

# PRESIDENT'S FY 18 BUDGET SLASHES SNAP AND THE SAFETY NET FOR LOW-INCOME CALIFORNIANS



President Trump's FY 18 budget abandons a decades-long national, bi-partisan commitment to address hunger by proposing \$193 billion in cuts to the Supplemental Nutrition Assistance Program (SNAP, known as CalFresh in California) over ten years. The President's budget blueprint takes aim at core nutrition and income support programs through harsh cuts to vital programs and services that will impact the health and economic security of low-income Californians.

California is one of the wealthiest states in our nation, yet far too many Californians struggle with hunger. Over 6 million Californians live in poverty, and more than 4 million Californians (including over 2 million children) struggle with food insecurity.<sup>i</sup>

The federal anti-hunger and safety net programs are California's first line of defense against hunger. President Trump's FY18 budget will only deepen and further entrench the impacts of hunger and poverty statewide by balancing the budget on the backs of our state's most vulnerable residents including children, working families, people with disabilities and seniors.

For over 20 years, the California Association of Food Banks has led efforts to end hunger in California through our 41-member network of food banks and agency partners who work tirelessly to ensure that their communities are healthy and hunger-free.

**\$193 billion in cuts to SNAP:** The President's budget proposes massive cuts to SNAP over ten years including a \$116 billion massive cost-shifting measure that will permanently alter SNAP's program structure by requiring states to pay 25% of SNAP benefits.<sup>ii</sup> The cost-shifting measures included in the President's budget would require the state of California to contribute \$12.6 billion over a decade (\$1.8 billion annually) to meet this cost requirement.<sup>iii</sup> This measure poses an existential threat to SNAP's program structure—effectively eliminating its federal entitlement status by giving the State the ability to reduce CalFresh benefit amounts if they are unable or unwilling to meet the matching costs required by this proposal.

**Elimination of SNAP Minimum Benefit:** The President's

budget also eliminates the \$16 minimum benefit for SNAP. The minimum benefit is primarily utilized by one to two person households including seniors and individuals with disabilities. 79,000 households and 110,000 individuals receive the minimum benefit in California. Eliminating the minimum benefit would result in a cut of \$14,484,000 annually, increasing hunger and harm for thousands of our state's most vulnerable residents.<sup>iv</sup>

**Time-Limit Food Assistance for Childless Workers in Areas of High Unemployment:** Under current law, certain SNAP recipients are time-limited to 3 months of SNAP benefits in a three-year period unless they are exempt, working 20 hours a week or participating in a qualifying work activity. In many cases, states have waived the time limit in areas with persistent, high unemployment where there simply aren't enough jobs for those who need them. The President's budget goes beyond this already harsh provision to restrict time-limit waivers to only areas with at least 10% unemployment. Currently, California has a statewide waiver in place from the SNAP time limits until January 2018. The State has estimated that there are between 450,000 - 500,000 individuals who would be subject to the time limits once the waiver expires. While many of these individuals will qualify for exemptions from the time limit, many Californians, particularly those living in areas of high unemployment like the Central Valley, will be hit hardest by this proposal.

**Benefit caps for large households:** SNAP benefits are calculated based on household size in addition to the household's income and expenses. The President's budget proposes to cap SNAP benefit amounts at the maximum allotment for households of six. Nationally, this would cut \$1.8 billion in benefits unfairly penalizing large households.

**Fees for SNAP Retailers:** The President's budget proposes \$2.4 billion in fees for retailers to apply for and be authorized to accept SNAP benefits. This proposal would strike a massive blow to SNAP's longstanding public-private partnership, which has underscored the program's efficiency and could reduce food access in communities that struggle with food insecurity--particularly in California's rural communities where SNAP participation rates are some of the highest in the state.

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**TEFAP:** The Emergency Food Assistance Program (TEFAP) is a vital federal food and funding stream for food banks, and the President's budget proposes a \$289 million cut to TEFAP--a reduction of \$27 million from FY 2017. In addition, the budget proposes \$54 million for TEFAP Storage and Distribution funds--a decrease of \$5 million from FY 2017.

**Medicaid:** The President's budget also includes \$627 billion in cuts to Medicaid over ten years on top of the over \$800 billion in cuts proposed in the House-passed healthcare bill. The proposed cuts would threaten health care coverage and benefits for the more than 13 million Californians who rely on Medicaid (known as Medi-Cal in California) many of whom are children, individuals with disabilities and older adults.<sup>v</sup>

**SSI:** Supplemental Security Income (SSI) provides a very basic income for people with disabilities and seniors. The President's budget proposes a \$9 billion decrease in SSI. This reduction would impact assistance for over 1 million Californians.<sup>vi</sup>

**Earned Income Tax Credit (EITC) and Child Tax Credit:** The EITC and Child Tax Credit are two of the nation's leading low-income tax credits. The President's budget will cut these vital tax credits by \$40.4 billion over ten years. These reductions will disproportionately impact California, particularly the 2 million undocumented individuals statewide, one-third of which are citizen children.<sup>vii</sup>

**The budget proposed to eliminate the following programs:** WIC Farmers' Market Nutrition Program, School Meal Equipment Grants, Low-Income Home Energy Assistance Program (LIHEAP), Community Development Block Grant (CDBG), Community Services Block Grant (CSBG), Emergency Food and Shelter Program and AmeriCorps.

**The following programs saw current funding levels maintained or slight increases in the President's FY 18 budget proposal:**

- \$23 million to continue summer EBT demonstration projects at current levels
- \$6.15 billion to fully fund WIC.
- \$238 million for CSFP, an increase of \$2 million from FY 2017.
- \$24.2 billion to fully fund child nutrition programs (school breakfast and lunch, summer and afterschool programs).

While these programs did not face direct cuts in the President's budget, any cuts to SNAP in households with children will impact participation in school meals.

Households with children that receive SNAP are automatically eligible for free school meals through a process known as categorical eligibility. Currently, over 3 million children are eligible for free or reduced-price meals in California's public schools and cuts to SNAP have significant impacts on child nutrition both at home and in school.<sup>viii</sup>

The proposed cuts to SNAP and other safety net programs threaten the health and economic security of California's low-income residents. These harsh proposals will have immediate and lasting negative impacts on the health of our children, seniors, and working families by pushing people deeper into poverty rather than helping them achieve greater self-sufficiency. The partnership between the federal nutrition programs, food banks, and other emergency food providers is a necessary and valued relationship. Any budget proposal that cuts SNAP funding will result in increased hunger across California's rural, urban and suburban communities making it even harder for low-income Californians to put food on the table. We urge Congress to reject these proposed cuts and any budget proposal that abandons our long-standing national commitment to combat hunger and ensure that no Californian goes hungry.

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<sup>i</sup> "County Profiles." California Food Policy Advocates, 07 July 2016. Web. 25 May 2017

<sup>ii</sup> Dean, Stacy. "President's Budget Would Shift Substantial Costs to States and Cut Food Assistance for Millions." Center on Budget and Policy Priorities. Center on Budget and Policy Priorities, 23 May 2017. Web. 23 May 2017.

<sup>iii</sup> Dean, Stacy. "President's Budget Would Shift Substantial Costs to States and Cut Food Assistance for Millions." Center on Budget and Policy Priorities. Center on Budget and Policy Priorities, 23 May 2017. Web. 23 May 2017.

<sup>iv</sup> Dean, Stacy. "President's Budget Would Shift Substantial Costs to States and Cut Food Assistance for Millions." Center on Budget and Policy Priorities. Center on Budget and Policy Priorities, 23 May 2017. Web. 23 May 2017.

<sup>v</sup> "How President Trump's Proposed Budget Is Bad for Californians and for the Economy." California Budget & Policy Center. California Budget and Policy Center, 24 May 2017. Web. 25 May 2017.

<sup>vi</sup> "Supplemental Security Income (SSI) in California." (2017): n. pag. 25 May 2017. Web. 25 May 2017

<sup>vii</sup> "How President Trump's Proposed Budget Is Bad for Californians and for the Economy." California Budget & Policy Center. California Budget and Policy Center, 24 May 2017. Web. 25 May 2017.

<sup>viii</sup> Shimada, Tia. "School Meal Access & Participation California Statewide Summary: 2014-15." California Food Policy Advocates (2016): n. pag. 22 Mar. 2016. Web. 24 May 2017.