshold)
Highest Recorded Error Rate: 11.31%	Highest cost-share would be triggered for an annual expense of ≈ \$42 million

Note: Idaho’s error rates have fluctuated significantly over the past two decades, making future state costs highly uncertain and unpredictable.

Due to the nature of this cost-share determination, states are given only a short transition period to prepare millions of dollars in potential new costs. They will be notified of their required share about 15 months in advance, with the first payments beginning in FY 2028. After that, each year’s cost share will be tied to the state’s error rate from three years prior.¹⁵

Even with this notice, the year-to-year volatility in error rates means states could see their costs spike or plummet suddenly, making long-term fiscal planning extremely difficult. Because Idaho must balance its budget annually, even modest increases in error rates could translate into sudden multi-million-dollar obligations. Lawmakers would be left with limited options: raise new revenue, cut funding for other essential services such as education or health care, or reduce SNAP access.

The consequences of the cost-share provisions also extend beyond state budgets. Idaho families could lose food assistance with little warning, and local economies that rely on SNAP spending would feel the strain. In short, the volatile nature of error rates creates fiscal uncertainty for the state and may result in food assistance being unavailable for the households and communities that use this support to reduce hunger, promote healthy food choices, and support improved health outcomes.¹⁶

Administrative Costs

The previous funding split for SNAP administrative expenses was a 50-50 percent partnership between the federal government and the states. The OBBBA changes that balance.¹⁷ States are now required to cover 75 percent of administrative expenses, up from 50 percent.¹⁸

In FY 2024, Idaho paid roughly \$8 million in administrative costs under the previous 50-50 percent split.¹⁹ Under the new law, Idaho will pay more in administrative costs to maintain its current running capacity – an increase of \$6 million each year.²⁰ When paired with the added unpredictability of the food benefit cost share model, this higher administrative cost obligation leaves Idaho facing tough budget choices while trying to keep SNAP running smoothly for the families who rely on it.

Work Requirements

The expanded work requirements created by the OBBBA will threaten access to food assistance without improving employment outcomes. Evidence shows that rigid work mandates often result in benefit loss rather than better jobs or improved employment rates.

Under these changes, adults receiving SNAP will need to document 20 hours of work weekly, qualify for work requirement exemptions, or face a three-month cap within a three-year time span. These rules were previously applied only to childless adults aged 18-54 but will now also apply to most parents whose youngest child is 14+ and adults aged 55–64.²¹ In Idaho, an estimated 4,000 people lose SNAP support under these expanded requirements.²²

Many affected individuals cannot meet strict rules because of unpredictable work schedules, caregiving responsibilities, health challenges, or transportation barriers. For example, a recent Idaho labor report found that only one in four Idaho retailer employees say their weekly schedules are “very predictable,” and one in five Idaho workers report frequent last-minute schedule changes.²³ In addition, administrative and paperwork errors routinely knock people off benefits even when they qualify or are employed.

Exemptions:

Individuals under the age of 18 or over 65, those with disabilities, pregnant women, and some tribal members are exempt from work requirements.²⁴ However, veterans, people experiencing homelessness, and former foster youth will lose their exemptions. For Idaho, this means up to 12,000 participants could be impacted by losing all or some of their food assistance.²⁵

Geographic Waivers:

The OBBBA substantially cuts a state's ability to temporarily waive the three-month time limit in geographic areas with insufficient jobs based on the local labor market conditions.

Prior to the change, states had significantly more flexibility in defining what constituted a "geographic area" for waiver purposes.²⁶ The new regulations included in the OBBBA make it much harder for states to qualify for waivers from SNAP's work requirements when jobs are scarce, and unemployment rates are high.²⁷ Now, waivers can only be approved in areas where the unemployment rate is over 10 percent.

Thrifty Food Plan

The Thrifty Food Plan (TFP) determines the amount SNAP recipients receive monthly and reflects the United States Department of Agriculture's (USDA) estimate of what it costs to buy groceries for a nutritious, budget-minded diet.²⁸ In the 2018 Farm Bill, Congress directed the USDA to update the TFP by 2022 and then continue to update it on a five-year cycle going forward.²⁹

The OBBBA now prohibits the USDA from updating the TFP more than once every five years and requires those updates to be cost-neutral. Under previous law, the USDA was expected to re-evaluate the TFP in 2027 and 2032, building on the 2021 modernization efforts to ensure SNAP reflected current food costs and dietary guidance.³⁰ This change prevents the USDA from raising SNAP benefits in future re-evaluations to respond to economic changes and inflation. According to the Congressional Budget Office, this will cut SNAP spending by about \$37 billion over the next 10 years.³¹

The USDA projects that food prices will remain high and unpredictable, with overall costs expected to rise up to 7.5 percent in 2026. By only allowing cost-neutral future spending on the TFP, the OBBBA will erode the purchasing power of SNAP benefits as grocery prices continue to climb - making it harder for Idaho families to keep pace with the cost of a healthy diet. Reduced SNAP purchasing power will also ripple out into local communities such as Idaho grocers, farmers' markets, and the broader state economy.³³

Implementation Timeline

With several provisions of the OBBBA taking effect now or soon, households across the U.S. may already feel the effects of having fewer resources to put food on the table. Other cuts will be phased in over the coming months and years, deepening the strain on families to keep food on their tables. Together, these changes represent some of the most significant reductions to SNAP in the program's history.

This timeline outlines the implementation dates of key provisions in the law, including scheduled cuts to food assistance that will reduce food assistance and restrict access for households facing hunger.³⁴

Implementation Timeline

Date/Period	Provisions
<p>Enacted upon signing of the OBBBA (July 4, 2025)</p> <p>Went into effect November 1, 2025, after 120-day grace period</p>	<ul style="list-style-type: none"> • Work requirement exemption age rose 65+. • Work requirement parent exemption limited to children under 14. • Removes work requirement exemptions for homeless individuals, veterans, and youth aging out of foster care. • New work requirement exemptions for “Indian,” “Urban Indian,” and “California Indian” added under the Indian Health Care Improvement Act. • Geographical waivers allowed only if unemployment is $\geq 10\%$ in a given area (all states), or $\geq 150\%$ of national average (AK & HI). • Changes to non-citizen eligibility for SNAP (guidance forthcoming).
FY 2026 (Oct 2025)	<ul style="list-style-type: none"> • SNAP-Ed ends with FY 2025 grants; unspent FY 2025 funds may continue into FY 2026.
FY 2027 (Oct 2026)	<ul style="list-style-type: none"> • Cuts future SNAP benefits by limiting TFP updates to inflation only. • States must pay 75 percent of administrative costs (USDA share reduced to 25 percent).
FY 2028 (Oct 2027)	<ul style="list-style-type: none"> • States pay 0–15 percent of SNAP food benefit costs, based on 2025 or 2026 error rates. • 2025 error rates published June 30, 2026. • 2026 error rates published June 30, 2027. • States with error rate $\geq 13.33\%$ (2025) exempt until FY 2029. • States with error rate $\geq 13.33\%$ (2026) exempt until FY 2030.
FY 2029 (Oct 2028)	<ul style="list-style-type: none"> • States pay 0–15 percent of benefits based on 2026 error rates. • States exempt in 2025 may start paying depending on their 2026 rate.
FY 2030 (Oct 2029)	<ul style="list-style-type: none"> • States pay 0–15 percent of food benefits based on 2027 error rates. • States exempt in 2026 may start paying depending on their 2027 rate.
Subsequent Fiscal Years	<ul style="list-style-type: none"> • States pay 0–15 percent of food benefits, based on error rates from 3 years prior.

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