SNAP Update: Payment Error Rate Declines

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On July 4, 2025, HR1 was signed into law and made significant changes to the federal **Supplemental Nutrition Assistance Program (SNAP)**. Two notable changes require states to (1) fund 75% of administrative costs (up from 50%) and (2) potentially fund a share of benefit costs (up from none) depending on the state payment error rate. If the rate is below 6%, there is no state share; if it exceeds 6%, then a sliding scale applies: 6% to 8% (pay 5% of costs); 8% to 10% (10%) and >10% (15%). The first provision is effective for federal fiscal year (FFY) 2027; the second is effective for FFY 2028 (but could be delayed for certain states) and states may choose the error rate from 2025 or 2026 for that first year.

The table displays Pennsylvania SNAP data for each June from 2019 to 2026, annual total administrative costs (state and federal shares, state fiscal year beginning) and published error rates. Notable trends and budget implications include:

- Largely due to new and expanded work requirements effective September and November 2025, the number of beneficiaries has reverted to pre-Covid levels. For June 2026, 13.4% of state residents received SNAP benefits, the same share as June 2019. Compared to peak enrollment in June 2024, recipients have declined by 282,000 (-14%).
- For FY 2026-27, the state budget increased by roughly $87 million to reflect the higher share of program administrative costs. That amount does not reflect a full 12 months of the cost shift to the Commonwealth because it is not effective until the start of the federal fiscal year (October 1).
- The latest payment error rate published for 2025 declined to 9.2%, and the state must reduce it below 6% for 2026 to avoid cost-sharing payments.[1,2] If the error rate falls between 6% and 8%, then the state must absorb roughly $190 million of benefit costs. If the rate remains above 8% but below 10%, then the amount is $380 million. If incurred, most of those extra costs (approximately three quarters) would impact FY 2027-28 appropriations.

Pennsylvania SNAP Data

	2019	2020	2021	2022	2023	2024	2025	2026
Monthly Benefit (millions)	**$214**	**$337**	**$437**	**$460**	**$336**	**$363**	**$353**	**$317**
Number Persons (000s)	1,755	1,904	1,807	1,880	1,983	2,027	1,965	1,746
Avg Monthly Benefit / Person	$122	$177	$242	$245	$169	$179	$180	$181
Annual Administrative Cost	$446	$438	$433	$473	$497	$585	$597	$522
Payment Error Rate	7.0%	--	--	14.5%	16.6%	10.8%	9.2%	n.a.

Note: Excludes temporary Pandemic Electronic Benefit Transfer benefits. Administrative costs are for state fiscal year and represent the beginning of the fiscal year (i.e., 2019 is FY 2019-20). Benefits data pertain to June. Administrative cost data for 2025 and 2026 based on enacted appropriations. The U.S. Department of Agriculture did not publish payment error rates for 2020 and 2021.

Sources: U.S. Department of Agriculture, PA Open Data Portal and Department of Human Services Blue Book.

1 See SNAP Payment Error Rates.

2 For the payment error rate computation, the USDA uses a monthly dollar threshold of $58. If a quality control reviewer finds that a household's payment error is below the threshold, then the error is excluded from the computed payment error rate. See SNAP Quality Control. For Pennsylvania, 87% of the payment error rate was attributable to overpayments.