

Proposed Changes to SNAP Will Drive Wisconsinites into Hunger and Harm Our Local Economy

The Supplemental Nutrition Assistance Program (or "SNAP," also known as "FoodShare") helps nearly 700,000 Wisconsinites put food on their tables. Unfortunately, Congress is debating a set of proposals that would break the federal government's long-standing commitment to working families, kids, and older adults who cannot afford food.

Wisconsin runs one of the best SNAP programs in the country, but Congress is considering cuts that would cost our state approximately \$314 million every year. This is over a quarter of a billion dollars each year that Wisconsin couldn't use for our health care, our roads, our schools, or our economy.

SNAP is good for Wisconsin's families. These benefits provide essential support nearly 700,000 Wisconsinites so they don't end the day with an empty stomach. But Congress is considering changes that would kick parents with kids as young as 8 years old off the program if they can't meet new red-tape requirements. Nearly 90,000 people would be at risk of losing SNAP benefits under these changes.

SNAP is good for Wisconsin's farmers, grocers, and local economies. For every \$1 of SNAP benefits, working families across Wisconsin generate \$1.50 for our economy by shopping at local stores and farmers markets. The proposals currently in front of Congress would dramatically cut SNAP dollars, either taking away food from families, how much food they can buy, or making states find more tax money to fund this essential food assistance program.

This document provides additional information on the impact of these SNAP funding changes. Given the developing nature of the package of proposals Congress in considering, DHS will continue to analyze the impact of these provisions on Wisconsin as we learn more.

Summary of Fiscal Impact of SNAP Cuts to Wisconsin		
SNAP funding change	Fiscal impact	
Federal cost shift to Wisconsin - Benefits	\$207 million	
Federal cost shift to Wisconsin - Administrative funding	\$51 million	
Work requirements for parents and older adults	\$44 million	
SNAP-Ed elimination	\$12 million	
Total Wisconsin annual impact	\$314 million	

Additional details about the fiscal impact of SNAP cuts to Wisconsin

Surprising states with new costs for SNAP benefits: For the entire 80-year history of the program, the federal government funded every dollar in SNAP food benefits. This new proposal requires states to start making matching payments for SNAP benefits, with amounts varying based on the state's error rates. Wisconsin has one of the lowest payment error rates in the nation, but DHS estimates this provision would require Wisconsin to pay 15% of benefit costs. In combination with other proposals changing how error rates are measured, Wisconsin would be on the hook for \$207 million annually.

Penalizing well-run state programs: Wisconsin's payment error rate is one of the lowest in the country (4.41% in federal fiscal year 2024). These errors are not fraud. They are errors like unexpected changes to a person's income (for instance when a working parent has several part-time jobs with hourly pay) or accidental errors that occur

when determining if someone qualifies for the program. For the first time ever, Congress is proposing an extreme, zero tolerance policy for payment errors that harms states like Wisconsin who consistently keep error rates low.

Shifting administrative costs to states and counties: The federal government and states share the costs to administer the SNAP program. In Wisconsin, DHS and counties both cover the state share of these costs, making sure that SNAP eligibility decisions are accurate and occur in a timely manner. Congress is proposing a cut to the amount that the federal government pays for the staff and systems necessary to run the SNAP program. As proposed, federal payments for administrative costs would be cut in half, costing the State of Wisconsin and our counties \$51 million annually.

Expanding work requirements: Congress is considering a proposal to make it harder for parents, kids and older adults to get food assistance. 88,200 Wisconsinites would have to start submitting new paperwork to prove they are working, including increasing this requirement for adults from 54 years old to 65 years old. This requirement also requires more paperwork for parents with school-age kids, including kids with disabilities. Each year, these changes would cost an extra \$44 million for Wisconsin taxpayers.

Eliminating healthy eating education programs: SNAP provides states with funding to help people receiving food assistance benefits with the best information possible on healthy eating, physical activity, and thrifty shopping. The state shares this education funding with UW-Extension, federally recognized Tribes, and other community partners. The bill would eliminate this SNAP education (SNAP-Ed) funding entirely, and Wisconsin would lose \$12 million annually.

Limiting geographic waivers of work requirements: Today, 2,300 people in Wisconsin have SNAP benefits because there aren't enough jobs. People in Adams, Bayfield, Douglas, Florence, Forest, Iron, Marquette, and Menominee Counties, the City of Racine, and around half of the federally recognized Tribal Nations in Wisconsin are exempt from work requirements due to lack of available jobs in their area. The bill would end these waivers, likely meaning that many of these people will lose their food benefits.

A look at the local economic impact of SNAP

In addition to preventing hundreds of thousands of people from going hungry, SNAP pumps nearly \$1.4 billion each year directly to local economies. Each dollar of SNAP benefit provided to a Wisconsinite is a dollar spent in a local grocery store, farmer's market, or other retailer in cities, towns, and villages across our state. Research shows that the store where a SNAP household does most of their grocery shopping is, on average, <u>3.4 miles from their home</u>.

The following table shows the SNAP benefit received in 2024 by citizens in each Wisconsin County. Given that every \$1 of SNAP benefit generates \$1.50 of economic activity, the actual economic impact goes well beyond the numbers shown below.

2024 SNAP Benefits by Wisconsin County			
County	Amount		
Adams	\$6.2 million		
Ashland	\$4.2 million		
Barron	\$9.3 million		
Bayfield	\$2.5 million		
Brown	\$52.1 million		
Buffalo	\$1.7 million		
Burnett	\$3.6 million		
Calumet	\$4.5 million		
Chippewa	\$10.4 million		
Clark	\$5.3 million		
Columbia	\$9.4 million		

Total Wisconsin SNAP benefit in 2024: \$1.4 Billion

2024 SNAP Benefits by Wisconsin County			
County	Amount		
Crawford	\$3.2 million		
Dane	\$95.4 million		
Dodge	\$13.7 million		
Door	\$3.5 million		
Douglas	\$9.3 million		
Dunn	\$7.4 million		
Eau Claire	\$18.7 million		
Florence	\$0.8 million		
Fond du Lac	\$17.2 million		
Forest	\$2.0 million		
Grant	\$7.9 million		

Proposed Changes to SNAP Will Drive Wisconsinites into Hunger and Harm Our Local Economy

2024 SNAP Benefits by Wisconsin County		2024 SNAP B	2024 SNAP Benefits by Wisconsin County	
County	Amount	County	Amount	
Green	\$5.1 million	Pierce	\$3.8 million	
Green Lake	\$3.3 million	Polk	\$7.1 million	
lowa	\$3.3 million	Portage	\$11.2 million	
Iron	\$1.2 million	Price	\$2.9 million	
Jackson	\$4.5 million	Racine	\$60.6 million	
Jefferson	\$12.6 million	Richland	\$3.9 million	
Juneau	\$7.2 million	Rock	\$47.0 million	
Kenosha	\$42.4 million	Rusk	\$3.8 million	
Kewaunee	\$2.3 million	St. Croix	\$8.2 million	
La Crosse	\$18.9 million	Sauk	\$13.0 million	
Lafayette	\$2.3 million	Sawyer	\$3.4 million	
Langlade	\$5.3 million	Shawano	\$8.7 million	
Lincoln	\$5.1 million	Sheboygan	\$23.4 million	
Manitowoc	\$13.0 million	Taylor	\$3.2 million	
Marathon	\$22.3 million	Trempealeau	\$4.3 million	
Marinette	\$9.0 million	Vernon	\$4.2 million	
Marquette	\$2.9 million	Vilas	\$2.9 million	
Milwaukee	\$519.1 million	Walworth	\$15.9 million	
Menominee	\$4.8 million	Washburn	\$3.5 million	
Monroe	\$9.0 million	Washington	\$12.8 million	
Oconto	\$6.0 million	Waukesha	\$30.3 million	
Oneida	\$5.9 million	Waupaca	\$8.4 million	
Outagamie	\$23.6 million	Waushara	\$4.7 million	
Ozaukee	\$5.9 million	Winnebago	\$31.2 million	
Pepin	\$0.9 million	Wood	\$17.8 million	