Analysis of House Reconciliation Legislation "One Big Beautiful Bill Act", H.R.1

Topline and High-Level Summary – Updated 5/22/2025

The Feeding America Government Relations team is providing a summary of key provisions in reconciliation legislation drafted by House committees to comply with reconciliation directives included in the House Budget Resolution for Fiscal Year 2025 (H.Con.Res.14). These provisions were passed at the committee level the week of May 12 on party-line votes. A final bill subsequently passed, with amendments, at the House level on May 22 by a party-line vote of 215-214. This summary breaks down proposals relevant to people experiencing food insecurity and the Feeding America network.

Links

- House Committee on Rules "One Big Beautiful Bill Act" text
 - o Manager's Amendment to Rules Committee
- <u>Congressional Budget Office Budgetary Effects "One Big Beautiful Bill Act"</u>

Key provisions are summarized here then additional details follow:

Nutrition and Agriculture Provisions

• Cuts federal SNAP support by around \$294.6 billion¹ over 10 years through an unprecedented change in the structure of the program as well as cuts to eligibility and benefit levels. Feeding America estimates this bill could take an average of

¹ The Congressional Budget Office (CBO) released official scores on May 20, 2025 for reconciliation legislation, based on text reported by the House Committee on the Budget on May 18, 2025. This analysis incorporates the 10-year scores for provisions proposed by the House Committee on Agriculture, including the interaction effects between proposals – like a participant who would be impacted by multiple policy changes – as well as information from Congressional staff. The sum of the scores, including all of the SNAP provisions and their interactions and a modest investment in TEFAP Farm to Food Bank Projects, is equal to a cut of \$294.643 billion in federal spending toward nutrition programs like SNAP. See Congressional Budget Office, *Estimated Budgetary Effects of a Bill to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, the One Big Beautiful Bill Act*, published and accessed May 20, 2025, <u>https://www.cbo.gov/publication/61420</u>. A previous version of this analysis utilized 10-year estimates from CBO as reported on May 13 by Politico, but has since been revised with the official CBO scores. See Grace Yarrow, "House Republicans' proposal to cut SNAP spending would save roughly \$300B," Politico, May 13, 2025, <u>https://www.politico.com/live-updates/2025/05/13/congress/house-republicans-reconciliation-proposal-snap-save-300-billion-00344403</u>.

9.5 billion meals off the table for SNAP participants every year. Proposals include:

- Shifting more than \$150 billion of benefit costs to states by requiring states to pay a portion of SNAP benefits for the first time in program history, ranging from 5% to 25% based on their payment error rates (\$128.3 billion cut); and increasing the state's share of administrative costs from 50% to 75% (\$27.357 billion cut)
- Restricting future adjustments to the Thrifty Food Plan (\$36.8 billion cut), which would include cuts to SNAP benefits (\$35 billion cut), The Emergency Food Assistance Program (TEFAP) (\$100 million cut), SUN Bucks/Summer EBT benefits (\$1 billion cut), and the Nutrition Assistance Program block-grant to Puerto Rico (\$1 billion cut)
- Expanding the general work requirements in SNAP as well as increasing the number of individuals subject to time limits on their benefits, including, for the first time ever, parents of school-aged children over 6 and older adults aged 55 to 64 by expanding work requirements and restricting waivers (\$92.46 billion cut, putting 11 million participants at risk of losing some or all of their food assistance)
- Limiting the use of energy assistance to certain households (\$5.94 billion cut), prohibiting deduction of internet costs (\$10.98 billion), and reducing the SNAP error rate tolerance (\$80 million cut)
- Removing access to SNAP for refugees and asylum seekers (\$3.902 billion cut) while adding access for certain citizens of Cuba and U.S. residents in Marshall Islands, Federated States of Micronesia & Palau.
- Eliminating the SNAP Nutrition Education program (\$5.47 billion cut)
- Requiring state agencies to use multiple issuances of SNAP benefits to prevent multiple issuances in other state and federal assistance program benefits (\$7.402 billion cut)
- Increases funding for certain farm provisions by around \$60 billion, including changes to policies related to agriculture reference prices and crop insurance coverage.

Healthcare Provisions

- Makes changes to Medicaid expansion funding, eligibility, and provider taxes that would cut Medicaid by \$716 billion over 10 years, the largest cut in the program's history, cutting at least 7.6 million from health insurance by 2034 due to Medicaid cuts alone.
- Implements harsh work requirements as a condition of eligibility for individuals aged 19-64 applying for coverage or enrolled through the ACA expansion group, requiring they work or participate in qualifying activities for at least 80 hours per month. Does not allow these provisions to be waived, including under Section 1115 authority.

Tax and Fiscal Policy Provisions

- Extends the 2017 Tax Cuts and Jobs Act permanently
- Makes changes to the Child Tax Credit (CTC):
 - Increases the CTC to \$2500 through 2028, before dropping back down to \$2000 for subsequent years.
 - Limits the CTC to only taxpayers with social security numbers, cutting off children who are U.S. citizens or legal permanent residents if either parent lacks a social security number (estimated 4.5 million children to lose eligibility).
 - Provides no additional benefit to the 17 million children in low-income families currently unable to access the full CTC due to how the CTC phases in with earnings.
- Fortunately, no longer includes provisions that would give the executive branch authority to revoke the tax-exempt status of non-profits without due process.

Nutrition and Agriculture Provisions

Below are nutrition provisions and other key provisions from the final House Budget Reconciliation bill text passed on May 22. We have analyzed the bill to determine the impact of select SNAP provisions.

The bill would profoundly restructure the Supplemental Nutrition Assistance Program (SNAP) and make unprecedented cuts of around \$294.6 billion to the program over the next ten years through a variety of measures—including shifting benefit and administrative costs to the states, increasing work requirements and time limits on benefits, limiting the USDA's ability to update benefit levels, and eliminating grant funding for SNAP nutrition education. Shifting SNAP costs to states would put extreme pressure on state budgets and the changes proposed in the bill, taken as a whole, could lead millions in the U.S. to lose all or some of their SNAP benefits, likely increasing food insecurity rates across the country. Feeding America estimates this bill could take an average of 9.5 billion meals each year from the plates of people experiencing food insecurity, including children, veterans, seniors and people with disabilities.

This summary breaks down the elements of the proposal most relevant to people experiencing food insecurity and the Feeding America network.

Nutrition Provisions

<u>SNAP</u>

Matching Funds Requirement [Sec. 10006] & Administrative Cost Sharing [Sec. 10007]

Currently, the federal government pays for 100% of the cost of benefits. This proposal would require all states to contribute 5-25% of the cost of SNAP food benefits beginning in federal fiscal year 2028. The percentage that each state must contribute would increase based on the state's SNAP payment error rate:

- States with error rates of between 6% and 8% must contribute 15% of the cost of SNAP food benefits; and,
- States with error rates between 8% and 10% must contribute 20% of the cost of SNAP food benefits; and,
- States with error rates equal to or greater than 10% must contribute 25% of the cost of SNAP food benefits.

Additionally, this proposal would increase the state share of SNAP administrative costs from 50% to 75%, reducing the federal share of administrative SNAP costs from 50% to 25%.

The most recent <u>SNAP payment error rates can be found here</u>, and additional <u>background on SNAP's extensive payment accuracy system can be found here</u>.

Thrifty Food Plan [Sec. 10001]

This proposal would require the Thrifty Food Plan to be "cost neutral" and specifically prevents any future increases to the Thrifty Food Plan based on reevaluations. This would only allow the USDA to adjust future SNAP benefits for inflation. The proposal also adds a new limitation on the USDA's ability to adjust the Thrifty Food Plan for higher costs in Hawaii and Alaska. Additionally, there is no language to prevent decreases to the Thrifty Food Plan.

The bill requires that the earliest evaluation of the Thrifty Food Plan market basket can be October 1, 2028. After that, reevaluations can only happen at a frequency of not more than five years. Prior to any updates to market baskets based on reevaluation, the methodology and results must be published in the Federal Register with an opportunity for comment of not less than 60 days.

Feeding America strongly opposes language that would limit USDA's authority to modernize the Thrifty Food Plan regularly to account for important factors beyond inflation, including changes in dietary guidelines and the ways people shop and cook. SNAP benefits would not keep pace with the actual cost of a frugal, nutritious diet for families if future updates to the Thrifty Food Plan are limited to only inflation adjustments.

This provision would result in a future cut to benefits tied to adjustments to the Thrifty Food Plan that would increase pressure on our nation's already strained food banks:

- Cuts an estimated \$35 billion in SNAP benefits over the next decade, impacting every future SNAP recipient.
- Cuts an estimated \$100 million for TEFAP funding.
- Cuts an estimated \$1 billion for the Nutrition Assistance Program (NAP) block grant for Puerto Rico.
- Cuts the newly established SUN Bucks (Summer EBT) program benefits by an estimated \$1 billion.

Work Requirements [Sec. 10008 & 10002]

This proposal would increase the ages of SNAP participants subject to general work requirements to those over 17 until 65 years of age. It also includes parents of school-age children starting at 7 years of age, as being subject to work requirements. Currently, participants aged 16 until 60 years of age are subject to work requirements and parents with children 18 or older.

Furthermore, the proposal increases the number of participants subject to time limits on their benefits for so called Able-Bodied Adults Without Dependents (ABAWD). For the first time ever, SNAP participants ages 55 to 64 (up from 54); as well as parents of a school-age child over 6 years old are subject to time limits

(currently over 18 years of age). There is a new exemption for parents with children if they are married and reside with a person who is work compliant.

This proposal does not change or remove the sunset date for exceptions from time limits for veterans, currently homeless individuals, or former foster care youth, age 24 or younger. These exemptions are in place until October 1, 2030.

Nearly 11 million participants live in households that would be at risk of losing some or all of their food assistance. You can find <u>more details of the time limit</u> <u>provisions here</u>, including estimated impact by state and congressional district.

ABAWD Waivers [Sec. 10003]

This proposal would require that counties or county-equivalents have an unemployment rate over 10% to be eligible for a work requirement waiver for ABAWDs. It also requires that waivers are valid for no more than 12 consecutive months and that the maximum number of exempt ABAWDS in a county without a waiver is 1% of eligible individuals.

Currently, the Secretary of Agriculture has the discretion to issue waivers indefinitely across entire states if they determine the state does not have a sufficient number of jobs. Currently, the percentage of exempt ABAWDS allowed in a county not subject to a waiver is 8%.

Availability of Standard Utility Allowance Based on Receipt of Energy Assistance [Sec. 10004]

This proposal would limit the standard utility allowance (SUA) qualification to only households with elderly or disabled neighbors. Currently, all households qualify for the SUA in determining SNAP benefits if the household makes payments of \$20 or more from the Low-Income Home Energy Assistance Program (LIHEAP).

Currently, all households can include energy assistance as "out-of-pocket" expenses to be considered in the excess shelter deduction for purposes of determining SNAP benefits. Payments made to provide energy assistance can also be excluded. This proposal would limit such allowances to only households with elderly or disabled neighbors.

Restrictions on Internet Expenses [Sec. 10005]

This proposal would specifically forbid household internet costs (such as monthly subscriber fees, recurring taxes and fees charged to the household, the cost of modem rentals, fees charged by the provider for initial installation, and other related costs) from being used to calculate the excess shelter deduction in determining the household SNAP allotments.

National Education and Obesity Prevention Grant Program Repealer (SNAP-Ed) [Sec. 10011]

This proposal eliminates Section 28 of the Food & Nutrition Act: The Nutrition Education and Obesity Prevention Grant Program, which funds SNAP-Ed. Currently, programs funded by SNAP-Ed provide education on food choices, nutrition and healthy cooking demonstrations/classes to help improve diet-related chronic diseases like obesity for SNAP participants.

National Accuracy Clearinghouse [Sec. 10009]

This proposal requires state agencies use indications of multiple issuances of SNAP benefits to prevent multiple issuances of other state and federal assistance program benefits.

Error Rate Threshold (also called Quality Control Zero Tolerance) [Sec. 10010]

This proposal reduces the tolerance level for SNAP errors to \$0. Currently, the level is \$57 – set in the 2014 Farm Bill at \$37 and adjusted annually for inflation.

Eliminating SNAP for Non-Citizens [Sec. 10012]

This proposal removes access to SNAP for refugees and asylum seekers, while also adding access for certain citizens of Cuba and U.S. residents who live in Marshall Islands, Federated States of Micronesia & Palau.

<u>TEFAP</u>

TEFAP – Emergency Food Assistance (Farm to Food Bank Projects) [Sec. 10013]

This proposal would extend mandatory funding to carry out TEFAP Farm to Food Bank Projects for each fiscal year, through Fiscal Year 2031.

Agriculture Provisions

Farm Bill Agriculture Related Provisions

Increases funding for certain farm provisions by around \$60 billion, including changes to policies related to agriculture reference prices and crop insurance coverage.

Healthcare Provisions

Key Provisions

For additional information on the full scope of Medicaid changes, review this <u>bill</u> <u>summary of Medicaid provisions from the Kaiser Family Foundation</u>. Below are key provisions:

- Makes changes to Medicaid expansion funding, eligibility, and provider taxes that would cut Medicaid by \$716 billion over 10 years, the largest cut in the program's history, cutting at least 7.6 million from health insurance by 2034 due to Medicaid cuts alone.
 - Millions more are estimated to lose coverage when accounting for additional cuts beyond Medicaid, including changes to the Affordable Care Act marketplace restrictions. Additional <u>details on coverage loss can be</u> <u>found here</u>.
- Cuts Medicaid funding to states that use their own funds to provide health coverage to people who are undocumented, reducing their expansion match rate from 90% to 80%.
- Implements harsh work requirements as a condition of eligibility for individuals age 19-64 applying for coverage or enrolled through the ACA expansion group, requiring they work or participate in qualifying activities for at least 80 hours per month. Does now allow these provisions to be waived, including under Section 1115 authority.
 - You can find more details of the Medicaid work requirements here.

Tax and Fiscal Policy Provisions

Key Provisions

For additional information, review this <u>bill summary of the child tax credit provisions from</u> the Brookings Institute. Below are key provisions:

- Extends the 2017 Tax Cuts and Jobs Act permanently
- Makes changes to the Child Tax Credit (CTC):
 - Increases the CTC to \$2500 through 2028, before dropping back down to \$2000 for subsequent years.
 - Limits the CTC to only taxpayers with social security numbers, cutting off children who are U.S. citizens or legal permanent residents if either parent lacks a social security number (estimated 4.5 million children to lose eligibility).

- Provides no additional benefit to the 17 million children in low-income families currently unable to access the full CTC due to how the CTC phases in with earnings.
- Fortunately, no longer includes provisions that would give the executive branch authority to revoke the tax-exempt status of non-profits without due process.