



Left Behind

How the Trump Budget Fails Rural Communities

By Sabrina De Santiago and Harry Stein March 24, 2017

Rural communities across the country continue to struggle to find the resources they need to strengthen their economies, improve quality of life, and maintain vibrant local connections. These communities rely on federal programs that support local economies and health and safety improvements.

Despite promises to the rural and small-town voters who supported him, President Donald Trump's new budget blueprint¹ delivers a massive blow to these programs, cutting or eliminating essential services for rural Americans.

Health and safety

Safe and healthy communities are the backbone of a strong economy. By cutting the programs that help rural Americans access clean water, health care, and decent housing, the Trump budget undermines local efforts to rebuild rural communities. The budget:

- **Eliminates \$498 million in funding for rural water systems that help more than 2 million additional people² annually.** As part of the Rural Utilities Service, the U.S. Department of Agriculture's Water and Waste Disposal Loan and Grant Program provides direct loans, guaranteed loans, and grants that rural communities use to finance new or improved water treatment and waste disposal systems.³
- **Slashes funding to train rural doctors and health care providers.** The administration's budget slashes \$403 million in U.S. Department of Health and Human Services programs that help train and sustain rural primary care providers,⁴ particularly nonphysician practitioners such as nurses and physician assistants. Small-town communities tend to overly rely on these practitioners for their main health care needs⁵ due to the scarcity of primary care doctors.
- **Hurts tens of thousands of rural families who are struggling to keep a roof over their head.** The administration's budget would eliminate 200,000 housing vouchers at the U.S. Department of Housing and Urban Development—and 10 percent of families with these vouchers live in rural areas.⁶ President Trump has also promised in the budget to cut more than 20 percent of the Department of Agriculture's budget but does not explain from where all these cuts will come. Even a 10 percent cut to the department's rental assistance programs could put about 27,000 families⁷ in rural America at risk of homelessness next year.

Update, March 31, 2017:

Endnote 19 has been updated with an additional citation for further information.

Local economies and small businesses

The Trump budget cuts programs that help local employers create well-paying jobs in rural communities, hurts businesses struggling to stay open, and ignores needed infrastructure improvements. The budget:

- **Eliminates \$175 million in funding that supports small and rural community airports.** The Trump budget ends the Essential Air Service, or EAS, a nearly 40-year-old program that provides commercial aviation access to rural and isolated areas of the country. Without EAS, about 175 small and rural communities⁸ would lose commercial connections to major hub airports.⁹
- **Eliminates TIGER grants, which provide critical funds for rural infrastructure.** Transportation Investment Generating Economic Recovery, or TIGER, grants award funding to states and local areas for projects based on merit. TIGER grants have provided \$5.1 billion¹⁰ to more than 400 projects in all 50 states since 2009. Approximately 21 percent¹¹ of grant dollars go to rural and tribal communities.¹²
- **Threatens more than \$300 million¹³ in loans and investments to rural and Native American communities across the country.** The budget proposes to eliminate the U.S. Department of the Treasury's Community Development Financial Institutions Fund, which financed \$3.7 billion in economic activity¹⁴ in rural America from 2003 to 2012.¹⁵
- **Eliminates economic development support that sends \$898 million¹⁶ per year to rural America.** The Community Development Block Grant program is one of the largest community and economic development programs in rural America, with a large portion of the program providing grants to states for rural development projects. The program has helped state and local governments fund projects such as the People's Food Co-Op in LaCrosse, Wisconsin; the Commercial / Industrial Revolving Loan Fund in Rock Island, Illinois; and Career Pathway in Advanced Manufacturing in Lima, Ohio.¹⁷
- **Hurts 18,000 seniors trying to make ends meet.** President Trump's budget eliminates the Senior Community Service Employment Program by cutting \$434 million from its budget. This program is the only federal program targeted at helping low-income individuals over age 55 find employment. Twenty-eight percent,¹⁸ or 18,000, of the program's participants live in rural areas.¹⁹
- **Cuts regional economic development support to rural areas.** The Trump budget eliminates the Appalachian Regional Commission—cutting \$119 million in FY 2018—and the Delta Regional Authority—cutting \$45 million in FY 2018—which include federal, state, and local partnerships to improve the economy, workforce, and/or infrastructure of 15 states, including: Alabama; Arkansas; Georgia; Illinois; Kentucky; Louisiana; Maryland; Mississippi; New York; North Carolina; Ohio; Pennsylvania; South Carolina; Tennessee; and Virginia.

While light on details, the Trump administration's budget blueprint paints a picture of the president's priorities. By cutting programs that help strengthen and maintain strong rural communities, it is clear that the president is not committed to protecting the health, safety, or economic security of rural Americans. These cuts will only make it harder for rural communities to get ahead.

Sabrina De Santiago is the Director of Government Affairs at the Center for American Progress. Harry Stein is the Director of Fiscal Policy at the Center.

Endnotes

- 1 Office of Management and Budget, *America First, A Blueprint to Make America Great Again* (Executive Office of the President, 2017), available at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf.
- 2 U.S. Department of Agriculture, *Fiscal Year 2017 Budget Summary*, available at <http://www.obpa.usda.gov/budsum/fy17budsum.pdf> (last accessed March 2017).
- 3 For state-specific numbers, see U.S. Department of Agriculture, *Rural Development Water and Environmental Programs Fiscal Year 2016 Progress Report* (2016), available at <https://www.rd.usda.gov/files/WEP-AnnualProgressReport2016Final.pdf>.
- 4 Office of Rural Health Policy, *Rural Guide to Health Professions Funding* (U.S. Department of Health and Human Services, 2012), available at <https://www.hrsa.gov/ruralhealth/pdf/ruralhealthprofessionsguidance.pdf>.
- 5 National Council of State Legislatures, "Meeting the Primary Care Needs of Rural America: Examining the Role of Non-Physician Providers," available at <http://www.ncsl.org/research/health/meeting-the-primary-care-needs-of-rural-america.aspx> (last accessed March 2017).
- 6 Center on Budget and Policy Priorities, "Rental Assistance in Urban and Rural Areas" (2015), available at <http://www.cbpp.org/sites/default/files/atoms/files/RentalAssistance-RuralFactsheetandMethodology.pdf>; Douglas Rice, "Trump Budget Will Increase Homelessness, End Federal Role in Community Development," Center on Budget and Policy Priorities Off the Charts blog, March 16, 2017, available at <http://www.cbpp.org/blog/trump-budget-will-increase-homelessness-end-federal-role-in-community-development>.
- 7 U.S. Department of Agriculture, *Fiscal Year 2017 Budget Summary*.
- 8 U.S. Department of Transportation, "Essential Air Service," available at <https://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/essential-air-service> (last accessed March 2017).
- 9 For a list of eligible communities, see U.S. Department of Transportation, "Current List of Eligible EAS Communities," available at <https://www.transportation.gov/policy/aviation-policy/current-list-eligible-eas-communities> (last accessed March 2017).
- 10 U.S. Department of Transportation, "TIGER Discretionary Grants," available at <https://www.transportation.gov/tiger> (last accessed March 2017).
- 11 U.S. Department of Transportation, "TIGER Grant Data," available at <https://www.transportation.gov/policy-initiatives/tiger/tiger-grant-data> (last accessed March 2017).
- 12 For state-specific information, see U.S. Department of Transportation, *TIGER Grant Awards 2016*, available at <https://www.transportation.gov/sites/dot.gov/files/docs/TIGER%20Fact%20Sheets%20-%207-28.pdf> (last accessed March 2017).
- 13 Rural community development financial institutions, or CDFIs, financed nearly \$400 million in 2015, according to their trade association. See Opportunity Finance Network, "CDFIs in Rural Communities" (2017), available at http://ofn.org/sites/default/files/resources/PDFs/Policy%20Docs/2017/Public_Policy_2017_Rural_013117.pdf. However, not all of the CDFIs received federal funds—and federal dollars are only one share. That's based on a \$247 million fiscal year 2014 budget for the CDFI Fund, \$161 million of which went to national and Native American CDFI financing programs. See Office of Management and Budget, *Appendix: Department of the Treasury: Budget of the United States Government, Fiscal Year 2016* (Office of Management and Budget, 2015), available at <https://www.gpo.gov/fdsys/pkg/BUDGET-2016-APP/pdf/BUDGET-2016-APP-1-19.pdf>. Given that in FY 2014, 65 percent of the CDFI Fund's budget went directly toward supporting financing by CDFIs, the administration's proposed \$210 million elimination would threaten up to \$340 million in lost rural activity.
- 14 Community Development Financial Institutions Fund, *CDFI Snapshot Analysis Fiscal Year 2012* (U.S. Department of the Treasury, 2014), available at https://www.mycdfi.cdfifund.gov/docs/2014/CDFI/CDFI_Institute_Final_2014.pdf.
- 15 For state-specific data, see Community Development Financial Institutions Fund, "Searchable Awards Database," available at <https://www.cdfifund.gov/awards/state-awards/Pages/default.aspx> (last accessed March 2017).
- 16 U.S. Department of Housing and Urban Development, "CPD Appropriations Budget," available at https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget (last accessed March 2017).
- 17 For state-specific information, see Campaign for Housing and Community Development Funding, "A Place to Call Home: The Case for Increased Federal Investments in Affordable Housing" (2017), available at <http://nlihc.org/sites/default/files/A-Place-To-Call-Home.pdf>.
- 18 Employment and Training Administration, *SCSEP Quarterly Progress Report* (U.S. Department of Labor, 2016), available at https://www.doleta.gov/seniors/html_docs/Docs/Nationwide_QPR_Final_PY_2015.pdf.
- 19 For state-specific grantees, see Senior Service America, "SCSEP Subgrantees and Location of Executive Offices," available at <http://www.seniorserviceamerica.org/about-us/our-network-of-local-partners/scsep-subgrantees-and-location-of-executive-offices/#sthash.3umGZvNS.dpuf> (last accessed March 2017); CareerOneStop, "Employment Training - Older Worker Program - SCSEP," available at https://www.servicelocator.org/program_search.asp?prgcat=1&officeType_1=14 (last accessed March 2017).