

2025 RES-204

URGING THE STATE OF WISCONSIN TO PROVIDE FUNDING TO OFFSET THE FISCAL IMPACT TO COUNTIES CAUSED BY THE ENACTED CHANGES TO THE FEDERAL SNAP (FOODSHARE) PROGRAM

The federal budget reconciliation package, enacted in July of 2025, makes changes to the SNAP (FoodShare) program that would reduce federal costs and significantly impact county-administered services.

These federal changes extend SNAP work requirements to individuals up to age 64, lower the child age threshold for parent exemptions, and eliminate waivers for areas with high unemployment, thereby increasing referrals to the FoodShare Employment and Training (FSET) program and workload for county human service departments.

The legislation requires states to contribute a minimum of 5% toward the cost of SNAP benefits if their error rate is 6% or higher, facing penalty funding of between 5% and 15% of total SNAP costs.

Wisconsin's current SNAP payment error rate is 4.47%, but without additional investment in eligibility and administrative systems, heightened workloads could push the state above the 6% threshold, triggering significant penalties. If Wisconsin's error rate reaches 6% on or after October 1, 2027, the state's 5% cost share would be approximately \$69 million annually, with potential penalty payments increasing the state's financial burden—costs that could ultimately be passed down to counties.

The SNAP administrative match rate for Income Maintenance (IM) activities has been reduced from the previous 50% federal / 50% state-local to a new match rate of 25% federal / 75% state-local, substantially reducing federal revenue available to counties to administer SNAP. This reduction in administrative funds could lead to a reduction in IM staff, which could result in an increased payment error rate.

County IM administrative costs are approximately \$123 million annually, with SNAP-related workload accounting for about \$49 million of those costs. The new administrative match rate results in an estimated \$17 million annual loss in SNAP administrative funding to counties.

These federal cuts result from shifting the benefit and administrative costs to states and counties (reducing resources available for local administration), tightening work requirements (increasing county workload), and penalizing minor payment errors (resulting in more cost to the states). Counties operate under state-imposed property tax levy limits, restricting their ability to offset such funding losses without additional state or federal relief.

NOW, THEREFORE, BE IT RESOLVED that the Dane County Board of Supervisors urges the State of Wisconsin to provide funding to offset the county fiscal impact caused by the enacted federal SNAP changes, and to work with counties to ensure adequate resources for the administration of FoodShare and related programs.

BE IT FURTHER RESOLVED that the Dane County Board of Supervisors urges the State of Wisconsin to provide funding by supporting the request from the Wisconsin Department of Health Services through 2025 AB 387/SB 390 as part of the state budget correction bill.

BE IT FINALLY RESOLVED that the Dane County Clerk is hereby authorized and directed to send a copy of this Resolution to the Governor of the State of Wisconsin, Wisconsin State Legislators with a constituency within Dane County, the Wisconsin Counties Association, and the Wisconsin County Human Service Association.