



Virginia Department of Social Services

people helping people

Supplemental Nutrition Assistance Program (SNAP)

Senate Finance Committee

Margaret Ross Schultze, Commissioner

Virginia Department of Social Services

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- SNAP is intended to alleviate hunger and malnutrition.
- SNAP benefits may be used at federally approved grocery stores.
- In Virginia, SNAP can also be used at approved Farmers' Markets.



SNAP – Basics

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- SNAP benefits are accessed electronically.
- SNAP benefits are 100% federally funded.
- Program administration is split 50/50 between the state and federal government.
- The average monthly caseload for SFY 16 was 391,000.
- For SFY 16 SNAP expenditures exceeded \$1.1 billion.
- According to USDA, every \$5 in SNAP expenditures generates \$9 in total economic activity in a community.



SNAP Caseload History

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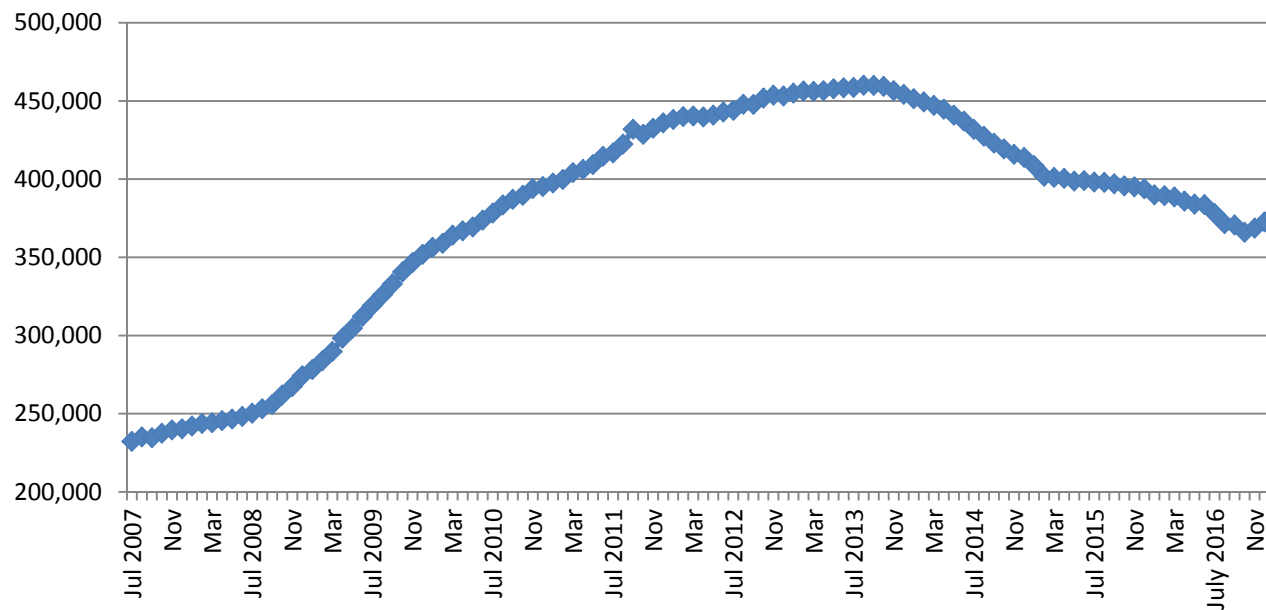
- Between July 2007 and August 2013, the great recession resulted in the SNAP caseload increasing over 98 percent, from 232,000 cases to more than 460,000 cases.
- Nearly 850K Virginians receive SNAP benefits each month to meet their nutritional needs.



SNAP – Caseload Trends

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SNAP Caseload
July 2007 through January 2016



SNAP – Quality Control

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- The accuracy of benefits issued to families each month is measured through a system of Quality Control (QC).
- Monthly samples of SNAP cases are pulled for audit.
- Error rates from the monthly samples are combined to determine the state's annual payment error rate.
- All state error rates are averaged to create a national error rate.
- States with error rates that exceed 105% of the national error rate for two consecutive years are subject to federal fiscal sanction.



SNAP – Error Rates

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- Beginning in 2010, Virginia began to notice that several states were realizing significant decreases in their payment error rates.
 - Florida (.78 percent)
 - Delaware (1.52 percent)
 - Alaska (2.15 percent)
- Virginia's error rate (5.87 percent)



- What were these, and other states, doing to reduce their error rates?
- The Department entered into an error reduction contract in 2010.



- We began to see immediate results:
 - 2011 - error rate decreased to 3.41 percent.
 - 2012 – error rate decreased to 1.76 percent.
 - 2013 – error rate dropped to .44 percent.



- Contract terminated in 2012.
- At no time while we were under contract did the federal partner, raise any questions about the use of a third-party contractor.
- In 2014, FNS conducted an independent audit of the QC process.



SNAP – Settlement

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- In 2015, U.S. Department of Justice (DOJ) found that several states, including Virginia, had used an improper QC process.
- In 2016, Virginia began negotiating a settlement with the DOJ.
- On April 10, 2017, Virginia entered into a settlement agreement to repay \$7.1 million.



- All QC staff have been retrained to eliminate bias.
- FNS very pleased with the steps the Department has taken to resolve the issue.



