

# HR1 Impacts for State/Counties

Matt Hilgart, Association of Minnesota Counties

Barb Dahl, Human Services Director Scott County

Commissioner Garrison McMurtrey, Ramsey County



Association *of*  
Minnesota Counties

# Direct Federal Cost Shifts in HR1

## Administrative Cost Shift-- SNAP

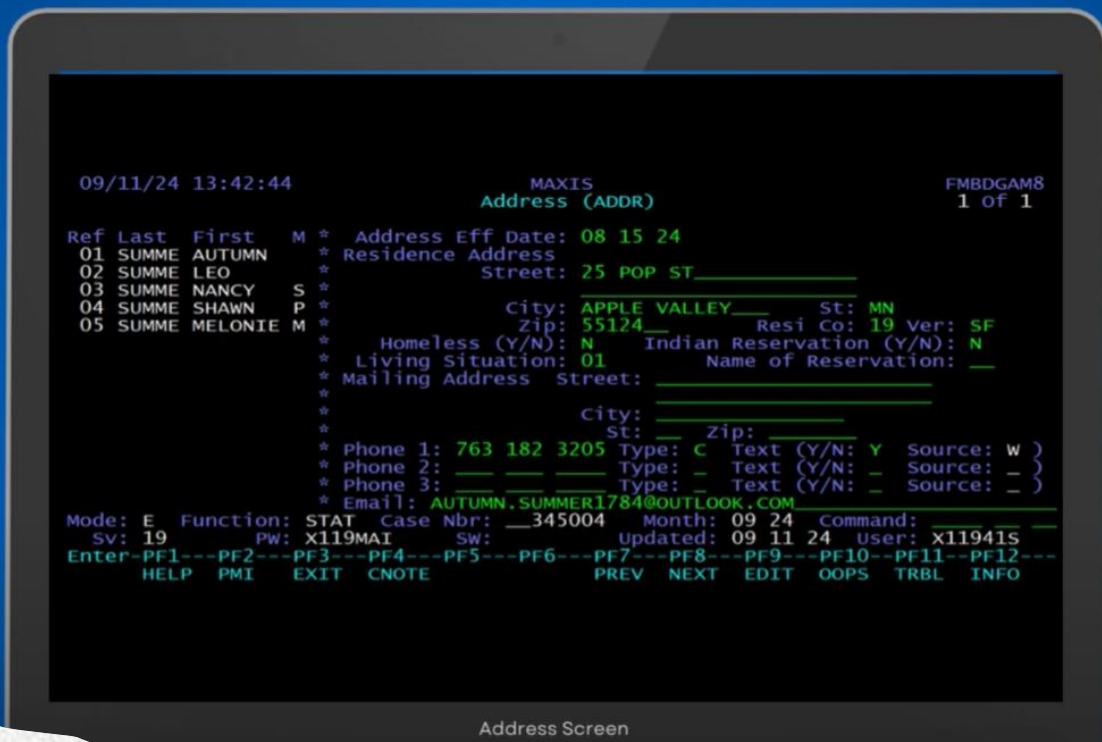
- Shifts federal administrative reimbursement from 50% to 25%.
- County reimbursement from the feds in 2024 was \$61.7 million.
- **Effective Oct. 1, 2026**

## Increased Workload for Work Requirements and Eligibility changes—SNAP and MEDICAID

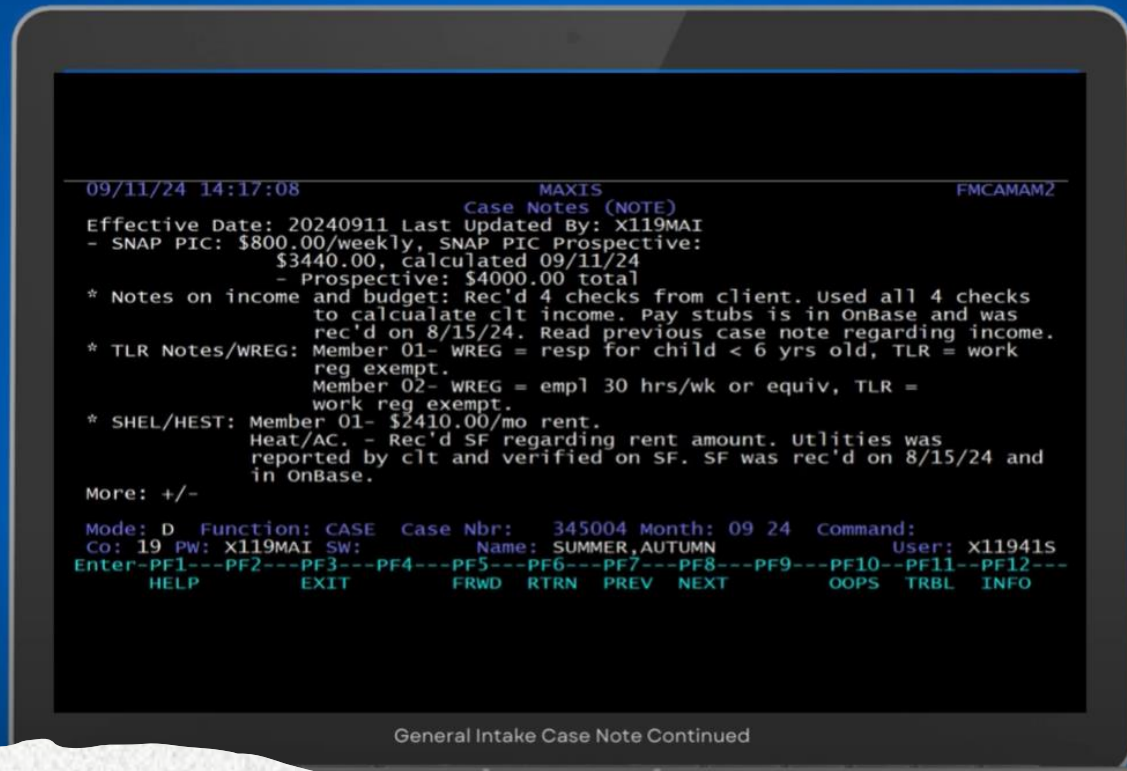
- Both SNAP and Medicaid programs will add additional qualification and or work requirement components.
- Eligibility changes will increase the amount and complexity of county administrative work -- all done in antiquated technology systems.
- **SNAP:** Early 2026
- **MEDICAID:** Jan. 1, 2027
- Further guidance from CMS and USDA expected this year.

## Benefits Cost Shift—SNAP and MEDICAID

- Shifts from fully funded federal benefits to states required to contribute based on state **SNAP error rate**
- States with higher error rates contribute a higher percentage towards SNAP benefits – up to 15%
- \$86 million annually based off of 2024 could be higher
- **Effective Oct. 1 2027**  
(but based on error rates going on currently, even during SNAP pause in Oct./Nov. 2025)



Address Screen



General Intake Case Note Continued

## *Burcum: Tears, workarounds and 1990s screens push county staff to the limit*

Policymakers know that the operating systems used for Minnesota public assistance programs are antiquated. But I was still startled to see them up close.



By Jill Burcum

The Minnesota Star Tribune

# Error rate explained:

- In Federal Fiscal Year 2024 Scott County served over *4,000 SNAP* cases.
- Only 10 of those cases were reviewed for payment accuracy (less than .3%)
  - \$2,113 in total benefits were issued
  - \$149 was deemed in error
  - 8% error rate.
  - That 8% figure could result in Scott County taxpayers footing a bill of over \$1,000,000+ in projected benefit costs(\$86 million in statewide penalties)
- FFY 2025, 45% of the errors statewide were client errors

# Why this is bad policy:

1. Error rate doesn't reflect how complicated SNAP administration and policy have become.
2. Error rates will be determined in years/months prior to their effect and during a period of tumult
3. Counties can be held liable for an error they didn't commit or even had the opportunity to know.
4. The error may be corrected with either a reduction to future payment and/or a garnishment of wages, and yet it is still considered an error.
5. Technology and infrastructure limitations.
6. Counties are doing the State's work. Property taxpayers simply cannot be expected to accommodate this historic funding shift.

# Counties Need State Partnership

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2024-09-11 12:01:23          MAXIS          FMSFAM3
***** Select Function Menu (SELF) *****
*
*  APPL - Application          CASE - Case Status Display
*  STAT - Statement of Need   SPEC - Special Functions
*  DAIL - Workers Daily Reports PERS - MAXIS Person Search
*  ELIG - Eligibility Results/Approval PMIN - Person Master Index Number
*  FIAT - System Override     ARCH - Archiving Functions
*  REPT - Report Selection    POLI - Policy Manual
*  REIN - Reinstatement      QUAL - Quality Control Review
*  MONY - Payment Inquiry/Maintenance LOOK - SSA Access
*  CCOL - Claims and collections MCON - MSA Cases To Convert
*  INFC - Interfaces         LOGO - Logoff
*  ASET - Asset Assessment
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*
*                               Function: stat
*                               Case Number: 845004__
*                               Benefit Period (MM YY): 09 24
*
* User: X119415 Terminal: G499 Environment: TRAINING Command: _____
* Copyright (c) 1994 Minnesota Department of Human Services. All Rights Reserved. Library: PWFM13
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## County Requests:

- State language to cover the federal administrative and benefit cost shifts.
- Prioritize modernizing the technology systems used to administer these benefits.
- Policy simplification—bipartisan, legislative work to review alongside policy makers, state agencies, county practitioners, and community members how over-complication of policy is adding to both errors and time for processing benefits.