Division of Legislative Services
ISSUE BRIEF

SNAP Cost Share Implementation

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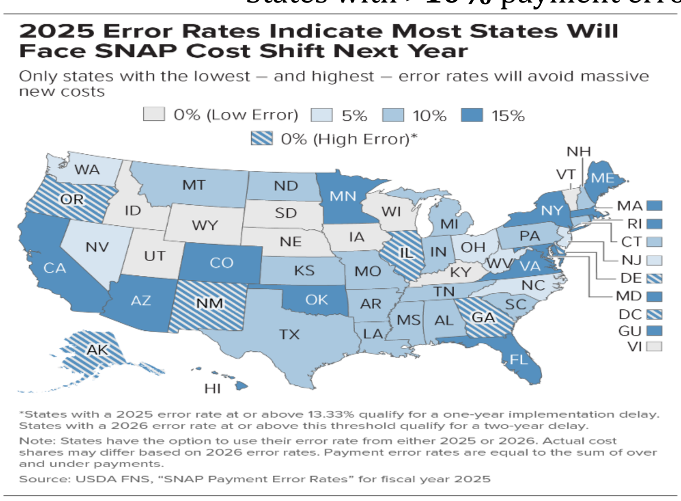
Overview

The Supplemental Nutrition Assistance Program (SNAP) is a federal program that provides food benefits to low-income families to supplement their grocery budget and allow better access to nutritious meals. SNAP is the country's largest nutrition assistance program and accounted for approximately 70% of the U.S. Department of Agriculture's nutrition assistance expenditures in Fiscal Year 2024. In Fiscal Year 2025, the federal government spent 101.7 billion dollars on SNAP, which is 1.4% of federal spending. Since the first iteration of SNAP was introduced in 1939, the program has been fully funded by the federal government, with states covering 50% of administrative costs. For reference, 50% of SNAP administrative costs in Fiscal Year 2023 for Delaware equated to 21.6 million dollars. Due to the passage of the One Big Beautiful Bill Act (OBBBA) in 2025, states will now be required to cover up to 15% of SNAP benefits, as well as 75% of administrative costs.

State contributions to SNAP benefits will be based on payment error rates, which are rates determined by how accurately state officials calculate SNAP eligibility and benefit amounts based on household size and gross income using a sample of cases from among each state's SNAP caseload. For the first year of the SNAP cost share requirement in Fiscal Year 2028, which begins October 1st, 2027, states can choose to base their contribution on payment error rates from federal Fiscal Year 2025 or 2026. After Fiscal Year 2028, state contributions to SNAP will be determined by payment error rates from 3 years prior.

- States with **6% – 8%** payment error rates must pay **5%** of SNAP benefit costs.
- States with **8% – 10%** payment error rates must pay **10%** of SNAP benefit costs.
- States with **>10%** payment error rates must pay **15%** of SNAP benefit costs.



The SNAP payment error rates for 2025 were published by the U.S. Department of Agriculture in June 2026. 9 states had payment error rates of less than 6% and will not be required to help fund SNAP benefits in federal Fiscal Year 2028. 6 states, including Delaware, will not be required to participate in the cost share requirement until federal Fiscal Year 2029 (October 1st, 2028) as these states' SNAP payment error rates exceeded 13%. Notably, Delaware's error rate was calculated at 16% from 14.55% overpayment and 1.45% underpayment figures, meaning Delaware would have to pay 15% of SNAP benefit costs, or roughly $40 million per year, without delayed implementation.

At least 35 states may each have to pay $100 million or more to fund SNAP benefits in Fiscal Year 2028 based on the Fiscal Year 2025 payment error rate calculations. Accordingly, states are scrambling to more accurately calculate food stamp payments for federal Fiscal Year 2026 to minimize payment error rates and potentially avoid excess budget expenses. States are investing in training case workers or hiring additional staff, technology upgrades, and eligibility determination and verification policy changes to improve payment error rates.

Challenges of SNAP Cost-Sharing Provisions In OBBBA

Unclear Guidance for States

The USDA has not provided states with guidance on how the SNAP cost-sharing requirement will work in practice. Notably, states have received no details about how to plan to implement this major structural change. Additionally, there is no information on when or how a state's share will be paid – in real time as SNAP benefits are issued or by reimbursing the federal government at a later date.

Time Constraints

Identifying the root causes of payment errors and implementing effective strategies to combat payment errors takes time - newly hired staff must be trained on SNAP's eligibility rules and technology upgrades take significant time to develop and implement. Additionally, error reduction strategies may not be reflected in a state's payment error rate right away. The USDA will not finalize error rates for federal Fiscal Year 2026 until June 30, 2027. At this point, most states will have completed their budgets as June 30th is one day before the new fiscal year begins for 46 states, including Delaware. Policy experts at the National Conference of State Legislatures and the Center on Budget and Policy Priorities are advocating for delayed implementation for all states.

Funding

States will need to secure additional funding to ensure that SNAP benefits remain available for those who qualify. Although the amount of funding is based on a state's payment error rate and population of residents who qualify for SNAP benefits, most states may be on the hook for over $100 million per year.

State Approaches to SNAP Payment Error Rate Reductions

Washington

Washington is investing in information technology upgrades and hiring community-based workers to help individuals apply for benefits. SB 5998 provides additional funding to expand quality-control staffing and contractor support to improve eligibility determination and verification for SNAP benefits.

Ohio

HB 434 (Page 37), enacted in 2025, appropriated funding to update the state's benefits system to help reduce payment error rates.

Rhode Island

HB 5076, enacted in 2025, requires Rhode Island's Department of Human Services to submit a plan to reduce the state's error rate below 6% and mandates monthly progress updates.

Arizona

HB 2206 was vetoed by Arizona's Governor in 2026. This bill would have set a 3% error-rate target by 2030, required annual progress reporting, and outlined corrective actions if targets were not met.

Delaware

According to the Department of Health and Social Services' (DHSS) Joint Finance Committee Presentation in March 2026, $891,600 in DHSS funding is dedicated to contractual services for a SNAP case reading team aimed at reducing the state's SNAP benefit payment error rate. As of July 2026, Computer Aid, Inc. is in the process of hiring for the SNAP Case Reading Team Leader position. Additionally, $223,200 is allocated to system upgrades, ensuring that eligibility verification for SNAP benefits is more streamlined and automated. Over $3 million in total was allocated to SNAP State Administration in the final Fiscal Year 2027 Budget, including funding for additional full-time employee hires.

Considerations for Delaware Legislators

SNAP Case Reading Team Initial Findings and Updates

As Delaware's FY2029 Budget may need to include funding for SNAP benefits based on the USDA's FY2026 payment error rate calculations (which should be published in June 2027), it may be beneficial for Delaware legislators to request an initial findings report and any subsequent reports from the SNAP Case Reading Team to gauge progress towards lowering payment error rates below 6%. Implementing reporting requirements may help the Department of Health and Social Services and General Assembly determine if additional measures need to be taken to streamline lowering payment error rates without eliminating SNAP benefit coverage for qualifying individuals.

Understanding the SNAP Payment Error Rate

A SNAP payment error is a benefit overpayment or underpayment of more than $58 for Fiscal Year 2026. However, this dollar amount varies by year. The SNAP payment error rate is calculated as the sum of over and under payments to participating households divided by all payments. Each state draws a statistical sample of SNAP-participating households from active cases, which are then reviewed by the appropriate state agency to identify and quantify payment errors. The federal government then re-reviews a sample of the state's review, which is about 1/3 of the cases reviewed on average. If there is a payment error among participating households, the difference between the incorrect and correct payment counts toward the error rate. In some cases, a procedural error that awarded benefits to an otherwise eligible family can result in their entire benefit allotment being counted as an error. However, it is important to note that incorrectly rejecting benefits for an eligible household is *not* considered an error.

Additional Resources

- USDA SNAP Payment Accuracy Tips.
- National Governor's Association - SNAP Payment Accuracy: Strategies for Reducing Payment Error Rate.
- A statistical analysis of the SNAP payment error rate calculation.