

# THE COST OF WORK REQUIREMENTS

How reporting rules hurt workers, and how states can limit harm.



## Federal Budget Decisions Shift Cost to States and Weaken Workforce Systems

**Basic Needs are workforce needs.** Without food or access to health care, people are less likely to train for a new job or participate in the workforce.<sup>1</sup> While some policymakers frame expanded work reporting requirements for programs like Medicaid and the Supplemental Nutrition Assistance Program, known as SNAP (food assistance) as efforts to promote employment, research finds they rarely lead to sustained job gains because they fail to address the underlying reasons people struggle to work—such as lack of access to health care, or reliable transportation.<sup>2</sup>

With workers already contending with rising costs for housing, food, and other basic needs, these expanded requirements will have ripple effects across the state's workforce and economy.

## Work Reporting Requirements = Cuts to Basic Needs

Congressional legislation passed in 2025 expands work reporting requirements for both Medicaid and SNAP, increasing reporting and documentation burdens for people who are already working, caregiving, enrolled in education or training, or managing health conditions. While some lawmakers justify these policies by suggesting they target people who “won't work,” in practice they cause people to lose coverage because of administrative barriers—not because of people's willingness to work.<sup>3</sup>

Loss of health coverage or food assistance can disrupt workers' ability to manage chronic conditions, access preventive care, and meet basic needs, making it harder to stay employed or participate in education and training.<sup>4</sup> For workers pursuing credentials or skill-building opportunities, losing coverage can derail progress and reduce the likelihood of completing training programs that lead to better-paying jobs.<sup>5</sup>

### MEDICAID



**87,000** adults in **NEW MEXICO** are at risk of losing health insurance<sup>6</sup> in 2027.<sup>7</sup>

### SNAP

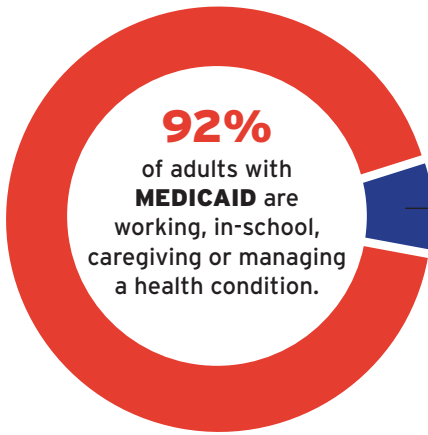


**38,000** adults in **NEW MEXICO** are at risk of losing food assistance.<sup>8</sup>

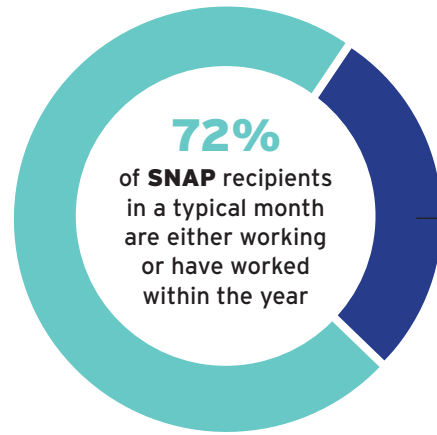


## Most People Impacted by Work Reporting Requirements Are Already Working

Nationally, most people targeted by SNAP and Medicaid work reporting requirements are already working, have recent work experience, or are not working due to caregiving responsibilities, health conditions, or because they're enrolled in an education or training program.<sup>9</sup> These rules don't meaningfully increase employment among people who are not currently in paid work. Instead, they create paperwork hurdles for people who are already balancing work, caregiving, school, or health needs—so people lose benefits because of red tape, not because they “don't want to work”.



The remaining **8%** include retirees and people searching for work.



Among the **28%** non-working SNAP recipients:

**10%** have a health condition, injury, disability

**8%** are caring for a child or household member; and

**2%** are in school

Source: Kaiser Family Foundation analysis of the March 2024 Current Population Survey ASEC Supplement, <https://www.kff.org/medicaid/5-key-facts-about-medicaid-work-requirements/>

Source: Center on Budget and Policy Priorities Analysis of the 2014 panel of U.S. Census Bureau's Survey of Income and Program Participation, <https://www.cbpp.org/media/most-snap-participants-who-dont-work-have-caretaking-responsibilities-or-health-conditions>

## WHAT NEW MEXICO CAN DO TO MITIGATE HARM



States have tools to protect workers and employers from the destabilizing effects of expanded work reporting requirements and federal funding cuts:

- ▶ **Recognize education and training work activities:** Ensure that participation in education, skills training, and apprenticeships counts toward Medicaid and SNAP work reporting requirements, so workers can keep basic needs supports while they build skills and credentials that lead to employment.
- ▶ **Minimize administrative and reporting burdens for education and training participants:** Streamline verification and reporting processes for people meeting work reporting requirements through education or training to prevent unnecessary coverage losses due to paperwork barriers.
- ▶ **Fully leverage SNAP Employment & Training (E&T) programs:** Expand access to SNAP E&T services – including training and supportive services such as transportation assistance, child care, and career navigation – that help participants qualify for and succeed in good jobs.<sup>10</sup>

For citations visit: <https://nationalskillscoalition.org/resource/publications/work-requirements-fact-sheets/>