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## PRESIDENT'S BUDGET WOULD CUT FOOD FOR 440,000 LOW-INCOME SENIORS

by Dorothy Rosenbaum

President Bush's fiscal year 2008 budget would eliminate funding for the Commodity Supplemental Food Program (CSFP), terminating food assistance to 440,000 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.<sup>1</sup> 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. Because USDA can buy these items at a discount the package is worth significantly more than \$20 to recipients. More than a third of seniors who receive CSFP food packages, about 150,000 people, are over age 75.

This cut was included in President Bush's budget last year and soundly rejected by the then Republican Congress. In the appropriations process, in addition to many Democratic defenders, Republicans such as Deborah Pryce (R-OH), then the Chair of the Republican Conference, and Gil Gutknecht (R-MN), then the chair of the Agriculture subcommittee that oversees CSFP, argued publicly for continued funding of the program, citing its importance in the health and well-being of low-income senior citizens.

The President has again proposed this cut despite U.S. Department of Agriculture (USDA) research that found that in 2005, one in six low-income households with elderly members were "food insecure," meaning they had difficulty affording food.<sup>2</sup> The proposed elimination of CSFP food packages comes at a time when many low-income seniors are facing difficulty paying their bills and affording an adequate and nutritious diet. Moreover, the Administration is proposing to cut a

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<sup>1</sup> 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.

<sup>2</sup> 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, 2005*, by Mark Nord, Margaret Andrews, and Steven Carlson, Economic Research Report No. (ERR29), November 2006, available at <http://www.ers.usda.gov/Publications/ERR29/>.

number other programs that provide assistance to low-income elderly people, including home heating assistance, 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 2008. Yet, in order to meet their food needs, many of these seniors already receive a food stamp benefit and a CSFP benefit each month. 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 and do not already receive food stamps would automatically be able to receive enroll in 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.<sup>3</sup>

Because CSFP food packages are often delivered directly to seniors' 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] duplicates two of the Nation's largest Federal nutrition assistance programs — Food Stamps and WIC."<sup>4</sup> 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 Program and contribute positively to access to food assistance for low-income elderly people in the places where the program operates."<sup>5</sup>

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<sup>3</sup> 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

<sup>4</sup> See *Budget of the United States Government, Fiscal Year 2008*, p. 43.

<sup>5</sup> See <http://www.whitehouse.gov/omb/expectmore/detail/10002010.2004.html>, answer to question 4.4.

Finally, savings from eliminating CSFP would *not* be used to reduce the deficit. The net effect of the President's budget is to increase projected deficits compared to what would occur with no changes to the laws that govern program spending or tax revenues. This is because the costs of the additional tax cuts the budget proposes are larger than the savings from cuts in CSFP and other domestic programs.

### **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 \$12,700 a year for a single person and \$17,200 for a couple.) The typical cost of the food package is less than \$20 a month for seniors. 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.

In 2006, CSFP provided food to 423,000 people age 60 or over in an average month and 40,000 women, infants, and children. The total federal cost of the program was about \$107 million. Under the Continuing Resolution that Congress and the President are expected to enact this month, CSFP funding will remain at the fiscal year 2006 level. USDA expects participation will rise modestly to 440,000 seniors in 2007 because of availability of a modest amount of funds being carried in from prior years and free food that is available to offset USDA resources. 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 post-partum women, infants, and children up to age 6. The President's budget assumes that 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 expenditure for a WIC participant in 2006 was about \$37, compared with about \$17 per month for CSFP.<sup>6</sup> However, 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.

The Administration's proposal also overlooks some critical transition issues for women, infants, and children. The Administration does not provide any dedicated funding within the WIC program to serve the women, infants, and children who had been participating in CSFP. There may be sufficient funding with the WIC program to absorb the additional participants, but because state WIC allocations are based on a funding formula that does not account for former CSFP participants, funds may not be directed on a timely basis to the states that have to absorb CSFP participants. Moreover, 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.

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 440,000 low-income seniors and to put at risk nutritional aid for more than 30,000 low-income women, infants, and children. This proposed cut highlights the problematic priorities of the President's budget, which puts extremely large tax cuts for the most affluent Americans ahead of the needs of low- and middle-income Americans, as well as future generations, who would foot the bill for the much larger long-term deficits that the President's tax cuts would produce.

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<sup>6</sup> 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 2004 per participant was almost \$55, compared to a post-rebate cost of about \$38. 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." The average cost of the CSFP food package for women, infants, and children (\$17 a month in 2006) is modestly higher than the package for seniors (\$13 a month in 2006).