Policy Blog: SNAP Error Rates and Projected Cost Share for Pennsylvania

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The One Big Beautiful Bill Act (OBBA), which passed one year ago in July 2025, included major changes to the Supplemental Nutrition Assistance Program (SNAP). SNAP is the nation's largest support for low-income individuals and families at risk of food insecurity; it provides nine meals for each one the Feeding America network of food banks and pantries shares with our neighbors in need.

Since SNAP is the most critical nutrition support program for Americans, changes to the program can have a major impact not only on participating households, but also on utilization of the charitable food network and on other government programs, as has been covered in previous posts on this blog. Many of OBBA's changes to SNAP, including expanded work requirements and more stringent eligibility standards, have already gone into effect, dramatically reducing participation and making it more difficult for many households to enroll and maintain eligibility. However, one of the largest changes has yet to occur. In this policy blog, CPFB Impact and Policy Research explains and explores the potential impact of the impending benefit cost shift on to states, with a focus on Pennsylvania.

Prior to OBBA's passage, states were responsible for 50% of the administrative costs of SNAP and 0% of the benefit costs; that is, although states helped pay for the cost to operate the program, all funds SNAP participants received to purchase groceries were paid for by the federal government. This program design ensured that all states participated in SNAP and therefore that all Americans in need of assistance could receive it, independent of their state's finances.

OBBA made large changes to this model. Effective October 1, 2026, states will be responsible for 75% of administrative costs. Beginning October 1, 2027, many states will also have to shoulder a share of benefit costs, with exact proportions ranging from 5% to 15% depending on the state's payment error rate in either the federal 2025 or 2026 fiscal year, as shown in the table.

OBBA SNAP Cost Shift Tiering for FY2028

State SNAP Error Rate	Amount of Cost Shift to State
Below 6%	0% of total benefit expenditure
Between 6% and 8%	5% of total benefit expenditure
Between 8% and 10%	10% of total benefit expenditure
10% or greater*	15% of total benefit expenditure

**Delayed for states where the error rate multiplied by 1.5 equals 20% or more*

It is important to note that SNAP error rates track over- and under-payments in the program which primarily result from unintentional mistakes, missing paperwork, or other routine challenges in the administration of a complex program, rather than poor administrative practices or malice.

Beginning with the 2027-2028 budget, Pennsylvania and 39 other states, as well as Washington, D.C., are projected to have to begin paying part of the benefit costs for SNAP along with increased administrative costs. Based on the Commonwealth's federal fiscal year 2025 error rate of 9.21%, Pennsylvania will be responsible for 10% of benefit costs. The exact amount will vary depending on program participation rates and on whether Pennsylvania's fiscal year 2026 SNAP error rate (for the federal fiscal year running from October 2025 to September 2026) is lower than it was in fiscal 2025. If the error rate for 2026 remains above 8%, the Center on Budget and Policy Priorities estimates that Pennsylvania will be required to pay about $410 million to maintain SNAP. CPFB's own internal estimates based on the most recent May 2026 participation data put the cost share for Pennsylvania at around $381 million.

Regardless, these figures are substantial and would represent a major budgetary challenge for Pennsylvania, putting the future of SNAP in the Commonwealth at risk. Other states face even more severe challenges, making it increasingly likely that some may pull out of SNAP altogether as soon as next year. To ensure that all our neighbors continue to have access to this critical program, the Central Pennsylvania Food Bank and our partners at Feeding Pennsylvania and Feeding America are advocating at the federal level for a delay in the SNAP benefit cost shift. To help, you can call, email, or send a letter to your federal elected officials asking them to delay or reverse the cost shift completely. For more information and to sign up for CPFB Advocacy Alerts, please visit our website.