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The Trump Budget Would Shift Enormous Costs to State *Budget Would Harm Thousands of Rhode Islanders, State Economy*

PROVIDENCE, RI— President Trump’s 2018 budget would deeply cut funding for programs that help low- and moderate-income people, shifting large and growing costs to Rhode Island over the next decade, according to a new report from the Washington, DC-based Center on Budget and Policy Priorities. In addition, the budget eliminates several programs that contribute to thriving cities and towns, including funding for Community Learning Centers, Community Services Block Grants, and Community Development Block Grants (Figure 1). It makes deep cuts to the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance to Needy Families Program (TANF) and to Medicaid.

“The President’s budget proposal doesn’t protect those left behind by today’s economy”, said EPI’s Executive Director, Rachel Flum. “It also shifts huge costs to Rhode Island at a time when we are already struggling to meet needs for education, transportation and other services Ocean State residents rely on.”

Nationally, the cost shift to states

a decade from now would be massive, equivalent to as much as 37 percent of state budgets-- about \$453 billion -- by 2027. The cost shift would begin in 2018 when states would have to absorb about \$44 billion in additional costs, equivalent to five percent of state budgets. One of the biggest cost shifts is the creation of a state match requirement on SNAP. Beginning in 2020, states would need to pay 10% of the cost of SNAP benefits, rising to 25% in 2027. Rhode Island would need to pay \$27 million in 2020 and \$68 million in 2023 to continue to support the 162,000 Rhode Islanders who rely on SNAP to meet nutritional needs. The estimated 10-year cost to Rhode Island is \$475 million.

The budget cuts the TANF block grant by 10% in 2018, which would mean a loss of over \$9 million for the Rhode Island’s cash assistance/work readiness program for very poor families (RI Works) and child care assistance for working families.

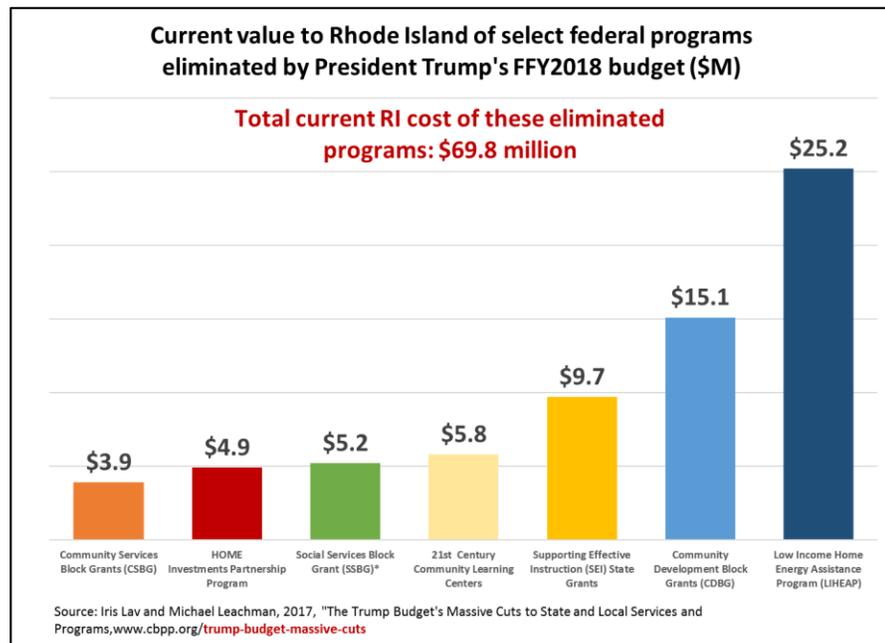


Figure 1

The budget cuts \$610 billion in Medicaid funds on top of cuts in the House-passed American Health Care Act, bringing the total amount of cuts to \$1.6 trillion over ten years. The Medicaid changes would effectively end coverage for the 70,000 adults who gained access to Medicaid under the Affordable Care Act and threaten coverage and services for all 280,000 Rhode Islanders who rely on Medicaid for health care and/or long term services and supports.

At the same time, the President is proposing massive tax cuts largely for the wealthy and corporations that would likely cost several trillion dollars over the coming decade.

The cuts would also hit local governments hard, which are generally constrained from raising additional funds. Localities would be looking to state government to replace the missing funding, but the state likely would be unable to provide extra aid, since its own budget would be severely damaged.

The cost shifts in the President's budget are particularly disturbing because Rhode Island has still not fully recovered from the Great Recession, which caused state revenues to fall dramatically and resulted in sharp cuts in funding for schools and other state services.

“Rather than making investments that help low-income Rhode Islanders succeed and foster a stronger state economy, this budget would simply make it harder for our people and economy to succeed,” said Doug Hall, EPI's Director of Economic and Fiscal Policy. “As Congress begins its own budget process in the weeks ahead, we know we can count on our delegation to not only oppose the Trump budget, but any plan that follows the same harmful architecture: cuts that hurt our people and our economy, tax cuts for the wealthy, and huge cost shifts to states.”

Access the Center on Budget and Policy Priorities paper [here](#).

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About The Economic Progress Institute

The Economic Progress Institute is a nonpartisan research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders. For more information visit www.economicprogressri.org