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

Topline and High-Level Summary – Updated 7/3/2025

The Feeding America Government Relations team is providing a summary of key provisions in the final reconciliation legislation drafted to comply with reconciliation directives included in the Budget Resolution for Fiscal Year 2025 (H. Con. Res. 14). The final legislation passed the Senate on July 1, 2025, on a 51-50 vote, with the Vice President casting the tie-breaking vote. It subsequently passed the House on July 3, 2025 by a vote of 218-214. The legislation is expected to be signed by the President. This summary breaks down proposals relevant to people experiencing food insecurity and the Feeding America network.

Links

- H.R. 1, "One Big Beautiful Bill Act" (final budget reconciliation text with Senate Amendments as passed July 1, 2025)

Key provisions are summarized here then additional details follow:

Nutrition and Agriculture Provisions

- Cuts federal SNAP support by around $186 billion[1] over 10 years through an unprecedented change in the structure of the program as well as cuts to eligibility and benefit levels. Proposals include:
  - Shifting SNAP costs to states by:
    - Requiring states to pay a portion of SNAP benefits for the first time in program history, up to 15%, based on their payment error rates, beginning in October 2027. Final negotiations in the Senate resulted in a temporary implementation delay for up to two years for states with high error rates
    - Increasing the state's share of administrative costs from 50% to 75%

[1] The Congressional Budget Office (CBO) released official scores for proposed reconciliation legislation based on text reported by the Senate Committee on the Budget on June 27, 2025. Please note that these scores do not reflect the final bill text that passed the Senate on July 1, 2025 and the House on July 3, 2025 – corresponding CBO scores are anticipated, and this analysis will be updated to reflect further scoring of final bill text. The sum of the 10-year scores, including all of the SNAP provisions and their interactions is equal to a cut of around $186 billion in federal spending toward nutrition programs like SNAP. See Congressional Budget Office, *Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1, the One Big Beautiful Bill Act, Relative to the Budget Enforcement Baseline for Consideration in the Senate,* published and accessed June 28, 2025, https://www.cbo.gov/publication/61533.

- Restricting future adjustments to the Thrifty Food Plan, which will include cuts to SNAP benefits as well as benefit levels for The Emergency Food Assistance Program (TEFAP), SUN Bucks/Summer EBT benefits, and the Nutrition Assistance Program block-grant to Puerto Rico
- Increasing the number of individuals subject to time limits on their SNAP benefits, including, for the first time ever, parents of school-aged children over 14 and older adults age 55 through age 64 by expanding work requirements and restricting waivers
- Adds a time limit on benefits for veterans, currently homeless individuals and former foster care youth.
- Adds an exception to the work requirement time limit on benefits for individuals who are Indians, Urban Indians, California Indians, and other Indians who are eligible for the Indian Health Services
- Limiting the use of energy assistance to certain households and prohibiting the deduction of internet costs
- Removing access to SNAP for refugees and asylum seekers while adding access for certain Cuban & Haitian entrants and U.S. residents in Marshall Islands, Federated States of Micronesia & Palau
- Eliminating funding for the SNAP Nutrition Education program

Healthcare Provisions

- Makes changes to Medicaid expansion funding, eligibility, and provider taxes that will cut Medicaid funding by more than $930 billion over 10 years—the largest cut in the program's history—resulting in the loss of health insurance for over 8 million people 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 them to 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 from $2000 to $2200 per child starting in 2025 and indexes for inflation after 2025.
    - 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.

Nutrition and Agriculture Provisions

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

The bill will profoundly restructure the Supplemental Nutrition Assistance Program (SNAP) and make unprecedented cuts of around $186 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 ability of the United States Department of Agriculture (USDA) to update benefit levels, and eliminating grant funding for SNAP nutrition education. Shifting SNAP costs to states will put extreme pressure on state budgets and the changes in the bill, taken as a whole, will likely results in millions of individuals to lose some or all of their SNAP benefits, likely increasing food insecurity rates across the country.

Effective Dates: Effective dates for specific provisions are included in the summary below. Additional details related to effective dates and implementation details of all provisions are expected to be provided by USDA.

Nutrition Provisions

SNAP

Matching Funds Requirement [Sec. 10105]

Currently, the federal government pays for 100% of the cost of SNAP food benefits. This bill will require states to contribute up to 15% of the cost of SNAP food benefits beginning in federal fiscal year 2028 based on their payment error rates. Starting in federal fiscal year 2028 (starting October 1, 2027), the first year of the matching funds requirement, each state can select either the FY25 or FY26 payment error rate to calculate the cost shift requirement amount. In FY29 and each fiscal year after, the state match is calculated using the payment error rate that is from three fiscal years prior. That means that the FY29 cost shift requirement will be based on error rates from FY26 and so on.

The percentage that each state must contribute will change based on the state's SNAP payment error rate:

- States with error rates below 6% will not contribute to the cost of SNAP food benefits.
- States with error rates equal to or greater than 6% and less than 8% must contribute 5% of the cost of SNAP food benefits.
- States with error rates equal to or greater than 8% and less than 10% must contribute 10% of the cost of SNAP food benefits.
- States with error rates equal to or greater than 10% must contribute 15% of the cost of SNAP food benefits.

The bill temporarily delays implementation of this provision for states whose error rate in fiscal year 2025 or 2026 multiplied by 1.5 is equal to or above 20 percent. If this applies to a state's fiscal year 2025 error rate, implementation may be delayed until fiscal year 2029. If this applies to a state's fiscal year 2026 error rate, implementation may be delayed until fiscal year 2030.

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

Effective Date: Fiscal Year 2028 (October 1, 2027), unless a state is eligible for a temporary delayed implementation to Fiscal Year 2029 (October 1, 2028) or Fiscal Year 2030 (October 1, 2029) as described above.

Administrative Cost Sharing [Sec. 10106]

Additionally, this bill will increase the state share of SNAP administrative costs from 50% to 75% for all states starting in federal fiscal year 2027, thereby reducing the federal share of administrative SNAP costs from 50% to 25%.

Effective Date: Fiscal Year 2027 (October 1, 2026).

Thrifty Food Plan [Sec. 10101]

This bill will require future Thrifty Food Plan market basket reevaluations to be "cost neutral," thereby preventing any future increases to the value of the Thrifty Food Plan based on reevaluations. The bill requires that the next cost-neutral evaluation of the Thrifty Food Plan market basket occur on or after October 1, 2027. There will no longer be a requirement that reevaluations occur every 5 years. The bill changes and caps the household size adjustment to household benefits levels. Additionally, there is no language to prevent decreases to the Thrifty Food Plan.

USDA will continue current practice and adjust future SNAP benefits only through annual inflation adjustments based on changes in the Consumer Price Index for All Urban Consumers.

Effective Date: No specified effective date; effective upon enactment.

Modifications to SNAP Work Requirements for Able-Bodied Adults & Waivers [Sec. 10102]

This bill will increase the number of participants subject to time limits on their benefits for certain so-called able-bodied adults. For the first time ever, SNAP participants ages 55 through 64 (previously capped at 54); as well as parents of a school-age child aged 14 and older, will now be subject to time limits (previously applied only to those with children over 18).

This bill will also add a time limit on benefits for veterans, currently homeless individuals, or former foster care youth aged 24 or younger. This is achieved by eliminating exemptions that would have remained in place until October 1, 2030.

This proposal adds an exemption for an individual who is:

- an Indian or an Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act); or
- a California Indian described in section 809(a) of the Indian Health Care Improvement Act.

Effective Date: No specified effective date; effective upon enactment.

Waivers

This bill will require that areas must have an unemployment rate exceeding 10% to be eligible for a waiver from time limits due to work requirements for able-bodied adults.

This proposal gives a work requirement exemption to areas in Alaska and Hawaii that have unemployment rates at or above 1.5 times the national unemployment rate. Exemptions must be requested by the State and their availability will expire by December 31, 2028.

Furthermore, the proposal removes the Secretary's discretionary authority to issue broad waivers from SNAP work requirements from an area not having sufficient jobs. Currently, the Secretary of Agriculture has the discretion to issue waivers across entire states if they determine the state does not have a sufficient number of jobs.

Effective Date: No specified effective date; effective upon enactment.

Availability of Standard Utility Allowance Based on Receipt of Energy Assistance [Sec. 10103]

This proposal will limit the standard utility allowance (SUA) qualification to only households with elderly or disabled neighbor recipients. 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 will limit such allowances to only households with elderly or disabled neighbors.

Effective Date: No specified effective date; effective upon enactment.

Restrictions on Internet Expenses [Sec. 10104]

This proposal will specifically prohibit 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.

Effective Date: No specified effective date; effective upon enactment.

Nutrition Education and Obesity Prevention Grant Program Repealer (SNAP-Ed) [Sec. 10107]

This proposal eliminates funding for Section 28 of the Food & Nutrition Act: The Nutrition Education and Obesity Prevention Grant Program, known as SNAP-Ed, after fiscal year 2025. 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.

Effective Date: Fiscal Year 2026 (October 1, 2025)

Eliminating SNAP for Non-Citizens [Sec. 10108]

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

Effective Date: No specified effective date; effective upon enactment.

TEFAP

TEFAP – Emergency Food Assistance (Farm to Food Bank Projects) [Sec. 10603]

This proposal will extend $4 million per year in mandatory funding to carry out TEFAP Farm to Food Bank Projects for each fiscal year through Fiscal Year 2031.

Effective Date: No specified effective date; effective upon enactment.

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 bill summary of Medicaid provisions from the Kaiser Family Foundation. Below are key provisions:

- Makes changes to Medicaid expansion funding, eligibility, and provider taxes that will cut Medicaid funding by more than $930 billion over 10 years—the largest cut in the program's history—resulting in the loss of health insurance for over 8 million people 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 details on coverage lost can be found here.
- Limits federal matching payments for Emergency Medicaid for individuals who would otherwise be eligible for expansion coverage except for their immigration status to the state's regular Federal Medical Assistance Percentage (FMAP). This provision will become effective in January 2026.
- 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 them to 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. This provision will become effective at the end of 2026.

Tax and Fiscal Policy Provisions

Key Provisions

For additional information, review this bill summary of the child tax credit provisions from 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 from $2000 to $2200 per child starting in 2025 and indexes for inflation after 2025.

    - 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, does not include provisions that would give the executive branch authority to revoke the tax-exempt status of non-profits without due process.

Questions: reach out to policy@feedingamerica.org