

CDF-NY Fall Series

November 2017

Proposed Congressional Tax and Budget Cuts Threaten SNAP for Children and Families

The Supplemental Nutrition Assistance Program (SNAP) has helped to provide food to low income families for over 40 years. In 2012, SNAP successfully lifted 2.1 million children out of poverty¹. It is adaptable to the needs of families and its design makes it able to withstand recession and continue to provide nutrition assistance to families as the economy changes. This program plays a critical role in improving children's health and combating hunger and malnutrition¹. Currently more than 1.6 million households and 2.9 million individuals in New York benefit from this program². Of these families, 31% are families with children³.

The congressional tax cuts proposed to disproportionately help corporations and the wealthiest would inevitably have to be paid for through budget cuts to important programs – like SNAP – for children and the most vulnerable. The impact is significant for poor families in New York who depend on the Supplemental Nutrition Assistance Program. Tax cuts for the top one percent will come at a cost to millions of low- and middle-income children and families who depend on SNAP through proposed budget cuts to SNAP funding.

The proposed budgets by the House, Senate, and White House suggest cuts to SNAP that will deeply impact children and families who depend on this program. Ninety percent of SNAP spending that comes from government funding goes to the cost of food⁴. This means cuts in funding to this program will result in direct cuts to benefits.

Proposed SNAP Funding Cuts

Currently, the federal government fully funds SNAP benefits to individuals and families while states share in administrative costs. The House budget proposes that funding for this program be cut by at least \$140 billion over ten years⁵ and funding converted to a block grant. This form of funding will compromise the structure that ensures the

This fall CDF-NY interns worked with staff on the 2017 CDF-NY Fall Series. Holly Harris is the primary author of this paper.

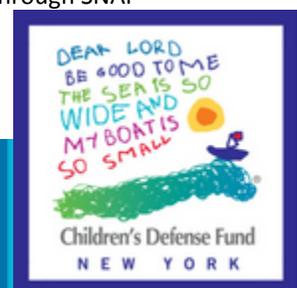
¹ CBPP "SNAP Works for American Children"

² OTDA Monthly Caseload Statistics

³ FRAC NY Fact Sheet

⁴ CBPP "House Budget Targets SNAP for Cuts"

⁵ CBPP "Republican Plans to Cut Taxes Now, Cut Programs Later Would Threaten Food Assistance Through SNAP"



success of this program and leaves states responsible for determining which families receive benefits with no good options for families who depend on SNAP.

The White House's budget proposes cutting SNAP funding by 25% over ten years requiring states to pick up the tab. The program would be cut by \$193 billion over 10 years, costing New York \$8.57 billion⁶. Under this proposal, specific changes would be made to benefits and eligibility requirements for SNAP recipients. Below are some of the possible impacts on SNAP

Cut Benefits. States may be forced to cut benefits for SNAP recipients in order to provide benefits for all families who qualify. This would end benefits for some families while reducing benefits for others. Families who have benefitted from SNAP would struggle to afford nutritious food.

Restrict Eligibility. An alternative to cutting benefits is to limit eligibility. This could mean that families who once qualified to receive SNAP benefits would no longer be eligible and would no longer receive benefits. Restricting eligibility would neglect many who need assistance.

Some Families Lose Eligibility. Categorical eligibility allows states to adjust income requirements for families. This allows families flexibility when their income increases and does not penalize for modest savings⁴. Eliminating categorical eligibility would create a rigid eligibility cutoff in which slight changes in wages could disqualify families from benefits that they need. In addition, asset limits would be enforced cutting off recipients with savings as little as \$2250⁵.

No Minimum Benefit Requirement. Under the proposed white house budget, the minimum benefit requirement would be eliminated. Low-income families now receiving at least \$16/month could see their benefits decrease, or could lose all their benefits. In New York, 79,000 households could completely lose their SNAP benefits⁵.

Benefit Cap. In addition to eliminating minimum benefits, a benefit cap would be implemented. Families receive benefits based on their income as well as family size. While larger families receive more benefits, the benefits are less per person. In New York, the maximum benefits for a family of six is \$925/month⁷. The budget would cap benefits for families more than six. In 2015, 293,000 households receiving benefits had more than six members in the US⁸.

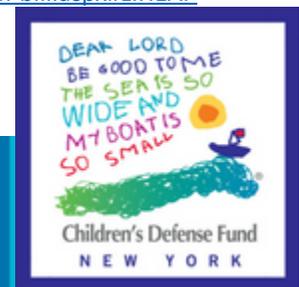
Elimination of LIHEAP. The Low Income Home Energy Assistance Program (LIHEAP) is a federal program that helps low income families pay for their utilities. LIHEAP works in conjunction with SNAP allowing families who participate in LIHEAP to qualify for additional SNAP benefits⁹. In New York, over 1 million households received LIHEAP payments for

⁶ CBPP "President Trump's Budget Would Shift SNAP Costs to States, Increasing Risk of Hunger and Weakening Responses to Recession"

⁷ <http://www.ny.gov/services/apply-snap>

⁸ <https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2015.pdf>

⁹ <http://www.ncsl.org/research/human-services/-heat-and-eat-and-snap-changes-in-the-2014-farm-bill.aspx#LIHEAP>



their utilities in 2016¹⁰. The elimination of LIHEAP would make it difficult for low income families, including SNAP participants, to afford utilities.

Retail Fee. The application process to participate in SNAP is currently free to retailers excluding the cost of equipment and a few administrative costs. The white house budget proposes an application fee for retailers to participate in SNAP. Implementation of this fee may deter retailers and make access to nutritious food more difficult for SNAP participants. The growing number of farmers markets in New York accepting EBT has made nutritious food more accessible. Small retailers such as these would be deterred from participating because of the additional costs.

Call to Action

The proposed tax cuts for corporations and the very wealthy could lead to the proposed budget cuts to important programs like SNAP. Congress should advocate for tax policies that benefit everyday Americans. They should also invest in programs like SNAP that are beneficial to struggling families. Cuts to this program will leave families without the assistance they need and at additional risk for hunger, malnutrition, and poverty. The federal government should continue to fully fund SNAP benefits that have been proven to protect vulnerable families from poverty. Shifting the burden to states will lead to cuts in benefits and leave many without the assistance they need. The restructuring and elimination of key features will compromise the efficacy of the program therefore making it less able to address hunger and malnutrition. The success and wellbeing of children and families should be the priority reflected in our federal tax and budget proposals.

¹⁰ <http://neuac.org/wp-content/uploads/2017/03/FINAL-FY18-LAD-State-Sheets-33.pdf>

