

PRESIDENT TRUMP IS TURNING HIS BACK ON RURAL AMERICA

**U.S. Senate Committee on
Agriculture, Nutrition, and Forestry**

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Minority Staff Report, April 2017



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EXECUTIVE SUMMARY

At a time when rural America is facing serious challenges, it is clear that President Trump's budget would starve small towns and communities of jobs and opportunity. This budget plan is bad for America, bad for farmers, and bad for families. The proposed cuts would have a disproportionate impact on small towns across our country and leave those communities in crisis.

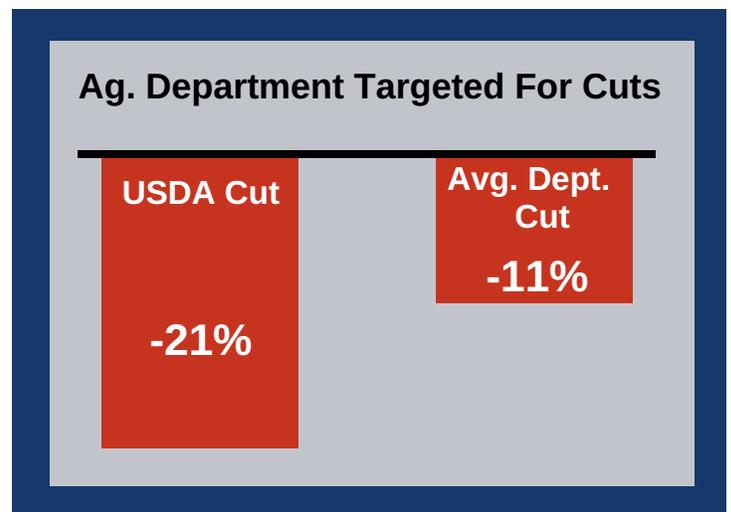
The message is clear: rural America is not a priority in the Trump Administration. The budget calls for a massive cut of 21 percent at the United States Department of Agriculture (USDA).¹ The proposal is short on details, and it is not clear if the Administration even evaluated how these cuts would hurt farmers or rural communities.

In fact, Governor Sonny Perdue, President Trump's nominee to be Secretary of Agriculture, testified in his committee hearing that he did not have any input into the Administration's budget proposal.

This Administration's disregard for rural America was evident in its handling of Governor Perdue's nomination. Governor Perdue was not formally nominated until March 9 – almost seven weeks after President Trump nominated most of the cabinet officials, including two different Labor Secretaries.

President Trump's severe cuts to USDA are just the beginning of his budgetary assault on rural families. The epidemic of opioid addiction is crippling rural America, but the Trump Administration's response is to cut off funding for rural health care services. While people in rural America are losing their jobs at an alarming pace, the Trump Administration's response is to eliminate support for small-town airports, economic development, education assistance, and even weather and safety alerts on rural broadcast stations.

This report discusses the impact that eliminating or cutting programs would have on farmers and families across our country. The FY2018 USDA budget released in March only specifies a small amount of all discretionary spending. Therefore, until a full budget is released this report assumes that the remaining programs that are not specifically identified in the budget are cut across the board to meet the full cut the budget specifies for USDA – which would equate to a 33 percent cut.



OVERVIEW OF THE CUTS

On March 16, President Trump released his budget proposal, which calls for massive cuts to USDA's budget and other parts of the budget that impact rural America. The proposed cuts would have a disproportionate impact on small towns across our country and leave those rural communities in crisis:

Cuts Services to Rural America

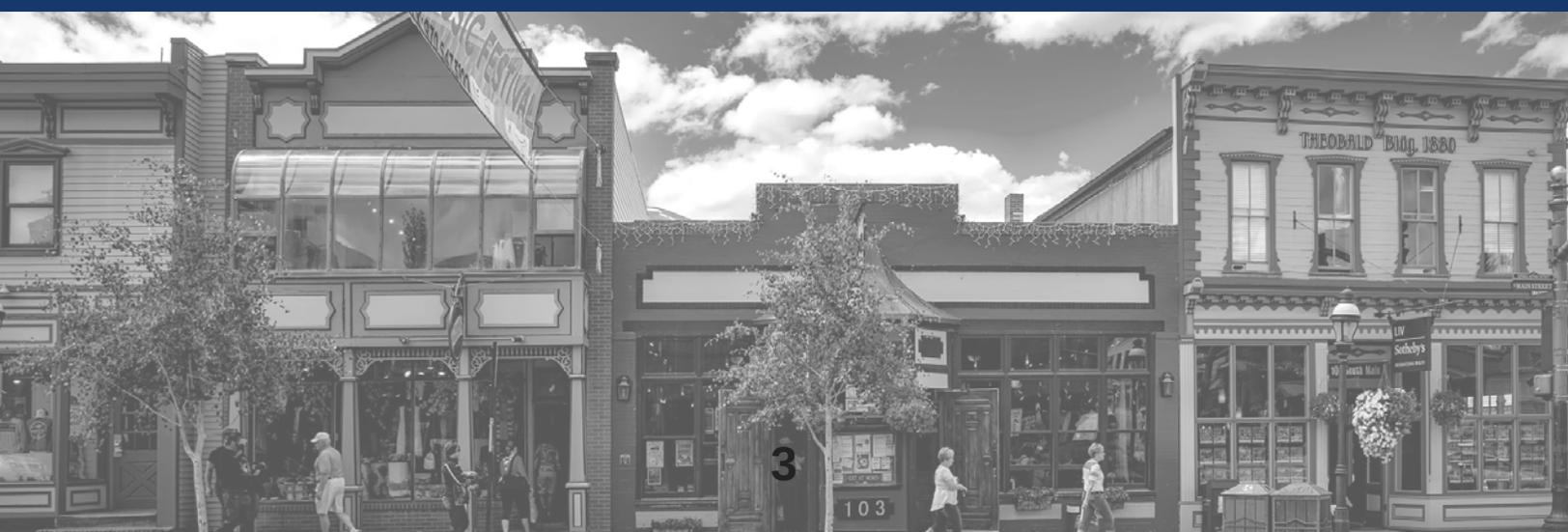
- Neglects crumbling rural water infrastructure
- Isolates communities from health services and air travel
- Kills jobs by eliminating support for rural businesses
- Leaves forested communities at risk from wildfire destruction

Cuts Services to Farmers and Ranchers

- Closes USDA offices that support farmers and ranchers
- Leaves crops and livestock vulnerable to pests and disease
- Cuts off access to tools that improve land and water quality

Cuts Services to Families, Children and Seniors

- Leaves seniors and children hungry
- Puts rural school children at a disadvantage
- Cuts off educational programming and life-saving safety alerts



CUTS SERVICES TO RURAL AMERICA

Threatens access to clean water

The Trump budget eliminates USDA support for water and wastewater infrastructure projects for clean and reliable drinking water systems, sanitary sewage waste disposal, and emergency water assistance grants to communities with populations of 10,000 or less. Without USDA's water and wastewater programs, many small communities would lack access to clean water. Since 2009, USDA has funded nearly 6,000 projects that have provided safe water to 20.7 million rural residents.² For example, since 2009:

- Over **544,000 rural Michigan families** have received access to clean water and more than **201,660 households and businesses** have benefited from improved water service.³
- Over **169,000 rural North Dakotans** have received access to affordable clean water and over **62,693 households and businesses** have benefited from improved service.⁴
- **504,110 rural Mississippians** now have access to new or improved clean water service and over **186,700 households and businesses** benefited from improved service.⁵



Makes it harder for businesses in rural areas to create jobs

The Trump budget eliminates USDA efforts to support rural businesses, which provide capital, technical support, educational opportunities, and entrepreneurial training to give residents a boost to start and grow businesses or get jobs in new and emerging markets. Since 2009, these programs have helped finance more than **107,000 businesses** and created or saved nearly **800,000 jobs** in America.⁶ In 2016 alone, USDA rural business investments helped more than 7,000 businesses, creating or saving about 37,000 jobs. Under these programs, for example:

- In Oneida County New York, USDA partnered with Alder Creek Beverage by providing a \$7.5 million Business and Industry loan to purchase a plant and keep the business going in an economically challenged community. Without help from USDA, this family-run business would not have been able to maintain its business and save a total of 50 jobs.
- The Muskingum County Businesses Incubator in Zanesville, Ohio received an \$85,000 Rural Business Development Grant to purchase equipment to automate its food manufacturing process. With the help of the grant, the incubator was able to help seven businesses and create or save a total of 96 jobs across four counties in Ohio, including two counties that persistently experience poverty.

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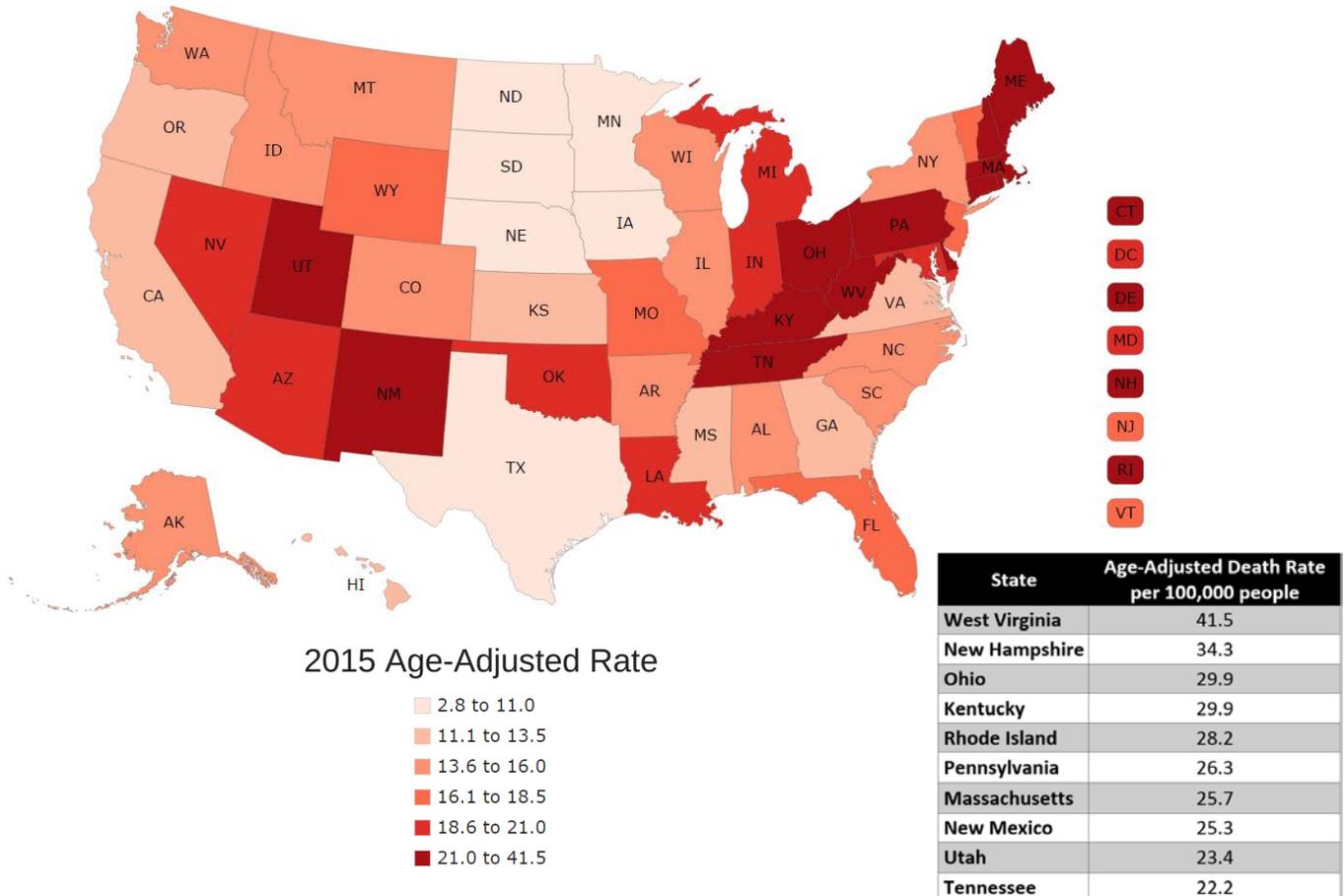
Leaves rural residents without air travel options

Eliminates the Essential Air Service program at the Department of Transportation that helps remote communities retain critical airport and airline access, leaving these communities further isolated from the rest of America.

Cuts access to rural healthcare and education services

At a time when opioid addiction is ravaging families and communities, the Trump budget could result in a massive cut to the USDA Distance Learning and Telemedicine program by one-third or more. Increased access to healthcare and substance abuse treatment to address opioids was a significant focus of the latest 80 Distance Learning and Telemedicine projects helping connect rural communities with offsite medical and educational experts.⁷

2015 U.S. Drug Overdose Death Rate by State⁸



Threatens homes and families living near forestlands

President Trump's budget fails to propose a long-term fix to the Forest Service fire budget, leaving forest communities at risk. In recent years, the Forest Service budget for wildfire suppression has proven to be increasingly inadequate in providing the resources needed to fight today's large-scale wildfires. Because the Forest Service routinely exhausts its budget for firefighting before the wildfire season concludes, the agency is forced to transfer resources from Forest Service functions like removing hazard trees, thinning utility rights-of-way, and performing trail maintenance to the ongoing wildfire suppression efforts. By neglecting these activities, the agency is failing to perform the very forest restoration work that helps communities avoid catastrophic wildfire in the first place. Because the Trump budget failed to include this fix, this Administration appears to support the continuation of the vicious budget cycle that is creating unhealthy forests and putting our communities at risk.

Eliminates regional commissions helping create jobs for low-income families

Eliminates the Appalachian Regional Commission, Delta Regional Authority and the Northern Border Regional Commission, federal-state partnerships that focus on economic development and job creation in regions that President Trump has promised to revive economically.

- According to commission reports, more than **37 million people** live in the 698 counties where these agencies work – in Appalachia, the Mississippi basin, and northern New England – places where the poverty rate is 33 percent higher than the national average. By proposing to zero out these programs, the President's budget would eliminate a key effort to help to some of the nation's poorest families find jobs.⁹

Proposing to zero out these programs **FAILS TO HELP**
some of the nation's **POOREST FAMILIES** find jobs



CUTS SERVICES TO FARMERS, RANCHERS, AND LANDOWNERS

Targets USDA Service Centers and eliminates jobs

USDA Service Centers, found in every state and nearly every county in the U.S., are where farmers and local businesses go for assistance with farm programs, conservation, and rural development assistance. At a time when the farm economy is struggling for the third year in a row, the Trump budget could result in the loss of one-third of USDA Service Center employees, nearly 10,000 jobs.¹⁰ If enacted, this means longer wait times for farmers, and if local offices are closed, farmers would have to drive potentially hundreds of miles away for help.

- In Iowa, there are 630 Farm Services Agency (FSA) employees and an office in almost all 99 counties. A one-third cut to USDA Service Center budget could result in a **loss of 200 employees and over 30 FSA office closures**.
- In Michigan, a one-third cut to USDA Service Center budget could result in over **15 USDA field offices closing** due to staff cuts of **more than 80 people**.

Trump's budget could result in the loss of one-third of
USDA Service Center employees, **NEARLY 10,000 JOBS.**

Eliminates conservation planning

Since the 1930s, USDA has supported planning services to farmers and landowners to help them adopt conservation practices on their farm – like improving soil productivity, reducing fertilizer runoff, achieving irrigation efficiency, and cleaning up waterways. The Trump budget eliminates this assistance for farmers.

- In Maryland, 63 percent of all conservation funding is for conservation planning, primarily targeted at helping farmers reduce nutrient runoff into the Chesapeake Bay. A loss of this funding could slow progress on achieving clean water goals.¹¹
- In Iowa, 53 percent of all conservation funding is for conservation planning, nearly \$6.5 million. Without this help, Iowa farmers may struggle to meet the state's goal of a 45% reduction in nutrients going into Iowa waters and the Gulf of Mexico.¹²

Cuts funding for plant and animal health

The Trump budget could result in a cut of one-third or more to USDA animal and plant health programs, which safeguard the health, welfare, and value of American agriculture and natural resources.

- During the 2015 avian influenza outbreak, USDA spent over \$800 million helping farmers whose flocks had been wiped out and removing the virus from infected facilities. Cutting the avian health budget by one-third in the midst of another outbreak could devastate farmers' ability to respond to the disease.¹³
- Cutting the plant health budget by one-third could mean \$104 million less to help farmers address plant diseases such as citrus greening.

Cuts critical research and extension services that America's farmers and rural families depend on

Research capacity grants support the backbone of the nation's university and extension system that conducts critical research to help farmers be more effective. These efforts have helped farmers explore new methods of production that increase productivity, preserve natural resources, and combat pests and disease. The extension services also provided families in rural communities with nutrition education, facilitated business development, and led youth programming like 4-H. The Trump budget could result in a cut of over one-third to our nation's agriculture research capacity and extension funds and the national agriculture research facilities, resulting in a potential loss of over \$25.4 billion in the national economy.¹⁴

- Last year, Michigan State University's (MSU) Extension Service reached over 7.2 million Michigan residents through economic development programming, product development, on-farm technical assistance, youth education services, and other community programs. MSU Extension received \$11.29 million in capacity funds from USDA during this period to support these efforts.¹⁵ If a one-third cut to the research budget were enacted, **\$3.7 million in funds to support this work in Michigan would be lost.**
- In Wisconsin, a one-third cut to the research budget could mean a loss of \$5.8 million in research and extension funding each year, contributing to a **loss of \$185.6 million** in the national economy and a **loss of \$121.8 million** in the state economy.¹⁶ This would limit the University of Wisconsin's ability to conduct research that is critical in helping dairy farmers increase productivity and stay profitable, like finding ways to improve the lactation process and care for dairy calves.

CUTS SERVICES TO FAMILIES, CHILDREN, AND SENIORS

Cuts food assistance to seniors

The Trump Budget could result in a cut of one-third for the Commodity Supplemental Food Program (CSFP) at USDA, which provides boxes of food to over 585,000 seniors in need.¹⁷ His budget also proposes to eliminate funding for programs that support Meals on Wheels, which provides food to over 2.4 million seniors each year.

- One in 12 households with seniors are at risk for hunger, and CSFP is the only USDA program that provides monthly food assistance specifically to meet the nutritional needs of low-income seniors.
- In Michigan, a one-third cut to CSFP could result in over **24,000 seniors losing food assistance.**¹⁸
- In Kentucky, a one-third cut to CSFP could result in over **8,000 seniors losing food assistance.**¹⁹

Eliminates help for food deserts

The Trump Budget completely eliminates funding for the Healthy Food Financing Initiative, which helps bring supermarkets and grocery stores to rural and urban communities that lack access to nutritious and affordable food.

- In 2010, almost 10 percent of Americans lived in a low-income area more than one mile from the nearest supermarket, limiting their ability to purchase healthy and affordable foods.²⁰

Leaves rural school districts without access to funds to train teachers and school leaders

The Trump budget proposes a 100% cut to State Grants for Effective Instruction under Title II of the Every Student Succeeds Act, which means fewer professional development opportunities and higher class sizes for teachers.

Eliminates the ability for the U.S. to remain a leader in fighting childhood hunger internationally

The Trump Budget eliminates the USDA McGovern-Dole Food for Education Program, which fights hunger, improves literacy and school attendance – particularly for girls – and contributes to healthy, stable communities around the globe.

- In 2015, this program reached almost **3 million children** and their families in some of the most impoverished countries in the world.²¹
- Eliminating this program hurts American farmers. From 2010 to 2015, over half a million metric tons of crops grown by American farmers were sent to hungry children around the world.²²

Threatens access to critical information for families living in rural communities

Eliminates the Corporation for Public Broadcasting (CPB), which funds rural stations that are often one of the only sources of information, including weather and safety alerts, for rural residents who may not have access to cable or high-speed fiber optic networks.

- Nearly half of all rural CPB grantees – 113 stations – relied on CPB for at least 25 percent of their revenue, while 25 rural stations – many on Native American reservations – rely on CPB funding for at least 50 percent of their revenue. Eliminating this funding could mean that these rural stations would likely be eliminated as well.²³

Cuts education funding and creates a new federal voucher program that doesn't work in rural areas

The Trump Budget cuts \$9 billion from critical education programs – from student assistance for postsecondary education to afterschool programs – but proposes a new federal voucher program that could devastate schools in rural areas. Students in rural areas, in which there are no or very few private schools, would not benefit from a federal voucher program, and yet these schools would have to experience significant cuts to public education to help pay for President Trump's privatization agenda.

ENDNOTES

1. The 2018 Budget proposal released on March 16 calls for a 21% cut to USDA's discretionary budget authority. The budget does not include specific cuts or spending proposals for mandatory spending under USDA's jurisdiction. Those proposals are expected to be released in May with the full Budget proposal.
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