Dept of Social and Health Services

Program 060 - Economic Services Administration

2027-29 Regular Budget Session

Maintenance Level - BM - HR1 - SNAP Benefit Match

Agency Recommendation Summary

The Department of Social and Health Services (DSHS) Economic Services Administration (ESA) requests $162,842,000 GF-State to address significant fiscal impacts of federal changes to the Supplemental Nutrition Assistance Program (SNAP), as passed in H.R.1, the "One Big Beautiful Bill Act." Specifically, this investment covers Washington's SNAP benefit match requirement if the program's payment error rate is at or above six percent.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2028	2029	2027-29	2030	2031	2029-31
Operating Expenditures						
Fund 001 - 1	$70,037	$92,805	**$162,842**	$92,805	$92,805	**$185,610**
Total Expenditures	**$70,037**	**$92,805**	**$162,842**	**$92,805**	**$92,805**	**$185,610**

Decision Package Description

PROBLEM STATEMENT:

H.R.1 was signed into law on July 4, 2025 (P.L. 11921), introducing unprecedented changes to SNAP. The provisions of this bill include a requirement that states participate in the benefit costs of the program if their payment error rate is at or above six percent. Without additional resources, Washington will not be able to meet the federal match requirement, jeopardizing the SNAP program.

The 2026 Supplemental budget included funding for the federal match requirement in the 4-year outlook, but no funding was included in the Carryforward Level process. Therefore, the benefit match funding was not established in the base budget and ESA must request that the investment be made again in the 2027-29 Biennial budget.

The SNAP program provides adults and children with household incomes under 200 percent of the federal poverty level with monthly benefits to buy and access nutritious foods that help ensure the foundational well-being of individuals across all stages of life; healthy brain development, greater school attendance, increased health and social inclusion. In 2026, this critical program served a total of 929,011 individuals, which equates to 11.3 percent of all Washingtonians.

Prior to H.R.1, SNAP benefits (administered under the name Basic Food in Washington) had been fully federally funded. Beginning October 1, 2027, states must contribute zero to 15 percent of the cost of benefits annually, based on their Payment Error Rate (PER), as assessed by a federally required Quality Control (QC) system. Washington's error rate for federal fiscal year (FFY) 2024 was 6.06 percent, and FFY25 was 6.98 percent. ESA continues to strategize and make programmatic improvements to achieve greater accuracy ratings. Greater payment accuracy is important for the state's benefit match rate and also creates a better experience for SNAP recipients.

For FFY28, which begins October 1, 2027, states have the option to choose between their FFY25 or FFY26 assessed error rate. Because the final, approved FFY25 error rate is 6.98 percent, ESA knows the benefit match requirement for the initial year (FFY28) will not exceed five percent. For FFY29 and each subsequent year, the match requirement will be based on the state's PER from three years prior. The table below illustrates the new policy in H.R.1 and the potential annual impact on Washington's GF-State:

PER	Benefit Contribution Rate	Potential annual state cost share
0-5.99%	0%	$0M
6-7.99%	5%	$93M
8-9.99%	10%	$186M
10% or more	15%	$278M

PROPOSED SOLUTION:

ESA requests $162,842,000 GF-State to address significant fiscal impacts of federal changes to SNAP, as passed in H.R.1. Specifically, this request addresses the requirement that Washington must use state funding to cover a portion of SNAP benefits if the program's payment error rate is at or above six percent, effective October 1, 2027. This request is consistent with the proposed 4-year outlook investment made in both the Governor's Proposed 2026 Supplemental Budget and the Enacted 2026 Supplemental Budget.

EXPECTED RESULTS:

Funding this proposal supports the ongoing administration of the Basic Food program, benefiting low-income Washingtonians across the state through access to critical resources that increase food security, health, and well-being.

Agency Contact: Seth Nathan, seth.nathan@dshs.wa.gov
Program Contact: Lars Andreassen, lars.andreassen@dshs.wa.gov

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

See attached – 060-ML-BM-HR1-SNAP Benefit Match.xlsb

Detailed Assumptions and Calculations:

See attached – 060-ML-BM-HR1-SNAP Benefit Match.xlsb

Workforce Assumptions:

See attached – 060-ML-BM-HR1-SNAP Benefit Match.xlsb

Historical Funding:

The policy change begins October 1, 2027; therefore, ESA does not have historical funding for SNAP benefits match.

Strategic and Performance Outcomes

Strategic Framework:

ESA - 1. Deliver a customer experience that meets the needs of Washington residents.

GOVERNOR'S YOUR WASHINGTON GOALS:

Affordability

Performance Measures	Incremental Changes 2028	Incremental Changes 2029	Incremental Changes 2030	Incremental Changes 2031
000555 - Food Stamp Accuracy Rate	0%	0%	0%	0%

Performance Outcomes:

See Expected Results

Equity Impacts

Community Outreach and Engagement:

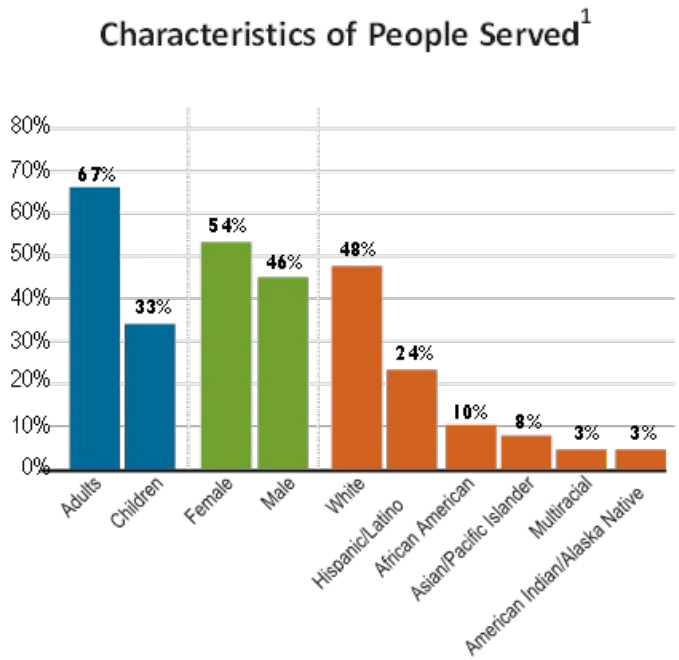
ESA engages in relational partnering with community advocates committed to elevating the voices of historically marginalized communities, people who have personally experienced poverty, and tribal partners. In the months since the bill was enacted, ESA has been briefing interested parties on how H.R.1 impacts Washington's ability to maintain current Basic Food programming. This information sharing is ongoing and has also included opportunities for public comment.

Disproportional Impact Considerations:

There are no disproportionate impacts anticipated from this proposal. This proposal aims to preserve current levels of benefits and services for Washingtonians who access Basic Food, to the maximum extent possible under federal law changes.

Target Communities and Populations:

SNAP, administered as Washington's Basic Food program, is an important antihunger and antipoverty program. This proposal will benefit all residents who receive SNAP benefits, especially Indigenous, Black, and Brown rural residents, single parents, youth, seniors, people with disabilities, the LGBTQIA+ community, and immigrants and refugees, all of whom are disproportionately affected by poverty. This proposal aims to secure sufficient funding for all residents who receive SNAP benefits.
Specific demographics served by Washington's Basic Food program (929,011 clients in SFY25) are reflected below:



Funding this proposal supports the ongoing administration of the Basic Food program, benefiting low-income Washingtonians across the state through access to critical resources that increase food security, health, and wellbeing.

Community Inputs and Incorporation:

No specific input or recommended changes were received for this proposal. There is broad support for maintaining Basic Food programming at the current service level.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not Applicable

Puget Sound Recovery:

Not Applicable

State Workforce Impacts:

There are no known impacts to existing collective bargaining agreements or statewide compensation and benefits policy.

Intergovernmental:

ESA anticipates this proposal to be supported by tribes and other governmental entities.

Stakeholder Impacts:

ESA anticipates this proposal to be supported by antihunger/antipoverty advocates, community partners and tribal partners.

State Facilities Impacts:

None

Changes from Current Law:

As policy considerations are further developed, there may be changes to statute, rules or policies identified that could lower the error rate.

Legal or Administrative Mandates:

This proposal is responsive to federal law changes impacting the SNAP program, as reflected in P.L. 119-21 (H.R. 1).

Failure to timely implement these changes would mean Washington risks being found noncompliant with federal SNAP regulations, which could result in sanctions from USDA, including suspension or disallowance of funding pursuant to 7. C.F.R. § 276.

Governor's Salmon Strategy:

Not Applicable

Reference Documents

060-ML-BM-HR1-SNAP Benefit Match.xlsb

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2028	2029	2027-29	2030	2031	2029-31
Obj. N	$70,037	$92,805	**$162,842**	$92,805	$92,805	**$185,610**

Agency Contact Information

Seth Nathan
(111) 111-1111
seth.nathan@dshs.wa.gov