

PROTECT TENNESSEE'S FINANCES

Improving SNAP Payment Accuracy Takes Time

THE ISSUE

As of July 2025, **SNAP administrative and benefits costs were shifted from the federal government to states** due to HR 1. With little time to prepare, Tennessee is now faced with how to cover these costs.

Some states got an extra two years to prepare for this cost shift.
TENNESSEE DID NOT.

THE SOLUTION

Tell Congress to **extend the cost shift delay to ALL STATES!**
Tennessee deserves the same runway for success.



BENEFIT COST SHARE

State benefit cost share could increase up to 15% depending on TN's Payment Error Rate (PER)	Starting Oct. 1, 2027
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WHAT IS A PAYMENT ERROR RATE (PER)?

Measures accuracy of benefit amount distributed	Occurs when monthly benefit is miscalculated	Includes mistakes/typos, NOT fraud
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BENEFIT COST SHARE DETERMINATION

PER <6% = 0% of SNAP Benefit Cost
PER 6-8% = 5% of SNAP Benefit Cost
PER 8-10% = 10% of SNAP Benefit Cost
PER >10% = 15% of SNAP Benefit Cost

TN PAYMENT ERROR RATES (PER) & ESTIMATED COST

Year	TN PER	State Share of Benefit Cost	Estimated Cost
2024	9.47%	10%	\$171 Million
2025	9.44%	10%	\$171 Million
2026	Will not be released until June 2027		

States can choose FY25 or FY26 PERs to determine benefit cost share

ADMINISTRATIVE COST SHARE

State admin. cost share increases from 50% to 75%	Starting Oct. 1, 2026
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The Department of Human Services (DHS) has allocated \$58 million for the additional administrative funding needed for FY27. However, in future fiscal years, administrative costs in Tennessee are estimated to be \$77 million.

WHY SNAP IS VITAL TO TN

600,000+ Tennesseans use SNAP to put food on the table	6,672 retailers count on SNAP dollars in their profits	\$122,935,477 brought into Tennessee in April 2026
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WHAT'S AT STAKE?



Tennessee state costs skyrocket without time to prepare



Confusion among program administrators and SNAP participants



Federal dollars contributed by TN taxpayers won't return to Tennesseans