Explaining Error Rates

SECOND HARVEST FOOD BANK OF NORTHEAST TENNESSEE

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HOW DID WE GET HERE?

During the COVID-19 pandemic states required reporting to Food and Nutrition Services (FNS) was paused. When it resumed states faced larger caseloads, staff shortages, outdated technology, and new reporting rules. **These combined pressures, *not* fraud, explain todays higher error rates.**

WHAT IS THE DIFFERENCE?

ERRORS

Errors are unintentional mistakes in eligibility or benefit amounts.

FRAUD

Fraud is intentional deception and are very rare in SNAP.

HOW DOES IT ACTUALLY WORK?

A strong quality control (QC) system monitors SNAP.

Four steps to quality control

State Review: State agencies randomly select a sample of households participating in SNAP in their state each month. State agency staff interview participants and conduct a detailed examination of their households circumstances. This information is used to measure how accurately states determined the selected households' eligibility and benefit amounts. States calculate the number of errors — both overpayments and underpayments.

Corrections: Errors are corrected. Overpayments must be paid back and underpayments are reimbursed, so each household gets exactly what it is eligible for.

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Federal Review: USDA double checks the accuracy of approximately 25,000 of the cases reviewed by each state. USDA then validates that the states' reviews were done properly and in line with policy. If a review is inaccurate, USDA changes the finding so it is correct or sends the case back to the state for further review. The goal is to get an accurate finding.

Analysis: USDA analyzes the data, taking into consideration the size of a state's caseload and other variables. Based on that analysis, USDA establishes national and state payment error rates.

States with high error rates must submit Corrective Action Plans (CAPs) that outline fixes, timelines and monitoring steps.

ERRORS ARE COMPLEX

Error rates may reflect many factors beyond basic program integrity including:

Complex Cases: Households with fluctuating work hours, custody changes or multiple earners are harder to process than say seniors with a stable income.

Technology Problems: New eligibility systems can create errors and overwhelm staff.

Policy Choices: State rules on verification, certification periods, and data- matching affect how errors show up.

Federal Changes: USDA's 2022 revision of section 751 and 752 of its Handbook 310, which governs the QC system and its decision to count "technical errors" - like missing paperwork even when benefits are correct - caused rates to spike in many states.

Oct. 1, 2027 States will have to put in a portion of SNAP benefits as well if not under 6% error rate. As of FY2025, Tennessee's error rate is 9.44%, meaning that our projected SNAP contribution is $1,709,503,843 unless Tennessee is able to reduce the error rate to under 6%. This cost share will need to be included in the state budget set to start July 1, 2027.

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