



U.S. HOUSE OF REPRESENTATIVES

# COMMITTEE ON THE BUDGET

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## The FY19 Trump Budget Devastates Rural America

The President's budget for 2019 shows the Administration is not working on behalf of rural America. It presents a long list of broken promises to rural communities, which disproportionately suffer high and persistent poverty. The budget hollows out the investments necessary to build a strong, competitive, vibrant rural economy. The President's budget will make life harder for the millions of Americans living outside of major cities, who are struggling to get by.

### Cuts to the Farm Bill

The Agriculture committees will write [a new Farm Bill](#) this year, but the President's budget does not provide a responsible path forward for that legislation. Over ten years, the budget cuts \$214 billion from the Supplemental Nutrition Assistance Program (SNAP), which is nearly 30 percent of the program's entire budget. It imposes immediate and severe reductions, slicing \$17 billion from the program in 2019 alone, and crafts a new proposal to replace a portion of a family's monthly benefits with a delivered box of canned goods and other non-perishable food. Households in rural counties and small towns are more likely to participate in SNAP than their metro-area counterparts. A reduction of this size will put struggling families further at risk.

In addition to deep cuts to nutrition programs, the President's budget cuts nearly \$50 billion from crop and conservation programs over ten years. The budget cuts crop insurance by \$26 billion, reduces conservation initiatives by \$13 billion, and eliminates other farm programs authorized under the Farm Bill. The threats to agriculture do not stop there. Cuts to foreign affairs, through diplomacy and development programs, hurt efforts to open new markets to American agricultural products.

### Rural America Is More than Just Farms

The future of rural America hinges on more than just agriculture. Health care, economic development, and infrastructure initiatives present unique challenges in rural areas.

**Deep Medicaid cuts particularly hurt rural areas** — Medicaid provides coverage at a higher rate to people in rural areas, and rural providers are particularly reliant on Medicaid payments. Yet the budget cuts \$1.4 trillion from Medicaid over ten years, jeopardizing care for seniors in nursing homes, children with disabilities, and people with mental and substance use disorders.

While the budget makes a much-needed investment in the fight against opioid addiction that has hit rural areas hard, this funding must be supplemented by the benefits and services that a fully funded Medicaid already provides. Any success in battling the epidemic generated by the additional funding would be completely undone by the dramatic coverage losses that would result from the enactment of these deep Medicaid cuts.

**Community revitalization efforts stunted** — The budget 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 budget eliminates major economic development programs such as the Economic Development Administration and the Rural Business and Cooperative Service. The budget also eliminates funding for local development agencies that are vital to rural communities like the Appalachian Regional Commission, the Delta Regional Authority, and the Northern Border Regional Commission.

The budget eliminates Water and Waste Disposal systems grants and expands the loan program to larger communities. The grant program was funded at \$561 million for 2017, and provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

**Budget delivers higher home heating bills** — The budget eliminates the Low-Income Home Energy Assistance Program (LIHEAP). Rural households are more than twice as likely as metro households to rely on LIHEAP to meet their basic living expenses. Cutting this \$3.4 billion program puts millions of families at risk when extreme temperatures hit, both in the summer and in the winter.

**Infrastructure investment is an illusion** — The President's budget includes a \$200 billion infrastructure initiative, which earmarks \$50 billion for rural areas. The budget recognizes that rural projects are unlikely to draw additional resources from other sources such as private investors. At the same time, the budget drastically cuts funding for the existing highway program and many other programs that fund infrastructure across America. It is possible that rural America will end up with less federal assistance over ten years under the President's initiative.