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February 15, 2018

President's Budget Would Cut Food Assistance for Millions and Radically Restructure SNAP

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President Trump's 2019 budget proposes to cut the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) by more than $213 billion over the next ten years — nearly a 30 percent cut — through radically restructuring how benefits are delivered, cutting eligibility for at least 4 million people, and reducing benefits for many others. (See Table 1.)[1] The unemployed, the elderly, and low-income working families with children would bear the brunt of the cuts. These proposals come on the heels of a tax law the President championed that will mainly benefit the wealthy and corporations and that's expected to add $1.5 trillion to deficits over ten years.

The largest SNAP savings in the budget would come from cutting household benefits by more than $260 billion over ten years — some 40 percent — and using about half these funds to provide households a government-purchased non-perishable food box in lieu of food that households would otherwise purchase at the grocery store. In addition to the enormous benefit cut, the proposal would radically restructure how SNAP benefits are provided for the vast majority of recipients, upending SNAP's successful and efficient public-private partnership with some 260,000 retail stores around the country in favor a new government-driven approach to procuring food for SNAP households. Such a system would be a significant cost shift to states and nonprofit food distributors, and would be disruptive and costly for current SNAP participants.

The President's budget would also expand the reach of a stringent three-month time limit under the existing program. Currently, SNAP participants age 18 to 49 who are not raising minor children cannot receive benefits for more than three months in a 36-month period unless they work 20 hours

[1] The budget contains a gross SNAP cut of more than $216 billion over ten years. It allocates an additional $2.5 billion over ten years for new state administrative costs associated with distributing the proposed food boxes, which leaves a net cut of more than $213 billion. The estimates of the size of the cuts throughout this paper are based on the Fiscal Year 2019 Budget of the U.S. Government at https://www.whitehouse.gov/omb/budget/ and the "Explanatory Notes" the Department of Agriculture (USDA) provides to the Congress, available at https://www.obpa.usda.gov/32fns2019notes.pdf. Many of the provisions in this year's budget were also proposed last year. The Congressional Budget Office's estimates of the President's 2018 budget proposals for the Supplemental Nutrition Assistance Program can be found at https://www.cbo.gov/publication/52903.

a week. States can exempt particularly vulnerable individuals, such as those in high-unemployment areas. But the President's budget would make qualifying for those exemptions much harder. It also would raise the maximum age for those facing the time limit to 62 beginning in 2021, exposing 2 million more individuals to the limits, including older Americans who face additional obstacles to work.

Other harmful effects of the SNAP provisions in the budget include eliminating a state option that supports working families by addressing a benefit cliff that would otherwise cause working families to lose benefits as their earnings rise; cutting benefits for people with disabilities and for the elderly; penalizing large families; and cutting benefits for many households that pay for utilities out of pocket.

TABLE 1

SNAP Cuts in the President's 2019 Budget

Proposal	Ten-Year Federal Savings from SNAP Cuts
Cut SNAP benefits and shift a portion to food boxes	-$131.7 billion
State administrative costs for distributing food boxes	$2.5 billion
Restrict categorical eligibility	-$30.6 billion
Limit time-limit waivers	-$17.8 billion
Apply time limit through age 62, and change "elderly" definition to begin at age 63	-$5.9 billion
Eliminate "15% exemptions" from time limit	-$3.2 billion
Eliminate minimum benefit	-$2.7 billion
Cap large households' benefit	-$1.7 billion
Eliminate Low Income Home Energy Assistance Program (LIHEAP)/Terminate the SNAP-LIHEAP Connection	-$13.1 billion
Impose standardized utility allowances across states	-$10.2 billion
Cap state administrative expenses	-$9.8 billion
Eliminate SNAP nutrition education	-$4.7 billion
Mandate the National Accuracy Clearinghouse	-$1.1 billion
Eliminate state performance bonuses	-$480 million
Interactions/effect of other budget proposals on SNAP*	about $17 billion
Total	-$213.5 billion

* The savings for individual proposals exceed total projected savings because some of the provisions impact the same households. This line captures the difference between the reported ten-year savings and the sum of the individual proposals, which we believe represent interactions between proposals and the indirect effect of proposed policy changes in other areas on SNAP.

Source: The estimates of the size of the cuts throughout this paper are based on the Fiscal Year 2019 Budget of the U.S. Government at https://www.whitehouse.gov/omb/budget/ and the "Explanatory Notes" the Department of Agriculture (USDA) provides to Congress, available at https://www.obpa.usda.gov/32fns2019notes.pdf.

Slash Household Benefits and Shift Food Purchasing to the Government

The budget's largest SNAP cut — a more than $130 billion reduction in federal spending over ten years — come from its proposal to radically restructure how SNAP benefits are distributed. Under the proposal, instead of letting households that receive $90 or more a month use their SNAP benefits to buy food at their local grocery store, the U.S. Department of Agriculture (USDA) would hold back an estimated $24 billion to $29 billion per year in household benefits — more than $260 billion over ten years, or about 40 percent of these households' total benefits[2] — and use about half of the funds to give them a box of non-perishable foods such as shelf-stable milk, juice, ready-to-eat cereals, pasta, peanut butter, beans, and canned foods. The amount of food in the boxes would be scaled to the household's size and benefit amount. The budget suggests that participants would have no choice in what food they receive.

The proposal runs contrary to the purpose of SNAP, which is to provide food assistance "through normal channels of trade." Currently, SNAP benefits are issued monthly to households via an electronic benefit card (EBT). Benefits can only be used to purchase food at stores that the USDA authorizes to participate in the program. This benefit distribution method is extremely efficient and is highly consistent with how all Americans shop and access food in the marketplace. [3]

Based on USDA's experience buying commodities for other federal nutrition programs, the budget documents posit that the agency would be able to buy the same quantity of food that households do with these funds at about half the retail price.[4] The other half of funds the Administration proposes to hold back from households — $130 billion over ten years, or about 20 percent of all SNAP benefits — would be cut from the program. This would affect some 34 million people in 16 million households in 2019, or almost 90 percent of SNAP participants (81 percent of SNAP households).

Details on how SNAP participants would access the food boxes would appear to be left to state discretion and state expense. States would be permitted to distribute these boxes through existing "infrastructure, partnerships, and/or directly to residences through commercial and/or retail delivery services." USDA suggests that this new approach might work like the Commodity Supplemental Food Program (CSFP), a food distribution program largely for the elderly that the budget proposes to eliminate. Under CSFP, states store food and distribute it to public and

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[2] The estimates in this section of the dollars withdrawn from SNAP benefits and share of SNAP benefits are based on USDA's $130 billion estimate of the savings and on the assumption that the USDA could purchase food boxes "at approximately half the retail cost." (The budget asserts these assumptions here: https://www.obpa.usda.gov/32fns2019notes.pdf, p. 32-81.) USDA issued a one-page description of the proposal late on February 12, 2018 (called "America's Harvest Box") that explained that, "The amount of food received per household would be scaled to the overall size of the household's SNAP allotment, ultimately representing about *half of their benefits*." (Emphasis added.) "USDA America's Harvest Box," https://www.agri-pulse.com/ext/resources/pdfs/Americas-Harvest-Box.pdf. For the share of households' benefits that the boxes would represent to be closer to half, the purchase price USDA would pay would need to be higher than 50 percent of the market price, and the amount that would need to be withdrawn from benefits could be more like $30 billion to $35 billion a year, or almost 50 percent of the current monthly SNAP benefit this group receives.

[3] For a discussion and listing of SNAP retailers by state, see Elizabeth Wolkomir, "SNAP Boosts Retailers and Local Economies," Center on Budget and Policy Priorities, August 29, 2017, https://www.cbpp.org/research/food-assistance/snap-boosts-retailers-and-local-economies.

[4] See page 32-81 at https://www.obpa.usda.gov/32fns2019notes.pdf.

nonprofit private local agencies. Local agencies determine the eligibility of applicants and distribute the food, often through food banks or by delivering it to food distribution centers in local communities where clients must travel to pick up a food box at a set date and time. Programs do not always operate statewide, and administrative and distribution costs have represented 25 to 33 percent of CSFP annual costs over the past several years.

The cuts this budget provision represents — an average 40 percent of SNAP benefits affecting more than 80 percent of SNAP households — is unprecedented and would put families' basic food security at risk. While the proposal offers to replace the lost SNAP benefits with a food box purportedly of equal value, there's simply no evidence the USDA could achieve such an outcome for 16 million vulnerable households on a monthly basis. There are enormous risks that their proposal would 1) reduce the amount of food that low-income Americans have each month; 2) disrupt and delay poor households' access to food because no food distribution system (and certainly not one that hasn't been built yet) can match the efficiency, speed, and reliability of the current electronic benefit distribution system; and 3) impose new unfunded costs on participants, states, and local nonprofits to create such a network. Additional concerns include:

- *Unnecessary expansion of government bureaucracy.* While USDA routinely buys and distributes commodities to entities that run and operate government food programs (such as school districts or state agencies that work with local food banks or CSFP program operators), this new proposal to support individual households would require operational capacity and infrastructure that neither USDA nor states now have. Consider the staff and logistics associated with storing and shipping this amount of food each month as well as individually packing 16 million household food boxes each month. Each box would likely have to meet certain specifications as well as the added costs of physically delivering or making boxes available locally to participants throughout the entire country. Today, these 1 in 10 Americans now receive financial help electronically and purchase food in grocery stores.
- *Significant cost shift to states and nonprofits to build a redundant food distribution system.* The administrative costs of distributing some $13 billion worth of commodities to 16 million individual households each month would very likely far surpass the $250 million per year in administrative costs envisioned under the proposal. (The $250 million a year allocated to states for distribution would be only about 2 percent of total federal costs of the food purchased.) Congress currently appropriates some $50 million to $60 million in administrative funds to states to distribute $300 million worth of commodities through The Emergency Food Assistance Program (TEFAP). The administrative costs represent approximately 14 percent of total program funding. Food banks routinely say their actual TEFAP administrative costs far exceed the funds the federal government provides and that they have to contribute their own funds to cover the difference. Similarly, administrative and distribution costs have represented 25 to 33 percent of CSFP annual costs over the past several years. Given the distribution of SNAP participants throughout all regions of the country, including rural and remote areas, the budget proposal would be a significant cost shift to state and local government as well as the nonprofit agencies such as food banks that USDA envisions operating this new scheme. These new costs would be to build a system that is less effective and entirely redundant of the EBT SNAP distribution system. Currently, states and USDA share equally in the costs of distributing SNAP benefits through the EBT system, which operates much like private credit and debit card systems in food retailers.

- *Disruptions and extra cost burdens for participants.* The proposal would cut participants' SNAP benefits and replace them with a box of non-perishable staples that would be highly unlikely to match, in content, quality, or quantity, what clients would choose to buy. In addition, the proposal would increase the cost of obtaining food, likely requiring participants to visit a distribution center potentially more than once per month. Households with individuals who have special health-related dietary needs, such as those with diabetes, heart disease, iron deficiency, or food allergies, would face even more significant challenges and deeper cuts if USDA did not offer food boxes designed for those needs.

  Consider a single working mother with two children who participates in SNAP. Average monthly benefits for her household are about $330. Currently, benefits are reliably loaded on her SNAP EBT card each month on the same day. She can plan on these benefits as she manages her food budget while shopping at her grocery store, farmer's market, or local corner store. Under the budget proposal, USDA would cut her monthly benefits by $132 to $165 a month and use some $66 to $99 of that to provide her with a food box made up of non-perishable foods that would be highly unlikely to reflect what she would have bought with her benefits.[5] Obtaining the food box would also likely involve additional time and costs to her. She would likely have to schedule a pickup of the commodity box at local nonprofit or government agency, showing paperwork and arranging a means to take the food box home, which might not be possible on public transportation.

- *Restricted access to fresh fruits and vegetables.* The budget proposal describes the food box as consisting of non-perishable items like canned fruits, meats and vegetables, pasta, peanut butter, and shelf-stable milk. A box of these non-perishable foods is not likely to improve nutrition among SNAP participants. Most low-income households, like many other households, need to consume more fresh fruits and vegetables and healthy protein, which tend to be more expensive than non-perishable packaged foods. By reducing the food purchasing power of SNAP households, this proposal makes it more difficult for them to afford the foods they need. Studies have shown that lower-income households purchase more cereals and pasta than higher-income households, with produce largely limited to lettuce, potatoes, canned corn, bananas, and frozen orange juice.[6] Efforts to provide incentives to purchase healthier foods as well as education to make healthy choices would be undermined by a government box of canned vegetables, pasta and cereals. To make matters worse, the budget would eliminate SNAP's nutrition education program and provides no funding for incentives to increase healthy food purchases (known as FINI, the Food Insecurity and Nutrition Incentive grant program).

- *Increased stigma for low-income households.* After food stamp coupons were converted to electronic benefits more than 20 years ago the move was hailed as an important step in reducing stigma for SNAP participants and a contributing factor in the increasing rate of participation in SNAP among low-income eligible households. SNAP currently allows participants to purchase food in grocery stores as any other consumer would. Shifting food

[5] According to the USDA's fact sheet, "The amount of food received per household would be scaled to the overall size of the household's SNAP allotment." "USDA America's Harvest Box," https://www.agri-pulse.com/ext/resources/pdfs/Americas-Harvest-Box.pdf. The share of an individual household's benefits replaced by commodity foods would vary based on the formula USDA used to scale the amount of food provided to households.

[6] Adam Drewnowski and Petra Eichelsdoerfer, "Can Low-Income Americans Afford a Healthy Diet?" *Nutrition Today*, Nov. 2010, 44(6): 246-249, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2847733/.

distribution to a model that requires participants to visit a government food distribution center and providing them with food that is likely to be labeled as government food increases the likelihood that people would feel stigmatized. There is a good chance many would forgo collecting the new benefit, especially if it does not contain foods they were likely to buy.

- *Significant negative impact on retailers.* SNAP retailers comprise big-box superstores and major national grocery chains as well as small specialty stores, convenience stores, and farmers' markets. SNAP accounts for about 10 percent of the food that U.S. families buy for their homes. This proposal envisions that the government would abruptly end some $25 billion to $26 billion in revenue to food stores across the country. In communities where SNAP participants make up the majority of food shoppers, this could have very negative impacts on local businesses that welcome SNAP benefits as a form of payment. While over 80 percent of SNAP benefits are used at larger stores, including superstores (like Walmart, Target, and Costco) and supermarkets (like Safeway), the vast majority of SNAP-authorized retailers — about 80 percent — are smaller stores.[7]

Increase Hardship for Unemployed Adults

SNAP law already restricts benefits to three months out of 36 months for individuals age 18 to 49 who are not raising minor children unless they are working 20 hours per week, a provision that is often called a "work requirement." Under this provision, states are not obligated to (and most do not) provide a work slot that would allow these individuals to meet the 20-hour test. The individuals that this rule affects are extremely poor,[8] with average monthly income at 33 percent of the poverty line while on SNAP. States can waive the time limit for areas that meet longstanding Labor Department standards for having persistently high unemployment.[9] But the President's budget proposal would:

- **Force states to time-limit food assistance to unemployed individuals who live in high-unemployment areas.** The budget would restrict time limit waivers to areas with at least 10 percent unemployment, as opposed to the current rule, which allows waivers for areas with unemployment 20 percent above the national average or higher. In 2018, an estimated 35 percent of the country lives in the roughly 1,000 high-unemployment counties as well as numerous cities and reservations that are waived from the time limit.[10] Under the budget, we

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[7] These include many locally owned businesses, such as private groceries, convenience stores, dairies, butchers, bakeries, and farm stands. For these small businesses, SNAP is an important revenue source — particularly in high-poverty areas, where SNAP purchases can account for a significant share of a retailer's total sales.

[8] Steven Carlson, Dorothy Rosenbaum, and Brynne Keith-Jennings, "Who Are the Low-Income Childless Adults Facing the Loss of SNAP in 2016?" Center on Budget and Policy Priorities, February 8, 2016, http://www.cbpp.org/research/food-assistance/who-are-the-low-income-childless-adults-facing-the-loss-of-snap-in-2016.

[9] Ed Bolen and Stacy Dean, "Waivers Add Key State Flexibility to SNAP's Three-Month Time Limit," CBPP, updated February 6, 2018, http://www.cbpp.org/research/food-assistance/waivers-add-key-state-flexibility-to-snaps-three-month-time-limit.

[10] Center on Budget and Policy Priorities, "States Have Requested Waivers from SNAP's Time Limit in High Unemployment Areas for the Past Two Decades," http://www.cbpp.org/research/food-assistance/states-have-requested-waivers-from-snaps-time-limit-in-high-unemployment.

estimate that only 40 counties of the areas currently waived would qualify, representing just 0.8 percent of the country. The proposal would mean that about 600,000 to 700,000 poor unemployed individuals would no longer have access to food assistance in an average month. The areas that currently would no longer qualify for waivers include high-unemployment and economically hard-hit areas such as southern Alaska, parts of eastern Louisiana and California's Central Valley, and areas within Appalachia. The effects would swell during future recessions. (See Table 2.)

- **Eliminate state flexibility to exempt vulnerable individuals from the time limit**. Because of the severity and complexity of the time limit, states have been able to exempt a limited number of at-risk individuals. Each year, states are permitted to exempt up to approximately 15 percent of those subject to the time limit. Some states use this flexibility to exempt individuals facing barriers that make employment difficult to achieve — such as the lack of a high school diploma — or to help certain groups such as veterans or the recently unemployed. Other states decide not to use the exemptions at all. This flexibility would be eliminated, resulting in an estimated $3.2 billion in lost benefits over ten years.[11]
- **Subject older unemployed workers to the time limit.** The proposal would increase the age of nondisabled childless individuals to whom the three-month time limit applies from 49 years old to 62 years old, beginning in 2021. This would subject more than 2 million additional people to the time limit.[12] Restricting access to food assistance for this population makes little sense. Research shows that older workers face longer bouts of unemployment after losing a job, and the older an individual gets, the longer the unemployment.[13] Since states do not provide jobs or training for most of those subject to the time limit, older unemployed workers will find it even harder to find a job on their own and will lose food assistance if they fail to do so. Aligning the age of individuals subject to the time limit with the definition of elderly used in SNAP eligibility determination makes little sense, since the time limit is tied to their ability to find a job, not to whether they need help purchasing enough food to stay healthy.

Other SNAP Cuts

The other SNAP cuts in the President's budget include provisions that would:

- **Eliminate a state option that helps poor working families, seniors, and people with disabilities**. The President's budget would eliminate a key aspect of "categorical eligibility," a SNAP option that allows states to raise income cutoffs and ease asset limits based on

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[11] Based on the Administration's estimates of the federal savings from this provision, about 100,000 individuals would lose SNAP in an average month under the policy that eliminates the "15 percent" exemptions.

[12] More than 2 million individuals participating in SNAP in a typical month are age 50 to 62, living in households with no minor children, not receiving disability benefits, and not working more than 20 hours a week. Not all of these individuals would lose SNAP. States would determine some to be exempt for other reasons. Based on the Administration's estimate of the federal savings from this provision, roughly 200,000 to 300,000 individuals would lose SNAP in an average month under the policy that expands the time limit to apply to people age 50 through 62. This could be too low since roughly 10 times as many people could be potentially subject to the time limit.

[13] Connie Wanberg *et al.*, "Age and Reemployment Success After Job Loss: An Integrative Model and Meta-Analysis," *Psychological Bulletin* 2016, Vol. 142, No. 4, 400-426.

providing households a benefit funded through the Temporary Assistance for Needy Families block grant. More than 40 states are currently implementing this option, which addresses SNAP's abrupt benefit cutoff above 130 percent of poverty ($2,213 per month for a family of three) and reduces administrative complexity and cost. See Table 2 for a list of states that have taken this option. The Administration estimates the proposal would save approximately $30.6 billion over ten years.[14]

Many working families have gross income just above SNAP's income limit but face significant expenses, including costly housing and childcare, that can put a healthy diet out of reach. States can use the categorical eligibility option to ease their SNAP income cutoff and provide SNAP benefits to these working-poor families. In an average month, approximately 1 million low-income households receive food assistance as a result of this option; they would lose all their benefits under the Administration's proposal. About 89 percent of this option's benefits go to working households.

Absent categorical eligibility, a family would lose substantial SNAP benefits from a small increase in earnings that raises their gross income above 130 percent of the federal poverty level. Using categorical eligibility to lift the gross income limit allows families to gradually phase out of SNAP when wages increase.[15]

This option also permits states to ease the federal asset limit, thereby allowing households with savings of more than the federal limit of $2,250 (or $3,500 for households with an elderly or disabled member) to participate. Modest savings can allow households to avert a financial crisis that may push them deeper into poverty or even lead to homelessness; avoid accumulating debt that can impede economic mobility; and be better prepared to avoid poverty (and therefore heavy reliance on the government) in old age. More than 40 states have used this flexibility to remove the savings disincentive in SNAP and to eliminate the complexity and error the federal asset limit causes.

- **Change "elderly" definition to begin at age 63.** Since its inception, SNAP has considered individuals age 60 years and older to be elderly. The budget would raise this age to 63 and older. As a result, low-income individuals 60 through 62 years of age would no longer qualify for certain eligibility rules and program flexibilities designed to reduce administrative burden and ease access for vulnerable seniors. For example, under SNAP's rules, households with elderly or disabled members are not subject to a gross income test and may have modestly more assets than other households to qualify for benefits. Under this proposal, individuals 60 through 62 would instead be ineligible for benefits if their income were above the gross income limit, even if they faced considerable expenses like steep medical costs and high rent payments. They also would also be subject to an asset limit of $2,250 instead of $3,500, creating a disincentive to save, and therefore making them less able to weather unforeseen expenses, including due to illness. Moreover, some individuals age 60 through and 62 would receive lower SNAP benefits because they would not be able to claim SNAP's deductions for high medical costs or the full amount of very high shelter expenses that are available for those

[14] CBO's estimate of the federal savings from this provision from last year's budget is substantially lower: -$10 billion over ten years.

[15] See Elizabeth Wolkomir and Lexin Cai, "The Supplemental Nutrition Assistance Program Includes Earnings Incentives," Center on Budget and Policy Priorities, July 25, 2017, https://www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-includes-earnings-incentives.

who are elderly or have a disability. SNAP also allows states to offer certain administrative flexibilities for households with seniors, including a longer certification period, in order to reduce paperwork and ease access for a population that has largely static income. Under the President's proposal, these flexibilities would not be available to SNAP participants 60 through 62 years old.

- **Cut benefits to the elderly and people with disabilities.** The budget proposes to terminate SNAP's minimum monthly benefit for households with one or two people (currently $15), which primarily goes to low-income seniors and people with disabilities who qualify for a benefit of $14 or less.[16] Approximately 2 million people would be affected. Most would lose SNAP altogether. (See Table 3.)
- **Penalize large families.** The President's budget would cap additional benefits currently available to larger households at the level of a family of six, cutting benefits to many families with several children, or who live with grandparents and other family members. This proposal would cut benefits each year to about 80,000 larger households. In effect, this proposal would eliminate benefits to the 150,000 "extra" people who live in many households larger than six people. These households are extremely poor. While participating in SNAP, their income averages 25 percent of the poverty line, the equivalent of about $860 for an eight-person household each month.
- **Cut benefits to SNAP households with out-of-pocket utility expenses.** The budget proposes to cut SNAP benefits to millions of SNAP households with out-of-pocket utility expenses by more than $23 billion over ten years. One proposal would eliminate an administrative simplification through which states use households' receipt of benefits under the Low Income Home Energy Assistance Program (LIHEAP) to qualify them for higher SNAP benefits through an income deduction based on the cost of utility expenses like heating and electric bills.[17] Some households would struggle to produce verification of their utility bills and as a result would receive a smaller SNAP benefit. Another provision would eliminate state flexibility to set the level of their "standard utility allowances" and instead mandate a national methodology that would result in lower levels and would generate winners and losers across states and regions of the United States.
- **Cap state administrative expenses.** The budget would cap the amount that states could receive in federal reimbursement for costs of running the program at the national median cost per case (with adjustments for inflation in future years.) Although SNAP benefits are federally funded, states are responsible for the cost of many administrative functions, including determining which households are eligible, issuing benefits, and investigating household fraud. Currently states receive a 50 percent federal match for these activities, to reflect the local costs of staffing, facilities, and contracting costs, as well as other geographically variable factors.[18] States that currently spend more than the median amount per case would lose the federal

[16] Eligible households with one or two members qualify for a minimum benefit of $15 in fiscal year 2018 in the continental U.S. The minimum benefit levels are higher in Alaska, Hawaii, Guam, and the Virgin Islands.

[17] In addition to the SNAP cut, the budget would eliminate funding for LIHEAP, which provides roughly $3 billion a year to help many low-income households offset a portion of their utility costs.

[18] The average match rate is slightly less than 50 percent in most states, but on the margin, i.e., for each additional dollar that a state spends on these activities, every state receives a 50 percent federal match currently.

match above that level.[19] Because states must balance their budgets each year, they would need to either raise taxes, cut other spending, or reduce SNAP administrative costs, or a combination of the three. Capping state administrative costs would undermine states' effective operation of their programs and make it much more difficult to invest in short-term improvements in eligibility systems or other activities that might yield long-term program improvements. The cut would save the federal government more than $1 billion a year once it went into effect in 2021. This administrative cap is included in the same budget that would drastically expand state administrative costs by requiring them to develop a brand-new process to distribute roughly half of SNAP benefits as commodity food boxes, with only about $250 million a year in additional funding nationally for this activity.

- **Eliminate SNAP nutrition education.** The budget proposes to terminate funding for SNAP nutrition education (SNAP-Ed) grants. This proposal represents a cut of $4.7 billion over ten years. SNAP-Ed is an evidence-based program aimed at helping SNAP households eat well and live healthier lives on a limited budget. It serves as a long-term investment in the well-being of low-income individuals, designed to curb obesity and improve health. Eliminating SNAP-Ed would sever SNAP's connection to healthy eating, marking a departure from the program's core purpose — to improve nutrition levels among low-income households.[20] Eliminating this funding would also undermine state SNAP agencies' ability to respond to acute, local public health concerns.
- **Eliminate state performance bonuses.** The President's budget includes a proposal to eliminate performance bonuses, a cut of $480 million over ten years. These modest, targeted payments reward states for high or improving performance. Eliminating them would remove an important incentive for states to make their program administration stronger, including by achieving high participation rates and successfully providing SNAP benefits within federal timeliness standards. Further, states use bonus payments to re-invest in SNAP, for example through improvements in technology, administration, and program integrity.
- **Mandate the National Accuracy Clearinghouse.** The budget would expand the SNAP National Accuracy Clearinghouse (NAC) to a nationwide effort. The NAC, now carried out under a state-initiated contract between Mississippi and LexisNexis, allows the five participating Southern states (Alabama, Florida, Georgia, Louisiana, and Mississippi) to share data on their SNAP participants in order to identify and prevent participation in SNAP in more than one state. The House Disaster Supplemental bill, H.R. 4667, which passed the House on December 21, 2017, includes a similar provision to expand the NAC.[21] If implemented in a way that addresses data security, privacy, and operational factors, the provision could strengthen SNAP's program integrity while using advances in technology to improve program administration and reduce administrative burdens on states as well as SNAP households. The budget's savings estimate of about $100 million a year ($1.1 billion over ten

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[19] The administrative cost per state in 2016 can be found in *Supplemental Nutrition Assistance Program State Activity Report, Fiscal Year 2016,* https://fns-prod.azureedge.net/sites/default/files/snap/FY16-State-Activity-Report.pdf. The following states would have their federal reimbursements cut by more than 25 percent: Alaska, California, Colorado, District of Columbia, Minnesota, New Jersey, New York, North Dakota, Virginia, Virgin Islands, and Wyoming.

[20] Food and Nutrition Act of 2008, as Amended by P.L.113-79, §2.

[21] The House Disaster Supplemental bill, H.R. 4667, https://www.congress.gov/115/bills/hr4667/BILLS-115hr4667eh.pdf.

years) assumes an unrealistic implementation schedule, however. The Congressional Budget Office assumes under the House bill that the full savings would not occur for roughly five years.[22]

Conclusion

SNAP is a highly effective program targeted to households that need its help to meet their basic food needs. With a small average benefit of just $1.40 per person per meal, it lifts millions out of poverty, and it has demonstrated long-term benefits for children who participate, including better health and education outcomes. While its overall enrollment and spending are coming down as the economy improves,[23] it provides vital assistance to over 40 million low-income Americans.

In addition to these proposed cuts to food benefits for low-income unemployed, seniors, and families with children, the budget calls for cuts to Medicaid and housing and other basic assistance programs that help low- and moderate-income households make ends meet and access needed health care. Alongside the recent tax cut law that will mainly benefit the wealthy and corporations, these cuts present a stark vision for the country.

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[22] CBO's estimate can be found at https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/cboestimateforrcp115-50housedisastersupplementalandotherdivisi.pdf.

[23] Dottie Rosenbaum, "SNAP Caseloads and Spending Declines Track CBO Projections," Center on Budget and Policy Priorities, May 22, 2017, http://www.cbpp.org/blog/snap-caseloads-and-spending-declines-track-cbo-projections.

TABLE 2

State-by-State Impact of Proposed SNAP Cuts in President's Budget: Eliminating Expanded Categorical Eligibility and Time-Limit Waivers

	Has the State Adopted the Expanded Categorical Eligibility Option?[1]		Does the State Have Waivers from the Three-Month Time Limit?
State/Territory	**Asset Test**	**Income Test**	
Alabama	Yes		
Alaska			Yes
Arizona	Yes	Yes	Yes
Arkansas			
California	Yes	Yes	Yes
Colorado	Yes		Yes
Connecticut	Yes	Yes	Yes
Delaware	Yes	Yes	
District of Columbia	Yes	Yes	Yes
Florida	Yes	Yes	
Georgia	Yes		Yes
Hawaii	Yes	Yes	Yes
Idaho	Yes		Yes
Illinois	Yes	Yes	Yes
Indiana	Yes		
Iowa	Yes	Yes	
Kansas			
Kentucky	Yes		Yes
Louisiana			Yes
Maine	Yes	Yes	
Maryland	Yes	Yes	Yes
Massachusetts	Yes	Yes	Yes
Michigan	Yes	Yes	Yes
Minnesota	Yes	Yes	Yes
Mississippi	Yes		
Missouri			
Montana	Yes	Yes	Yes
Nebraska	Yes		
Nevada	Yes	Yes	Yes
New Hampshire	Yes	Yes	Yes
New Jersey	Yes	Yes	Yes
New Mexico	Yes	Yes	Yes
New York	Yes	Yes	Yes
North Carolina	Yes	Yes	
North Dakota	Yes	Yes	Yes
Ohio	Yes		Yes

TABLE 2

State-by-State Impact of Proposed SNAP Cuts in President's Budget: Eliminating Expanded Categorical Eligibility and Time-Limit Waivers

	Has the State Adopted the Expanded Categorical Eligibility Option?[1]		Does the State Have Waivers from the Three-Month Time Limit?
State/Territory	**Asset Test**	**Income Test**	
Oklahoma	Yes		
Oregon	Yes	Yes	Yes
Pennsylvania	Yes	Yes	Yes
Rhode Island	Yes	Yes	Yes
South Carolina	Yes		
South Dakota			Yes
Tennessee			Yes
Texas	Yes	Yes	
Utah			Yes
Vermont	Yes	Yes	Yes
Virginia			Yes
Washington	Yes	Yes	Yes
West Virginia	Yes		Yes
Wisconsin	Yes	Yes	
Wyoming			
Guam	Yes	Yes	Yes
Virgin Islands	Yes	Yes	Yes
United States	43 have adopted	31 have adopted	36 have adopted

[1] These states have adopted broad-based categorical eligibility. Additional states have narrow categorical eligibility (beyond cash assistance, but not affecting large numbers of households) and may also have some households that would be cut off SNAP.

Sources: USDA, Food and Nutrition Service, Broad-based Categorical Eligibility Chart, and additional CBPP research; see https://www.fns.usda.gov/sites/default/files/snap/BBCE.pdf and https://www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds

TABLE 3

State-by-State Impact of Proposed SNAP Cuts in President's Budget:

Eliminating the Minimum Benefit

	Number Receiving Minimum Benefit in 2016		Annual SNAP Cut Based on Minimum Benefit in 2016
State/Territory	**Households**	**Individuals**	
Alabama	26,000	30,000	-$4,581,000
Alaska	4,000	4,000	-$867,000
Arizona	29,000	35,000	-$5,182,000
Arkansas	20,000	21,000	-$2,893,000
California	103,000	116,000	-$18,141,000
Colorado	13,000	15,000	-$2,152,000
Connecticut	26,000	33,000	-$4,400,000
Delaware	8,000	9,000	-$1,384,000
District of Columbia	7,000	9,000	-$1,340,000
Florida	136,000	171,000	-$24,546,000
Georgia	64,000	76,000	-$10,527,000
Hawaii[1]	Less than 1,000	Less than 1,000	-$156,000
Idaho	6,000	7,000	-$1,021,000
Illinois	62,000	71,000	-$11,085,000
Indiana	28,000	31,000	-$4,295,000
Iowa	25,000	29,000	-$4,220,000
Kansas	9,000	9,000	-$1,424,000
Kentucky	16,000	19,000	-$2,719,000
Louisiana[1]	11,000	13,000	-$1,692,000
Maine	13,000	17,000	-$2,265,000
Maryland	46,000	52,000	-$7,863,000
Massachusetts	36,000	43,000	-$6,723,000
Michigan	108,000	126,000	-$16,794,000
Minnesota	32,000	37,000	-$5,637,000
Mississippi	15,000	17,000	-$2,575,000
Missouri	20,000	22,000	-$3,420,000
Montana	5,000	5,000	-$724,000
Nebraska	7,000	8,000	-$1,001,000
Nevada	34,000	41,000	-$6,055,000
New Hampshire	6,000	6,000	-$823,000
New Jersey	51,000	62,000	-$8,430,000
New Mexico	14,000	16,000	-$2,162,000
New York	79,000	91,000	-$14,873,000
North Carolina	85,000	103,000	-$14,878,000
North Dakota[1]	2,000	2,000	-$266,000
Ohio	67,000	78,000	-$11,412,000

TABLE 3

State-by-State Impact of Proposed SNAP Cuts in President's Budget:

Eliminating the Minimum Benefit

	Number Receiving Minimum Benefit in 2016		Annual SNAP Cut Based on Minimum Benefit in 2016
State/Territory	**Households**	**Individuals**	
Oklahoma	21,000	23,000	-$3,238,000
Oregon	57,000	72,000	-$10,149,000
Pennsylvania	106,000	138,000	-$19,050,000
Rhode Island	6,000	7,000	-$1,071,000
South Carolina	29,000	33,000	-$5,255,000
South Dakota	2,000	2,000	-$363,000
Tennessee	44,000	49,000	-$7,166,000
Texas	83,000	96,000	-$14,970,000
Utah	5,000	5,000	-$731,000
Vermont	3,000	4,000	-$444,000
Virginia	33,000	35,000	-$5,329,000
Washington	46,000	57,000	-$8,084,000
West Virginia	21,000	24,000	-$3,472,000
Wisconsin	69,000	82,000	-$12,390,000
Wyoming	1,000	1,000	-$172,000
Guam[1]	Less than 1,000	Less than 1,000	-$36,000
Virgin Islands[1]	Less than 1,000	Less than 1,000	-$126,000
United States	**1,739,000**	**2,057,000**	**-$300,574,000**

[1] In these states and territories, the sample sizes of households with the minimum benefit are small and are not intended as precise estimates.
[2] Individual state totals may not add up to the U.S. total due to rounding.
Source: CBPP analysis of 2016 SNAP Household Characteristics data.