



OHIO JOB AND FAMILY SERVICES DIRECTORS' ASSOCIATION

175 S. Third Street, Suite 1120 | Columbus, Ohio 43215 | 614-221-3688

Federal SNAP Cost Shifts under H.R. 1: Implications for Ohio

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Ohio's county-administered SNAP program serves nearly 1.3 million Ohioans and issued \$3.2 billion in federally funded food benefits in FFY 2025. H.R. 1, enacted in 2025, significantly shifts SNAP administrative costs onto states and counties beginning October 2026 and will also shift a portion of the benefit cost share to states with SNAP payment error rates over 6%, beginning October 2027.

Administrative Cost Shift	Potential Benefit Cost Shift
Effective Oct. 1, 2026: the federal matching rate for SNAP administrative costs will be cut in half, falling from 50% to 25%. In Ohio, counties will lose \$51 million annually. The federal cuts created a \$38 million gap for SFY 2027. In March 2026, the Ohio legislature passed HB 730, which provided \$10 million in state funding for counties. With federal matching funds, this support is expected to offset roughly one-third of the statewide SFY 2027 gap.	Effective Oct. 1, 2027: states will become responsible for a share of benefit costs if their payment error rate exceeds 6%. Ohio's payment error rate in FFY 2025 was 6.76%. Despite funding headwinds, county JFS agencies have been working hard to lower Ohio's error rate to avoid this cost shift. As a result, Ohio's payment error rate dropped from 9.01% to 6.76% in FFY 2025, moving the state much closer toward its goal of achieving a payment error rate below 6%.

SNAP Administration Funding Supports County Caseworkers and Technology

In Ohio, county JFS agencies are responsible for the administration of Ohio's SNAP program. This includes properly identifying who is eligible and who is not, what their precise benefit amount should be, identifying and pursuing potential fraud, employment and job skills training for SNAP recipients, quality control, caseworker training, and the distribution of benefits.

The Administrative Funding Gap Is Reducing County Capacity

Due to the federal cuts, county JFS agencies have already had to implement hiring freezes and layoffs. These staff reductions undermine counties' ability to maintain important timeliness, accuracy, and quality control measures, increasing the risk of a higher payment error rate just as Ohio approaches a potential benefit-cost obligation.

Counties Need Additional Support for SNAP Administration in the FY 2028-2029 Budget

While HB 730 provided essential short-term assistance for FY 2027, it will not fully replace the ongoing loss of federal administrative funding. A sustained state investment in county administration funding in the next biennial budget is the most effective way to protect program integrity, enhance payment accuracy, and reduce Ohio's exposure to potentially hundreds of millions of dollars in new benefit costs.

Ohio's Payment Accuracy Determines Future State Benefit Cost

The federal government has historically paid 100% of SNAP program benefits since the beginning of the program. Starting October 1, 2027, states may be required to pay a portion of SNAP benefits based on the state's SNAP error rate from the three years prior.

In 2025, Ohio issued \$3.2 billion in SNAP benefits and had a payment error rate of 6.76%. Under HR 1, assuming a similar benefit amount and error rate, Ohio's potential annual cost share would be **approximately \$160 million**.

Table 1. Ohio's Estimated Benefit Cost Share Based on State Payment Error

SNAP Payment Error Rate	State Benefit Cost Share	Potential Benefit Cost Share
Less than 6%	0%	\$0
6-7.99%	5%	\$160M
8-9.99%	10%	\$320M
More than 10%	15%	\$480M

SNAP Payment Error is Not Fraud

The SNAP payment error rate measures how accurately states determine benefit amounts for participants, measuring both overpayments (households receiving too much from the state) and underpayments (households receiving too little).

The state's error rate is calculated according to federal guidelines, which require ODJFS staff to randomly select 85 Ohio SNAP cases per month, re-conduct the SNAP interview, and then re-determine the household benefit amount. Errors can be caused by inaccurate client reporting of income, expenses, or household composition, or by administrative errors.

What Ohio Needs to Ensure SNAP Payment Accuracy:

- **Sustained county staffing and administrative capacity.** Front-line caseworkers need sufficient time and resources to complete eligibility work thoroughly and accurately; this means keeping the system adequately staffed.
- **Continued Ohio Benefits modernization.** State system improvements should reduce preventable errors and make eligibility work more efficient for counties.
- **Strengthened Quality Control Measures.** The state and counties will need to make additional investments in quality control efforts.

Key Contacts

Jon Honeck, OJFSDA | 614-600-8900 | jhoneck@ojfsda.org

Laura Abu-Absi, OJFSDA | 614-638-4241 | labu-absi@ojfsda.org

Victoria Rykaczewski, OJFSDA | 440-220-0194 | vrykaczewski@ojfsda.org

Mike Toman, Success Group | 614-370-5703 | mtoman@thesuccessgroup.com