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PRESIDENT'S BUDGET WOULD CUT FOOD FOR 420,000 LOW-INCOME SENIORS

by Dorothy Rosenbaum

President Bush's fiscal year 2007 budget would eliminate funding for the Commodity Supplemental Food Program (CSFP), terminating food assistance to 420,000 low-income seniors in an average month.

CSFP provides monthly nutritious food packages primarily to low-income seniors aged 60 and older in parts of 32 states, the District of Columbia, and two Indian reservations.¹ The typical food package, which is designed to supplement low-income seniors' diets with nutrient-rich foods, costs the government less than \$20 per participant a month and includes items such as canned tuna fish, peanut butter, cheese, cereal, and canned fruits and vegetables. More than a third of seniors who receive CSFP food packages, almost 150,000 people, are over age 75.

The President has proposed this cut despite U.S. Department of Agriculture (USDA) research that found that in 2004, one in five low-income households with elderly members were "food insecure," meaning they had difficulty affording food.² The proposed elimination of CSFP food packages comes at a time when low-income seniors are facing high home heating bills, confusion over prescription drug costs, and difficulty paying their bills and affording an adequate and nutritious diet. Moreover, the Administration is proposing to cut a number other programs that provide assistance to low-income elderly people, including housing programs for the elderly and the Social Services and Community Services Block Grants.

The budget assumes that some seniors who receive CSFP will receive food assistance from the Food Stamp Program in lieu of CSFP and proposes to fund transition costs in 2007. Yet, many of

¹ CSFP also provides food packages to low-income pregnant and post-partum women, infants, and children up to age 6. The budget assumes that these families will continue to receive food assistance from WIC. See below.

² More technically, "food insecure" households are households that at some time in the previous year were uncertain of having, or unable to acquire, enough food for all household members because they had insufficient money and other resources for food. *Household Food Security in the United States, 2004*, by Mark Nord, Margaret Andrews, and Steven Carlson, Economic Research Report No. (ERR11), October 2005, available at <http://www.ers.usda.gov/Publications/err11/>.

these seniors already receive a food stamp benefit each month, though the benefit often is only \$10.³ Taking away CSFP from these individuals would merely compromise their food security.

Moreover, it is not a reasonable assumption that seniors who lose food assistance under CSFP would automatically be able to receive assistance under the Food Stamp Program. First, some of the elderly participating in CSFP will not be eligible for food stamps because they do not meet the more restrictive food stamp eligibility test. For example, seniors may not receive food stamps if they have more than \$3,000 in financial assets or if they live with other household members whose income, when added to the senior's income, is above 100 percent of the poverty line for their household size.

Second, current CSFP rules already require that seniors receive outreach information about the Food Stamp Program. But, some eligible seniors may opt not to participate in the Food Stamp Program because they find the application process too formidable. USDA's own research shows that seniors perceive and face significant barriers to participation in the Food Stamp Program.⁴ Seniors can find the food stamp application process long, intrusive and time-consuming. The program remains stigmatized for some low-income seniors, who fear uncomfortable experiences at the food stamp office and believe that the forms and notices are written in a way that makes them feel guilty or ashamed to apply for food stamps. Others who do apply remain confused about other aspects of the program such as how to use the electronic debit card and may not access their benefits.

Because CSFP food packages are often delivered directly to senior's homes or other convenient arrangements are made, low-income seniors who live in rural areas or have limited access to grocery stores may be the most adversely affected by this cut. The policy that the Administration proposes to transition seniors to food stamps also would present significant administrative issues.

The Administration's rationale for proposing to eliminate CSFP food packages is that, "in the limited areas where it is available, [CSFP] overlaps with two of the Nation's largest Federal nutrition assistance programs — Food Stamps and WIC. This elimination is consistent with the low PART rating for CSFP."⁵ It is true that the program does not have sufficient resources to operate in all areas of the country, and that, as mentioned above, low-income seniors can also qualify for food stamps. But there is no evidence available about the extent to which seniors already participate in both food stamps and CSFP and whether either program, or the combination, is essential to maintaining low-income seniors' food security. In fact, the Administration's PART (Program Assessment Rating Tool) document finds, "for elderly individuals, now the majority of CSFP participants, evidence suggests that CSFP may represent a favorable alternative to the Food Stamp

³ Some low-income seniors who receive CSFP food packages cannot receive food stamps because they do not meet the Food Stamp Program's restrictive asset test. To qualify for food stamps seniors must have assets below \$3,000. This amount has not been adjusted since the early 1980s.

⁴ From *Seniors' Views of the Food Stamp Program and Ways To Improve Participation—Focus Group: Findings in Washington State*, By Vivian Gabor, Susan Schreiber Williams, Hilary Bellamy, and Brooke Layne Hardison, Health Systems Research, Inc., June 2002

⁵ See *Budget of the United States Government, Fiscal Year 2007*, p. 49.

Program and contribute positively to access to food assistance for low-income elderly people in the places where the program operates.”⁶

The PART assessment tool includes 25 questions across four sections: 1) whether a program’s purpose is clear and whether it is well designed to achieve its objectives, 2) the program’s strategic planning (i.e., whether the agency establishes valid annual and long-term goals for its programs), 3) the management of a program including financial oversight and program improvement efforts, and 4) the results that a program can report with accuracy and consistency. According to the Administration, CSFP falls short on the second and fourth sections of the PART, related to strategic planning and research results.

It is not unreasonable for OMB to expect USDA to engage in strategic planning with respect to CSFP and to ask whether the program is effective. A failure by USDA to complete such a planning process, however, is not sufficient cause for eliminating the program. Moreover, there has *not* been research that has found CSFP to be ineffective; to the contrary, the problem is that federal funding has not been provided either to conduct research on the program’s effectiveness or to develop reporting systems to measure performance. Previous Administrations and Congresses have opted to focus the limited research and evaluation funds on USDA’s major food assistance programs. CSFP program funds have been dedicated to delivering services to needy participants rather than conducting research and instituting sophisticated performance measurement systems. It may be appropriate for Congress and USDA to invest more energy and resources in setting and evaluating CSFP’s performance goals and effectiveness, but a low ranking simply because such activities have not yet been conducted is not a valid basis for eliminating the program.

Finally, savings from eliminating CSFP would *not* be used to reduce the deficit. The net effect of the President’s budget is to increase the deficit, because the costs of the additional tax cuts the budget proposes are larger than the savings from cuts in CSFP and other domestic programs. Some savings would be used, under the budget, to offset a portion of the cost of the tax cuts, which disproportionately benefit high-income people who are in much less need than CSFP participants.

What is the Commodity Supplemental Food Program (CSFP)?

CSFP provides monthly nutritious food packages primarily to low-income seniors aged 60 and older. CSFP operates in parts of 32 states, the District of Columbia, and two Indian reservations. To be eligible, seniors must have income at or below 130 percent of the poverty line (currently about \$12,400 a year for a single person and \$16,700 for a couple.) The typical cost of the food package is less than \$20 a month. According to USDA, the low-cost CSFP food packages “do not provide a complete diet, but rather are good sources of the nutrients typically lacking in the diets of the target population.” CSFP represents a low-cost response to the problem of food insecurity among low-income elderly. Its monthly food package addresses the most significant dietary needs that seniors face.

USDA purchases food and provides the food as well as administrative funding to state and local agencies, which often include food pantries or food banks, that operate the program.

⁶ See <http://www.whitehouse.gov/omb/expectmore/detail.10002010.2005.html>, answer to question 4.4.

In 2005, CSFP provided food to 460,000 people age 60 or over in an average month. The total federal cost of the program was about \$110 million. USDA expects that the 2006 appropriation for CSFP will not be sufficient to fund the same caseload levels as in 2005, and has instructed state and local agencies to cut the number of people assisted by about 10 percent this year.⁷ Not all low-income seniors who might apply can participate in CSFP, both because it is not available in many areas and because funding is not sufficient.

Where do Participants Live?

Louisiana, Michigan, California, and New York have had the largest participation in CSFP in recent years. Other states with CSFP programs are: Alaska, Arizona, Colorado, District of Columbia, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, and Wisconsin. Due to funding constraints, in all but a handful of these states, the program is not available throughout the state. In many service areas, CSFP program operators have waiting lists of low-income elderly individuals who would like to participate but for whom the program does not have sufficient funding. In addition, a number of other states have indicated they would like to join the program if funding were available.

Implications for Women, Infants, and Children served by CSFP

In addition to seniors, CSFP also provides food packages to low-income pregnant and postpartum women, infants, and children up to age 6. The President's budget assumes that half of these participants who would no longer receive CSFP food packages would be covered by food vouchers through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The eligibility criteria for WIC and CSFP are similar, though families cannot receive benefits from both programs. Thus, families who have been participating in CSFP have not been participating in WIC.

There is some merit to moving women, infants, and children from CSFP to WIC because WIC participants can receive nutrition education services and health care referrals, as well as a more generous food package than they would get under CSFP. Though costs per participant vary widely, the average monthly food cost for a WIC participant in 2005 was about \$38, compared with about \$17 per month for CSFP.⁸

The Administration's proposal, however, overlooks some critical transition issues for women, infants, and children. By the Administration's own estimates, some 23,000 — or 50 percent — of the women, infants, and children participating in CSFP would *not* end up participating in WIC.

⁷ Undated Memorandum from Cathie McCullough, "Commodity Supplemental Food Program (CSFP): Tentative Caseload Assignments for the 2006 Caseload Cycle, and Administrative Grants."

⁸ The cost of the food benefit to the government in both WIC and CSFP understates the value of the benefit to the participants. In WIC, for example, the federal government gets rebates from infant formula manufacturers that significantly lower federal costs. USDA estimated that the pre-rebate average monthly cost in 2003 per participant was almost \$52, compared to a post-rebate cost of \$35. Similarly, in the PART documents the administration finds that "CSFP's design takes advantage of the Federal government's ability to purchase commodity foods at extremely low cost relative to commercial sources."

There are two reasons. First, two groups of people who qualify for CSFP — children who are five years old and certain women who are six to twelve months post-partum — *cannot* qualify for WIC and thus would not receive help from it. This is the smaller of the two issues. Second, not all CSFP participants who are eligible for WIC will be enrolled. In the short run, CSFP participants may find it difficult to apply for WIC or find it difficult to redeem WIC food vouchers. In very remote areas, for example, CSFP providers may deliver food packages monthly, but there may not be either a nearby WIC clinic to determine eligibility or stores that accept WIC vouchers.

Finally, the budget does not propose to change the WIC funding allocation formula, so that states that serve a larger share of women, infants, and children in CSFP would not necessarily receive the funds they would need to serve them in WIC.

No plan to move women, infants, and children from CSFP to WIC should be considered, if under such a plan half of the individuals participating in CSFP are expected to lose these nutrition benefits. If the Administration wishes to pursue this proposal, it needs a better plan to address transition issues and to ensure that vulnerable CSFP participants are able to continue seamlessly to receive benefits through WIC.

Conclusion

The President's budget proposes to eliminate funding for CSFP, and thereby to terminate CSFP food assistance for 420,000 low-income seniors and to put at risk nutritional aid for almost 50,000 low-income women, infants, and children. This cut highlights the problematic priorities of the President's budget: modest savings would be achieved by eliminating food assistance to primarily vulnerable low-income seniors in the context of an overall budget proposal that would increase the deficit because of the very large tax cuts it contains.