



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

Status Update on LFC Program Evaluation of  
SNAP Administration and Performance

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# Impetus for the Upcoming LFC Program Evaluation

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During the second special session of 2025, the Legislature passed legislation that:

- Authorizes \$162.5 million in state contingency funding for SNAP benefits in case federal funding is not provided
- Directs LFC staff to complete a program evaluation of SNAP administration by July 2026 and
- Requires LFC staff to provide a January 2026 status update on the SNAP program evaluation project.



# Objectives of the Upcoming LFC Program Evaluation

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The objectives of the LFC program evaluation on SNAP administration are to:

- Assess SNAP performance;
- Review SNAP processes, staffing, and operations; and
- Evaluate SNAP program integrity, including fraud, waste, abuse, and benefit accuracy.



# Key Questions This Presentation Addresses

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This presentation will provide background information about the SNAP program, including:

- What is SNAP and how does the program work?
- How is SNAP performance measured?
- What is the process and who is responsible for identifying improper SNAP payments?
- What does the available data say about SNAP theft, fraud, and misuse in New Mexico?
- What are the next steps for the upcoming LFC program evaluation?



What is the Supplemental Nutrition Assistance Program (SNAP) and how does the program work?

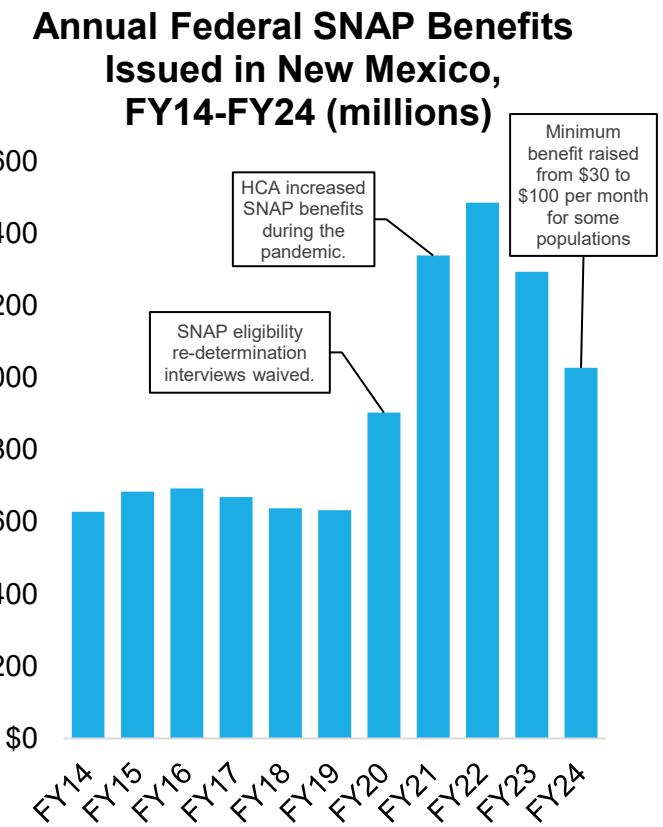
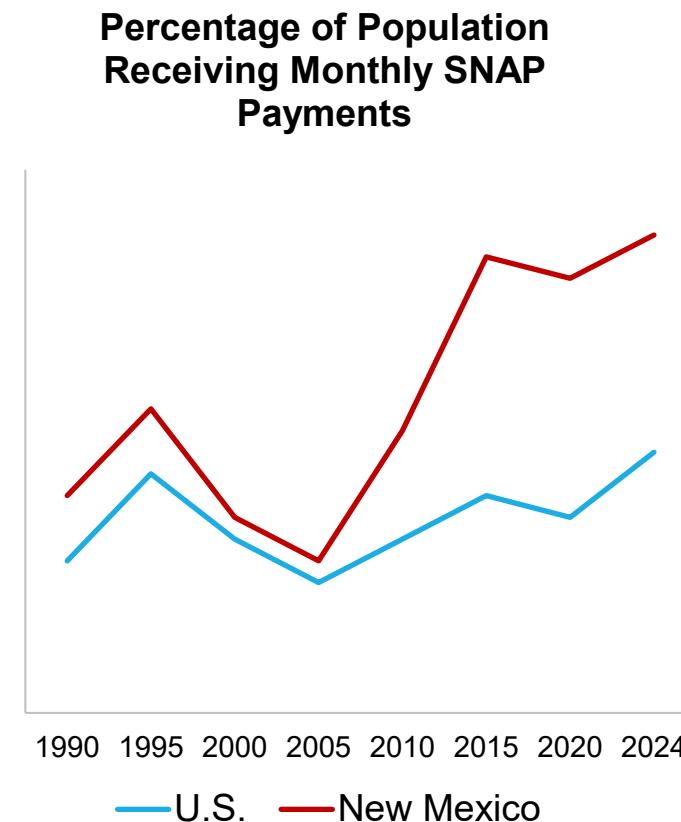
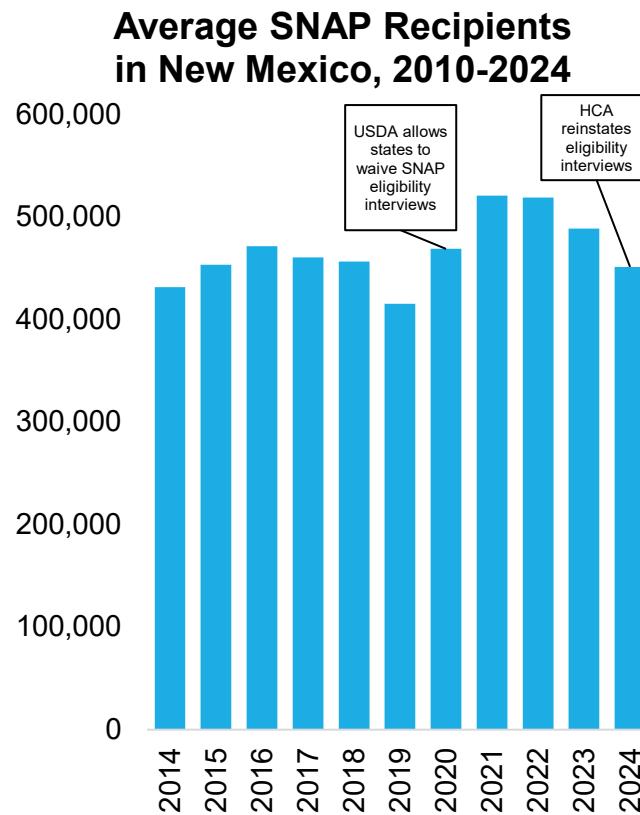
# What is SNAP and Who Administers It?

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- The Supplemental Nutrition Assistance Program (SNAP) is the federal government's largest food assistance program for low-income households.
- At the federal level, SNAP is administered by the U.S. Department of Agriculture.
- In New Mexico, SNAP funding is administered by the Health Care Authority (HCA).
- Nationally, SNAP provided \$93.6 billion in benefits to about 42 million participants in FFY24.
- In New Mexico, SNAP provided roughly \$1 billion in food benefits to around 460 thousand people across 230 thousand households in FFY24.
- SNAP benefits are currently 100% federally funded while state SNAP administration costs are increasing from 50% (around \$74 million) to 75% (around \$111 million).



# New Mexico SNAP Participation and Benefits Rates are Some of the Highest in the U.S.



Source: USDA



# SNAP was Piloted During the Great Depression, Created in Federal law in 1964, and Revised Since Then.

## SNAP History

Pilot program launched during the Great Depression.

1939-1942

**First Food Stamp Program**

The Food Stamp Program becomes a permanent federal program.

1964

**Food Stamp Act**

Electronic benefit transfer (EBT) systems replaced paper coupons.

1988-2004

**Transition to EBT Cards**

**H.R. 1 introduces structural changes to income support programs.**

Today



1961-1964  
**Food Stamp Pilot Programs**

President Kennedy authorized groundwork for a permanent program.

1977  
**Modern Program Design**

Strengthened access while introducing stronger program integrity provisions.

2008  
**Program Renamed to SNAP**

Since 1977, SNAP benefits have been calculated assuming households contribute 30% of net income toward food costs.



# Federal SNAP Eligibility Criteria

## • Citizenship and Residency

- Applicants must be U.S. citizens or a qualified lawful resident.

## ▪ Income-based

- Households must generally have gross income at or below 130% of the federal poverty level (FPL) and net income at or below 100% FPG.
- Categorical eligibility allows some households with higher incomes to qualify for SNAP if they already receive certain other low-income benefits or services.
- SNAP assumes households spend 30% of net income toward food costs. The benefit is not intended to cover entire food costs.

## ▪ Work Requirements

- Able-bodied adults without dependents in designated areas of NM will need to meet new federal work guidelines due to H.R. 1.

## ▪ Average SNAP Benefit

- The average SNAP benefit in New Mexico for a family of three is \$765 per month (or \$9,420 per year).

House-Hold Size	Federal Poverty Level (FPL) Yearly Income Standards			Maximum SNAP Yearly Allotment
	100% FPL Net income	130% FPL Gross Income	200% FPL Gross Income for Categorical Eligibility	
1	\$15,660	\$20,352	\$31,320	\$3,576
2	\$21,156	\$27,504	\$42,312	\$6,552
3	\$26,652	\$34,656	\$53,304	\$9,420
4	\$32,160	\$41,796	\$64,320	\$11,928
5	\$37,656	\$48,948	\$75,312	\$14,196
6	\$43,152	\$56,100	\$86,304	\$17,052
7	\$48,660	\$63,252	\$97,320	\$18,852
8	\$54,156	\$70,404	\$108,312	\$21,468
+ Each Additional Person	\$5,508	\$7,152	\$11,016	\$2,616

SNAP benefits are calculated assuming households contribute 30% of net income toward food costs.



# What are the H.R. 1 Changes to SNAP?

## Expands work requirements and increases state financial costs.

- Generally, able-bodied adults without dependents (ABAWD) must work or participate in qualifying activities for at least 80 hours/month.
- Over 55,000 New Mexican SNAP recipients—about 12% of total recipients—face these changes, with **more than 20,000 people in the state projected to lose benefits** from work requirements.

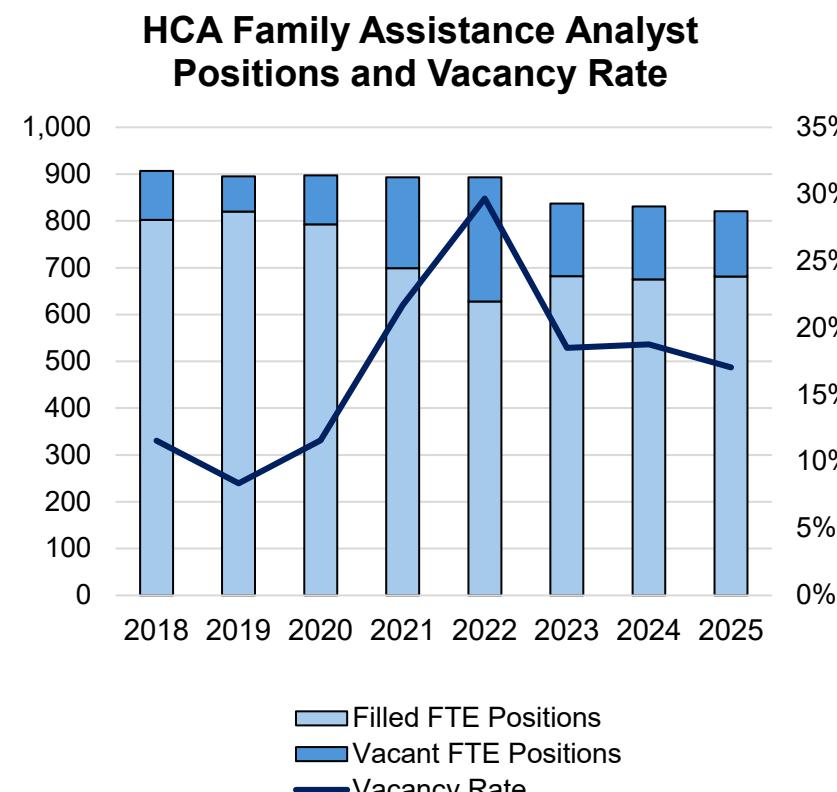
Key Changes to Work Requirements Under H.R. 1 (Take effect in FY 26)	
Pre H.R. 1	Post H.R 1
Work requirements applied to ABAWDs aged 18–54	ABAWD age <b>range expanded to 18–64</b>
Veterans, people experiencing homelessness, and former foster youth were categorically exempt	These groups are <b>no longer automatically exempt</b>
Caregivers of dependents under 18 were generally exempt	Tribal members and individuals caring for a dependent under 14 are newly exempt.
States could broadly waive requirements based on local conditions	States have less power to waive requirements, limiting it to <b>areas with unemployment over 10%</b> .

Key Changes to Program Cost Under H.R. 1 (Take effect in FY 27)	
Pre H.R. 1	Post H.R 1
SNAP benefits were 100% federally funded, regardless of state error rates	State share of benefit costs varies by error-rate level
SNAP administration funded 50% federal / 50% state. (NM's share is around \$74 million)	SNAP administration is funded <b>25% federal / 75% state, increasing state administrative responsibility.</b> (NM's share will be around \$111 million)

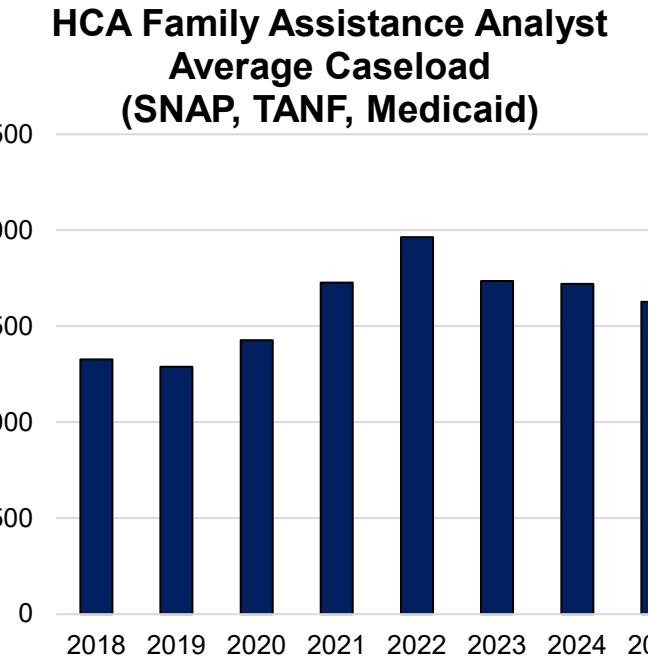


# HCA Caseworker Caseloads Have Decreased Since the Pandemic, and HCA Received \$50 Million for Case Management Technology Upgrades This Year.

- Family assistance analysts at HCA are responsible for assessing peoples' eligibility for SNAP and other public assistance programs.
- The average caseload for HCA family assistance analysts is 17 percent lower than during the pandemic.
- Roughly \$427 million (10% state funding and 90% federal) has been dedicated to HCA case management IT upgrades since FY13.
- HCA received \$45 million in federal funds and \$5 million in state funds for FY26 for these IT case management upgrades.



Note: Each year shows July data except 2025 which reflects December data.  
Source: LFC analysis of State Personnel Office (SPO) data.



Note: Each year shows July data except 2025 which reflects October data (latest available data for FTE and caseloads).

Source: LFC analysis of SPO and HCA data.



# How to Apply for SNAP

- **Create a YESNM Account, call or visit a field office**

- YesNM, run by the HCA, is a website where New Mexicans can apply for different types of health and human service programs.

- **Provide Information**

- Once a client selects the SNAP benefits application, they'll need to provide information about their monthly income, assets (property, bank accounts), and expenses (rent, utilities, childcare).

- **Completing the Process**

- After a client applies, an HCA Income Support Division worker will schedule an interview to review their application.
  - A client will receive a letter within 30 days about eligibility.

- **If Approved**

- Clients will then receive an electronic benefits transfer (EBT) card with SNAP benefits in the mail.

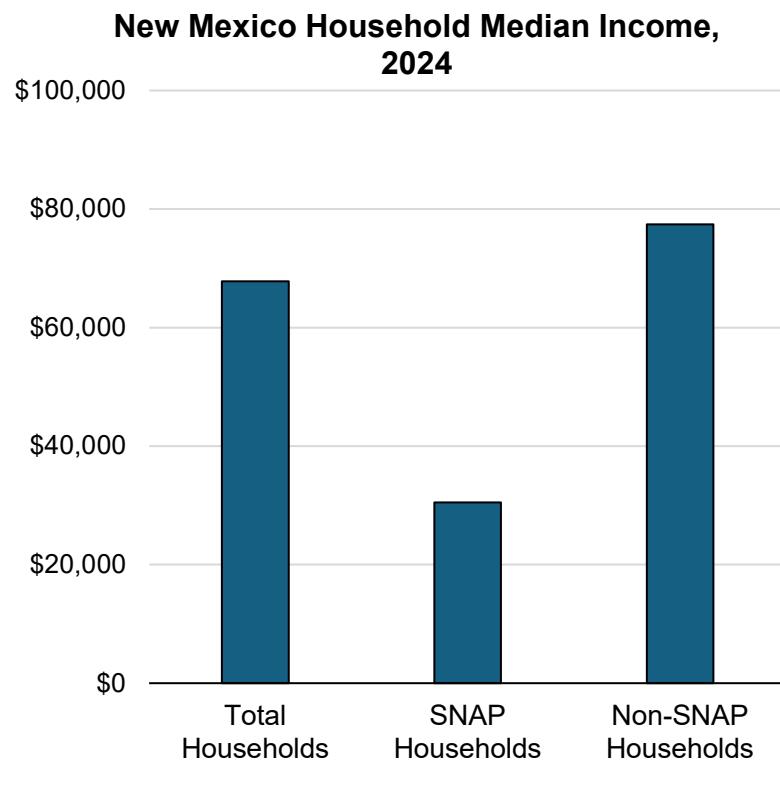
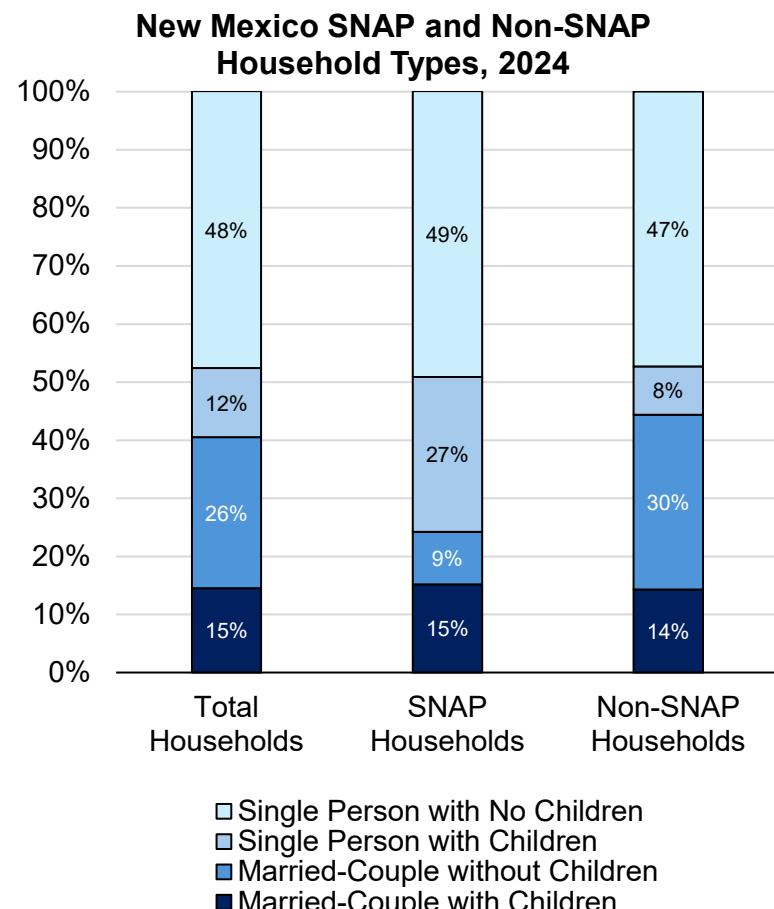
- **Recertification**

- Standard households must renew eligibility every 12 months and 36 months for senior individuals with disabilities who do not have earned income.

Other ways to apply include in-person at an HCA Income Support Division field office or by mail with a paper application.



## SNAP Households are More Likely to be Single Parent Households and Have Lower Income.

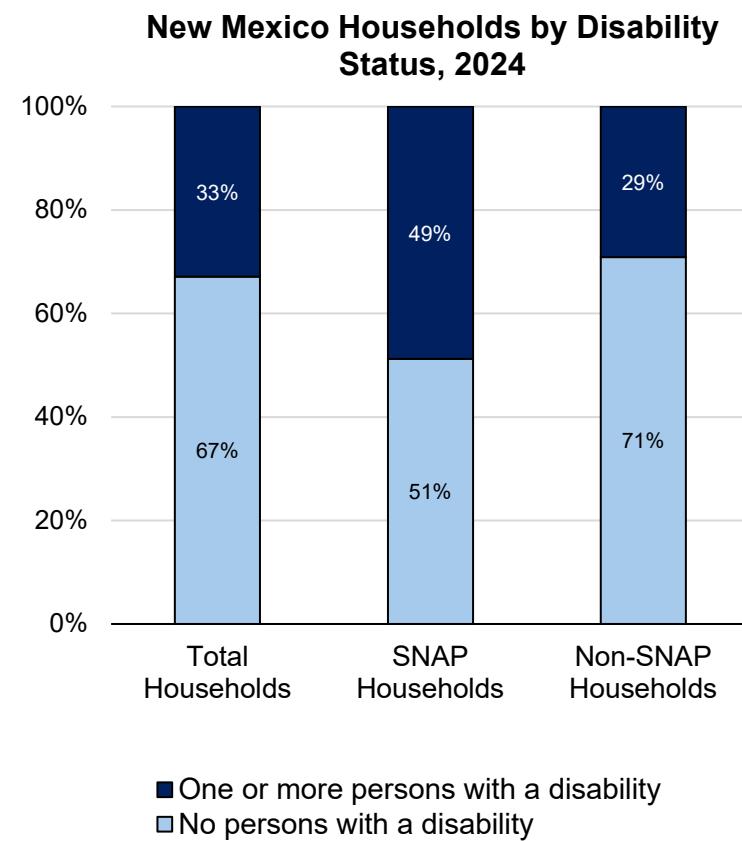
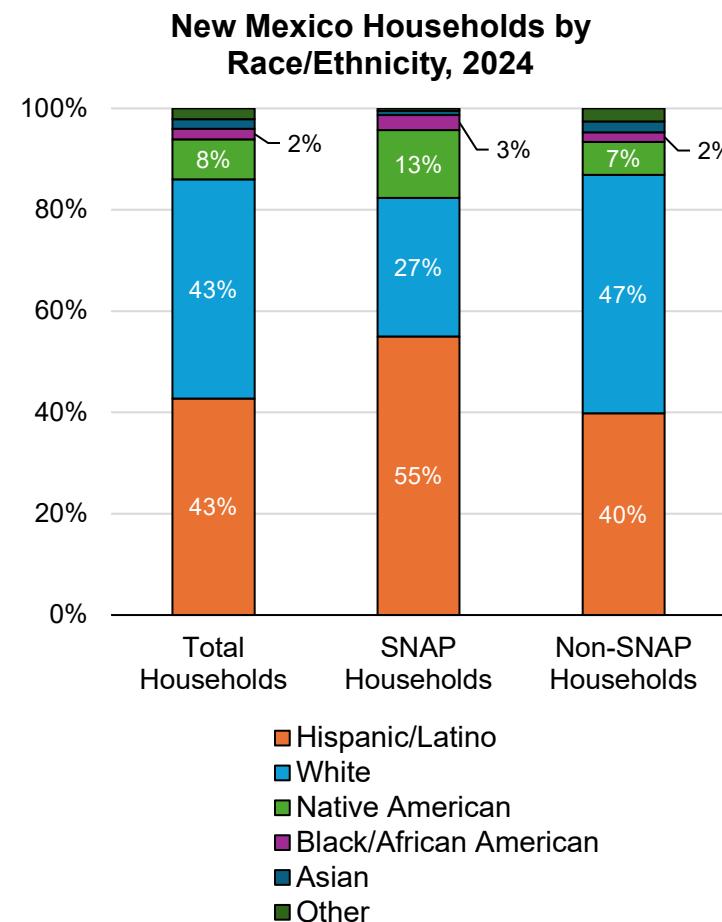


Note: Roughly 20 percent of NM Households receive SNAP.

Source: LFC analysis of U.S. Census Bureau data.



## SNAP Households are More Likely to be From a Racial or Ethnic Minority Background or Have a Person with a Disability Than Other Households.



Source: LFC analysis of U.S. Census Bureau data.



## What Federal Rules say can and Cannot be Purchased With SNAP.

- SNAP can be used for household food items, such as:
  - Meat, poultry, and fish;
  - Breads and cereals;
  - Fruits and vegetables; and
  - Snack foods and non alcoholic beverages.
- SNAP cannot be used for:
  - Alcoholic beverages;
  - Cigarettes and tobacco;
  - Food containing controlled substances (cannabis/CBD);
  - Vitamins, medicines, and supplements;
  - Live animals;
  - Food that is hot at the point of sale; and
  - Pet food.



# What Types of Food is SNAP Used to purchase?

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- According to a 2025 National brief, available evidence suggests SNAP participants are **more likely to have lower diet quality**, largely due to **food affordability and access barriers**.
- USDA data (most recent comprehensive analysis, 2016) show SNAP benefits are primarily spent on staple foods, including meat and poultry, fruits and vegetables, dairy, grains and breads, and beverages.
  - SNAP and non-SNAP households purchase similar types of foods, with differences driven more by price and access than preferences.
- Studies suggest healthy food incentives are effective, whereas studies on unhealthy food restrictions show mixed results.



## How is SNAP Performance Measured and how is New Mexico's SNAP Program Doing?

# SNAP Performance: Accuracy, Timeliness, and Client Outcomes

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- **Accuracy:** Measures whether benefits are issued in the correct amount.
  - Payment error rates are calculated from a federally required quality control sample of reviewed cases, not all SNAP cases.



- **Timeliness:** Measures how quickly eligible households receive SNAP benefits. A rate of 95% is considered timely
  - Standard processing is 30 days, and emergency processing is seven days.



- **Client Outcomes:** SNAP is designed to reduce food insecurity by supplementing household food budgets.



# New Mexico's SNAP Performance: Accuracy Needs Improvement, Benefits are Provided in a Timely Manner, and Data on Food Insecurity is Limited.

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- **Accuracy:**
  - FY24 Error Rate 14.61%
  - FY25 Q1 Error Rate 16.7%



- **Timeliness:**
  - FY24 Timeliness Rate 78%
  - FY25 Timeliness Rate 98%



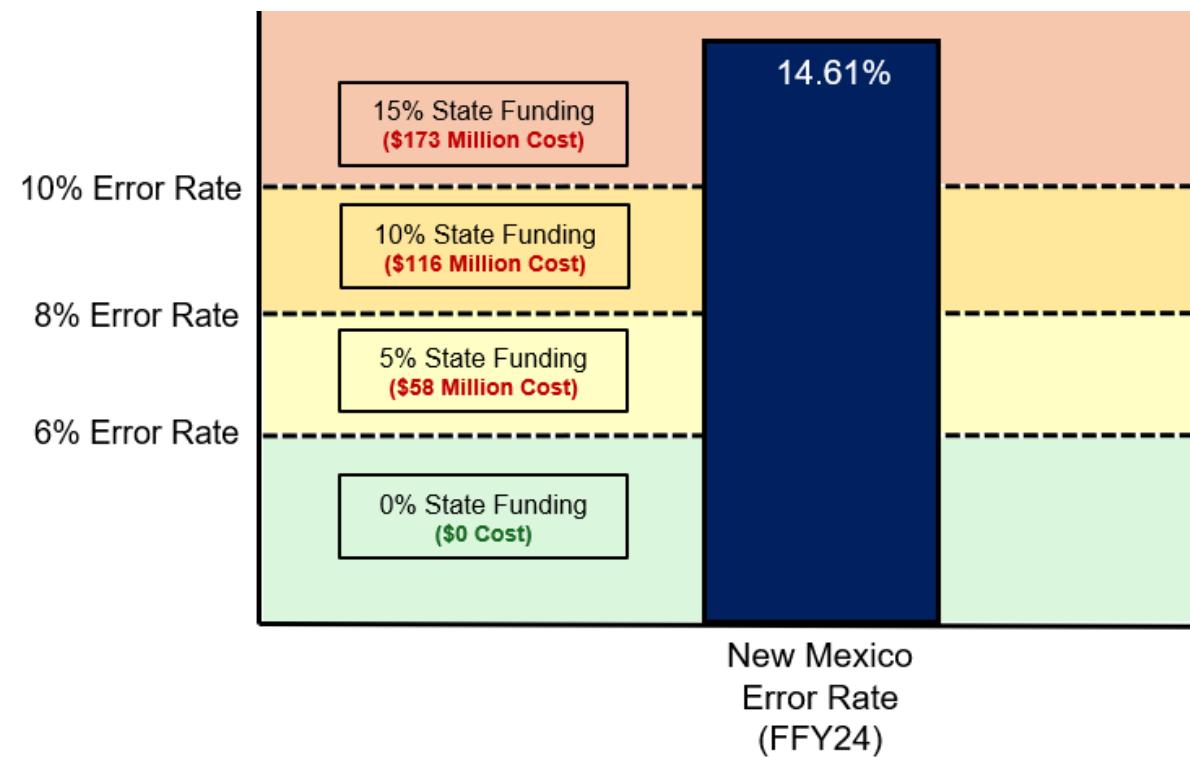
- **Client Outcomes:**
  - 2023 Food Insecurity Rate 17%
  - 2024 Food Insecurity Rate 13%



# New Mexico SNAP has an Error Rate Problem That Could Require the State to pay up to Around \$173 million for direct benefits.

- Recent changes to SNAP in the recent federal budget reconciliation bill (H.R. 1) changed how states share the costs of SNAP benefits with the federal government.
- Under H.R. 1, states with higher error rates must share some of the program costs of SNAP benefits.
- New Mexico had the fifth highest payment error rate in FFY24.
- New Mexico has until October 2026 to lower its SNAP error rate or incur additional costs of up to around \$173 million.
- If New Mexico lowers its error rate below 13.3% but over 6% too quickly before October 2026, the additional costs will still be incurred.

**Potential State Costs if New Mexico's Error Rate Remains High After October 2026**



# Measuring Accuracy: What is the SNAP Error Rate? What are SNAP Errors?

## Payment Error Rate (PER)

- Measures what percentage of sampled SNAP benefits were issued incorrectly.
- Calculated using a federally required quality control sample. Approximately 90–95 SNAP cases are reviewed per month.
- NM reviewed 879 cases in FFY24, totaling \$364.8 thousand in payments.

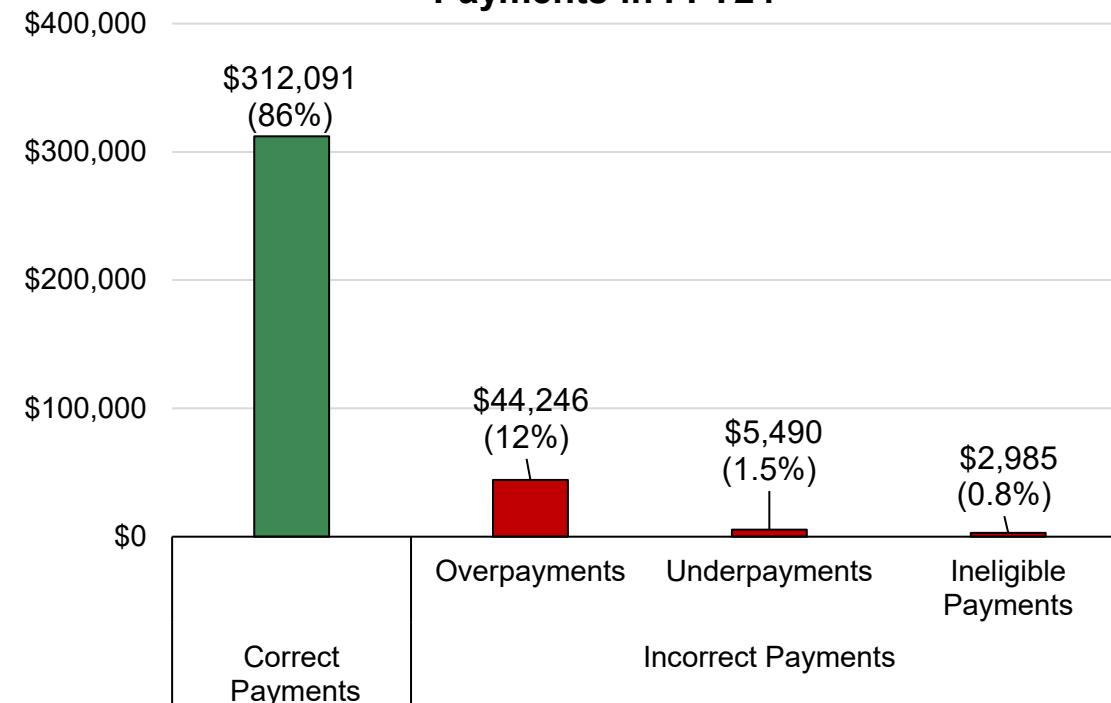
## Overpayments

- **Benefits issued above eligibility** are the largest driver of New Mexico's error rate. These are most often due to unreported or misreported information

## Underpayments

- **Benefits issued below eligibility.** These account for a small share of total errors and are not the primary concern driving the overall rate.

## **Results of Reviews of New Mexico's Sampled SNAP Payments in FFY24**

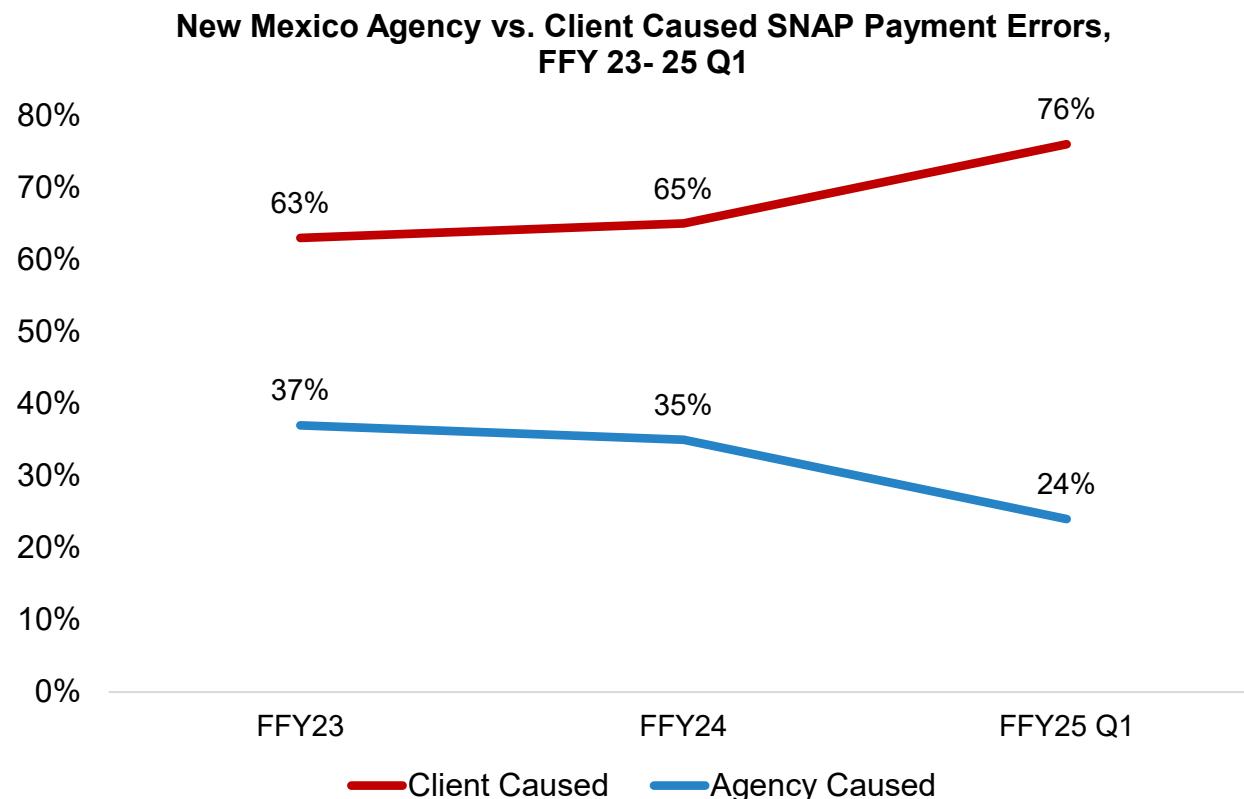


Source: LFC review of HCA data.



# SNAP Payment Errors are Primarily due to Clients not Filling out Applications With Correct Information.

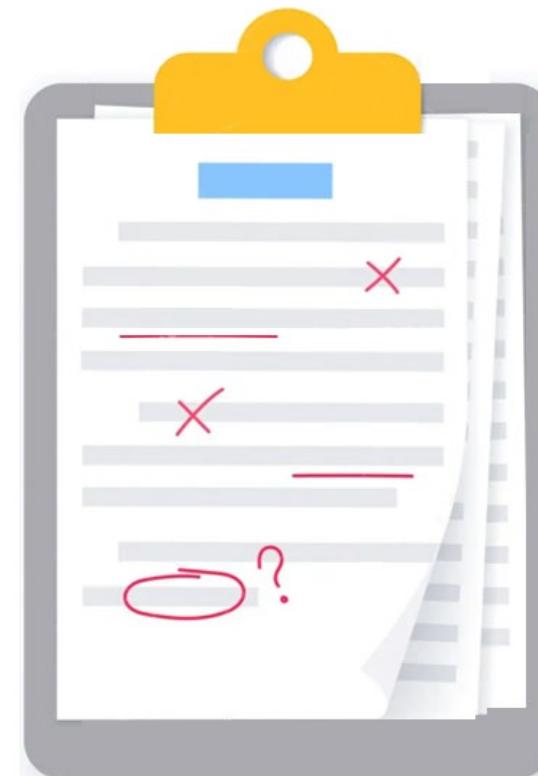
- SNAP payment errors are caused by both inaccurate client-reported information and incorrect agency actions
- Client Drivers:
  - Not reporting or updating income, household composition, or shelter costs.
- Agency Drivers:
  - Delayed or missed follow-up on reported changes
  - Policy misapplication
  - Backlogs that led to aged tasks and outdated information being used



# Payment Errors are not the Same as Fraud.

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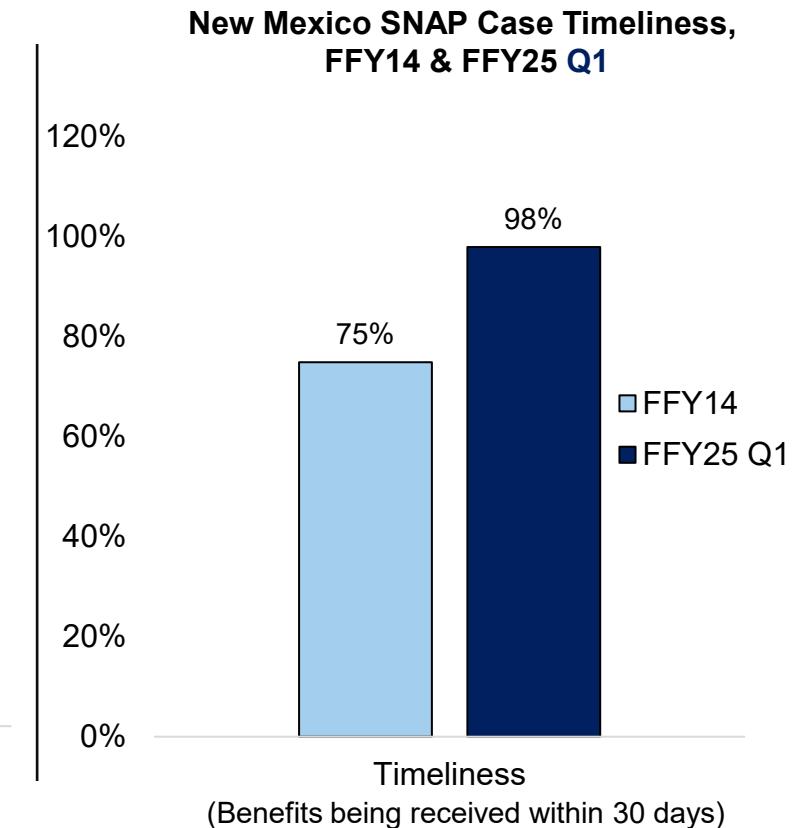
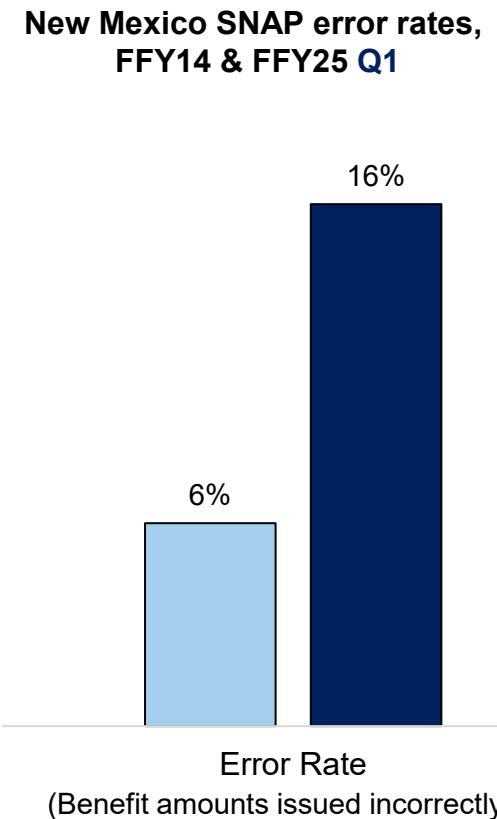
- Payment errors are unintentional mistakes resulting in SNAP benefits being awarded incorrectly.
- Fraud is intentional activity to steal or improperly receive SNAP benefits.
- According to the U.S. Congressional Research Service, a nonpartisan research agency, SNAP fraud is relatively rare based on available data and reports.
- The criminal prosecution of fraud, when pursued, is typically initiated by the USDA Office of the Inspector General or state law enforcement authorities.



# New Mexico's SNAP Error Rates Have Worsened as the State Improved its Timeliness in Administering SNAP.

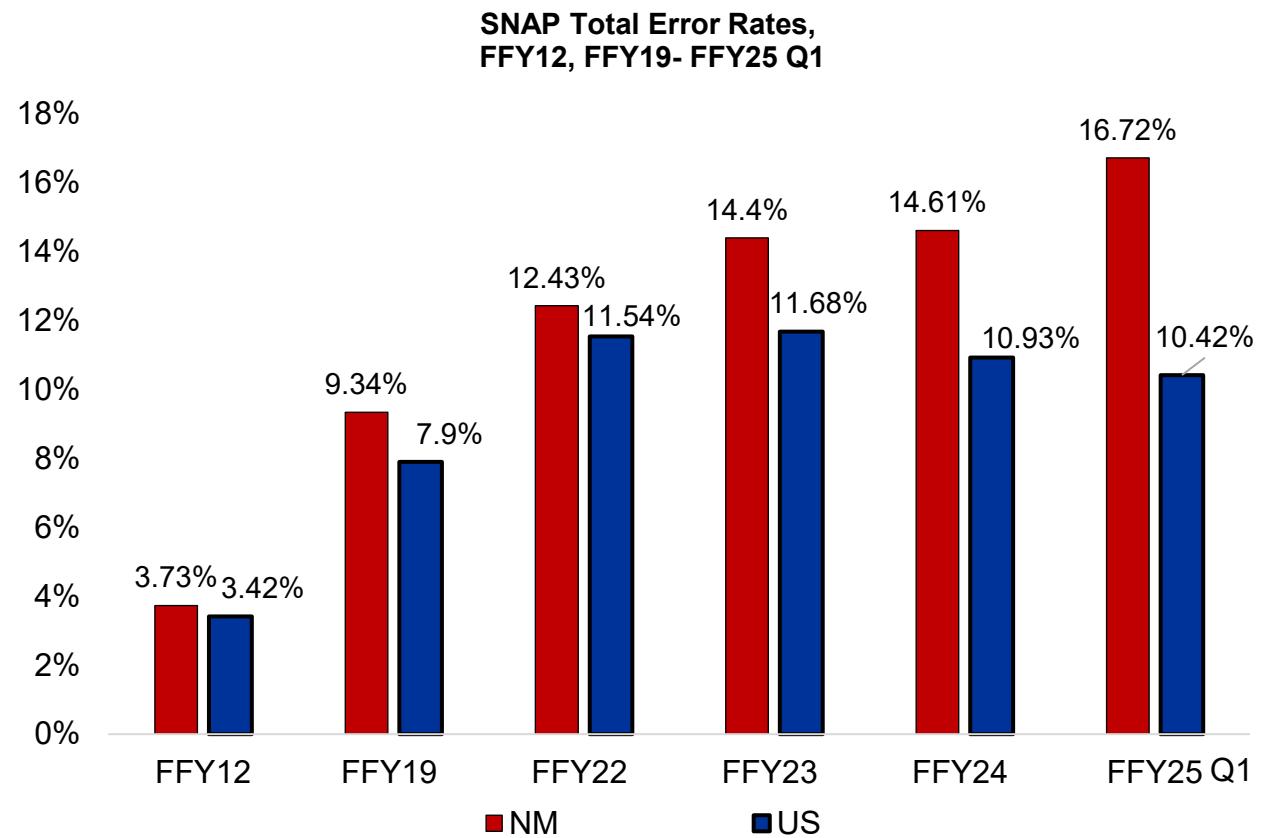
- Over the past decade, New Mexico's error rates have worsened from 6% in FFY14 to 16% FFY25 (as of March 2025).
- Over the same timeframe, New Mexico's timeliness improved from 75% in FFY14 to 98% in FFY25 (as of March 2025).
- Although there are some trade-offs between timeliness and accuracy, New Mexico needs to balance both.

During the pandemic, New Mexico temporarily waived or modified certain verification and interview requirements, increasing the risk of payment errors.

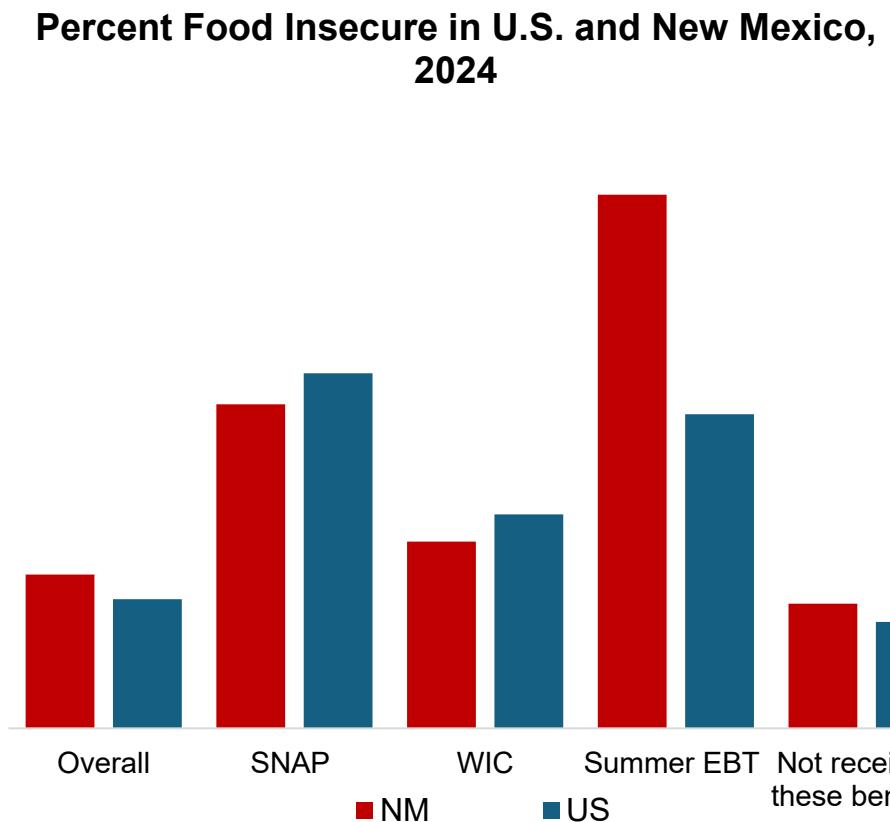
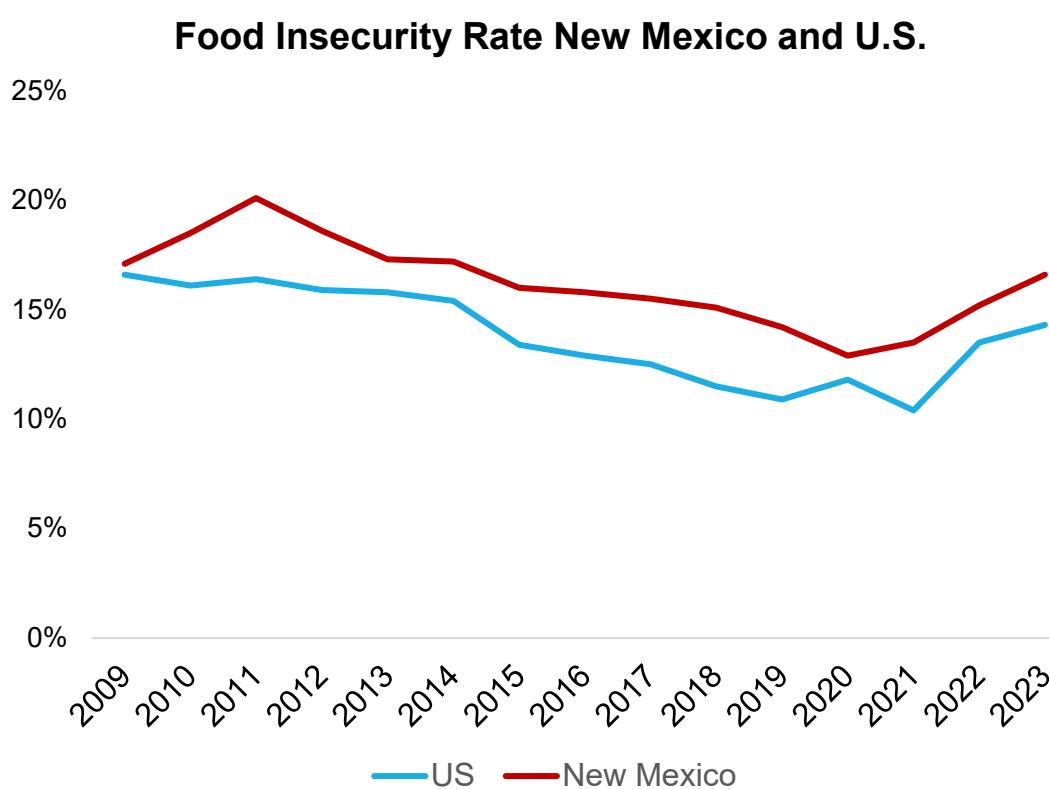


## New Mexico's SNAP Error Rates Used to be Closer to the National Average.

- SNAP error rates used to be much lower in the past in New Mexico and nationally.
- In New Mexico, SNAP error rates increased due to the waiver of certain protocols (eligibility interviews) during the pandemic.



# Outcomes: Food Insecurity Remains Elevated in New Mexico, Including Among SNAP Recipients.



Note: Survey focused on those 18 years and older.  
Source: Census Plus Survey, Fall 2024



What is the process and who is responsible for identifying improper SNAP payments and calculating error rates?

# Federal and State Processes for SNAP Error Rates

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Each state annually submits a plan to the USDA for sampling and auditing state SNAP cases.



After USDA approval, each state then samples and audits SNAP cases to calculate error rates.



USDA then double checks half of the SNAP cases that each state audited.

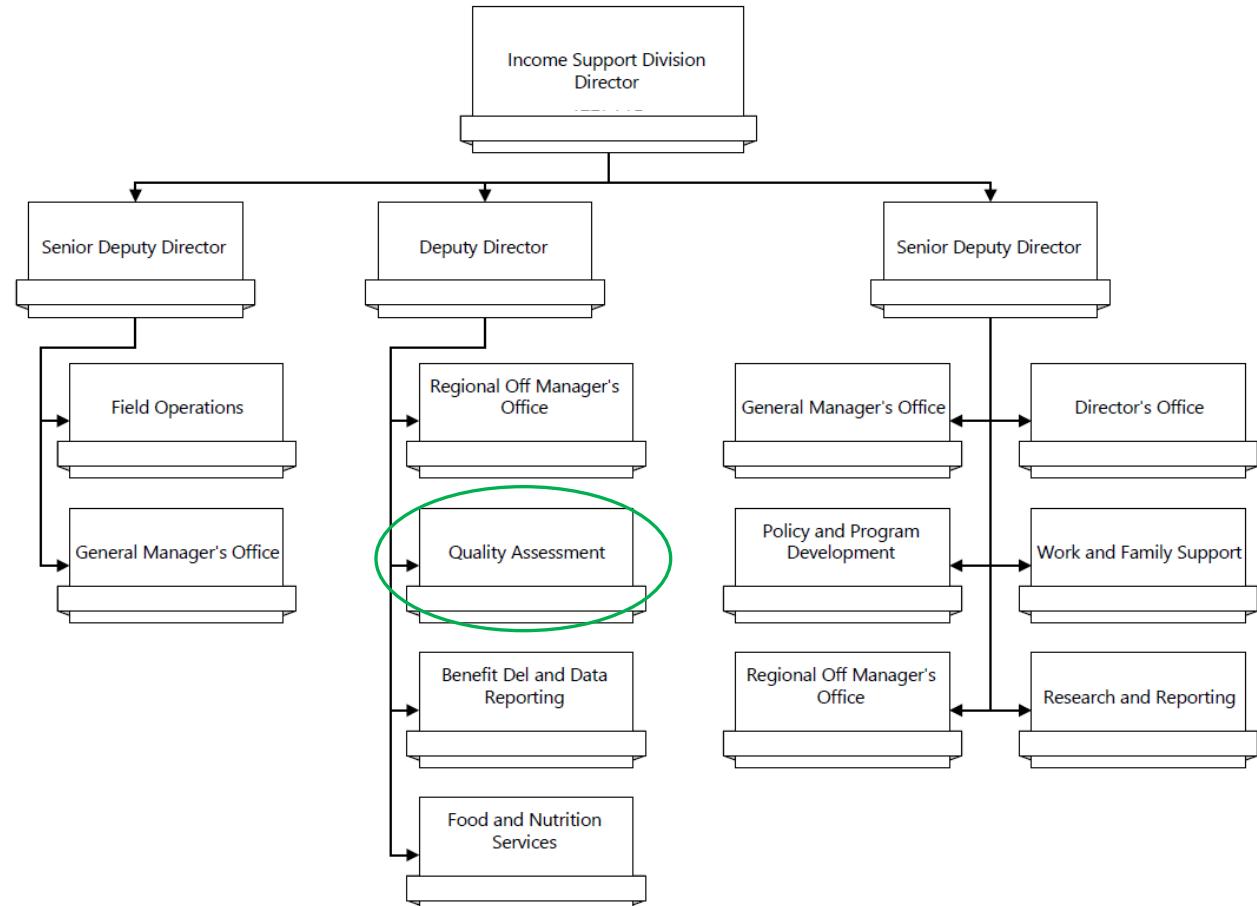


Error rates are calculated and improper payments (overpayments or underpayments) are corrected.



# HCA Income Support Division and Quality Assessment Office

- The Health Care Authority's Income Support Division is responsible for administering SNAP, TANF, Medicaid, and other assistance programs for low-income families.
- HCA's Income Support Division had an FY26 operating budget of \$1.5 billion, including \$196 million for agency staff (1,060 FTE) and contractual services.
- HCA's Income Support Division has a Quality Assessment Office, comprising 27 FTE (costing \$1.9 million). Quality assessment analysts oversee the accuracy and compliance of cases for SNAP and other income support programs.
- The upcoming LFC program evaluation will examine the processes, procedures, and results of this office.



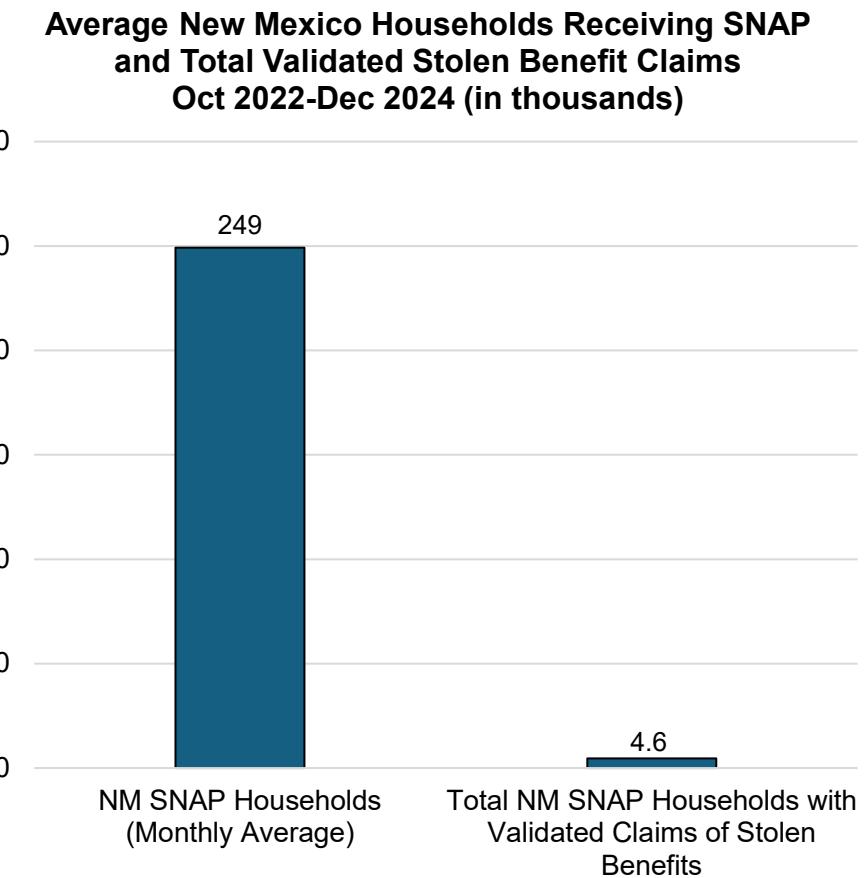
Source: HCA FY27 Budget Request.



What does the available data say about SNAP theft,  
fraud, and misuse in New Mexico?

# Claims of Stolen SNAP Electronic Benefit Transfer Cards in New Mexico Over Two Years

- SNAP recipients access their benefits on electronic benefit transfer (EBT) cards, which function like debit cards.
- In 2022, federal funding was made available for the replacement of SNAP EBT card benefits stolen due to card skimming or phishing scams from October 2022 through December 2024.
- State agencies were responsible for validating stolen benefit claims and replacing stolen benefits with federal funds.
- In New Mexico, HCA received 5,030 claims of stolen SNAP benefits and validated roughly 4,600 claims as being eligible for reimbursement.
- Roughly 4,600 SNAP households (up to 1.8 percent of New Mexico SNAP households) collectively received roughly \$2.3 million in federal funds for replacing stolen benefits over a two-year period.



Source: LFC analysis of USDA data.



# The HCA Office of the Inspector General is Responsible for Fraud Prevention and Detection.

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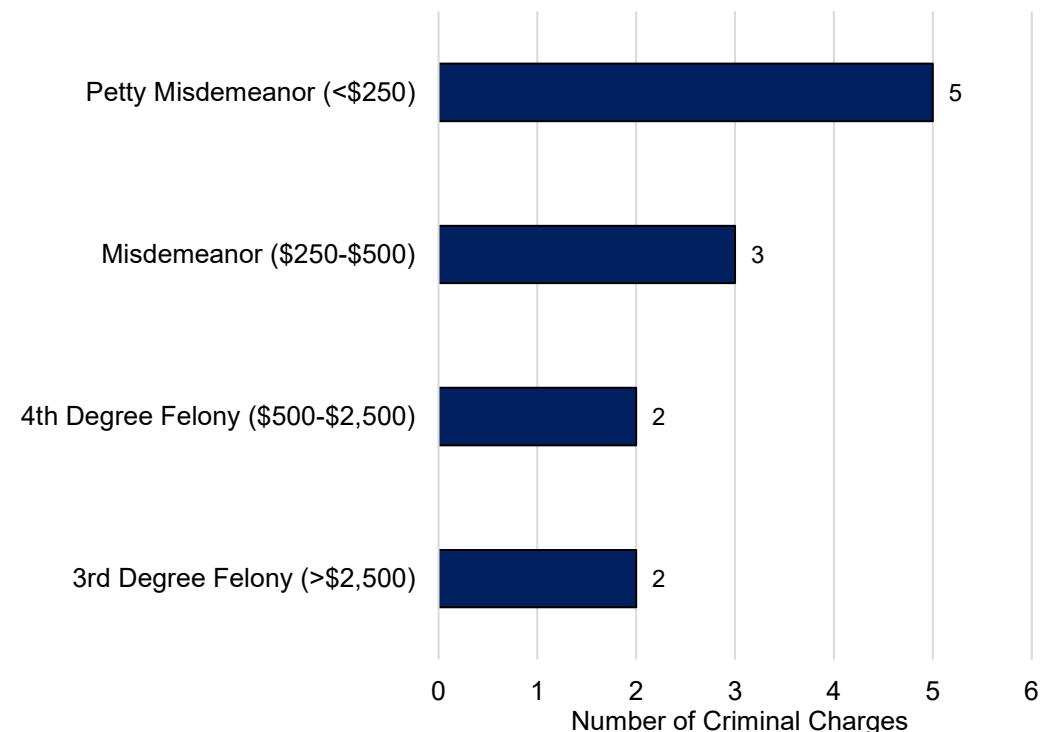
- HCA also has an Office of Inspector General with 27 FTE (\$2 million) responsible for preventing and detecting fraud, waste, and abuse across all agency operations and programs including SNAP.
- The HCA Office of Inspector General
  - Conducts internal audits, investigations, and special reviews;
  - Administers a data matching system for checking if people receive duplicative benefits in other states; and
  - Operates a Fraud Reporting Hotline ([HSD-OIG.Fraud@HSD.NM.GOV](mailto:HSD-OIG.Fraud@HSD.NM.GOV); 1-800-228-4802; [https://www.hca.nm.gov/lookingforassistance/report\\_fraud/](https://www.hca.nm.gov/lookingforassistance/report_fraud/)).
- The upcoming LFC program evaluation will examine the processes, procedures, and results of this office.



# Relatively Few Criminal Charges of SNAP Fraud and Misuse Were Filed in Courts Over the Past Five and a Half Years.

- New Mexico law has specific criminal charges for the unlawful use or dealing of SNAP benefits (Sections 30-16-7 and 30-40-2 NMSA 1978).
- State law escalates the degree and severity of the criminal charges based on the dollar amount of SNAP benefits involved.
- Only 12 criminal charges for the unlawful use or dealing of SNAP benefits were filed in court from 2019 through mid-2025 (latest data available), according to state Administrative Office of the Courts data.
- Most of these charges were either dismissed, transferred to district court, or did not have a reported disposition (outcome).
- These data indicate relatively few SNAP fraud or misuse criminal charges are being brought forward in court.

**Criminal Charges for Unlawful Use or Dealing of SNAP Cards, 2019 through mid-2025 (total = 12 charges)**



Source: LFC analysis of Administrative Office of the Courts data.



What are the next steps for the upcoming LFC program evaluation?

# Program Evaluation Timeline

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- LFC staff have formally initiated the program evaluation with HCA leadership and staff.
- LFC staff are in the process of requesting data and documents from HCA and setting up interviews with HCA staff.
- This program evaluation is required to be provided to LFC by July 1, 2026 (Laws 2025, second special session, Chapter 1; House Bill 1).
- A full LFC program evaluation report will be completed, presented, and published before July 1.

