

LFC Requester:

Eric Chenier

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/27/26 **Bill Number:** SB0137 **Original** **Amendment** **Substitute**

Short Title: RESTRICTING SNAP BENEFITS

Sponsor: Sen. Brantley

Name and Code Number: HCA 630

Person Writing: Eli Gallegos

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-------|------------------------------|------------------|
| FY26 | FY27 | | |
| \$0.0 | \$0.0 | NA | NA |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|-------|-------|---------------------------------|------------------|
| FY26 | FY27 | FY28 | | |
| \$0.0 | \$0.0 | \$0.0 | NA | NA |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY26 | FY27 | FY28 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| Total | \$0.0 | \$1,059.525 | \$0.0 | \$1,059.525 | Nonrecurring | SGF |

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 137 (SB 137) would restrict New Mexico’s use of *broad-based categorical eligibility* (BBCE) for the Supplemental Nutrition Assistance Program (SNAP). Currently, households qualify for SNAP if they receive any TANF-funded benefit, including non-cash assistance. SB 137 would eliminate that approach and limit SNAP categorical eligibility only to households in which every member receives one of the following: (1) cash assistance, (2) Social Security benefits, or (3) general assistance. The bill would prohibit granting SNAP eligibility based on non-cash TANF benefits, such as goods, services, referrals, informational materials, or digital resources. New Mexico currently uses BBCE with an income limit below 200% of the federal poverty guidelines (FPG). SB 137 would significantly narrow that policy.

Subsection E of SB 137 would also restrict the State’s discretion related to SNAP benefits to policies mandated by federal law. This would result in the elimination of a variety of aspects of New Mexico’s eligibility and application process that were developed to reduce administrative burden and increase access.

FISCAL IMPLICATIONS

Implementing SB 137 would require significant modifications to the Automated System Program and Eligibility Network (ASPEN), as well as updates to the customer application portal, customer notices, and eligibility worker training, to ensure accurate eligibility determinations and proper program administration. The bill does not include an appropriation to cover these costs.

Required system changes would include enhancements designed to reduce the likelihood of caseworker error and to minimize potential impacts on the SNAP Payment Error Rate. The associated costs include:

| Type of Change | Cost Per Sprint | Level of Effort (# of sprints) | Total System Cost | State General Fund | Federal Fund |
|-------------------------------|------------------------|---------------------------------------|--------------------------|---------------------------|---------------------|
| ASPEN (eligibility system) | \$410.0 | 3 sprints | \$1,230.0 | \$922.5 | \$307.5 |
| Unified Portal (UP) | \$290 | 60 story | \$174.0 | \$130.5 | \$43.5 |
| Consolidated Customer Service | \$0.119 | 73 points | \$8.7 | \$6.525 | \$2.175 |

| | | | | | |
|-----------------------------|--|--|------------------|--------------------|------------------|
| Center (CCSC) Technology | | | | | |
| TOTAL | | | \$1,412.7 | \$1,059.525 | \$353.175 |

SIGNIFICANT ISSUES

Eliminating BBCE would significantly increase workload and administrative burden by requiring additional income and asset verifications that are not currently required. These added verification requirements would lengthen application and recertification processing times, strain eligibility staff capacity, and increase the risk of processing delays and SNAP payment errors. At the same time, HCA is actively working to reduce the SNAP Payment Error Rate by enhancing the eligibility system, increasing caseworker and supervisory oversight and accountability, and investing in tools that allow staff to track and understand their individual payment error rates.

In New Mexico, the state option allowed per 7 CFR 273.2(j)(2)(ii) for BBCE currently allows households above 130% of the FPG to qualify for SNAP if they receive a TANF or Maintenance of Effort (MOE). By eliminating or narrowing TANF/MOE benefits, SB 137 would end BBCE eligibility and would reduce SNAP participation. The FPG would be reduced to 130%.

December 2025 SNAP Data Universe w/Income Data shows: (New Mexico Health Care Authority, Income Support Division. 2025, December. SNAP Data Universe with Income Data, internal dataset) 33,421 households or 100,086 individuals received SNAP benefits with gross income above 130% of FPG, which equates to 13.72% of households and 21.04% of individuals in New Mexico would lose SNAP eligibility if BBCE were eliminated.

Eliminating BBCE reinstates SNAP resource and asset limits, requiring both liquid and certain non-liquid assets to be considered in eligibility determinations. This increases administrative complexity and burden and could exclude households with modest savings.

In addition, removal of BBCE would lower the FPG threshold for SNAP eligibility, resulting in fewer households qualifying for SNAP and, in turn, reducing the number of students eligible for Summer EBT benefits and for free or reduced-price meals through the National School Lunch Program (NSLP).

Decreased SNAP eligibility would also lead to the loss of federal funding that directly benefits New Mexico's economy. The average monthly SNAP benefit per individual is \$182.00. If 100,086 individuals lost SNAP benefits, that equates to the loss of \$18,215,652 of federal SNAP funding per month or \$218,587,824 a year. The U.S. Department of Agriculture estimates that in a weak economy, \$1.00 in SNAP benefits generates \$1.80 in economic activity. And so, New Mexico's economy would lose \$32,788,174 a month or \$393,458,083 a year in economic activity with grocers, particularly in rural areas, bearing much of that loss.

PERFORMANCE IMPLICATIONS

The additional work outlined above in the ‘Fiscal Implications’ section would mean increased demand on the ASPEN technical team at a time when HR1 is already adding significant resource pressures. We would need to prioritize carefully to ensure that we stay within our resource constraints while tackling the most critical issues first.

ADMINISTRATIVE IMPLICATIONS

During the 2024 Legislative Session, HCA received an appropriation to implement eligibility system enhancements to expand access to food assistance by increasing SNAP income eligibility from 165% to 200% of the FPG. A key policy component of this expansion is BBCE, which allows states to set higher SNAP income limits and adopt less restrictive asset tests. BBCE helps low-income working families who face significant expenses, such as housing or childcare costs, qualify for food assistance, and allows families, seniors, and individuals with disabilities to maintain modest savings without losing SNAP eligibility.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

The effective date of the legislation would be January 1, 2027, with regulations required to be promulgated by April 1, 2027.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

N/A