



Impact of Proposed Federal Fiscal Year (FFY) 2026 Budget Cuts on Marylanders

July 2, 2025

- In state fiscal year (FY) 2026, over 684,000 Marylanders, including over 270,000 children, rely on federal Supplemental Nutrition Assistance Program (SNAP) funding to feed their families, receiving an average SNAP benefit of just \$180 per month. **We anticipate issuing over \$1.6 billion in SNAP benefits in FY 2026.**
 - More than 59% of Maryland SNAP customers are families with children;
 - More than 32% of SNAP households are families with older adults or disabilities; and
 - More than 39% Maryland SNAP customers are working families.
- SNAP helps Marylanders put food on their tables and directly boosts farmers, as well as small and local businesses who make up the 3,800 retailers in Maryland.
- [H.R. 1, as passed by the U.S. Senate](#) on July 1, 2025, will slash SNAP benefits, deepening food insecurity and hunger, and place a **total \$412.5 million burden on Maryland taxpayers** in benefit and administrative costs to maintain the same level of service.
 - State Benefit Cost Share: $0.15 \times \$1.6 \text{ billion} = \240 million^1
 - State Administrative Match: $.75 \times \$230 \text{ million} = \172.5 million^2
- [H.R. 1, as passed by the U.S. House of Representatives in May](#), would place a \$457.5 million burden on Maryland taxpayers. In both versions, for the first time ever, Maryland would pay for 75% of administrative costs and up to 25% of the cost of benefits from the state general fund. Currently, the federal government's promise is a 50-50% administrative cost share match, and 100% of the cost of benefits.
- When combined with impact to the over 1.5 million Marylanders served through Medicaid, both versions of H.R. 1 threaten to unravel the safety net for Marylanders. If enacted, H.R. 1 will mean fewer meals and worsening health for families statewide.³

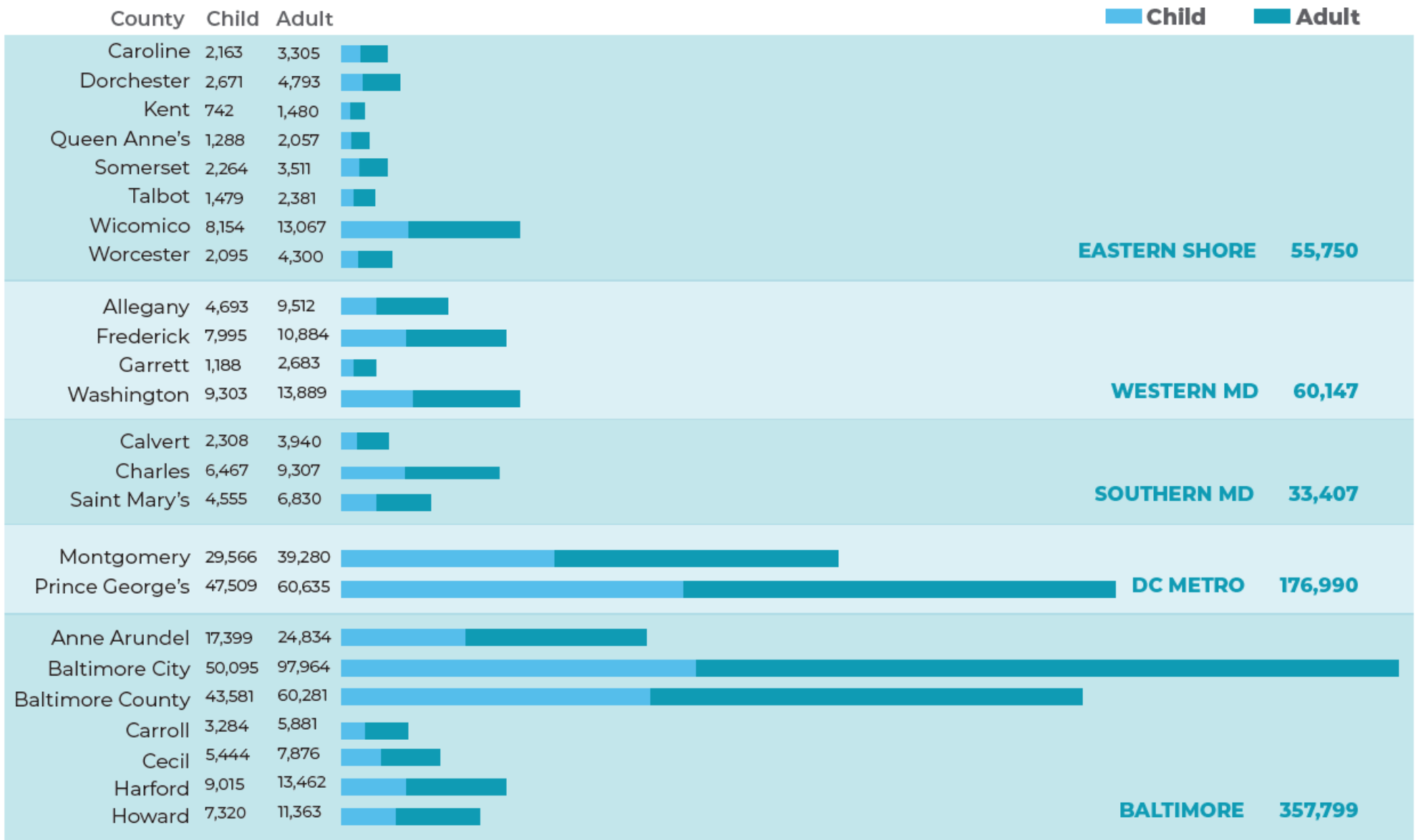
¹ Up to 15% based on [Maryland's Federal Fiscal Year \(FFY\) 2024 SNAP Payment Error Rate of 13.64% error rate](#). \$1.6 billion is the FY2026 budgeted amount for Maryland's SNAP benefit issuances. SNAP Benefits Cost-Share Penalty would begin in FFY 2028 (October 1, 2027).

² In FFY 2024, Maryland spent approximately \$230 million to administer the federal SNAP program. Currently, Maryland pays 50% of the administrative costs (\$115 million) and the federal government the other half of Maryland's administrative costs (\$115 million). Beginning FFY2027 (October 1, 2026), the administrative cost share is 75% under the Senate bill.

³ For more information, please see the Maryland Department of Health's [press release](#) and [fact sheet](#).

SNAP CUSTOMERS SERVED

MONTHLY AVERAGE



Total Served: Child **270,578** Adult **413,515** All **684,093**

Totals represent monthly average customers served in State Fiscal Year 2025 to date (July 2024 - April 2025). Children are age 0-17.

H.R.1 IMPACT ON MARYLAND SNAP (House and Senate Comparison)

	U.S. House of Representatives	U.S. Senate	Marylanders Impacted	Budget Impact or Comment
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For more information, please see our [more detailed policy and impact analysis](#) (June 6, 2025) and the [National Governor's Association's analysis](#).

Thrifty Food Plan Reevaluation Currently, evaluation is done annually.	Section 10001 - Requires a reevaluation of the Thrifty Food Plan not earlier than October 1, 2028, and not more frequently than every five years. October 1, 2025, or upon enactment	Section 10101 - No difference	~684,000 Marylanders served by SNAP	Reevaluating the Thrifty Food Plan annually ensures that SNAP benefit amounts keep pace with inflation and the rising cost of food. Reducing the frequency of adjustments to once every five years would result in stagnant benefit amounts and declining benefit value. As inflation and food prices continue to rise, the amount and purchasing power of SNAP benefits will decrease. This would make food increasingly unaffordable for SNAP households, exacerbating food insecurity in communities across Maryland.
Able Bodied Adults without Dependents (ABAWD) Work Requirements	Section 10002: Expands ABAWD work requirement age range to 18–64 from the current 18–54 and limits child exemption to those with children under 7 (previously under 18). October 1, 2025, or upon enactment. H.R. 1 takes away current exemptions for homeless, veterans and former foster youth under 24 on October 1, 2030.	Section 10102 (a): Expands ABAWD work requirement age range to 18–64 from the current 18–54 and limits the child exemption to those with children under 14 (previously under 18).	U.S. Senate: ~ 174,033 Marylanders total <ul style="list-style-type: none"> 107,307 adults with children 14-17 years 66,726 individuals aged 55–64 U.S. House: ~145,363 individuals total <ul style="list-style-type: none"> 78,637 adults with children under 7 years 66,726 aged 55–64 	Indeterminate budget impact. This level of increase in the number of people subject to ABAWD requirements would require additional state financial resources to: 1) process paperwork and additional red tape; 2) engage impacted customers in work activities. 21% of Maryland SNAP households exit the program only to return within four months due to procedural difficulties during recertification and changes in household circumstances.

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Local jurisdiction ABAWD waivers Currently, Baltimore City, Dorchester, Kent, Somerset, and Kent Counties have waivers.	Section 10003: Limits ABAWD waivers to a maximum of 12 consecutive months. Waivers allowed only for counties with unemployment above 10%. Removes job availability as a basis for waivers. Reduces discretionary exemptions from 8% to 1%. Effective upon enactment.	Section 10102 (b): Limits ABAWD waivers to a maximum of 12 consecutive months. Waivers allowed only for counties with unemployment at or above 1.5% of the national unemployment rate. Removes job availability as a basis for waiver. Reduces discretionary exemptions from 8% to 1%.	~10,250 ABAWDs currently in exempt jurisdictions in Maryland. (Baltimore City, Dorchester, Kent, Somerset, and Worcester)	The new provisions will make it extremely difficult to obtain waivers in the future. This means more ABAWDs will be subject to the 3-month time limit on benefits when a county is experiencing economic conditions beyond the control of SNAP participants.
SNAP Heat & Eat Restrictions	Section 10004: Restricts Heat & Eat linkage and energy assistance income exclusions to households with an elderly or disabled member. Effective upon enactment.	Section 10103: No difference	118,697 households would no longer qualify for the deduction.	Eliminating the Standard Utility Deduction will reduce monthly SNAP benefits for affected households, potentially increasing food insecurity. The Heat and Eat provision allows SNAP recipients who receive a nominal LIHEAP benefit of \$21 to qualify for a standard utility deduction from their income before SNAP benefits are calculated. In 2025, the deduction is \$555 per month.

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	U.S. House of Representatives	U.S. Senate	Marylanders Impacted	Budget Impact or Comment
State Benefit Cost Share Currently, 100% federal benefit cost share.	Section 10006: Requires states to contribute a portion of SNAP benefits based on their Payment Error Rate (PER): - PER < 6%: 5% state match - PER 6–7.99%: 15% - PER 8–9.99%: 20% - PER ≥ 10%: 25% Effective October 1, 2027.	Section 10105: Requires states to contribute a portion of SNAP benefits based on their Payment Error Rate (PER): - PER < 6%: 0 % state match - PER ≥ 6% but < 8% - 5% state match - PER ≥ 8 but < 10%: 10% state match - PER ≥ 10%: 15% state match Effective October 1, 2027 (state may elect to use PER from FY 2025 or FY 2026). As of October 1, 2028 must use PER from third fiscal year preceding FY for State share calculation. States can delay implementation to FY29 if, in FY25, its error rate multiplied by 1.5 is at least 20%. States can delay further implementation to FY30 if, in FY26, its error rate multiplied by 1.5 is at least 20%.	N/A	U.S. House: \$400 million Based on the FFY24 Payment Error Rate of 13.64%, Maryland would be required to cover 25% of SNAP benefits. 0.25 (PER % contribution) x 1.6 billion (MD's FY26 benefit issuance) = \$400 million in additional state general funds (GF) U.S. Senate: \$240 million 0.15 x \$1.6 billion = \$240 million (GF)
State Administrative Match Currently, 50% federal, 50% state	Section 10007: Reduces federal share of SNAP administrative costs from 50% to 25%, increasing state share to 75%.	Section 10106: Reduces federal share of SNAP administrative costs from 50% to 25%, increasing state share to 75%.	N/A	An additional \$57.5 million (GF) - for a new state contribution total of \$172.5 million (GF) per year. Currently, Maryland spends about \$230 million in administrative costs.

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administrative cost share.	For fiscal year 2027 onwards (October 1, 2026).			\$115 million is 50%. \$172.5 million is 75%.
Threshold for SNAP Payment Error Rate (PER) Calculations Currently, the FFY 2024 threshold is \$57.	Section 10010: Eliminates the tolerance level for SNAP quality control errors. Overpayments under \$58 will no longer be excluded from PER calculations. Effective October 1, 2025.	Section stricken Quality control tolerance would freeze at \$57 (FY 2024) until the next Thrifty Food Plan evaluation in 2028.	N/A	Removing the tolerance level for quality control payment errors will increase every state's cumulative SNAP PER. This could increase the monetary penalties states face for exceeding SNAP PER standards.
National Education and Obesity Prevention Grant Program (SNAP-Ed)	Section 10011: Repeals the SNAP-Ed program. Effective October 1, 2025.	Section 10107: No difference.	424,000 Marylanders, including children, participate or receive outreach.	\$6.4 million We partner with the University of Maryland to help recipients make informed, healthy eating choices and maximize the value of their SNAP dollars. Elimination of this program will: (1) Eliminate obesity education efforts and (2) Negatively impact 541 SNAP Ed partners across the state. We may be able to run a limited program in FFY26 due to carryover funding.
SNAP Eligibility - Further Restrictions	Section 10012: Limits SNAP eligibility to citizens or lawful permanent residents without intent to abandon U.S. residence. The bill codifies the inclusion of non-citizen income in benefit calculations. Effective upon enactment	Section 10108: Limits SNAP eligibility to citizens or lawful permanent residents, Refugees, Cuban or Haitian entrants, or Compacts of Free Association (COFA) residents. The bill codifies the inclusion of non-citizen income in benefit calculations.	Maryland has at least 2,912 refugees, 2,094 asylees, and 2,973 Cuban & Haitian entrants based on FFY2024 data .	Undetermined.