

# CREATING OPPORTUNITY AND BUILDING WEALTH IN RURAL AMERICA

May 17, 2022

---

The COVID-19 pandemic upended our way of life, our communities, and our economy, embroiling our nation in a public health crisis and setting off an economic downturn like the U.S. had never seen before. Families nationwide – in rural and urban areas alike – were left wondering how they would pay their bills, find care for their children, and provide for their families as major sectors of our economy shut down and millions lost their jobs through no fault of their own. Families of all types of backgrounds face hardships in the wake of COVID-19, but rural families experienced unique difficulties brought on by decades of underinvestment in these communities.

To ensure a full recovery in rural America, the Biden Administration and Congressional Democrats are addressing longstanding problems facing rural communities, including a shortage of health care services, limited public transportation, a lack of affordable internet options, inadequate weatherization and climate resilience, and older and unreliable energy infrastructure. Since President Biden took office, Democrats have enacted the American Rescue Plan (ARP), the Infrastructure Investment and Jobs Act (IIJA), and the Consolidated Appropriations Act for 2022. Together these investments will help revive rural America and provide the foundation these communities need to build a better, stronger future.

**HEALTH:** ARP provided rural areas with funding to beat the pandemic, but Democrats have gone farther, delivering significant and targeted investments to improve and expand access to health care. For example, ARP helped to educate and train health professionals to fill job vacancies across the country, delivering care to hard-to-reach places.

Democrats provided the following health investments through ARP without a single Republican vote:

- \$8.5 billion to help rural health providers keep their doors open and respond to COVID-19 through Medicare, Medicaid, and the Children’s Health Insurance Program.
- \$823 million to support COVID-19 testing and mitigation efforts across 4,200 rural health clinics and more than 1,500 small rural hospitals. Additionally, Democrats provided \$100 million to support vaccine outreach efforts in those rural health clinics.

- \$350 million for the Emergency Rural Health Care Grant Program, which increased access to COVID-19 vaccines and testing, medical supplies, telehealth, and food assistance. This funding can also be used to support construction or renovation of rural health care facilities. Another \$125 million in grants will improve the long-term survival of rural health care providers.
- \$52 million to create rural health networks, pairing together minority-serving institutions, community colleges, technical colleges, rural hospitals, rural health clinics, community health centers, nursing homes and substance abuse providers in order to increase the number of health care workers in high-demand professions.
- \$1 billion for health workforce loan repayment and scholarships. This program has already helped more than 22,700 primary care clinicians work in underserved communities, including rural and tribal communities.

**HOUSING:** Like other Americans, many rural workers made difficult choices to stay home from their jobs to care for themselves and their loved ones during the height of the pandemic. And in some cases, employment decisions were made for them when the economic shock of the pandemic forced employers to reduce their working hours or eliminated their jobs entirely. ARP ensured families could stay in their homes during the pandemic by providing \$100 million in emergency rental assistance for USDA's rural housing program participants, helping 26,000 tenants.

The 2022 appropriations act provided nearly \$1.3 billion in direct single family housing loans; \$30 billion in loan guarantees; and \$1.5 billion in rental assistance for low-income families and the elderly in rural communities.

**EDUCATION:** The types of jobs available in rural America vary and often require a good education. In fact, education, health care and social assistance jobs – which require some post-high school education – constitute the largest industries in rural America. ARP provided competitive grants for rural colleges and universities that serve a high percentage of low-income students and were experiencing enrollment declines during the pandemic. This \$198 million investment covered COVID-19 mitigation efforts, but also supported students' ability to meet basic needs (meal vouchers, childcare subsidies, and mental health services); facilitated enrollment; and expanded workforce programs that lead to in-demand jobs.

**INFRASTRUCTURE:** Congressional Democrats and President Biden quickly responded to immediate, short-term infrastructure challenges during the pandemic, including COVID mitigation funds for facilities and relief for rural users. We also made long-term investments that are vital to strengthening the economic foundation of rural communities.

The bipartisan Infrastructure Investment and Jobs Act represents a once-in-a-generation investment in our nation's infrastructure and competitiveness. It will rebuild America's roads, bridges and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, help tackle the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. The following items highlight IJJA investments benefiting rural America:

- \$4.6 billion to support 1,300 rural transit systems through the Rural Area Formula Grants at the Department of Transportation. This builds upon the \$282 million in ARP funding that helped rural transit systems maintain and restore service during the pandemic.
- \$27.7 billion to improve grid resilience and reliability. This is the single largest investment in energy transmission in American history, with much going to rural areas. This investment will reduce the impact of climate change on the electric grid and lower energy costs for Americans. The IJJA also invested more than \$22 billion in demonstration projects and research hubs for next generation technologies like advanced nuclear reactors, carbon capture for industrial plants, and green hydrogen.
- \$55 billion to improve our water and wastewater infrastructure. This will fundamentally increase the quality of life for millions of Americans by eliminating lead pipes, providing critical access to sanitation, ensuring access to affordable clean drinking water, and protecting against droughts.
- \$65 billion to ensure affordable internet access across America. Of that, \$42.5 billion was provided for the Broadband Equity, Access, and Deployment Program for rural areas and \$2 billion was set aside for USDA's ReConnect. Congress further supported ReConnect by providing an additional \$450 million in the 2022 appropriations bill.
- \$21 billion to clean up Superfund and brownfield sites, reclaim abandoned mine land, and cap orphaned oil and gas wells.
- \$2.5 billion for a competitive grant program to support rural electric vehicle charging, improving air quality and increasing access in disadvantaged communities. This is part of the largest ever investment in electric vehicle charging.
- \$250 million for the new Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance Program at the Department of Energy that will give grants to eligible entities to protect against, respond to, and recover from security threats.
- \$1 billion to increase environmental protection from the adverse impacts of energy generation as well as to improve resilience, reliability, safety, and availability of energy in rural or remote areas.
- \$66 billion - the largest investment in rail since Amtrak was created 50 years ago - for passenger and freight rail in order to bring world-class rail service to areas outside the northeast and mid-Atlantic.

ARP and the 2022 appropriations act complement this historic undertaking with the following additional investments in rural America:

- \$500 million in ARP for the first-ever federal water assistance program, lowering the cost of water and wastewater for rural households.
- \$463 million in 2022 appropriations for electric grid security and the advancement of clean energy technologies, which will secure the nation's energy infrastructure against all hazards.
- \$1.5 billion in 2022 appropriations to ensure clean and reliable drinking water systems and sanitary waste disposal systems across rural America.
- \$30 million in 2022 appropriations to create and fund the Thriving Communities Program for Departments of Transportation and Housing and Urban Development. This program will assist underserved communities in planning and capacity building to address the need for improved transportation systems and to address historical inequities.
- \$195 million in 2022 appropriations for the Appalachian Regional Commission, \$35 million for the Northern Border Regional Commission, \$30 million for the Delta Regional Authority, \$15 million for the Denali Commission, \$5 million for the Southeast Crescent Regional Commission, and almost \$2.5 million for the Southwest Border Regional Commission. These funds support economic and community development, job training, and critical infrastructure in their communities.

## **RELIEF FOR FAMILIES EVERYWHERE**

Beyond these specific policies geared toward rural Americans, Democrats have enacted – and continue to fight for – investments that will help all American families, regardless of where they live. The ARP has helped American in the following ways:

- Providing direct support to working families with \$1,400 per-person checks, bringing total COVID-19 relief payments from the ARP and the 2020 CARES Act to \$2,000;
- Increasing the 2021 Child Tax Credit from \$2,000 per child to \$3,000 per child (\$3,600 for a child under age 6) and made 17-year-olds qualifying children for the year, lifting more than 3 million children out of poverty and cutting the child poverty rate by 30 percent;
- Increasing the value of Supplemental Nutrition Assistance Program (SNAP) benefits by \$28 per person per month, on average, through September 2021;
- Increasing the Earned Income Tax Credit to \$1,500 in 2021, benefitting about 2.7 million rural workers;
- Investing \$39 billion for child care, which is important to rural America since more than half of rural families live in an area of significant child care shortages;
- Providing \$1 billion to 1,600 Head Start grantees, serving nearly every rural county in America;

- Providing \$4.5 billion for the Low-Income Home Energy Assistance Program – more than doubling typical annual funding;
- Lowering or eliminating health insurance premiums for millions of lower- and middle-income families enrolled in health insurance marketplaces; and
- Providing \$100 million through the Small Business Administration’s Community Navigator Pilot Program, to reduce barriers that underrepresented and underserved entrepreneurs – including those in rural America – often face in accessing the resources they need to support their businesses.

## CONCLUSION

Congressional Democrats and President Biden have taken bold action to support rural Americans and to ensure these communities thrive. Democrats enacted laws that will create jobs, lower costs for families, and build wealth in disadvantaged communities across the country – including in rural communities. Rural communities have played an enormous role in building America, yet they are being left behind by a changing economy. Under Democrats’ leadership, the investments made in ARP, IIJA, and the 2022 appropriations act have already made transformative investments in rural America that will continue benefit these families and communities for generations to come.

*This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.*