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President's Budget Would Shift Substantial Costs to States and Cut Food Assistance for Millions

By Stacy Dean

President Trump's 2018 budget proposes to cut the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) by more than \$193 billion over the next ten years — a more than 25 percent cut — through a massive cost shift to states, cutting eligibility for millions of households, and reducing benefits for hundreds of thousands more.¹ The unemployed, the elderly, and low-income working families with children would bear the brunt of the cuts.

Among other cuts to SNAP, the President's budget would:

- **Shift \$116 billion in SNAP benefit costs to states.** The President's budget would require states to pay for 25 percent of SNAP benefits (starting at 10 percent in 2020 and increasing to an average state share of 25 percent by 2023), a cost shift of approximately \$116 billion over ten years. (See Table 1.) Since its bipartisan origin, SNAP has operated as a national program with benefits paid by the federal government — a structure that was intended to address the enormous disparity in hunger and poverty across states. Such a cost shift would have significant consequences for states' budgets. For example, in Texas, 25 percent of SNAP spending (about \$1.3 billion per year) is roughly equivalent to the state's share of the annual salary of 64,000 of the state's teachers. In Pennsylvania, 25 percent of SNAP spending (about \$680 million per year) is more than twice what the state spends on community colleges.
- **Abandon the national commitment to provide low-income Americans a SNAP benefit sufficient to afford a basic diet.** SNAP benefits are now set federally and reflect the cost of a bare-bones healthy diet. As a part of the cost shift to states, the Agriculture Department would let states cut benefit levels as a cost management tool. This would mean that low-income families, seniors, and people with disabilities would no longer be guaranteed access to

¹ The estimates of the size of the cuts throughout this paper are based on the Fiscal Year 2018 Budget of the U.S. Government at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>; the "Explanatory Notes" the Department of Agriculture (USDA) provides to the Congress, available at <http://www.obpa.usda.gov/32fnsexnotes2018.pdf>; and the Department of Health and Human Services (HHS) Congressional Justification, available at <https://www.acf.hhs.gov/olab/budget>. On July 13, 2017, the Congressional Budget Office published its estimates of the President's 2018 Budget proposals for the Supplemental Nutrition Assistance Program at <https://www.cbo.gov/publication/52903>.

a basic diet regardless of where they live. Instead, states' ability to contribute to the cost of SNAP could drive the level of benefits available to poor households in that state. This is a radical departure from SNAP's basic design, which has been proven to reduce hunger and poverty.

The Administration's savings estimate of this proposal doesn't include any estimated impact of states reducing SNAP benefits. Since states would feel pressure to cut benefits at some point, this proposal would likely cut SNAP even further. Moreover, when the next recession hits, SNAP wouldn't be able to expand automatically as it has in the past, as each additional dollar of SNAP necessary to meet the need of new applicants would require a state contribution at a time when state budgets would be strapped.

- **Force states to time-limit food assistance to unemployed individuals who live in high-unemployment areas.** SNAP law already restricts benefits to three months out of every 36-month period for individuals not raising minor children unless they are working 20 hours per week. Though this provision is often called a "work requirement," states are not obligated (and most do not) to provide a work slot that would allow these individuals to meet the 20-hour test. The individuals affected by this rule are extremely poor,² with average monthly income at 27 percent of the poverty line while on SNAP. States can waive the time limit for areas that meet long-standing Labor Department standards for having persistently high unemployment.³

The President's budget would restrict time limit waivers to areas with at least 10 percent unemployment. In 2017, 36.4 percent of the country lives in the over 1,000 high-unemployment counties as well as numerous cities and reservations that are waived from the time limit.⁴ Under the budget, we estimate that only 54 counties of the areas currently waived would qualify, representing just 1.3 percent of the country. The proposal would mean that 1 million poor unemployed individuals would no longer have access to food assistance in an average month. The areas that would no longer qualify for waivers include high-unemployment and economically hard hit areas such as southern Alaska, the Navajo Nation in Arizona, parts of California's Central Valley, and areas within Appalachia. Hundreds of thousands of very poor unemployed individuals would lose food assistance after just three months immediately if this provision were enacted, and the effects would swell during future recessions. (See Table 2.)

- **Eliminate a state option that supports working families and addresses a benefit cliff.** SNAP includes a state option that allows states to raise SNAP's gross income eligibility cut-off of 130 percent of the poverty line (\$2,200 per month for a family of three) to a higher level. Through this option, 31 states are providing modest food assistance benefits to working poor

² 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 (CBPP), February 8, 2016, <http://www.cbpp.org/research/food-assistance/who-are-the-low-income-childless-adults-facing-the-loss-of-snap-in-2016>.

³ Ed Bolen and Stacy Dean, "Waivers Add Key State Flexibility to SNAP's Three-Month Time Limit," CBPP, March 24, 2017, <http://www.cbpp.org/research/food-assistance/waivers-add-key-state-flexibility-to-snaps-three-month-time-limit>.

⁴ CBPP, "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>.

families who are paying a relatively large share of their income in rent and/or child care and as a result have too little left to afford a healthy diet. The President's budget would eliminate the option, which provides food assistance to an estimated 1 million households in an average month. (See Table 2.) Some 90 percent of this option's benefits go to working households.

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 \$3,250 for households with an elderly or disabled member) to participate. 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.

- **Cut benefits to the elderly and people with disabilities.** The budget proposes to terminate SNAP's minimum monthly benefit of \$16 for households of one or two people, which primarily goes to low-income seniors and people with disabilities who qualify for a benefit of \$15 or less. Almost 2 million people would lose SNAP benefits as a result of this provision. (See Table 3.)
- **Penalize large families.** SNAP benefits are scaled to reflect household size. Larger families with the same income as a small family qualify for more benefits to help them meet their greater food needs. The President's budget would cap additional benefits based on household size at families of six, cutting benefits to many families with several children or who live with grandparents and other family members. This proposal would cut approximately \$180 million in benefits each year to about 80,000 larger households. In effect, this proposal would eliminate benefits to the 170,000 "extra" people who live in many households larger than six people.

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 that participate, including better health and education outcomes. While its overall enrollment and spending are coming down as the economy improves,⁵ it provides vital assistance to over 40 million low-income Americans.

These proposed cuts to food benefits for low-income unemployed, seniors, and families with children are in addition to another \$2 trillion in proposed cuts to programs that help low- and moderate-income households make ends meet and access needed health care. And, at the same time it proposes these deep cuts to the safety net, the budget proposes massive tax cuts for the wealthy. As CBPP's Bob Greenstein notes, this budget would make us "a coarser nation, making life harder for most of those struggling to get by but more luxurious for those at the very top."⁶

⁵ Dottie Rosenbaum, "SNAP Caseloads and Spending Declines Track CBO Projections," CBPP, May 22, 2017, <http://www.cbpp.org/blog/snap-caseloads-and-spending-declines-track-cbo-projections>.

⁶ Robert Greenstein, "Greenstein: Trump Budget Proposes a Path to a New Gilded Age," CBPP, May 22, 2017, <http://www.cbpp.org/press/statements/greenstein-trump-budget-proposes-path-to-a-new-gilded-age>.

TABLE 1

President Trump's Proposed Budget Would Shift 25 Percent of SNAP Benefit Cost to States

State/Territory	25 Percent of FY 2016 SNAP Benefit Cost (in millions)	States' Required Contribution to SNAP over 10 years (in millions)¹
	<i>The magnitude of the average annual state contribution that would be required once the provision is fully in effect. Some states' required contribution would be higher (and others lower) based on a formula.</i>	<i>10-year cut assumed in the President's budget for this provision (\$116 billion) allocated to each state based on its share of 2016 SNAP benefits</i>
Alabama	\$314	\$2,186
Alaska	\$44	\$306
Arizona	\$351	\$2,442
Arkansas	\$144	\$1,006
California	\$1,809	\$12,607
Colorado	\$182	\$1,268
Connecticut	\$171	\$1,194
Delaware	\$55	\$384
District of Columbia	\$53	\$367
Florida	\$1,305	\$9,093
Georgia	\$666	\$4,639
Hawaii	\$121	\$843
Idaho	\$64	\$445
Illinois	\$760	\$5,297
Indiana	\$267	\$1,861
Iowa	\$127	\$884
Kansas	\$86	\$596
Kentucky	\$245	\$1,709
Louisiana	\$387	\$2,695
Maine	\$64	\$444
Maryland	\$270	\$1,880
Massachusetts	\$297	\$2,072
Michigan	\$542	\$3,776
Minnesota	\$151	\$1,050
Mississippi	\$204	\$1,419
Missouri	\$296	\$2,061
Montana	\$42	\$290
Nebraska	\$60	\$419
Nevada	\$157	\$1,097
New Hampshire	\$30	\$210
New Jersey	\$306	\$2,130
New Mexico	\$173	\$1,208
New York	\$1,231	\$8,574

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North Carolina	\$562	\$3,917
North Dakota	\$20	\$137
Ohio	\$599	\$4,173
Oklahoma	\$221	\$1,543
Oregon	\$268	\$1,869
Pennsylvania	\$682	\$4,753
Rhode Island	\$68	\$475
South Carolina	\$306	\$2,129
South Dakota	\$36	\$252
Tennessee	\$418	\$2,913
Texas	\$1,327	\$9,247
Utah	\$75	\$526
Vermont	\$29	\$203
Virginia	\$292	\$2,037
Washington	\$363	\$2,531
West Virginia	\$125	\$869
Wisconsin	\$231	\$1,607
Wyoming	\$12	\$84
Guam	\$27	\$185
Virgin Islands	\$14	\$99
United States²	\$16,649	\$116,000

¹To calculate the ten-year amount we allocated the cut attributable to this provision from the President's 2018 budget documents to each state based on its share of 2016 SNAP benefits and added up the ten years.

² Individual state totals may not add up to the U.S. total due to rounding.

Source: U.S. Department of Agriculture program data and Food and Nutrition Service, 2018 Explanatory Notes

TABLE 2

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

State/Territory	Has the State Adopted the Expanded Categorical Eligibility Option? ¹		Does the State Have Waivers from the Three-Month Time Limit?
	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			
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

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	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	42	31	36

¹These 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.

Source: USDA, Food and Nutrition Service, Broad-based Categorical Eligibility Chart, and private correspondence, 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 President's Budget Proposed SNAP Cuts: Eliminating the Minimum Benefit

State/Territory	Number Receiving Minimum Benefit in 2015		Annual SNAP Cut based on Minimum Benefit in 2015
	Households	Individuals	
Alabama	25,000	27,000	-\$4,265,000
Alaska	4,000	4,000	-\$764,000
Arizona	32,000	43,000	-\$5,625,000
Arkansas	17,000	17,000	-\$2,717,000
California	79,000	110,000	-\$14,484,000
Colorado	13,000	15,000	-\$1,930,000
Connecticut	12,000	15,000	-\$2,054,000
Delaware	6,000	8,000	-\$1,141,000
District of Columbia	9,000	10,000	-\$1,577,000
Florida	114,000	139,000	-\$18,629,000
Georgia	58,000	67,000	-\$10,367,000
Hawaii ¹	1,000	1,000	-\$335,000
Idaho	5,000	5,000	-\$767,000
Illinois	71,000	81,000	-\$12,400,000
Indiana	24,000	26,000	-\$3,794,000
Iowa	23,000	27,000	-\$3,958,000
Kansas	8,000	10,000	-\$1,317,000
Kentucky	22,000	23,000	-\$3,641,000
Louisiana	17,000	19,000	-\$3,018,000
Maine	11,000	14,000	-\$2,029,000
Maryland	40,000	51,000	-\$7,039,000
Massachusetts	32,000	42,000	-\$5,635,000
Michigan	75,000	89,000	-\$11,491,000
Minnesota	28,000	33,000	-\$5,141,000
Mississippi	14,000	16,000	-\$2,517,000
Missouri	22,000	26,000	-\$3,637,000
Montana	4,000	4,000	-\$636,000
Nebraska	7,000	7,000	-\$1,023,000
Nevada	23,000	29,000	-\$4,222,000
New Hampshire	5,000	6,000	-\$773,000
New Jersey	44,000	51,000	-\$7,253,000
New Mexico	11,000	12,000	-\$1,962,000
New York	79,000	97,000	-\$13,996,000
North Carolina	106,000	136,000	-\$19,120,000
North Dakota ¹	2,000	2,000	-\$278,000
Ohio	77,000	92,000	-\$13,300,000

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State-by-State Impact of President's Budget Proposed SNAP Cuts: Eliminating the Minimum Benefit

State/Territory	Number Receiving Minimum Benefit in 2015		Annual SNAP Cut based on Minimum Benefit in 2015
	Households	Individuals	
Oklahoma	23,000	25,000	-\$3,476,000
Oregon	47,000	57,000	-\$8,727,000
Pennsylvania	64,000	75,000	-\$11,217,000
Rhode Island	6,000	7,000	-\$1,022,000
South Carolina	28,000	30,000	-\$4,980,000
South Dakota ¹	2,000	2,000	-\$267,000
Tennessee	42,000	45,000	-\$6,826,000
Texas	100,000	121,000	-\$16,338,000
Utah	5,000	6,000	-\$788,000
Vermont	3,000	3,000	-\$459,000
Virginia	28,000	31,000	-\$4,359,000
Washington	48,000	54,000	-\$8,548,000
West Virginia	19,000	24,000	-\$3,178,000
Wisconsin	73,000	91,000	-\$13,573,000
Wyoming ¹	1,000	1,000	-\$136,000
Guam ¹	Less than 1,000	Less than 1,000	-\$65,000
Virgin Islands ¹	Less than 1,000	1,000	-\$110,000
United States²	1,610,000	1,931,000	-\$276,905,000

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 2015 SNAP Household Characteristics data.