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## Reducing administrative costs in SNAP

As federal reimbursement rates decrease and operating expenses rise, states must streamline program operations

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## Reducing administrative costs in SNAP

States are focused on carefully managing their Supplemental Nutrition Assistance Program (SNAP) systems as operating expenses climb due to staffing shortages, frequent case changes, high call volumes, and increasing mailing and lease costs. And state budgets will only tighten when federal reimbursements decline next fiscal year.

The challenge is daunting. Running a SNAP program is expensive, encompassing staff training, case management, communications, and overhead. All of these are core to the operation of a program that supports vulnerable individuals and families.

To reduce these costs without compromising program quality, SNAP program directors can utilize a range of strategies. Centralizing and optimizing staff training can help confirm that employees are prepared to manage complicated caseloads and execute consistent business processes across all offices. Reducing case churn can significantly decrease workloads, improve overall system efficiency, and improve case accuracy. Increasing the use of electronic notices can lower mailing costs and speed up communication. Leveraging technology to streamline operations can boost efficiency and save costs.

Program directors should analyze their budgets and consider prioritizing the highest-cost areas for improvements. Implementing technologies now, before federal reimbursement rates change, can generate significant future cost savings.

## How the law has changed—and what the impact will be

Passed in July 2025, H.R. 1 halves the federal reimbursement for SNAP administration, from 50% to 25%, effective October 1, 2026.<sup>1</sup> Program integrity and reducing payment errors has never been more important to SNAP directors; H.R. 1 reduces federal funding based on states' payment error rates.<sup>2</sup> Training may be necessary, along with providing caseworkers adequate time to manage their caseloads without short cuts.

## Areas states should review to bring down costs

1. **Evaluate automation opportunities:** States often have a backlog of technology initiatives that have not been prioritized. Review this list to see if there are system enhancements that could boost workforce efficiencies. Implementation of these system updates now, while the federal reimbursement remains at 50 percent, appears to be a sound investment.
2. **Evaluate mail volume trends:** Calculate the number of mailings per average caseload and use this information to assess administrative burden and identify opportunities to streamline communications. Opportunities to increase electronic notification, in lieu of paper mailings, should also be assessed.
3. **Analyze churn data:** Churn can account for up to 28% of caseloads.<sup>3</sup> Reducing churn can make caseloads more manageable, reduce call volumes, expedite processing, and reduce mailing costs.
4. **Review policy options:** State options and administrative waivers should be reviewed and evaluated to see if they can be used to reduce administrative costs. For example, accepting telephonic signatures means signature pages do not need to be printed, mailed and returned by the applicant, risking applications being denied when signatures are not received in time.
5. **Review call volume trends:** Call volume trends can help identify when additional resources need to be available. Collecting information about what callers are inquiring about can also help reduce calls. Misunderstanding deadlines, asking about the status of an application, or requesting clarification of a notice are just a few things that can drive calls.
6. **Assess caseload trends:** Track changes in overall caseload numbers and types (e.g., new, ongoing, churned cases) and use these trends to forecast future staffing and resource needs. To better understand staffing needs, establish benchmarks for worker activities like:
  - Calculate average time per case action and total number of actions per month
  - Determine staffing needs based on time per case and volume of actions
  - Compare benchmarks to current staffing levels to identify gaps
7. **Review leasing footprint:** Establishing processing and large call centers in areas where leasing costs are lower, while reducing the office space in higher cost areas, can help manage administrative budgets.





## A practical playbook

### Evaluate automation opportunities

- Conducting a comprehensive review of current automation tools and processes in use—and identifying areas where they are effectively improving efficiency and where they are falling short—is the first step in deciding where there may be opportunities to improve systems. Gathering feedback from staff on their experience can help pinpoint opportunity areas for improvement. Backlogged priorities can be a place to start exploring enhancements. Even simple implementations, like robotic process automation or changing the wording of data elements on the screen, can improve efficiency and understanding, reducing the need for re-work. Prioritizing these changes *before* changes in federal reimbursement can improve ROI calculations.
- Electronic verification can help streamline operations, enhance program integrity, and assist clients in providing needed verifications. Agencies are encouraged to review and evaluate various acceptable electronic source vendors to determine which options best fit their needs. The goal is to streamline employment and income verification, creating more efficient and reliable processes. Implementing direct integrations or alternative solutions can help agencies reduce manual effort, improve verification speed, and ensure data accuracy for both staff and participants. By considering factors such as pricing, impact, and functionality, agencies can implement solutions that offer flexibility—enabling them to choose vendors and sources that align with their specific requirements and preferences.
- Intelligent OCR can help workers quickly process cases, with AI-based applications identifying anomalies and missing information early. AI can also help identify and highlight changes in eligibility and other policies, to avoid processing delays.

### Evaluate mail volume trends

- Evaluating mail volume can lead to significant cost savings by identifying what you are mailing, how often, and to what group so that you can tailor responses and monitor progress. Expanding the use of electronic notices (e-notices) and customer service portals can reduce printing and mailing costs.

While there has been a reluctance to move to e-notices due to concerns that some households may lack access to technology, the widespread ownership of smartphones has changed this landscape in the last several years. Waivers that encourage opt-out models can be pursued. The adoption of electronic notifications can also speed up information delivery, reducing household churn due to missed deadlines.

- Customer service portals that offer quick recertification opportunities, completion of interim reports, and document uploads can reduce the paperwork burden for clients and the processing workload for staff. Program directors can also consider waivers that allow states to combine notices or accept telephonic signatures instead of mail-in forms.

### Reduce caseload churn

- Reducing caseload churn is a strategy used to help reduce costs. Many cases are closed and quickly reopened due to administrative issues rather than changes in eligibility. This cycling adds to the monthly workload and creates new touchpoints where data can be inaccurately carried forward or missed.<sup>vi</sup>
- Updating forms may allow recipients to understand what to provide and when; it's worth, too, evaluating how an agency uses SMS text reminders for upcoming recertification interviews or due dates for interim reports. Policy choices can make a difference as well; for instance, extending certification periods to the longest possible timeframes and adding flexibility for scheduled interviews. And different types of application processing waivers may enable agencies to quickly reopen cases that have closed, without additional paperwork.

### Review policy options

- Reviewing policy options, including state options and waivers, can further improve program efficiency. This can include streamlining administration and evaluating your own process for how waivers can speed processing. Available waivers, like combining notices and accepting telephonic signatures, can directly reduce mailing costs, while reducing the length of certification periods to align with other programs can enhance efficiency and opportunities for cost allocation.
- Reviewing currently approved waivers can expedite needed changes. USDA Food and Nutrition Service (FNS) has also indicated a willingness to consider novel waivers. Look for where changes in the system would have the most impact and develop those ideas in coordination with FNS to explore more opportunities for efficiency and cost savings.

### Use automation to manage call volume

- Speeding processing times keeps down call volumes. When applicants apply for SNAP benefits and do not hear back quickly, they will often call to check their application status; more phone calls mean more staff hours dedicated to answering them. Slow processing can also increase the number of just-in-case duplicate applications, clogging the system. Programs can head off some of these challenges with clear communication, providing information

upfront about application timelines along with robust IVR and chatbot technology to answer frequently asked questions.

- Technology can help boost staff productivity. Introducing live chat enables a single worker to respond to several inquiries at once, rather than a traditional 1:1 call-in model, and having live chat help conduct interviews can further enhance efficiency.
- Calls may also be prompted by unclear notices or information provided on the state website. Reviewing all client-facing materials for clarity, and with a person-centered design to confirm materials are easy to understand, can help reduce call volume and increase program compliance.

### Assess caseload trends

- Caseloads often show monthly and annual trends. Review data to see where there may be potential for savings. Anticipating increases in casework can lower overtime costs. Reviewing the cause of higher volumes may hold the key to improving processes from the worker or the client side to help level out work throughout the month. Knowing when there are increases in volumes enables better planning, such as engaging processing centers or call center staff to complete some of the work to maintain more consistent caseloads.
- Evaluating case volumes along with the types of work that must be completed each month and assessing the time needed for those tasks can provide insight into staffing needed for current caseload volumes and help determine contingency planning if there are increases in caseloads.

### Right-size the real estate footprint

- Lease costs can comprise a significant portion of administrative costs. While applicants and recipients need accessible in-person alternatives, you may want to consider a smaller footprint in high-cost areas and larger processing and call centers in lower-cost areas. Directors can also review telework policies and shared leasing options.



## Tracking progress over time

Even with the urgency of looming deadlines, SNAP program directors shouldn't try to change everything at once. Continuity of service remains paramount. As leaders determine which administrative systems may need changes, certain metrics can be particularly helpful in tracking progress:

-  **Application processing times.** Measure the time it takes to process applications, from submission to approval. Look specifically at how long processing takes once all needed verification is received, not just case registration to approval or denial. This can help identify bottlenecks and sites of processing delays.
-  **Case churn rates.** Track the percentage of households that lose eligibility and reapply within 30, 60, and 90 days. Analyzing what caused the case closures can help identify problem areas and reduce future churn.
-  **Staff productivity metrics.** Analyzing how long workers take to complete different case actions can help management identify training needs and allocate staff time during high-volume periods.
-  **Call volume and response time.** Monitor call volumes over time to identify patterns, helping optimize call center operations and shorten wait times.
-  **Mailing and printing costs.** Review the number of mailings per average caseload and consider adopting e-notices to reduce churn. Analyze which forms are the most expensive to print and mail and whether they can be digitized or shrunk.
-  **Client satisfaction surveys.** Collecting information from clients can help identify areas for improvement.

## Looking ahead

Facing urgent federal budget pressures and minimal flexibility, SNAP program directors will need to consider how best to reduce their administrative costs. Using technology and data to evaluate program components can help you make decisions with the highest impact. A multipronged approach will be necessary, along with continuous monitoring and assessment. But by leveraging available administrative waivers, aligning programs, and reducing rework caused by churn, you can lower costs while maintaining and even improving program accuracy and outcomes.



## Endnotes

- 1 Congress.gov, "[H.R. 1 – One Big Beautiful Bill Act.](#)"
- 2 Ibid.
- 3 [Understanding the Rates, Causes, and Costs of Churning in the SNAP](#) (Food and Nutrition Service, U.S. Dept of Agriculture)



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