

## FOOD RESEARCH & ACTION CENTER'S REVIEW OF PRESIDENT TRUMP'S PROPOSED FY 2020 BUDGET

**WASHINGTON, March 22, 2019** — On March 11 and March 18, President Trump released his top-line and detailed fiscal year (FY) 2020 budget proposals, respectively, which recycle many of the harmful proposals in the President's previous budgets. The President's FY 2020 budget proposes huge cuts to overall United States Department of Agriculture (USDA) funding and devastating cuts to the Supplemental Nutrition Assistance Program (SNAP) and child nutrition programs. The proposed budget ignores recent congressional rejection of similar proposals and wholly disregards the critical role the federal nutrition programs play in alleviating hunger and poverty in the U.S. See a [statement by FRAC's president on the cuts](#).

### Proposed Cuts to SNAP amount to \$220 billion over 10 years

- **\$127.8 billion** would come from shifting a portion of SNAP recipients' benefits from purchases through normal channels of commerce to delivery through USDA commodity foods — dubbed “America's Harvest Box” — to households receiving more than \$90 per month in benefits (approximately 4 out of 5 SNAP households). The commodity box would be made up of government-purchased, non-perishable (shelf stable) food items. This would undercut one central SNAP strength: its ability to connect clients to the regular channels of commerce — via food retail outlets, farmers' markets, and electronic benefit transfer (EBT) delivery systems. Shifting to the food box would result in a highly inefficient method of food delivery and would be detrimental to both SNAP recipients and local economies. When proposed a year ago, the idea was widely ridiculed and rejected. (Note: the amount of the spending reduction includes an offset for a \$2.5 billion increase in new administrative funding for states for this program.)
- **\$76 billion** would come from eliminating SNAP eligibility for many working families with children and underemployed and unemployed adults who cannot document sufficient weekly work hours—including for the first time adults aged 50 to 65 years old and parents with children aged 6 or older. Harmful changes include:
  - Restricting states' options to eliminate SNAP asset tests and to screen working households with higher earnings to determine if their out-of-pocket costs, e.g., shelter and child care, render them net low income and eligible for SNAP (“broad-based categorical eligibility”). This would take SNAP away from many low-income working people with children, exacerbate the “cliff effect” when workers improve earnings, and cause children to lose access to free school meals.<sup>1</sup> (\$30.3 billion cut);
  - Removing SNAP eligibility from under- and unemployed adults aged 18 to 65 who cannot document sufficient weekly work hours. SNAP already has harsh time limits—adults aged 18 to 49 who are unable to document sufficient hours of work can only receive SNAP for three months out of 36 months. The President's proposed budget would disqualify this population from SNAP for 12 months if they are unable to document sufficient work or work preparation activity hours

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<sup>1</sup> A similar proposal in the 2018 House Farm Bill also would have resulted in 265,000 children losing access to their free school meals.

within one month and would extend work rules to older adults (50-65) and adults caring for a child aged 6 or older. (\$45.1 billion cut); and

- Increasing from 60 to 65 the threshold age to be considered “elderly” for SNAP, thereby taking away the benefit of certain eligibility rules for seniors. (\$567 million cut.)
- **\$20.8 billion** in SNAP cuts would make it harder for people struggling to afford to “heat and eat,” by eliminating the state option of coordinating between SNAP and low-income home energy program payments and by standardizing the HCSUA (Heating/Cooling Standard Utility Allowance) methodology.
- **\$8.6 billion** would come from capping the federal match of state SNAP administrative costs.
- **\$4.9 billion** would come from eliminating SNAP Nutrition Education (SNAP-Ed),
- **\$3 billion** would come from eliminating the minimum monthly SNAP benefit (currently \$15), which would particularly exacerbate hunger among seniors.
- **\$1.4 billion** would come from capping the SNAP benefit, regardless of family size, at the maximum allotment for a six-person household.
- **\$40 million** would come from giving authority to conduct SNAP data matching between recipients and store owners.
- **\$5 million** would come from eliminating funding for EBT interoperability grants.

## Child Nutrition Programs

The President’s budget proposes harmful legislative changes that would **cut Child Nutrition programs by \$1.7 billion over 10 years:**

- **\$1.2 billion** would come from reducing the number of schools eligible to implement the Community Eligibility Provision (CEP), a successful option that dramatically reduces the administrative work of operating the school nutrition programs for high poverty schools and school districts and increases student participation in school breakfast and lunch.
- **\$482 million** would come from making changes to the verification process for school meal applications, which will result in eligible students losing access to free and reduced-price school meals and create additional administrative work for school districts.

The budget proposes the following FY2020 funding levels for the core child nutrition entitlement programs (over one year):

- \$12.7 billion for the National School Lunch Program (an increase of \$634.4 million from FY 2019<sup>2</sup> due to a projected increase in school lunches and snacks served in FY 2020)
- \$4.9 billion for the School Breakfast Program (an increase of \$113.1 million from FY 2019 due to a projected increase in breakfasts served in FY 2020)
- \$3.8 billion for the Child and Adult Care Food Program (an increase of \$24.3 million from FY 2019 due to a projected increase in meals served in FY 2020).

For other child nutrition programs, the budget proposes the following (over one year):

- **\$551.9 million** for the Summer Food Service Program (an increase of \$32.5 million from FY 2019 due to changes in the reimbursement rates and increased participation);
- **Elimination of funding for the Summer EBT Demonstration Projects**, an important program that the USDA budget explanatory notes acknowledge “to be a

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<sup>2</sup> All FY 2019 appropriations levels are 2019 estimates from the 2020 USDA Explanatory Notes document (available at: <https://www.obpa.usda.gov/32fns2020notes.pdf>).

successful model in reducing very low food insecurity among children and improving children's diets" and that can ensure that children in rural and underserved areas have access to nutrition during the summer (a decrease of \$28 million from FY 2019);

- **\$180 million** for the Fresh Fruit and Vegetable Program (a \$4 million increase from FY 2019);
- **\$8.5 million** for Farm to School, with \$5 million for grants (mandatory funding) and \$3.5 million for USDA's Farm to School Team (an increase of \$58,000 from FY 2019 for USDA's Farm to School Team). The budget also proposes to raise the Farm to School grant limit from \$100,000 to \$500,000 (no change in overall funding);
- **\$12.5 million** for Team Nutrition (a decrease of \$4.5 million from FY 2019), due to the sunset of the Healthier U.S. School Challenge, exploration of a "streamlined approach" to Team Nutrition grant awards to states, and "competing priorities" in discretionary funding;
- **Elimination of funding** for school meal equipment grants, which were funded at \$30 million in FY 2019; and
- **\$5.75 billion** for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), to support the administration's projection of a smaller caseload of 6.6 million women, infants, and children for FY 2020 (a decrease of \$425 million from FY 2019). The proposal includes: **\$60 million** for WIC Breastfeeding Peer Counseling; **\$5 million** for WIC program evaluation and monitoring; **\$13.6 million** for WIC infrastructure; and \$400,000 for technical assistance. The budget does not add funding to the WIC Contingency Fund, which should be increased significantly to address shortfalls due to a lapse in appropriations or other unanticipated increases in food costs or caseloads. The budget also proposes a drastic \$1 billion rescission to WIC. As in the president's FY 2019 budget, funding for the WIC Farmers Market Nutrition Program is eliminated (a decrease of \$18.5 million from FY 2019).

*In other programs:*

#### **Senior Hunger (over one year)**

- **\$20.6 million** for the Senior Farmers' Market Nutrition Program (same as FY 2019).
- **\$907 million** for Nutrition Services under the Administration for Community Living (ACL), in line with FY 2019 funding. ACL's Congregate and Home-Delivered Nutrition Programs provide healthy meals and other related services to approximately 2.3 million older adults every year.

#### **Commodity Programs (over one year)**

- **Elimination** of the Commodity Supplemental Food Program (CSFP), which was funded at \$238.1 million in FY 2019, cutting support for hundreds of thousands of low-income older adults. The President's FY 2019 budget also proposed to eliminate CSFP.
- **\$320.8 million** for The Emergency Food Assistance Program (TEFAP) commodities (an increase of \$14.7 million from FY 2019 due to an indexing of the Thrifty Food Plan and a change in the formula provided in the 2018 Farm Bill); and \$54.4 million for TEFAP Storage and Transportation Grants (a \$10 million decrease from FY 2019).

#### **USDA Economic Research Services (ERS) (over one year)**

- **\$61 million** for ERS funding, a nearly 30 percent cut from the \$87 million provided in FY 2019.

As in President Trump's previous budgets, the president's FY 2020 budget eliminates funding for the **Congressional Hunger Center (CHC) Mickey Leland and Bill Emerson** fellowship program. The CHC fellowship program has historically been funded at \$2 million.

Outside of the domestic nutrition programs, the president's budget eliminates funding for the McGovern-Dole International Food for Education and Child Nutrition Program (a decrease of \$210 million from FY 2019). The program provides U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school nutrition programs in developing countries. The President's FY 2019 budget also proposed to eliminate this program. The Food for Peace program (P.L.480) is also proposed to be eliminated (a \$1.7 billion decrease from FY 2019). The president's last two budget proposals also eliminated these programs.

The president's budget also includes large cuts in other elements of the nation's safety net — cuts that would increase hunger and poverty and would put the food security, economic security, health, learning, and productivity of low-income people in peril:

- Hundreds of billions of dollars in cuts to **Medicaid** over the next 10 years through eliminating the expansion of Medicaid and subsidies to low- and moderate-income households by repealing the **Affordable Care Act**, and replacing this funding with a block grant at less-than-needed levels. It would also include other harmful provisions, such as a per capita cap on Medicaid funding, imposing harsh work requirements on Medicaid recipients, and requiring additional documentation of immigration status.
- \$21 billion in cuts over the next 10 years to **TANF** and its contingency funding.
- **Elimination of the Social Services Block Grant** (a \$16.5 billion cut over 10 years), which provides funding to states for childcare, day programs for seniors and persons with disabilities, services for individuals experiencing homelessness, and other services.
- Cuts of billions of dollars from **low-income housing programs** through the Department of Housing and Urban Development (HUD), including by imposing work requirements.
- **Elimination of funding** (a \$1.2 billion cut from FY 2019) for the 21st Century Community Learning Centers, which provides afterschool and summer learning programs to nearly 2 million students across the U.S., supporting crucial access points to the Summer and Afterschool Nutrition programs.
- **Elimination of LIHEAP**, which provides heating and cooling assistance for low-income households.
- \$67.9 billion reduction over 10 years to the **Earned Income Tax Credit, Child Tax Credit, and Credit for Other Dependents** by requiring taxpayers and all qualifying children or dependents have a Social Security Number that is valid for work in order to qualify for the tax credits.

FRAC will be working with national, state, and local groups concerned about U.S. hunger and poverty to urge Congress to reject these proposed cuts and instead to strengthen these key programs.

Source for USDA nutrition programs - <https://www.obpa.usda.gov/32fns2020notes.pdf> and <https://www.obpa.usda.gov/budsum/fy2020budsum.pdf>

Source for HHS nutrition programs - <https://www.hhs.gov/sites/default/files/fy-2020-budget-in-brief.pdf>

Source for other programs - <https://www.whitehouse.gov/omb/budget/>