



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## The Trump Budget Devastates Rural America

The President's budget for 2018 clearly shows the Administration is not working on behalf of rural Americans. It presents a long list of broken promises, united by one theme: taking away hope and opportunity from millions of families while showering millionaires, billionaires, and wealthy corporations with unnecessary tax cuts. Instead of bringing jobs back to communities that have fallen on hard times, the budget walks away from them. It hollows out the investments necessary to build a strong, competitive economy. Instead of making health care better and more affordable for everyone, the budget takes away health care from millions of working families. The President's budget betrays rural America; it will make life much harder for the millions of Americans living outside of major cities who are struggling to get by.

### Puts Farms and Nutrition on the Chopping Block

Over ten years, the budget cuts \$193 billion from the Supplemental Nutrition Assistance Program (SNAP). It also imposes eligibility requirements that serve as a barrier to getting help, and slowly shifts the burden of providing SNAP benefits to states.

In addition to deep cuts to nutrition programs, the President's budget cuts \$38 billion from crop and conservation programs over ten years. The budget makes several changes to the crop insurance program – cutting it by nearly \$29 billion – and reduces conservation, marketing, research, and other programs by \$9 billion.

But the threats to agriculture don't stop there. Cuts to foreign affairs, through diplomacy and development programs, hurt efforts to open new markets to American agricultural products.

### But Rural America Is More than Just Farms

Rural America is community health centers and first-responder departments where small grants can go a long way. It is main street merchants and local economic development efforts. It is teacher training in small towns with big needs, and telemedicine efforts that can save lives when the nearest doctor is hundreds of miles away. It is wastewater grants to deal with agriculture runoff and expertise from the cooperative extension service to help prevent that runoff in the future. And the President's budget threatens all of these programs.

### Cuts in the President's Budget Disproportionately Hurt Rural America

**Guts Medicaid and undermines health care** — The Affordable Care Act (ACA), including the Medicaid expansion, is a crucial component of health care in rural areas. The President's budget

embraces the House Republican plan to repeal the ACA and make deep cuts to Medicaid, taking away coverage from 23 million people nationwide and drastically increasing costs for millions more. Private health insurance has historically been more expensive in rural areas. The ACA premium subsidies vary with local coverage costs, so people in rural areas get more help with premiums. Under the budget, residents of many largely rural states will have to pay thousands of dollars more toward their premiums. The budget goes further than the House Republican plan by making even larger cuts to Medicaid that get deeper over time – by one estimate, the budget cuts Medicaid by nearly half in 2027. Medicaid enrollment rates in rural areas are higher than in urban communities, and the vast majority of rural hospitals that have closed in recent years have been in states that refused the ACA Medicaid expansion. The Medicaid cuts will fall on seniors in nursing homes, children with disabilities, and low-income families as cash-strapped states look to reduce services or drop people from coverage altogether.

**Community revitalization efforts would wither** — The President completely eliminates the \$3 billion Community Development Block Grant (CDBG) program. CDBGs are flexible grants that provide resources to local communities for a wide range of unique needs, including Meals on Wheels, housing programs, and community infrastructure improvements. CDBG funds can also leverage additional investment from other sources, multiplying possible benefits for neighborhoods. The President also eliminates funding for local development agencies like the Appalachian Regional Commission, the Delta Regional Authority, and the Northern Border Regional Commission.

**Elimination of Water and Waste Disposal Systems grants** — The budget suggests rural communities can be served by private-sector financing or “other Federal investments in rural water infrastructure, such as the Environmental Protection Agency’s State Revolving Funds.” The budget notes that eliminating this program saves \$498 million in 2018, while the EPA’s State Revolving Funds receive an increase of \$4 million (less than 0.2 percent). As for private-sector financing, the reason the program exists is to assist very small, financially distressed rural communities that cannot obtain commercial credit on reasonable terms.

**Infrastructure initiative is less than meets the eye** — The budget sets aside \$200 billion for an infrastructure initiative that it claims will leverage \$1 trillion in new infrastructure investment – while at the same time cutting funding for the existing highway program. It provides no specifics to evaluate whether the \$800 billion in additional infrastructure investment will actually materialize and where it will occur. It is possible that any incentives to support private infrastructure investments will subsidize projects that would take place without the incentive, and focus on privately owned infrastructure rather than roads and bridges. The impact will be most severe in rural areas, which have benefitted significantly from highway programs but are unlikely to have enough population to attract private investment.