



## **Republicans Fail Rural America**

Over the last 18 months, the Trump administration and Congressional Republicans have turned their backs on rural Americans. While the poverty rate in rural areas is more than 3 percentage points higher than in metropolitan areas, Republicans have avoided addressing the economic challenges facing rural communities.<sup>1</sup> Rather than put forth real solutions, Republicans worked to strip health care coverage for rural families, endanger farm household incomes, and take away nutrition assistance for the neediest of families.

### **Trade Wars Risk Backfiring on the Rural Economy**

While government must implement trade policies that protect American workers, President Trump's unpredictable approach sows chaos, creates an environment of economic uncertainty, and risks threatening the livelihoods of American farmers.

#### **Gambling with the agricultural economy**

Though discussions on updating the North American Free Trade Agreement (NAFTA) deserve attention, the process by which President Trump has gone about renegotiating the agreement has generated instability. Specifically, the president's threats to leave the deal not only risk disrupting markets and raising prices, but may also result in retaliatory tariffs that target American farmers.<sup>2</sup> With Mexico and Canada accounting for nearly one-third of all U.S. agricultural exports, rural communities would bear the brunt of the fallout.<sup>3</sup>

Even if the administration stays in the agreement, we are already feeling the consequences of damaged relations with our allies. Mexico, the largest importer of American cheese products, signed a new trade agreement with the EU that threatens to squeeze the American dairy industry.<sup>4</sup> Canada has also moved on to new trading partners, joining the Trans-Pacific Partnership agreement the Trump administration abandoned its first week in office.<sup>5</sup>

#### **Stoking tensions that could backfire**

Rather than pursue productive discussions with China over its trade practices, President Trump's insistence on launching a trade war has created further uncertainty and led China to enact tariffs on a variety of U.S. products, including soybeans, sorghum, and beef cows.<sup>6</sup> The soybean market is especially critical: American farmers' soybeans exports totaled nearly \$14 billion in 2017.<sup>7</sup>

In addition, President Trump's tariffs on aluminum and steel imports, levied on China and our allies, have raised equipment costs. This is further straining farmers' budgets and leading some to postpone construction and capital investments, as well as their plans for crop planting.<sup>8</sup>

## Attacks on Health Care Threaten Rural Families

Republicans continue to push legislative and administrative measures that would destabilize insurance markets and reduce benefits that rural families depend on for medical care.

### Fighting to cut vital rural health programs

President Trump's FY 2019 budget seeks to repeal Medicaid expansion and install a Medicaid per-capita cap program that would drastically cut funding.<sup>9</sup> For the one in four nonelderly rural Americans that depend on Medicaid for insurance, this could be disastrous.<sup>10</sup> Gutting Medicaid would also put rural hospitals, which have operating margins of less than 1 percent and rely on Medicaid for more than 10 percent of their net revenue, at risk of closure.<sup>11</sup>

Republicans' persistent calls to cut Medicare benefits would be especially harmful to rural areas, where nearly a quarter of all beneficiaries reside.<sup>12</sup> In addition to reducing payments to rural hospitals, Medicare cuts could also threaten the expansion of telehealth services that provide critical and affordable care to rural seniors.<sup>13</sup>

### Rolling back insurance affordability

The Republican tax bill eliminated the ACA's coverage requirements, a move the CBO projected will trigger a 15 percent increase in premiums next year.<sup>14</sup> Higher premiums will further burden rural residents, who already pay higher health care costs than their urban counterparts.<sup>15</sup>

### Failing to curb the opioid crisis

Republicans have not prioritized the fight against the opioid crisis, which is especially acute in rural America. As of 2017, the drug overdose rate is higher in rural areas compared to the urban and national rates.<sup>16</sup> A recent survey found that nearly three-quarters of farmers have been directly impacted by the opioid crisis.<sup>17</sup>

While Democrats secured \$3.3 billion for the opioid crisis in the latest spending bill, Republicans' proposals to cut Medicaid and repeal the ACA threaten one of our most effective tools for fighting the epidemic. Nearly 40 percent of nonelderly adults with opioid addiction are covered by Medicaid, and those with Medicaid are twice as likely to have received treatment compared to opioid-addicted adults with private or no insurance.<sup>18</sup>

## Proposed Cuts Harm Rural Communities

Republicans continue to call for major cuts to a variety of federal programs that support farmers, tribal communities, and low-income families struggling to put food on the table.

### Gutting rural programs

After giving tax cuts to corporations and the wealthy, the Trump administration's FY 2019 budget asks for less spending on rural priorities.<sup>19</sup> The budget request:

- Cuts *crop insurance*, which protects farmers from natural disaster losses, by 33 percent.<sup>20</sup>
- Slashes more than \$35 million from the *Bureau of Indian Affairs* (BIA), including eliminating programs that invest in tribal housing construction and education.<sup>21</sup>

- Cuts \$500 million from the *Rural Water and Wastewater Program*, which provides loans and grants to local governments, nonprofits, and tribes to support clean water systems and waste disposal in rural communities.<sup>22</sup>
- Eliminates the *Rural Economic Development Loan and Grant Program*, which promotes job creation and infrastructure development in rural areas.<sup>23</sup>
- Eliminates the *Low-Income Home Energy Assistance Program*, which helps rural families—who typically spend more of their income on utilities—reduce energy bills.<sup>24</sup>

### **Targeting rural families with rescissions**

The administration is targeting \$15 billion in previously authorized spending for rescission, including \$40 million from USDA’s Rural Rental Assistance Program and \$15 million from the Value-Added Producer Grant program, which helps small businesses market their agricultural products.<sup>25</sup> In addition, half of the rescissions total would come from the Children’s Health Insurance Program (CHIP), which rural children are more likely to rely on than urban children.<sup>26</sup>

### **Ensuring more families go hungry**

House Republicans’ plan to restructure and slash more than \$20 billion from the Supplemental Nutrition Assistance Program (SNAP) could harm the nearly 1.4 million rural households that rely on the program to feed their families.<sup>27</sup> In 2013 alone, SNAP reduced the child poverty rate by nearly 3 percentage points.<sup>28</sup> Republicans’ proposal to tie SNAP participation to work could be especially harmful to families in rural areas, where unemployment is higher and fewer job opportunities exist relative to metro areas.<sup>29</sup>

### **Conservation Rollback Endangers Rural Lands**

Over the last 18 months, Republicans rejected established science in support of climate change, threatened tariffs on renewable energy, and supported the privatization of public lands.

### **Rejecting climate change and conservation**

Climate change could have adverse impacts on agriculture, as extreme temperatures will reduce crop yields and increase the frequency of natural disasters that burden farmers and crop insurance programs.<sup>30</sup> Instead of working towards mitigating the effects of climate change, President Trump’s EPA began repealing the Clean Power Plan, a regulatory effort to limit carbon dioxide emissions from electric power plants, and rejected the international Paris Agreement.<sup>31</sup>

House Republicans’ 2018 farm bill, moreover, cuts nearly \$800 million in funding for conservation programs over the next decade, including elimination of the Conservation Stewardship Program (CSP). The CSP is the nation’s largest working lands conservation program that helps farmers protect the sustainability of their land and profitability of their crops.<sup>32</sup>

### **Leaving renewables behind**

Renewable energy supports rural economies by creating employment and reducing energy costs, but Republicans have taken action to destabilize the rapidly growing renewable energy sector.<sup>33</sup>

- The Trump administration is finalizing plans to roll back the Renewable Fuel Standard (RFS), which mandates that fuel sold in the U.S. contain a minimum level of renewables.<sup>34</sup> Changes to the RFS would not only hurt the environment but could threaten corn and soybean farmers who help produce ethanol and other biofuels.<sup>35</sup>
- President Trump's tariffs on imported solar panels are placing thousands of jobs at stake and threatening economic growth.<sup>36</sup> For farms that rely on solar to reduce energy costs and earn stable revenues, tariffs will be especially burdensome.<sup>37</sup>

### **Selling off our national heritage to the lowest bidder**

Republicans initiated an unprecedented rollback of protections on sacred public lands and opened more federal lands to subsidized coal leasing.

- President Trump took action to dramatically reduce the size of Bears Ears and Grand Staircase-Escalante national monuments, pushing aside concerns voiced by native communities that these sacred places should be protected.<sup>38</sup>
- The Interior Department set the stage for drilling in the Arctic National Wildlife Refuge in Alaska, an action that would damage yet another pristine national treasure.<sup>39</sup>

### **Weakened Consumer Protections Destabilize the Economy**

For rural Americans with limited banking options in their communities, Republican efforts to weaken consumer protection may leave them more vulnerable to predatory financial practices.

#### **Rolling back necessary consumer protections**

Using the Congressional Review Act, Republicans have attempted to claw back necessary consumer protections, focusing in particular on undermining the Consumer Financial Protection Bureau (CFPB). Weakening CFPB's rules, particularly payday lending and forced arbitration rules, leaves rural consumers without a public advocate and exposes them to financial abuse.<sup>40</sup>

#### **Passing disastrous policy**

In May of this year, President Trump signed the Economic Growth, Regulatory Relief, and Consumer Protection Act to dismantle Dodd-Frank, reducing regulatory oversight of most banks and easing discriminatory lending reporting requirements. Though community banks that serve rural areas will have more flexibility under this Republican legislation, it also reopens the door to the kinds of irresponsible mortgage underwriting practices that triggered the financial crisis.<sup>41</sup>

### **Governance Failures Jeopardize Rural Programs**

Over the last 18 months, the Trump administration and Congressional Republicans failed to nominate qualified candidates to fill top government posts, leaving important programs that support rural America without strong and informed leadership.

#### **Leaving critical USDA posts vacant**

The Secretary of Agriculture, Sonny Perdue, was President Trump's last cabinet nomination and one of the last to be confirmed.<sup>42</sup> Today, more than half of the 13 Senate-confirmed positions at USDA remain unfilled, including those that oversee the country's meat and poultry inspections, manage the agency's extensive agricultural research programs, and administer SNAP.<sup>43</sup>

## Stacking agencies with unqualified political supporters

President Trump has appointed people that lack the skills and experience needed to do their jobs. One example is Ben Carson, a surgeon with no background in housing, who is now Secretary of Housing and Urban Development and oversees millions of dollars in rural infrastructure programs.<sup>44</sup> The White House also nominated, then withdrew, a campaign adviser without scientific training to fill USDA's top scientific post, who then went on to serve as the administration's liaison to USDA.<sup>45</sup> Trump campaign workers without agricultural experience are also serving in high levels in the Foreign Agricultural Service and Agricultural Marketing Service.<sup>46</sup>

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<sup>1</sup> <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being>

<sup>2</sup> <https://www.cnbc.com/2018/01/25/farm-states-where-trump-base-is-strong-could-feel-pain-without-nafta.html> ; <http://thehill.com/policy/finance/390045-mexico-counters-trump-tariffs-with-new-duties-on-us-products>

<sup>3</sup> <https://www.cnbc.com/2018/01/25/farm-states-where-trump-base-is-strong-could-feel-pain-without-nafta.html>

<sup>4</sup> <https://www.mccaskill.senate.gov/media-center/news-releases/mccaskill-joins-bipartisan-effort-to-protect-dairy-industry-from-unfair-trade-practices>

<sup>5</sup> <https://www.reuters.com/article/us-trump-effect-nafta-farmers/u-s-farmers-have-much-to-lose-if-nafta-deal-collapses-idUSKBN1FH000>

<sup>6</sup> <http://fortune.com/2018/04/18/trump-tariffs-china-farmers-trump-supporters/>

<sup>7</sup> <https://www.cnbc.com/2018/05/04/angst-in-farm-belt-after-reports-that-china-halted-buying-us-soybeans.html>; <https://www.politico.com/story/2018/04/04/trump-china-tariffs-farmers-agriculture-461373>

<sup>8</sup> <https://www.reuters.com/article/us-usa-trade-steel-agriculture/trade-war-backfire-steel-tariff-shrapnel-hits-u-s-farmers-idUSKBN1HK0GV>

<sup>9</sup> <https://www.beckershospitalreview.com/finance/trump-s-2019-budget-blueprint-15-healthcare-takeaways.html>

<sup>10</sup> [https://www.jec.senate.gov/public/\\_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf](https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf)

<sup>11</sup> [https://www.jec.senate.gov/public/\\_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf](https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf)

<sup>12</sup> <https://www.ruralhealthinfo.org/topics/medicare>

<sup>13</sup>

[http://s3.amazonaws.com/content.thirdway.org/publishing/attachments/files/000/000/936/Avalere\\_Medicare\\_Saving\\_Report.pdf?1454340957](http://s3.amazonaws.com/content.thirdway.org/publishing/attachments/files/000/000/936/Avalere_Medicare_Saving_Report.pdf?1454340957)

<sup>14</sup> <http://thehill.com/policy/healthcare/389060-cbo-obamacare-premiums-to-rise-15>

<sup>15</sup> <https://www.nbcnews.com/health/health-care/tax-bill-kills-health-insurance-mandate-who-will-pay-more-n829846>; [http://www.latimes.com/politics/la-na-pol-insurance-mandate-repeal-20171127-story.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=sendto\\_newsletter&stream=top-stories](http://www.latimes.com/politics/la-na-pol-insurance-mandate-repeal-20171127-story.html?utm_source=newsletter&utm_medium=email&utm_campaign=sendto_newsletter&stream=top-stories)

<sup>16</sup> <https://www.cdc.gov/media/releases/2017/p1019-rural-overdose-deaths.html>

<sup>17</sup> <https://www.usda.gov/topics/opioids>

<sup>18</sup> <https://www.kff.org/medicaid/issue-brief/the-opioid-epidemic-and-medicaids-role-in-facilitating-access-to-treatment/>

<sup>19</sup> <https://www.politico.com/newsletters/morning-agriculture/2018/02/13/trump-again-seeks-big-cuts-to-ag-programs-103694>

<sup>20</sup> <https://www.agriculture.com/news/business/trump-proposes-33-cut-in-crop-insurance>

<sup>21</sup> <https://www.heitkamp.senate.gov/public/index.cfm/2018/4/heitkamp-president-s-budget-cuts-to-law-enforcement-public-safety-programs-in-indian-country-unacceptable>

<sup>22</sup> <https://www.politico.com/newsletters/morning-agriculture/2018/02/13/trump-again-seeks-big-cuts-to-ag-programs-103694>

<sup>23</sup> [https://www.washingtonpost.com/graphics/2018/politics/trump-budget-2019/?utm\\_term=.1c2848f7f6de](https://www.washingtonpost.com/graphics/2018/politics/trump-budget-2019/?utm_term=.1c2848f7f6de)

<sup>24</sup> [https://www.jec.senate.gov/public/\\_cache/files/d653beac-cb6d-4991-931f-b70eb0dda8e5/first-100-days-rural-final.pdf](https://www.jec.senate.gov/public/_cache/files/d653beac-cb6d-4991-931f-b70eb0dda8e5/first-100-days-rural-final.pdf); <https://www.novoco.com/news/trump-fy-2019-budget-proposal-would-eliminate-cdbg-home-programs>

<sup>25</sup> <https://www.whitehouse.gov/wp-content/uploads/2018/05/POTUS-Rescission-Transmittal-Package-5.8.2018.pdf>

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- <sup>27</sup> <https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2016.pdf>
- <sup>28</sup> <http://files.cfra.org/pdf/snap-and-rural-households.pdf> (pg. 4)
- <sup>29</sup> <https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-employment-and-unemployment/>; <https://www.theatlantic.com/politics/archive/2018/05/the-future-hardships-of-rural-america/559343/>
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[https://19january2017snapshot.epa.gov/climate-impacts/climate-impacts-agriculture-and-food-supply\\_.html](https://19january2017snapshot.epa.gov/climate-impacts/climate-impacts-agriculture-and-food-supply_.html)
- <sup>31</sup> <https://www.epa.gov/newsreleases/epa-takes-another-step-advance-president-trumps-america-first-strategy-proposes-repeal>; <http://www.crs.gov/Reports/R44145> [Note: taken from JEC product]
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- <sup>34</sup> <https://www.reuters.com/article/us-usa-biofuels-trump/trump-administration-officials-to-meet-on-biofuel-policy-changes-sources-idUSKCN1IO32U>
- <sup>35</sup> <https://www.nytimes.com/2017/11/30/climate/trump-ethanol-biofuel.html>
- <sup>36</sup> <https://www.nytimes.com/2018/05/03/business/energy-environment/solar-industry-tariffs.html>
- <sup>37</sup> <https://www.cnn.com/2018/01/23/trumps-solar-tariffs-could-slow-down-rapid-renewable-job-growth.html>
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