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How Federal Changes to SNAP & Medicaid will Impact New York

On July 4, 2025, President Trump signed into law a massive legislative package, H.R. 1, that makes major changes to federal higher education policy and critical support programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid. This fact sheet highlights some of the severe impacts this legislation may have on the New York state budget and basic needs security for New York students and residents.

SNAP

Expansion of Work Requirements for Older Recipients and Parenting Recipients

The law narrows SNAP eligibility by increasing the work requirement age from 54 to 64 for able-bodied adults without dependents (ABAWDs). Additionally, SNAP participants with children over age 14 would be subject to work requirements, reversing the current exemption for individuals with children under 18.

The work requirement expansion for participants with children over age 14 will be burdensome for parenting students who already face challenges attending college, including higher rates of basic needs insecurity than their non-parenting peers, and may limit their ability to access food via SNAP.

38% of New York households that receive SNAP have children under 18.

U.S. Census Bureau, "Food Stamps/Supplemental Nutrition Assistance Program (SNAP)," American Community Survey 5-Year Estimates Subject Tables, Table S2201, 2023

Program Cost Shifts to States May Squeeze State Budgets

Currently, the cost of administering SNAP is shared evenly between the federal government and states. Administrative costs cover state and county staff and related activities for ensuring the program is delivered effectively. Historically, the federal government has covered 100% of SNAP benefit costs—the actual dollars program recipients use to buy food every month.

Beginning in Fiscal Year (FY) 2027, the federal government will decrease their share of administrative costs to 25%, making states responsible for the remaining 75%.

Error rates measure how many households received an overpayment or underpayment of benefits.

New York's FY 2024 Error Rate: **14.09%** New York would be responsible for 15% of the state's SNAP benefits.

For the first time in history, states will pay a portion of SNAP benefit costs in certain circumstances. Starting in FY 2028, if a state has a payment error rate above 6%, they will contribute up to a 15% cost share for SNAP benefits. There will be some flexibility in how error rates are determined at the beginning of the implementation period, with the final rates taking effect in FY 2030.

SNAP Payment Error Rate	State Share of SNAP Benefits
Error rate below 6%	No benefit cost share requirement
6%-8% error rate	State required to pay **5% of SNAP benefits**
8%-10% error rate	State required to pay **10% of SNAP benefits**
10% or higher error rate	State required to pay **15% of SNAP benefits**

Medicaid

Work Requirements Introduced as Condition to Receive Benefits for the First Time

As of January 1, 2027, able-bodied adults ages 19-64 will be subject to "community engagement" requirements of at least 80 hours a month as a condition of Medicaid eligibility. Community engagement is defined as work, participation in a work program, community service, or enrollment in an education program.

45% of New York Medicaid participants have children.

Source: TICAS calculations using data from the Integrated Public Use Microdata Series, U.S. Census and American Community Survey (IPUMS USA) USA).

What's at Stake

With looming changes to SNAP and Medicaid, states need innovative ways to fill funding gaps and continue delivering benefits to residents. Budget comparisons show that many states are not equipped to absorb costs that have traditionally been the responsibility of the federal government.

Changes to SNAP and Medicaid will increase students' basic needs insecurity, making it more difficult for parenting students, rural students, and first-generation students to successfully finish school and rise out of generational poverty. Notably, participation in public benefit programs decreases with each level of higher education attained.[1]

- **In New York, 9% of SNAP participants and 10% of Medicaid participants are currently enrolled in postsecondary education.[2]**
- **Currently, 12.7% of New Yorkers, ages 18-64, live in poverty.[3]** Research continues to show that higher education remains one of the most effective pathways to economic mobility.[4]

If New York wants to continue making strides towards increasing educational attainment, it must expand access and support for low-income students. However, the federal changes in H.R. 1 threaten to slow that progress by reducing financial aid options, increasing work burdens on students, and weakening safety-net programs that help them stay enrolled.

The time is now for New York to begin intentionally planning and taking action to figure out how it can backfill lost federal funds, strengthen basic needs supports, and invest in pathways that allow students to complete their education without sacrificing stability or well-being.

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[1] See: U.S. Census Bureau, "Table 4. Adults (Aged 18 Years and Over) Receiving TANF, SNAP, WIC, or SSI During Year," Survey of Income and Program Participation (SIPP) Detailed Program Receipt Tables: 2023, <https://www.census.gov/data/tables/2023/demo/public-assistance/sipp-receipts.html>, accessed on September 24, 2025.
U.S. Census CPS Table H-01. Health Insurance Coverage Status and Type of Coverage by Selected Characteristics for All People: 2024 (https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hi/hi.html)

[2] TICAS calculations using data from the Integrated Public Use Microdata Series, U.S. Census and American Community Survey (IPUMS USA).

[3] U.S. Census Bureau, "Poverty Status in the Past 12 Months," American Community Survey 1-Year Estimates Subject Tables, Table S1701, 2024, <https://data.census.gov/table/ACSST1Y2024.S1701?q=S1701:+Poverty+Status+in+the+Past+12+Months>, accessed on September 29, 2025.

[4] For example, see: https://libertystreeteconomics.newyorkfed.org/2025/04/is-college-still-worth-it/
https://research.collegeboard.org/media/pdf/education-pays-2023.pdf