Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1318   (Delegate Wivell, *et al.*)

Appropriations

Department of Human Services - Supplemental Nutrition Assistance Program - Error Reduction

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This bill requires the Department of Human Services (DHS) to develop a comprehensive process to (1) systematically analyze Supplemental Nutrition Assistance Program (SNAP) administrative errors; (2) formulate strategies, including improvements in the eligibility determination process, to reduce administrative errors; and (3) monitor implementation of the developed strategies. DHS must work toward achieving error rates equal to the level achieved by the best performing State in the United States, as determined by the U.S. Department of Agriculture (USDA).

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: SNAP is a federally funded benefit that helps low-income households purchase food. Program rules and requirements are issued by the federal government, while administrative costs are split equally between the State and federal government. Participants must meet income and resource requirements.

SNAP payment error rates measure the accuracy of each state's eligibility and benefit determinations. Payment errors include both underpayments and overpayments. These rates are not indicative of fraud. USDA calculates the payment error rate for each state and releases them in June of the following fiscal year (for example, the federal fiscal 2024 rate was released in June 2025).

Under the federal One Big Beautiful Bill Act (OBBBA) of 2025, beginning in federal fiscal 2028 (starting October 1, 2027), states with a payment error rate of 6% or more must pay a portion of SNAP benefit costs. Under OBBBA, the state share of costs will be:

- 5% for an error rate of 6% to 8%;
- 10% for an error rate of 8% to 10%; and
- 15% for an error rate of 10% or higher.

As shown in **Exhibit 1**, Maryland's payment error rate has exceeded 6% since at least federal fiscal 2017 and exceeded the national rate in each of these years. Error rates were not calculated in federal fiscal 2020 or 2021 as part of COVID-19-related flexibilities. However, Maryland's payment error rate in federal fiscal 2022 increased to 35.56%.

Exhibit 1
Supplemental Nutrition Assistance Program Payment Error Rates
Federal Fiscal Year 2017-2024

Federal Fiscal Year[1]	Maryland Payment Error Rate	National Payment Error Rate
2017	6.44%	6.30%
2018	7.32%	6.80%
2019	8.43%	7.36%
2022	35.56%	11.54%
2023	18.98%	11.68%
2024	13.64%	10.93%

[1] Due to waivers during the COVID-19 pandemic, payment error rates were not issued in federal fiscal year 2020 or 2021.

Source: Department of Legislative Services

According to USDA, for federal fiscal 2024, the states with the lowest payment error rates nationally were South Dakota (3.28%), Idaho (3.59%), Wisconsin (4.47%), Wyoming (5.12%), and Vermont (5.13%).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): U.S. Department of Agriculture; Department of Human Services; Department of Legislative Services

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