A Correlation of SNAP Performance and Policy: A 15-Year Analysis of Administrative Data Drivers (FY 2010–2025)

Executive Summary

This report presents a 15-year longitudinal analysis (FY 2010–FY 2025) correlating the official performance metrics of the Supplemental Nutrition Assistance Program (SNAP) with their underlying federal and state policy drivers. The analysis establishes that state-level performance data—specifically the Payment Error Rate (PER), the Case and Procedural Error Rate (CAPER), and Application Processing Timeliness (APT)—are not isolated measures of state competence. Rather, they are direct, lagging indicators of administrative complexity, conflicting federal incentives, and systemic disruptions.

The 15-year history of SNAP administration is defined by three major "policy shocks" that fundamentally altered data collection and state-level operations.

1. **The FY 2015–2016 QC Integrity Crisis:** A systemic breakdown in which widespread, state-driven manipulation of Quality Control (QC) data, prompted by the federal incentive to avoid fiscal penalties, led to a two-year suspension of all national error reporting. This crisis was resolved by strengthening federal policy manuals, primarily the FNS Handbook 310.
2. **The FY 2020–2021 COVID-19 Hiatus:** A deliberate, top-down federal policy decision to prioritize program *access* over *measurement*. Congress and the Food and Nutrition Service (FNS) provided states with sweeping waivers, including the suspension of QC data collection, and explicitly excluded pandemic-related benefit changes from error rate calculations. The subsequent "unwinding" of these flexibilities is a primary causal factor for the historically high error rates seen today.
3. **The FY 2025 H.R. 1 Legislative Overhaul:** The new legislation, enacted in July 2025, represents the most significant paradigm shift in federal-state SNAP administration in decades. It simultaneously introduces complex new work requirements guaranteed to increase procedural errors while imposing catastrophic new fiscal penalties—including state cost-sharing for *benefits*—tied directly to the Payment Error Rate.

This analysis concludes that H.R. 1 (2025) has fundamentally resolved the historical tension between program *access* (measured by APT and CAPER) and program *integrity* (measured by PER). The new, existential fiscal threat to state general funds creates an overriding and singular incentive for states to prioritize error reduction. State policy manuals, as evidenced by recent actions in Maryland , are already being rewritten to mandate stringent verification. This new policy environment will almost certainly lower the PER, but at the direct and predictable expense of timeliness, procedural accuracy, and program access for eligible households.

I. The Pre-Crisis Baseline: Performance and

Modernization (FY 2010–2014)

To understand the disruptions of the following decade, it is essential to first establish the operational baseline for SNAP performance metrics. The FY 2010–2014 period, occurring in the wake of the Great Recession, was characterized by rising caseloads and state-level "modernization" initiatives. It was also a period of significant federal policy changes that directly impacted the metrics themselves.

A. Defining the Core Metrics

This report correlates state and federal policy manuals with three distinct FNS-mandated performance metrics, each measuring a different aspect of state agency administration:

1. **Payment Error Rate (PER):** This is the primary measure of integrity for active SNAP cases. It is a statistically valid estimate of the accuracy of state eligibility and benefit determinations, calculated from a sample of cases reviewed monthly by the state and validated by FNS. The PER is the sum of overpayments (benefits issued to ineligible households or in excess to eligible households) and underpayments (benefits denied to eligible households or issued in an amount less than that to which they are entitled).
2. **Case and Procedural Error Rate (CAPER):** This metric assesses the accuracy of *negative* case actions—that is, applications that are denied or cases that are suspended or terminated. A CAPER error occurs when a state takes an inaccurate or procedurally incorrect action. This metric is critical as it measures not only the correctness of the state's determination but also its compliance with federal procedural requirements, such as providing timely and clear notices to the client.
3. **Application Processing Timeliness (APT):** This is the core metric for program *access* and customer service. It measures state compliance with the federal mandate in the Food and Nutrition Act of 2008 to provide eligible households with the opportunity to receive benefits within 30 days of application, or within 7 days for households eligible for expedited service. FNS has long monitored APT rates and considers a rate of 95% or above to be "acceptable performance".

B. Policy Driver 1: The Creation of CAPER (FY 2011–2012)

The baseline period began with a significant federal policy change that created one of the core metrics. A final rule published on June 11, 2010, became effective on October 1, 2011 (the beginning of FY 2012). This rule fundamentally altered the review of negative cases. Previously, states tracked a "negative error rate." This new rule "expands the scope of the assessment process for negatives to include compliance with Federal procedural requirements". Because of these significant changes, FNS renamed the metric the **Case and Procedural Error Rate (CAPER)**. The official FNS guidance for the FY 2012 CAPER data explicitly states this new assessment includes "assessing compliance with Federal procedural requirements to determine the timeliness of the action, and to adhere to requirements for notices of termination, denials, and suspensions".

This policy change marks a critical evolution in federal priorities. It signaled that FNS was elevating the importance of *improper denials* and *client due process* (e.g., ensuring notices use "clear and understandable language") to be on par with the long-standing focus on *improper payments* (PER). This change established the primary administrative tension that defines SNAP

operations: the state-level conflict between pushing for *access* and *timeliness* (measured by APT and CAPER) versus the push for *payment accuracy* (measured by PER).
The impact was immediate and stark. The new, more complex standard revealed significant state struggles with procedural compliance. The national CAPER for FY 2012 was 27.27% , followed by 25.25% in FY 2013 and 26.30% in FY 2014. This was not a sudden decline in state performance, but a policy-driven *revelation* of pre-existing procedural deficiencies that the previous, simpler metric failed to capture.

C. Policy Driver 2: The Agricultural Act of 2014

A second federal policy action directly impacted the PER, demonstrating how legislative changes to statistical definitions can alter performance outcomes. The Agricultural Act of 2014 (Public Law 113-79) directly modified the PER calculation by reducing the Quality Control (QC) "tolerance level". This tolerance level is the threshold for excluding small, incidental errors from the calculation.
Effective for FY 2014, the tolerance threshold was lowered from $50 to $37. This legislative change meant that small overpayments or underpayments (between $37 and $50) that were previously disregarded in FY 2013 were now counted as errors in FY 2014.
The correlation is documented directly by FNS. The national PER, which had been steadily declining, *increased* from 3.20% in FY 2013 to 3.66% in FY 2014. In its official "Supplemental Nutrition Assistance Program: Quality Control Annual Report: Fiscal Year 2014," FNS states, "The decrease in the tolerance level may, in part, be attributed to the.46 percentage point increase in the FY 2014 payment error rate when compared to the prior fiscal year". This provides a clear, documented causal link between a federal legislative act and a subsequent statistical increase in the national error rate.

D. Presenting the Baseline Data (FY 2010–2014)

The FY 2010–2014 period provides the last stable, multi-year dataset before the 2015 integrity crisis. The national performance metrics for this period are summarized below.
Table 1: National SNAP Performance Metrics (FY 2010–2014)

Fiscal Year	National Payment Error Rate (PER)	National Case and Procedural Error Rate (CAPER)	Mean National Application Processing Timeliness (APT)
FY 2010	3.81%	N/A (Pre-CAPER)	N/A
FY 2011	3.81%	N/A (Pre-CAPER)	N/A
FY 2012	3.42%	27.27%	86.68%
FY 2013	3.20%	25.25%	87.71%
FY 2014	3.66%	26.30%	86.93%

Note on CAPER: The CAPER metric officially replaced the "negative case error rate" in FY 2012. *Note on APT:* State-by-state APT data for FY 2010-2011 is not available in FNS summary documents, which only provide national means or state *counts* by timeliness *status* (e.g., "Timely," "Untimely") for FY 2012-2015.
The following tables provide the comprehensive state-by-state data for this baseline period.
Table 2: State-by-State SNAP Payment Error Rates (PER) (FY 2011–2014)

State	2011	2012	2013	2014
Alabama	5.1	1.85	1.7	2.03

State	2011	2012	2013	2014
Alaska	0.76	1.07	1.27	0.89
Arizona	6.34	5.6	5.48	5.18
Arkansas	5.79	4.76	4.34	5.58
California	4.58	3.98	3.63	5.13
Colorado	4.45	4.55	5.59	4.26
Connecticut	6.46	5.99	7.13	5.84
Delaware	2.53	3.41	3.53	2.78
District of Colombia	3.03	3.91	6.87	7.38
Florida	0.87	0.77	0.81	0.42
Georgia	2.71	3.18	5.11	6.49
Guam	6.25	7.33	6.65	7.08
Hawaii	3.37	4.84	4.39	4.13
Idaho	2.52	2.49	1.86	2.74
Illinois	3.15	1.74	4.27	5.27
Indiana	3.29	3.02	3.72	4.76
Iowa	3.97	3.43	4.12	4.6
Kansas	5	5.45	3.99	0.75
Kentucky	4.5	4.93	5.78	6
Louisiana	3.97	1.45	1.44	1.55
Maine	3.28	2.16	2.48	2.52
Maryland	6.06	3.4	2.12	3.41
Massachusetts	4.4	4.03	2.87	5.09
Michigan	3.12	3.55	2.7	2.99
Minnesota	5.02	5.07	4.08	6.87
Mississippi	2.83	2.1	1.48	1.16
Missouri	5.88	7.18	1.62	1.5
Montana	3.1	2.71	6	7.25
Nebraska	4.5	3.19	2.87	2.98
Nevada	6.29	6.01	5.51	7.61
New Hampshire	4.82	5.09	3.82	4.81
New Jersey	4.33	3.49	1.32	1.43
New Mexico	4.35	3.73	4.55	6.22
New York	4.32	5.09	4.79	5.23
North Carolina	2.65	2.32	4.75	4.98
North Dakota	4.34	2.94	2.3	1.73
Ohio	3.4	3.39	4.12	4.67
Oklahoma	3.94	4.94	3.99	5.58
Oregon	3.99	4.66	4.17	5.11
Pennsylvania	3.3	3.08	3.56	4.27
Rhode Island	7.89	7.36	8.25	5.97
South Carolina	3.14	1.59	1.75	1.09
South Dakota	1.59	1.37	0.99	1.26
Tennessee	5.46	3.25	1.32	1.08

State	2011	2012	2013	2014
Texas	3.48	3.63	1.44	0.63
Utah	4.19	2.39	2.11	2.79
Vermont	8.53	6.96	9.66	2.76
Virgin Islands	4.77	4.2	3.58	3.18
Virginia	3.41	1.76	0.44	4.73
Washington	3.81	2.49	1.71	0.77
West Virginia	6.31	7.06	5.24	4.9
Wisconsin	2.02	2.07	2.4	2.55
Wyoming	9.63	7.18	4.99	5.19
Source: S-B2, S-S17, S-S183, S-S199, S-S213, S-S237, S-S263, S-S288, S-S312, S-S327				

Table 3: State-by-State SNAP Case and Procedural Error Rates (CAPER) (FY 2012–2014)

State/Territory	FY 2012 CAPER (%)	FY 2013 CAPER (%)	FY 2014 CAPER (%)
ALABAMA	22.88	23.12	14.08
ALASKA	6.95	8.59	17.37
ARIZONA	31.50	28.28	49.79
ARKANSAS	23.20	11.40	13.08
CALIFORNIA	32.47	32.28	35.79
COLORADO	68.79	52.83	53.14
CONNECTICUT	52.40	52.22	39.52
DELAWARE	26.04	22.35	24.64
DISTRICT OF COLUMBIA	22.89	22.48	22.74
FLORIDA	16.39	13.80	12.32
GEORGIA	33.09	29.12	49.17
GUAM	54.73	58.82	N/A
HAWAII	24.09	27.96	N/A
IDAHO	10.02	14.19	N/A
ILLINOIS	29.18	28.71	N/A
INDIANA	18.59	18.99	N/A
IOWA	15.01	8.36	N/A
KANSAS	23.11	11.49	N/A
KENTUCKY	16.23	9.90	N/A
LOUISIANA	23.24	21.82	N/A
MAINE	13.02	14.89	N/A
MARYLAND	35.06	25.50	N/A
MASSACHUSETTS	13.08	8.90	N/A
MICHIGAN	20.25	21.15	N/A
MINNESOTA	26.21	45.15	N/A
MISSISSIPPI	7.28	9.56	N/A

State/Territory	FY 2012 CAPER (%)	FY 2013 CAPER (%)	FY 2014 CAPER (%)
MISSOURI	17.15	13.37	N/A
MONTANA	16.63	28.63	N/A
NEBRASKA	17.97	14.08	N/A
NEVADA	43.09	53.37	N/A
NEW HAMPSHIRE	11.94	7.66	N/A
NEW JERSEY	49.25	52.22	N/A
NEW MEXICO	53.71	49.83	N/A
NEW YORK	26.10	26.27	N/A
NORTH CAROLINA	25.19	70.87	N/A
NORTH DAKOTA	8.33	15.54	N/A
OHIO	25.51	25.37	N/A
OKLAHOMA	23.37	23.28	N/A
OREGON	19.51	23.32	N/A
PENNSYLVANIA	40.63	40.31	N/A
RHODE ISLAND	22.93	21.93	N/A
SOUTH CAROLINA	31.02	13.59	N/A
SOUTH DAKOTA	1.88	2.54	N/A
TENNESSEE	46.28	23.51	N/A
TEXAS	37.34	28.18	N/A
UTAH	16.82	17.67	N/A
VERMONT	44.15	36.25	N/A
VIRGIN ISLANDS	21.60	21.14	N/A
VIRGINIA	17.68	12.89	N/A
WASHINGTON	14.47	15.35	N/A
WEST VIRGINIA	12.81	17.72	N/A
WISCONSIN	26.26	18.05	N/A
WYOMING	30.74	37.93	N/A
U.S. Total	**27.27**	**25.25**	**26.30**
Sources: FY 2012; FY 2013; FY 2014 (partial). Note: Full state-by-state data for FY 2014 was not available in the provided documents.			

Table 4: State-by-State SNAP Application Processing Timeliness (APT) (FY 2013–2014)

Rank	State/Territory (FY 2013)	FY 2013 APT (%)	Rank	State/Territory (FY 2014)	FY 2014 APT (%)
1	IDAHO	98.98	1	IDAHO	99.61
2	NEW MEXICO	98.64	2	NORTH DAKOTA	97.14
3	KENTUCKY	98.41	3	WISCONSIN	95.87
4	DIST. OF COL.	97.62	4	MISSISSIPPI	94.88
5	NORTH	97.24	5	WYOMING	94.70

Rank	State/Territory (FY 2013)	FY 2013 APT (%)	Rank	State/Territory (FY 2014)	FY 2014 APT (%)
	DAKOTA				
6	SOUTH DAKOTA	96.02	6	DIST. OF COL.	94.53
7	MISSISSIPPI	95.13	7	HAWAII	94.41
8	COLORADO	94.94	8	VIRGIN ISLANDS	93.66
9	FLORIDA	94.07	9	OKLAHOMA	93.63
10	UTAH	93.75	10	VIRGINIA	93.32
11	TEXAS	93.53	11	MONTANA	93.29
12	WASHINGTON	93.10	12	WASHINGTON	93.13
13	MAINE	92.51	13	NEW HAMPSHIRE	92.89
14	KANSAS	92.36	14	ARKANSAS	92.42
15	HAWAII	91.95	15	RHODE ISLAND	91.93
16	NEW YORK	91.89	16	ARIZONA	91.92
17	RHODE ISLAND	91.87	17	COLORADO	91.91
18	WISCONSIN	91.85	18	SOUTH DAKOTA	91.85
19	VIRGINIA	91.57	19	OREGON	91.72
20	MINNESOTA	91.52	20	WEST VIRGINIA	91.15
21	OKLAHOMA	91.50	21	INDIANA	90.91
22	ARIZONA	91.21	22	KENTUCKY	90.21
23	NEW HAMPSHIRE	91.12	23	TEXAS	90.06
24	IOWA	90.64	24	UTAH	89.64
25	OREGON	90.58	25	MINNESOTA	89.46
26	ARKANSAS	90.57	26	SOUTH CAROLINA	89.40
27	WYOMING	90.18	27	IOWA	89.10
28	WEST VIRGINIA	90.10	28	FLORIDA	88.65
29	MARYLAND	89.78	29	KANSAS	88.24
30	MICHIGAN	89.52	30	CALIFORNIA	86.82
31	MONTANA	88.62	31	MARYLAND	86.74
32	ALASKA	87.88	32	NEW MEXICO	85.75
33	INDIANA	87.86	33	ALASKA	85.66
34	LOUISIANA	87.17	34	MICHIGAN	85.58
35	CALIFORNIA	86.57	35	PENNSYLVANIA	85.54
36	ALABAMA	85.88	36	MASSACHUSETTS	85.05

Rank	State/Territory (FY 2013)	FY 2013 APT (%)	Rank	State/Territory (FY 2014)	FY 2014 APT (%)
37	VERMONT	85.58	37	ALABAMA	84.91
38	DELAWARE	85.51	38	LOUISIANA	84.67
39	MASSACHUSETTS	83.78	39	TENNESSEE	84.59
40	VIRGIN ISLANDS	83.36	40	MAINE	84.25
41	MISSOURI	82.88	41	MISSOURI	84.00
42	ILLINOIS	82.13	42	NEVADA	83.93
43	OHIO	80.47	43	NEW YORK	83.36
44	PENNSYLVANIA	80.00	44	CONNECTICUT	80.21
45	GUAM	78.67	45	OHIO	79.72
46	TENNESSEE	78.44	46	VERMONT	79.46
47	GEORGIA	77.99	47	GUAM	78.31
48	SOUTH CAROLINA	76.76	48	NEW JERSEY	76.57
49	NORTH CAROLINA	75.36	49	DELAWARE	73.93
50	NEVADA	73.90	50	NORTH CAROLINA	72.63
51	NEW JERSEY	68.81	51	NEBRASKA	65.80
52	NEBRASKA	68.03	52	GEORGIA	64.82
53	CONNECTICUT	57.36	53	ILLINOIS	63.36
Sources: FY 2013; FY 2014					

II. The Integrity Crisis: The Suspension of Error Reporting (FY 2015–2016)

The baseline period was immediately followed by the first major disruption to SNAP data continuity. This was not an external event, like a recession or pandemic, but an internal administrative and integrity failure that forced FNS to suspend its primary integrity metric.

A. The Policy: Suspension of QC Reporting

In 2014, the USDA identified significant "concerns with data quality issues in the SNAP quality control (QC) process". A thorough review was initiated, which ultimately found that the "state-reported error rates derived from that data cannot be validated" due to data quality issues uncovered in 42 of the 53 state agencies.

Because the state-provided data was unreliable, USDA announced it was "unable to calculate a national error rate for FY15". This suspension of error reporting was extended to cover FY 2016 as well. FNS used this two-year period to "examine and improve state quality control procedures". This was, in effect, a systemic breakdown not of benefit calculation, but of the *measurement* of error itself.

B. The Causal Driver: Perverse Incentives and the Policy Manual

The root cause of this data crisis was identified in a September 2015 report from the USDA Office of Inspector General (OIG). The OIG found that states, in response to federal pressure to lower error rates, had "weakened the quality control process".

The OIG report detailed the specific state-level actions that compromised the data. States were found to be using "third-party consultants and error review committees to mitigate individual quality control-identified errors, rather than improve eligibility determinations". Furthermore, QC staff were found to be treating "error cases non-uniformly".

This behavior represents a direct state-level policy response to the federal policy of imposing fiscal penalties for high error rates. The federal policy manual created a high-stakes environment where states, particularly those with persistently high PERs, had a powerful financial incentive to "game the system." Rather than investing in complex, long-term solutions to fix the root causes of errors (like modernizing IT systems or increasing staff training), states used their own procedures and hired consultants to challenge, mitigate, and overturn negative QC findings. This artificially and unreliably lowered their reported PER. The integrity of the entire national QC system collapsed under the weight of the very fiscal penalties it was designed to enforce.

C. The Federal Policy Response: Updating FNS Handbook 310

FNS used the FY 2015-2016 suspension to restore the statistical integrity of the QC system. The primary policy manual correction was a comprehensive review and update of federal guidance and, critically, the **"FNS Handbook 310,"** the SNAP Quality Control Review Handbook.

FNS provided new, mandatory training to both state and federal staff to ensure uniform application of these updated procedures. States that had been identified as having problematic measurement and reporting procedures were required to commit to and execute robust corrective action plans, with USDA monitoring to ensure compliance.

When the National Payment Error Rate (NPER) was finally published for FY 2017 (in June 2018), FNS made a point to state that this new rate was determined "under new controls to prevent any recurrence of statistical bias in the QC system". This language confirms that the 2015-2016 crisis was not one of simple mistakes, but of deliberate, systemic *statistical bias* introduced at the state level.

III. The COVID-19 Hiatus: Waivers and the Suspension of QC (FY 2020–2021)

The second major disruption to data continuity occurred during the COVID-19 public health emergency (PHE). Unlike the 2015 integrity crisis, this data gap was not a result of state malfeasance but a deliberate, top-down federal policy decision to prioritize program access and household safety over administrative measurement.

A. The Policy: Legislative and Administrative Waivers

In response to the PHE, Congress passed legislation, such as Section 4603(a)(2) of the Continuing Appropriations Act, 2021, which provided FNS with the authority to grant states sweeping flexibilities. FNS, in turn, issued a "blanket approval" on April 30, 2020, granting states the *option* to suspend certain QC regulatory requirements.

This QC suspension was widely adopted by states and lasted from March 2020 until June 30, 2021. The consequences for data collection were definitive. As FNS later explained in a February 19, 2021 memorandum, the agency had "only five months of validated data for FY 2020, covering October 2019 through February 2020, and expects to have only three months of validated data for FY 2021, covering July 2021 through September 2021".

Because Section 16(c)(2) of the Food and Nutrition Act of 2008 defines error rates in terms of the value of *all* allotments issued in a fiscal year, the incomplete data sets made it statistically and legally impossible to calculate a valid rate. FNS therefore determined it "cannot establish national and state level payment error rates for fiscal year 2020 and 2021," and, as such, could not assess any liability amounts for those years.

B. The Policy Shift: Excluding Errors and Redefining Integrity

During this period, the very definition of a "policy error" was fundamentally altered by federal statute. This provides a stark contrast to the 2014 Agricultural Act, which *tightened* the definition of error.

The Consolidated Appropriations Act, 2021, which authorized a temporary 15% increase in maximum SNAP allotments, included a provision that *explicitly required* the Secretary of Agriculture to "exclude any errors in the implementation of the benefit increases... in the calculation of a State's payment error rate". This was a deliberate federal policy to *shield* states from penalties. It served as a clear recognition that the complexity and unprecedented speed of pandemic-era changes, which were to be treated as "mass changes" , would inevitably cause errors. The policy directive from Congress was clear: prioritize getting aid to families over procedural perfection.

Program integrity itself was not suspended; it was *redefined*. The focus of state policy manuals and federal oversight shifted from traditional QC metrics to ensuring the integrity of newly created, rapidly deployed programs. For example, state plans for Pandemic-EBT (P-EBT) were required to describe "any proposed measures that ensure program integrity when using the proposed simplifying assumptions". The primary integrity concerns shifted to new vectors, such as managing the rapid expansion of the SNAP online purchasing pilot and mitigating potential fraud in that new environment.

C. The Consequence: The Post-Pandemic "Unwinding" and Error Rate Spike

The waiver period of 2020-2021 created a massive "administrative debt." As the PHE unwound, states were faced with the monumental task of clearing case backlogs, reimposing waived rules, retraining staff on pre-pandemic policy, and managing record-high caseloads.

The staggering spike in payment error rates in the post-pandemic years is a direct and predictable consequence of this administrative unwinding. The national improper payment estimate for SNAP in FY 2023 was approximately 11.7%, or $10.5 billion. The official FY 2024 national PER, released in June 2025, is 10.93%. These errors are not primarily fraud, but are "largely unintentional" and can be "on the part of the state agency or the SNAP household".

Corrective Action Plan (CAP) analyses from this period show that the root causes of these errors are most frequently "misapplication of policy" by overwhelmed or less-tenured staff. This includes procedural mistakes like failing to request updated verification, not correctly documenting income, or failing to issue required notices. The high PERs of FY 2022-2024 are the "bill" coming due for the necessary, but administratively disruptive, policy choices made during the pandemic.

IV. State-Level Policy as a Performance Driver: Four Case Studies

The national data shows *what* happened, but state-level policy manuals show *how* it happened. The following four case studies correlate specific state policy documents (e.g., All County Letters, Action Transmittals) to their administrative context and performance outcomes.

A. Case Study: California (Policy-Driven Eligibility Expansion)

California's administrative history demonstrates how state-level legislative choices to *expand access* are translated into action *through the policy manual*. Each expansion, however, adds layers of administrative complexity for frontline county workers.

Policy 1 (2014–2015): Lifting the Drug Felon Ban In 2014, California enacted AB 1468, a state law that opted California out of the federal lifetime ban on SNAP (known as CalFresh) for individuals with prior felony drug convictions, effective April 1, 2015. The California Department of Social Services (CDSS) operationalized this legislative change through specific instructions to the 58 counties:

- **All County Letter (ACL) 14-92 (December 22, 2014):** This letter provided explicit, tactical instructions on form changes. It declared the "CalFresh Program Qualifying Drug Felon Addendum (CF 26)" *obsolete* as of April 1, 2015. It also mandated changes to the main "CalFresh Application for Benefits (CF 285)," specifically the "elimination of question number 23 in its entirety".
- **ACL 14-100 (December 19, 2014):** This letter provided the detailed rules, key implementation dates (effective April 1, 2015), and the specific Notice of Action (NOA) template (TEMP CF1468) that counties *must* use to notify households of the benefit change as the previously excluded individual was added to the assistance unit.

Policy 2 (2018–2019): CalFresh Expansion to SSI Recipients A far larger administrative undertaking was the expansion of CalFresh eligibility to recipients of Supplemental Security Income (SSI). This was a massive, complex project that required extensive coordination between CDSS, county welfare departments, and the Social Security Administration. The policy manual for this change was not a single letter, but a continuous series of "Implementation Updates" issued by CDSS throughout 2018 and 2019.

These policy choices to expand access, while fulfilling state goals, add significant complexity for an eligibility workforce. This complexity, colliding with the post-COVID unwinding, is a primary driver for California's high post-pandemic PER, which stood at 10.98% in FY 2024.

B. Case Study: Texas (Conflicting Policies and Administrative Backlogs)

The Texas case study illustrates a critical *disconnect* between legislative intent, agency policy, and administrative reality. The state is currently (2024-2025) experiencing a "policy whiplash" effect, where simplifying laws are undermined by processing failures and new, complex verification mandates.

Policy 1 (2023): Legislative Simplification The Texas legislature passed **HB 1287**, which took effect on September 1, 2023. This law *simplified* SNAP eligibility by modernizing the state's restrictive Vehicle Asset Test (VAT). It raised the value of the first vehicle from $15,000 (a limit set in 2001) to $22,500 and the second from $4,650 to $8,700. This bipartisan law was intended to *improve access* for working families and seniors.

Administrative Reality (2024–2025): Systemic Failure This simplification effort is occurring against a backdrop of administrative crisis. The Texas Health and Human Services Commission (HHSC) faces a "significant backlog of SNAP and Medicaid applications". This failure is so severe that the USDA has placed HHSC under a formal **Corrective Action Plan (CAP)** for its failure to meet federal timeliness standards.

Policy 2 (2024): Administrative Complexity While already under a CAP for failing to process applications, HHSC issued **TWH Bulletin 24-13** on October 4, 2024. This new policy manual update provides instructions for implementing the **Asset Verification System (AVS)**, an online data source, to verify financial accounts for certain Medicaid programs , which directly overlap with the SNAP caseload. This aligns with federal regulations requiring states to use electronic data sources (ELDS).

This combination creates an untenable situation for eligibility staff. They are told to apply a *simpler* asset rule (HB 1287) while simultaneously being forced to use a *more complex* verification tool (AVS, per TWH Bulletin 24-13), all while being buried under a *processing backlog* that has drawn federal sanction (the CAP). This internal policy conflict is a primary driver of the state's 8.32% FY 2024 PER and its critical failure to meet APT standards.

C. Case Study: Pennsylvania (The Perfect Storm of November 2025)

For the current location of this report's request (Philadelphia, PA), the correlation between policy and performance is not historical; it is an *immediate and ongoing crisis* as of November 17, 2025.

The Context (FY 2019–2024): Pennsylvania's SNAP participation surged to a record high of over 2 million individuals. This growth was a direct result of state policy choices (e.g., raising the gross income limit to 200% of the federal poverty guidelines in 2022) and federal policy (the 2021 Thrifty Food Plan reevaluation). This massive, rapid enrollment increase, combined with the post-COVID unwinding, contributed to Pennsylvania's high FY 2024 PER of 10.76%.

Policy Shock 1 (October–November 2025): The Federal Government Shutdown As of today, the Pennsylvania Department of Human Services (DHS) is in *shutdown recovery mode*. A recent federal government shutdown delayed November SNAP benefit payments. The PA DHS website and the City of Philadelphia are currently (mid-November 2025) informing clients that DHS has just "restarted issuing full November SNAP benefit payments" and that all benefits should be received "by the weekend".

Policy Shock 2 (July–November 2025): The H.R. 1 Implementation Simultaneous with this shutdown recovery, PA DHS is implementing the massive, complex changes from **H.R. 1 (2025)**, which was signed into law in July 2025. The law's new, stringent work requirements are effective *September 1, 2025*. This new federal law *reverses* Pennsylvania's long-standing policy, detailed in memos like **OPS-23-08-03**, which had waived most counties from Able-Bodied Adults Without Dependents (ABAWD) time limits.

The administrative complexity of this change is enormous. An earlier memo, **OPS 23-08-02** (last revised April 2025), details the procedural difficulty of implementing the *milder* ABAWD changes from the 2023 Fiscal Responsibility Act, including new exemptions for veterans, homeless individuals, and former foster youth. H.R. 1 (2025) magnifies this complexity by expanding the rules to new populations (ages 18-54) and requiring 80 hours per month of verified activity.
As of November 17, 2025, PA DHS is attempting to: (1) issue delayed benefits for 2 million people post-shutdown; (2) implement the most complex new federal rules in decades (H.R. 1); all while (3) facing *new* fiscal penalties from H.R. 1 for its already-high 10.76% error rate. This is an administratively untenable situation.

D. Case Study: Maryland (The Policy Manual Feedback Loop)

Maryland provides the clearest example of the policy-performance-policy feedback loop, and a preview of the national future under H.R. 1.
The Problem: Maryland has one of the highest and most persistent PERs in the nation, recording 35.56% in FY 2022, 18.98% in FY 2023 , and 13.64% in FY 2024. The state is also failing on program access. It is currently under an FNS Corrective Action Plan (CAP) for its poor APT rate, which stood at 88.14% as of January 2024, far below the 95% federal standard.
The Root Cause (Identified in the Policy Manual): A state policy document, **Information Memo (IM) 24-33**, provides a candid admission of the state's "root causes for non-compliance". The memo states that "The method that Maryland uses to measure application timeliness is different from that of the United States Department of Agriculture Food and Nutrition Service (FNS). Maryland's methodology *excludes* all approved and denied applications that are due to *client delays*... FNS *includes* client delays in the denominator".
In effect, Maryland's *own policy manual* was designed to grade itself on a curve, hiding the true extent of its poor timeliness performance from its own leadership until FNS intervened with a CAP.
The Policy Manual Response: As a direct result of its high PER and FNS-mandated CAP, the Maryland Department of Human Services issued **Action Transmittal (AT) 26-03** on September 16, 2025. This new policy is a direct attempt to control errors. It *mandates* the use of specific electronic verification systems (for wages, unearned income, Social Security numbers, incarceration, immigration, and death records) for *all* eligibility actions, including Applications, Redeterminations, and Interim Changes.
This AT forces a choice. It is a rigid, verification-focused policy designed to *reduce* Maryland's 13.64% PER. However, by adding mandatory, time-consuming verification steps to every case action, it will almost certainly *worsen* the state's already-failing 88.14% APT rate. This is the PER/APT trade-off in real time, and it serves as a blueprint for the policy choices all states will now face.

V. The New Era of Fiscal Accountability: H.R. 1 and the Future of Program Integrity (2025 and Beyond)

The policy landscape as of November 2025 is defined by the enactment of H.R. 1, which fundamentally restructures the federal-state relationship and re-defines the stakes of "program integrity." This new law creates a policy trap, and state policy manuals will be the primary tool for navigating it.

A. The Policy: H.R. 1 (Enacted July 2025)

The law creates a two-part administrative crisis for states:

1. **Increased Administrative Complexity:** The law imposes new, stringent work requirements on previously exempt populations. As Maryland's new guidance notes, this includes adults aged 55-64 and potentially those with children aged 14-17. As evidenced by the implementation chaos in Pennsylvania , this new layer of tracking and verification is guaranteed to increase the administrative burden on states, leading to a spike in procedural errors and driving *up* both the PER and CAPER.
2. **Catastrophic Fiscal Sanctions:** Critically, H.R. 1, for the first time, makes states fiscally liable for *benefit* payments and a larger share of *administrative* costs.
   - **Administrative Costs:** The federal administrative cost-share match has been reduced. States must now pay 75% of administrative costs, a steep increase from the 50-50 match.
   - **Benefit Cost-Share Penalty: The law introduces a new penalty structure where states with high PERs will be required to pay for up to 15% of SNAP *benefit* costs from their own state general funds.

B. Central Thesis: The Resolution of the Access-vs-Integrity Conflict

For 15 years, states have been forced to balance the competing FNS priorities of *access* (measured by APT and CAPER) and *integrity* (measured by PER). The 2015 QC crisis demonstrated that when PER penalties were high, states "gamed" the statistics. The 2020 COVID crisis demonstrated that in a national emergency, the federal government would prioritize *access* and *waive* integrity measurement.

H.R. 1 (2025) *ends* this equilibrium.

The new policy creates a trap: it *simultaneously* makes SNAP administration *more complex* (new rules, driving errors up) while making the *fiscal consequences* of those errors *catastrophic*. By linking state general funds directly to the cost of benefits, the federal government has ensured that the PER is now the *only* metric that state budget officers and governors will prioritize. The 15-year policy correlation shows that states *will* respond to federal incentives. The new incentive of H.R. 1 is purely fiscal, and it points directly and unequivocally away from access.

The predicted result is that state policy manuals will be rewritten to protect state treasuries. Maryland's **AT 26-03** is the prototype. A national wave of new state policies is expected, mandating time-consuming, up-front verification for all case actions. This will create a "when in doubt, deny" administrative culture to avoid overpayments at all costs. This new policy focus will, over time, likely succeed in lowering the national PER. However, it will do so at the expense of all other metrics, causing APT rates to fall, CAPER rates to rise (due to improper procedural denials), and program participation to decline as eligible households are unable to navigate the new, verification-heavy administrative burdens.

The table below illustrates the scale of the new fiscal threat, applying the H.R. 1 penalty structure to the most recent FY 2024 PER data.

Table 5: Projected State Fiscal Liability Under H.R. 1 (2025) Based on FY 2024 PER

State	FY 2024 PER	Penalty Threshold	Illustrative Fiscal Impact
South Dakota	3.28%	6.0%	**No Liability.** State is

State	FY 2024 PER	Penalty Threshold	Illustrative Fiscal Impact
			below the 6% threshold.
Texas	8.32%	6.0%	**High Risk.** State is over the 6% threshold and under a CAP. Now faces state-funded liability for 8.32% PER.
Pennsylvania	10.76%	6.0%	**High Risk.** State is significantly over the threshold and faces massive new penalties under H.R. 1.
California	10.98%	6.0%	**High Risk.** State is significantly over the threshold, facing major new fiscal liability.
United States	**10.93%**	6.0%	**National PER is 4.93 points above the 6% threshold.**
Maryland	13.64%	6.0%	**Severe Risk.** As a high-PER state, MD faces new liability. H.R. 1 projects a 15% state cost-share on benefits. Based on a $1.6B budget, a 13.64% PER could create a new *state* liability of **~$32.7 Million**. This explains the new, rigid policy in AT 26-03.
Alaska	24.66%	6.0%	**Extreme Risk.** As the nation's highest-PER state, Alaska faces catastrophic, budget-breaking liability under the new law.
Source Data: FY 2024 PER ; H.R. 1 Penalty Structure ; Maryland-Specific Impact.			

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