



FACT SHEET

How Trump's FY 2019 Budget Hurts Rural Americans

By Heidi Schultheis February 16, 2018

President Donald Trump's fiscal year 2019 budget is poised to harm rural Americans by increasing hunger, reducing economic security, and undermining housing assistance as well as access to justice in rural communities—all to pay for the \$1.5 trillion in tax cuts that the December tax bill gave to wealthy corporations and millionaires.¹ Here are just a few of the many ways in which President Trump's budget harms rural Americans.

- **Slashing regional economic development:** The Trump budget eliminates the Delta Regional Authority, which fosters local, state, and federal collaboration in order to strengthen economic development; workforce training and education; and infrastructure in eight Mississippi Delta-area states.² The Rural Business-Cooperative Service would also be eliminated; the agency supports business growth, renewable energy development, and employment training in rural communities.³
- **Reducing funding for critical services in rural counties:** The president's budget slashes \$68 million from the Payment in Lieu of Taxes (PILT) program,⁴ which provides payments to municipalities that help make up for unpaid property taxes from nontaxable federal lands.⁵ PILT provides critical funding for rural counties to pay for services, including road maintenance, emergency personnel, police services, and construction of public buildings.⁶
- **Cutting infrastructure funds:** Despite President Trump's promise to invest in infrastructure, his budget would eliminate Transportation Investment Generating Economic Recovery (TIGER) grants, which provide funds to states and localities for critical infrastructure projects such as resurfacing roads, building railways, and creating pedestrian and bike lanes.⁷ Approximately 35 percent of grants and 21 percent of TIGER dollars have gone to rural projects.⁸
- **Restricting access to credit:** Trump's budget also eliminates the Treasury Department's Community Development Financial Institutions (CDFI) Fund grants, which support community banks and credit unions. Between 2003 and 2012, CDFI grants financed nearly \$4 billion in economic activity in rural America.⁹

- **Eliminating transportation options:** Trump’s budget calls for slashing funding for the 40-year-old Essential Air Service by \$57 million—a cut of nearly 40 percent—significantly limiting the federally subsidized air travel program, which currently allows people in 175 rural and underserved communities to make commercial connections to larger hub airports.¹⁰
- **Reducing employment opportunities for seniors:** Trump’s budget calls for ending the Senior Community Service Employment Program (SCSEP), which helps more than 70,000 unemployed Americans over age 55—27% of whom live in rural areas—find employment and paid volunteer opportunities.¹¹
- **Diminishing food supports:** President Trump’s budget cuts the Supplemental Nutrition Assistance Program (SNAP)—the nation’s largest food assistance program—by 31 percent.¹² SNAP is a lifeline for rural communities, which rely on the program more than urban areas.¹³ His budget would also eliminate the Community Development Block Grant and the Social Services Block Grant programs, both of which fund the Meals on Wheels program, which provides meals to homebound seniors.¹⁴ This will be particularly harmful for rural seniors, who experience poverty at higher rates than the nationwide senior population.¹⁵
- **Jeopardizing clean water:** The budget also zeroes out the Agriculture Department’s rural water and wastewater grants program, which supplies grants and loans on which rural communities rely in order to build and update waste disposal and water treatment systems.¹⁶ Furthermore, the budget seeks no additional funding for the Superfund program despite the essential role that it plays in cleaning contaminated waste sites that can harm human health if left untreated.¹⁷
- **Reducing rental assistance:** The budget seeks \$4.3 billion in cuts to the nation’s three main rental assistance programs—Housing Choice Voucher, Public Housing, and Project-Based Rental Assistance—and “encourage[s] work and self-sufficiency” for rental assistance recipients, which could lead to people losing housing assistance if they cannot find work or get enough hours at their job.¹⁸ The impact will be harsh for rural areas, which are home to nearly 20 percent of households helped by federal housing assistance.¹⁹ At the same time, the budget will eliminate the HOME Investment Partnerships program,²⁰ which supports local affordable housing development for low-income families and is flexible enough to serve urban and rural communities alike.²¹
- **Eliminating utility assistance:** Trump’s budget eliminates the Low-Income Home Energy Assistance Program (LIHEAP), which helps Americans keep their homes at safe temperatures during the winter and summer.²² It also eliminates the Weatherization Assistance Program, which subsidizes home modifications that save money and energy. Rural households are more than twice as likely as urban households to need to turn to LIHEAP for aid.²³

- **Limiting access to legal resources:** The president's budget eliminates the Legal Services Corporation (LSC), the single biggest provider of free civil legal aid for low-income Americans. In 2016, 3 in 4 low-income rural Americans had at least one civil legal problem; yet 86 percent received inadequate legal help or no help at all due to challenges such as long travel distances and limited transportation options.²⁴

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Endnotes

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