

# MEMORANDUM

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**TO:** Joint Budget Committee Members  
**FROM:** Kevin Neimond, Joint Budget Committee Staff, 303-866-4958  
**SUBJECT:** SNAP Error Rate Analysis (DHS)  
**DATE:** March 13, 2015

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## *Background*

The Department of Human Services requested a one-time appropriation of \$150,000 total funds, including \$75,000 General Fund, for FY 2014-15 to procure consulting services to evaluate the Supplemental Food Assistance Program (SNAP) and determine the source of the Program’s error rate (over-payments and under-payments). At that time, the Committee indicated that it did not meet supplemental criteria for FY 2014-15, but was worthy of additional discussion during figure setting for FY 2015-16. During figure setting, staff recommended that the Department submit a future proposal that focuses on processes, procedures, and tools that may be contributing to errors occurring at the county level rather than investigating the State’s role, as was proposed with this supplemental request.

## *Update*

Following figure setting, staff has continued to work with stakeholders to identify a product that will provide the Department and counties with insight into why payment and procedural errors occur and identify potential solutions to limit errors.

## *Recommendation*

**Staff recommends an appropriation of \$300,000 total funds, including \$150,000 General Fund, for FY 2015-16 for the following:**

- Hire a contractor to conduct an analysis and evaluation of the SNAP quality control functions with the Department to determine if the process by which staff sample, analyze, and report findings to counties yields in a timely manner that allows for error correction (\$100,000); and
- Hire a contractor to conduct an analysis and evaluation of the processes, procedures, and tools that may be contributing to errors occurring at the county level. This includes investigating lingering Colorado Benefits Management System (CBMS) issues, inefficient procedures in use as “work arounds” to compensate for reoccurring challenges, and staffing quality and quantity.

Department of Human Services				
GF	CF	RF	FF	TF
\$150,000	\$0	\$0	\$150,000	\$300,000