

# Federal Budget Puts Critical Investments at Risk in Kentucky's 2nd Congressional District

A number of key federal investments that help Kentucky families meet basic needs and support our economy are at risk for cuts in the budget resolution that has begun to move in the U.S. House of Representatives. Among the severe reductions are \$4.4 trillion in cuts to federal entitlement programs over 10 years. These programs that benefit many low-income Kentuckians and our communities are at immediate risk of at least \$203 billion of these cuts being fast-tracked through the reconciliation process. Below is information about the role some of these critical investments play in Kentucky's 2nd Congressional District.

## Medicaid

Medicaid is a cornerstone of our system of health care coverage, providing access to important preventative services, substance abuse treatment, and care for chronic conditions, among other programs. In the 2nd Congressional District, a total of 208,503 people, including seniors, people with disabilities, children, and low-income workers were covered through Medicaid in 2016.<sup>1</sup> Medicaid also brings millions of federal dollars in the economy of every Kentucky community, resulting in jobs for nurses and other care providers.

## SNAP food assistance

The Supplemental Nutrition Assistance Program (SNAP) helps low-income Kentuckians afford basic food needs and boosts the economy during downturns when more people become eligible. In 2015 in Kentucky's 2nd Congressional District:

- 44,862 households were receiving SNAP food assistance in 2015.<sup>2</sup>
- 11,053 of these households had an elderly person.
- 22,835 of these households had a child under 18.
- 76 percent of SNAP families with two or more people had at least one person who worked during the year but still struggled to put food on the table.

## Supplemental Security Income (SSI)

SSI provides income support for individuals who are disabled or elderly and have little income and few assets. It is a lifeline for very low-income families caring for children with severe disabilities — including Down syndrome, cerebral palsy, autism, intellectual disability, and blindness. SSI provides financial support to these families that, due to the demands of caring for a child with a disability, face higher costs and more demands on their time. Without SSI, many more Kentuckians with disabilities would be in poverty; the program has been shown to lift half of otherwise poor child beneficiaries out of poverty and reduce deep poverty. In December 2016, there were 24,567 SSI beneficiaries in the 2nd Congressional District who received \$13,020,000 in benefits, an average of \$530 per person for the month.<sup>3</sup>

## Pell

The Pell Grant program provides financial assistance for low-income individuals to attend and complete college. By increasing access to education and training for those who would otherwise not be able to afford it, Pell also helps to address poverty. Pell Grant awards are already modest in comparison to the rising costs of college, and cuts would make higher education out of reach for more Kentuckians. In 2017, 16,001 students in Kentucky's 2nd Congressional District received a Pell Grant.<sup>4</sup>

## EITC & CTC

The Earned Income Tax Credit (EITC) helps raise living standards for low- and moderate- income workers and the Child Tax Credit (CTC) helps low-income working families by offsetting part of the cost of child rearing. The EITC and the Additional Child Tax Credit (ACTC), the refundable portion of the CTC, lift more people out of poverty than any other program besides Social Security. In tax year 2014, 67,630 tax filers in Kentucky's 2nd Congressional District received \$160 million in tax credits through the EITC, an average of \$2,363 per filer. There were also 46,613 tax filers who received the ACTC in the 2nd Congressional District, with an average value of \$1,323 in 2013.<sup>5</sup>

<sup>1</sup> KCEP analysis of 2016 enrollment data from the Kentucky Cabinet for Health and Family Services.

<sup>2</sup> Census Bureau, 2015 American Community Survey Published Tables.

<sup>3</sup> Social Security Administration, December 2016, "Congressional Statistics," [https://www.ssa.gov/policy/docs/factsheets/cong\\_stats/](https://www.ssa.gov/policy/docs/factsheets/cong_stats/).

<sup>4</sup> National Association of Independent Colleges and Universities, Federal Student Aid Data Sheets, <https://www.naicu.edu/policy-advocacy/federal-student-aid-data-sheets/kentucky>.

<sup>5</sup> Data for tax credits are based on IRS administrative data compiled by the Brookings Metropolitan Policy Program.