



VIRGINIA DEPARTMENT OF  
SOCIAL SERVICES

# Federal Changes to the Supplemental Nutrition Assistance Program (SNAP) & Efforts to Reduce Costs

Joint Subcommittee for Health and Human Resources Oversight  
*Kevin Erskine, Commissioner, Virginia Department of Social Services*

# Agenda

- **Key Federal Policy Changes**
- **Fiscal Impact to Virginia**
- **State Response Measures**



# Key Federal Policy Changes

## Overview

### H.R.1 (“One Big Beautiful Bill Act”) makes major changes to SNAP

- Changes who is eligible and how they remain eligible
  - Limited non-citizen eligibility
  - Limited household eligibility for SNAP-LIHEAP connection (“Heat & Eat”)
  - Expanded community engagement requirements (work, service, or education) for Able-Bodied Adults Without Dependents (ABAWDs)
- Eliminates funding for nutrition education grant program (“SNAP-Ed”)
- Shifts more costs to states
  - Fixed increase in administrative costs
  - Variable increase in benefit allocations costs depending on SNAP error rate

# Key Federal Policy Changes

## Eligibility

### Eligibility

- Limit non-citizen eligibility to designated subgroups, such as Cuban and Haitian entrants and those authorized under the Compacts of Free Association
- Restrict SNAP-LIHEAP “Heat & Eat” participation to households with an elderly or disabled member

### General Work Requirements

- Changes the general work requirement to apply to ages 18-64 (currently 16-59) to align with the Able-Bodied Adults Without Disabilities (ABAWD) changes

### Participation in Multiple States

- Expand National Accuracy Clearinghouse authority to prevent duplicate benefit issuances through VACMS integrated eligibility system

## Key Federal Policy Changes ABAWD Work Requirements

Able-Bodied Adults Without Dependents (ABAWDs) face extra work requirements beyond general SNAP rules.

Benefits for ABAWDs are limited to 3 months in a 36-month period unless they work, volunteer, or train at least 80 hours per month.

### H.R. 1 changes for ABAWD work requirements:

- Changes the ABAWD work requirement age range to those 18-64 (currently 18-54).
- Reduce dependent child exemption age from 18 to 14 years.
- Ends exemptions for:
  - People who are homeless
  - Veterans
  - Foster care youth who aged out of foster care at 18 through 24 years old
- Establishes new exemption for Indians and others eligible for the Indian Health Services
- Ends waivers for localities based on lack of sufficient number of jobs
- Establishes waivers for localities with unemployment rate above 10%

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## Key Federal Policy Changes Eliminating Funding for SNAP-Ed

The SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-Ed) aims to help participants establish healthy eating habits and a physically active lifestyle.

Also known as "Virginia Family Nutrition Program."

Currently, SNAP-Ed is 100% federally funded. It is administered by VDSS and Virginia Tech.

### H.R. 1 changes for SNAP-Ed:

- Eliminates funding for SNAP-Ed after September 30, 2025
- In FY2024, this was ~\$7.5m

### FFY26:

- The USDA's Food and Nutrition Service (FNS) has stated that Virginia may use program carryover funds (approximately \$9M, 100% NGF) to support SNAP-Ed for FFY 2026
- Virginia submitted our SNAP-Ed plan to FNS in August 2025, awaiting response

# Fiscal Impact to Virginia

## Increase in Administrative Costs

- Currently, administrative costs (money to run the program) are split equally (50%/50%) between federal and state governments
- Beginning Oct. 1, 2026, states will be responsible for 75% of the share while the federal government covers 25%
- In 2024, Virginia's administrative costs were ~\$360m
- This results in an increase of ~\$90m to Virginia

| FY24 Total SNAP Expenditures     |                       |                      |                      |                     |                       | FPR of 25% from 50%  |
|----------------------------------|-----------------------|----------------------|----------------------|---------------------|-----------------------|----------------------|
|                                  | Federal               | General              | Local                | Other               | Total                 | Additional GF Needed |
| State Administration             | \$ 4,635,878          | \$ 4,334,724         | \$ -                 | \$ 264,068          | \$ 9,234,670          | \$ 2,317,939         |
| Indirect Costs (cost allocation) | \$ 23,114,131         | \$ 23,006,551        | \$ -                 | \$ 7,080            | \$ 46,127,762         | \$ 11,557,065        |
| Local Administration             | \$ 146,802,395        | \$ 58,470,245        | \$ 85,445,376        | \$ 8,944,332        | \$ 299,662,348        | \$ 73,401,198        |
| <b>Total 50/50 Admin</b>         | <b>\$ 174,552,404</b> | <b>\$ 85,811,520</b> | <b>\$ 85,445,376</b> | <b>\$ 9,215,481</b> | <b>\$ 355,024,781</b> | <b>\$ 87,276,202</b> |

# Fiscal Impact to Virginia

## New State Match Requirements for Benefit Costs

- Currently, benefit allotments (money to households) are 100% federally funded
- Beginning Oct. 1, 2027, states will be required to match 0-15% of these costs based on their Payment Error Rates (PER)
- In 2024, Virginia disbursed \$1.8b in benefit allotments
- Virginia's error rate for 2024 was 11.50%
- Assuming no changes, this results in an increase of ~\$270m to Virginia

| Payment Error Rate (PER) | State Match (Share Based on PER) | Approx. Benefit Cost (Dollar Figure Based on PER) |
|--------------------------|----------------------------------|---------------------------------------------------|
| < 6%                     | 0%                               | \$0                                               |
| 6 – 7.99%                | 5%                               | \$90m                                             |
| 8 – 9.99%                | 10%                              | \$180m                                            |
| ≥ 10%                    | 15%                              | \$270m                                            |



# Fiscal Impact to Virginia

## Potential Costs to Virginia - Total

Based on 2024 costs and Payment Error Rates, the potential annual cost to Virginia is ~\$360m more than 2024 baseline

| Payment Error Rate (PER) | State Match (Share Based on PER) | Benefit Cost (Dollar Figure Based on PER) | Administrative Cost (Flat Increase) | Additional Cost (Benefit + Administrative) |
|--------------------------|----------------------------------|-------------------------------------------|-------------------------------------|--------------------------------------------|
| < 6%                     | 0%                               | \$0                                       | \$90m                               | \$90m                                      |
| 6 – 7.99%                | 5%                               | \$90m                                     | \$90m                               | \$180m                                     |
| 8 – 9.99%                | 10%                              | \$180m                                    | \$90m                               | \$270m                                     |
| ≥ 10%                    | 15%                              | \$270m                                    | \$90m                               | \$360m                                     |

## State Response Measures SNAP Payment Error Rate

As part of SNAP Quality Control, the Payment Error Rate (PER) measures how accurately state or local agencies determine household eligibility and benefit amounts.

The rate reflects overpayments and underpayments that exceed the error tolerance threshold (\$57 in FY2025).

### Improper payments occur when:

- An ineligible household receives benefits
- An eligible household receives the wrong amount of benefits

*Can be caused by department staff or households*

### Examples of errors from departments:

- Data or processing errors
- Missing a household update in calculations

### Examples of errors from households:

- Inaccurate household composition
- Inaccurate income information

### Does not measure fraud such as:

- Illegal sale of benefits
- Theft of benefits from recipients
- Retailer application fraud

# State Response Measures

## The Governor's Executive Directive 13 tasks VDSS to:

- Create incentives and penalties for LDSS to encourage best practices in error rate reduction
- Require core training for benefits staff to ensure competency
- Ensure staff verify applicant expenses and household details, not just accept self-attestation
- Explore public-private partnerships to help LDSS focus on reducing SNAP error rates
- Reform systems and enhance quality control, with contractors as needed
- Consider advanced technology and AI vendors to improve SNAP decision accuracy and automation

# State Response Measures

## Administration Support on Lowering the SNAP PER

Governor Youngkin's administration is directing efforts to lower the SNAP PER below 6%, including:

- Issuing Executive Directive Thirteen (ED-13) to streamline and improve benefit processing across the Commonwealth.
- Approving carryover funds to hire a national vendor with SNAP expertise to help with quality control of benefits processing and conduct a root cause analysis.
- Devoting the time and attention of senior leadership to support VDSS through progress meetings and investing in reduction strategies.

# State Response Measures

## Current VDSS Initiatives to Reduce the SNAP PER

### Focused Oversight & Local Support

- Focus on high-caseload departments by conducting targeted reviews and providing technical assistance and training through specialized consultants

### Improved Communication & Engagement

- Develop enhanced messaging strategies and increase listening sessions and engagement with staff and LDSS stakeholders

### Policy Clarity & Training Enhancements

- Revise guidance for clarity and introduce tip sheets and micro-trainings to reduce errors and improve eligibility accuracy .
- Require staff who determine or supervise SNAP benefits to complete core training .

### Data-Driven Quality Control & Technology Upgrades

- Implement dashboards, automation tools, and expanded quality control reviews to track errors, support corrective actions, and identify system improvements



# State Response Measures

## Potential VDSS Initiatives to Reduce the SNAP PER

Given additional resources, VDSS could pursue the following initiatives:

- Deploy technology for instant policy guidance to benefits staff at the point of need
- Expand AI in VaCMS and other systems to reduce human error and improve staff efficiency
- Increase VDSS and local department capacity through public/private partnerships and ongoing vendor support, freeing staff to focus on error reduction
- Create and fund incentives for local departments to sustain best practices in error rate reduction



**Kevin Erskine, Commissioner**  
**[Kevin.Erskine@dss.virginia.gov](mailto:Kevin.Erskine@dss.virginia.gov)**

**Carl E. Ayers, Deputy Commissioner of Human Services**  
**[Carl.Ayers1@dss.virginia.gov](mailto:Carl.Ayers1@dss.virginia.gov)**