

POLICY MEMO

OHIO NEEDS SNAP REFORM
MAY 13, 2026

The Buckeye Institute's Recommendation

The Supplemental Nutrition Assistance Program (SNAP) is marred by improper enrollment and insufficient oversight. New federal law requires Ohio to reduce its erroneous payment rate and monitor the entitlement program more responsibly. The state's integrated data system, Ohio Benefits, could be more efficient and policymakers should encourage a more coordinated effort between county and state caseworkers to consolidate diffuse program data. Improving oversight, increasing transparency, and streamlining information sharing will help reduce improper payments without harming eligible beneficiaries. The state should simultaneously pursue policies that protect against "benefit cliffs" by allowing for gradual benefit reductions when appropriate.

Background

Originally a safety-net program designed to help disabled and low-income individuals afford groceries, **SNAP** has expanded well beyond its initial purpose. But the program has been plagued by controversies over improper payments, ballooning enrollment, and rising costs that taxpayers are compelled to cover. Fortunately, federal policy changes have spurred momentum for overdue reform. Because SNAP was funded entirely by the federal government, state governments lacked incentives to rigorously oversee the program and its potential for fraud, waste, and abuse of taxpayer funds. The One Big Beautiful Bill Act (OBBBA), however, now **requires** states with a six percent or higher erroneous payment rate to pay between five and 15 percent of benefit costs. Instead of splitting administrative costs, the federal government will now only cover 25 percent, leaving states responsible for the remaining 75 percent.

Since 2013, SNAP erroneous payments **have** been steadily rising, likely due to the Food and Nutrition Service's lenient **requirements** during the COVID pandemic. Extending certification periods, foregoing face-to-face interviews, and ignoring periodic reporting **encouraged** individuals to falsify information. Most states also have allowed SNAP EBT cards to purchase food online, but only a **handful** use EBT chip security to reduce fraud.

In FY2024, Ohio's SNAP error payment rate was approximately nine percent, two points below the national **average**. According to the Ohio Department of Job and Family Services (ODJFS), Ohio now **faces** a match cost of \$321 million if it fails to lower its error rate below six percent by FY2028. **Ohio House Bill 434** appropriated \$21 million to implement a technical **system** to identify and reduce payment error rates. **Ohio House Bill 730** earmarks \$12.5 million for ODJFS at the county level to offset administrative costs associated with reducing the error rate; and a new law now requires ODJFS to **report** quarterly to the Ohio Senate and House finance committees concerning payment error rates. Together, these provisions emphasize transparency and program accountability.

The OBBBA's error-rate deadline gives Ohio an incentive to be more conscientious about state spending and monitoring entitlement benefits. Last year, as more households joined the program, Ohio's cost share is expected to rise from an **estimated** \$320 million to **approximately** \$588 million if the error rate persists at current levels.

As SNAP reforms progress and take effect, Ohio Senator Jon Husted has **introduced** the Upward Mobility Act to help beneficiaries avoid "benefit cliffs" that occur when a slight income increase costs someone all of their public assistance benefits. Benefit cliffs **trap** beneficiaries on public assistance, create a financial disincentive for self-sufficiency and improvement, and encourage participants to underreport income—which increases erroneous SNAP payments. The Upward Mobility Act avoids benefits cliffs and their negative effects by gradually reducing public assistance benefits as individuals earn more.

Significantly, the Upward Mobility Act also **merges** multiple federal welfare programs into a single funding stream, allowing Ohio to oversee all of its benefit programs in a single system. This will increase collaboration between state and county caseworkers, and help ensure that program enrollees are truly eligible. **Arkansas** has integrated and centralized data from multiple public welfare programs, which has allowed it to consolidate eligibility and benefit issuance for SNAP, Medicaid, and Temporary Assistance for Needy Families. Following Arkansas' example, a more collaborative, data-sharing partnership between county and state caseworkers could help Ohio resolve payment errors, reduce improper program enrollment, and save taxpayer money through greater efficiency.

Conclusion

Federal law requires Ohio to better supervise SNAP payments and reduce programmatic fraud, waste, and abuse. Failure to do so will mean paying stiff federal penalties. Adopting a more integrated, collaborative data-sharing infrastructure will help meet federal standards, protect taxpayer resources, and ensure fiscal responsibility. And Senator Husted's Upward Mobility Act will protect beneficiaries by easing disincentives that create perpetual welfare traps.