



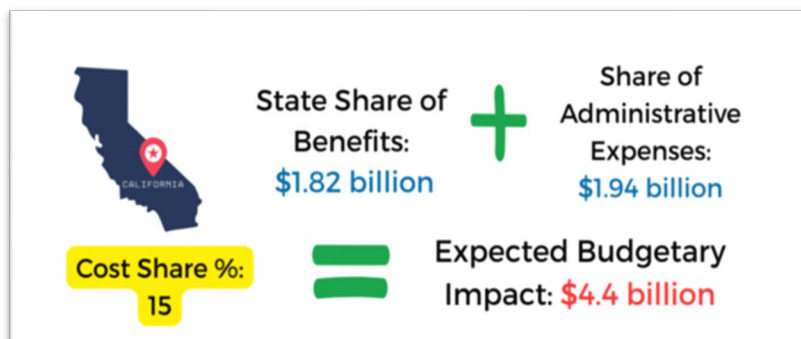
## IN STATE NEWS: CA State Budget Wrap-Up

It's official – we have a state budget! The finalized FY 2026-2027 California state budget includes \$108 million for the CalFood program, providing much-needed funding for California's network of food banks. It also includes \$14 million to continue the CalFresh Outreach Program, which supports community-based efforts to connect eligible Californians with CalFresh benefits, \$16.5 million for the California network of diaper banks, and \$15 million to sustain the Local Food Purchase Assistance (LFPA) Program, which lost federal funding last year. The final budget does not include state funding to expand the California Food Assistance Program (CFAP) to individuals who may lose eligibility for CalFresh due to the federal eligibility restrictions enacted in H.R. 1.

**LEARN MORE:** [Read California Food Banks' statement regarding the FY2026-27 state budget](#)

## IN FEDERAL NEWS: USDA Releases Payment Error Rates

On June 24, the U.S. Department of Agriculture (USDA) released the fiscal year 2025 Supplemental Nutrition Assistance Program (SNAP) Payment Error Rates (PER). Payment error rates measure administrative accuracy and include both overpayments and underpayments resulting from eligibility or benefit calculation errors. It is important to note that SNAP payment error rates *do not* measure program fraud.



The reported payment error rates will determine what percentage of SNAP benefit costs will be required to be covered by state budgets, when the “benefits cost shift” provision from H.R. 1 takes effect on October 1, 2027. California's FY2025 SNAP payment error rate is reported at 10.93%, placing the state above the 10% threshold established under H.R. 1. As a result, California could be required to cover 15% of SNAP benefit costs beginning October 1, 2027, unless the cost shift is delayed. Based on current state benefit expenditures, that cost shift would require California to assume approximately \$1.82 billion in SNAP benefit costs that have historically been fully funded by the federal government. This would be in addition to the \$1.94 billion in SNAP *administrative* costs that the state is already poised to take over this coming October.

The current version of the Farm Bill working its way through Congress *does not* include a delay to the SNAP benefit and administrative cost-shift provisions that many states are requesting.

### ENGAGE:

**Take Action:** [Sign up for the Second Harvest Engagement Network](#)

### ON THE CALENDAR:

-Congressional Independence Day Recess:  
June 29 - July 10 (Senate), July 3-10 (House)  
-**HUNGER ACTION MONTH** coming in September!