



# Oregon

Tina Kotek, Governor

## Department of Human Services

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Co-Chair Wlinsvey Campos

Co-Chair Andrea Valderrama

Joint Ways and Means, Subcommittee on Human Services

Dear Co-Chairs and Members of the Subcommittee:

At the hearing on May 19<sup>th</sup>, 2025, during the Oregon Department of Human Services' presentation, Representative Scharf requested additional information around the federal SNAP penalty and status of the new investments.

Please see our response below:

### **SNAP Accuracy and New Investment Update**

On June 28, 2024, Oregon received formal notification from the U.S. Department of Agriculture (USDA) of a \$15.7 million liability due to exceeding the national SNAP payment error rate threshold for two consecutive years.

### **Oregon's response and investment strategy**

To address this liability, Oregon opted for the "50/50 Settlement Option," which means we will invest \$7.8 million into **new corrective actions** and reserve the remaining \$7.8 million for future liability.

This approach allows Oregon to prioritize forward-facing reforms while remaining fiscally responsible.

### **Clarifying SNAP payment errors**

It is important to note that payment errors are **not fraud or misuse of benefits**.

Instead, these errors reflect systemic challenges in eligibility determinations and benefit calculations, often exacerbated by:

- High caseload-to-staff ratios
- System limitations
- Workforce capacity constraints

### **Measurable progress**

Despite challenges, Oregon has made significant improvements:

- Oregon's SNAP payment error **rate declined** from 22.99 percent in 2022 to 12.64 percent in 2025—a **45 percent improvement**.
- This progress was achieved through internal process improvements and enhanced work support, even while managing increased program demand.

### **Corrective actions and planned investments**

The \$7.8 million investment addresses root causes of errors and will fund:

- Increased Quality Control capacity
- Enhanced training and technical assistance for eligibility workers
- Technology upgrades to support real-time guidance and data accuracy
- Customer-centered improvements to promote accurate and timely reporting

System updates and public-facing enhancements will:

- Provide clearer prompts for reporting income, household changes and shelter costs
- Outreach materials mailed to people with SNAP to reduce confusion and improve compliance

### **Federal partnership and oversight**

The Oregon Department of Human Services is collaborating closely with USDA Food and Nutrition Service (FNS) to:

- Make sure corrective strategies address root causes
- Finalize the corrective action plan
- Demonstrate Oregon's continued commitment to program integrity

Approval of the investment plan is pending final FNS approval.

ODHS continues to implement solutions that improve program accuracy, strengthen administrative infrastructure and better serve people in Oregon.

