

Federal Reconciliation Bill Passed - Now What?

August 2025



California Budget
& Policy Center

Who We Are

The Budget Center is a nonpartisan, research and analysis nonprofit committed to advancing public policies that improve the lives of Californians who are denied the opportunity to share in the state's wealth.



Agenda

- Welcome and introductions (Sasha Feldstein)
- Federal budget provisions & California impacts (Nishi Nair)
- Specific impact on immigrants (Bruno Huizar, CIPC)
- What's ahead for us? (Scott Graves)
- Questions and answers
- Calls to action

Federal Budget

Major Provisions, Implementation, & Harm to Immigrants



Federal Budget Overview: “Reconciliation” Bill



Trump & Congress Gut Public Supports to Pay for Tax Cuts for the Wealthy

- **Cuts funding for Medicaid** (Medi-Cal) by nearly \$1 trillion.
- **Reduces funding for SNAP** (CalFresh) through cost-shifts and other cuts totaling a nearly \$200 billion funding decrease
- **Accelerates Trump's mass deportation agenda** by including \$170 billion in new funding.
- **Includes trillions in tax giveaways** to corporations and the wealthy.

Health

Reconciliation Bill Limits Access to Health Coverage Through Medi-Cal

- **Oct 2026:** Excludes certain immigrants from Medicaid & CHIP
- **Oct 2026:** Reduces funding for **emergency care for immigrants**
- **Jan 2027:** Increases frequency of **eligibility checks**
- **Jan 2027:** Imposes **strict work requirements** on certain adults
- **Oct 2028:** Requires **new fees for services** on certain adults

Federal Cuts Limit Access to Health Care Through Covered California

- **Jan 2026:** Lets premium tax credits expire, **raising health costs for 1.8 million Californians**
- **Jan 2026: Ends marketplace subsidies** for certain immigrants impacting 112,000 Covered California enrollees

Food Assistance

Reconciliation Bill Cuts SNAP, Taking Food Away from Families and Children

- **TBD*:** Expands harsh time limits to older adults, caregivers, veterans, former foster youth, and people experiencing homelessness
- **TBD*:** Blocks SNAP enrollment for certain immigrants who are not naturalized citizens or do not have a green card
- **Jul 2025:** Permanently freezes the cost of the Thrifty Food Plan effectively decreasing the already limited benefit amount
- **Oct 2026:** Forces states to pay larger share of SNAP administrative costs
- **Oct 2027:** Shifts up to \$1.8 billion in SNAP benefit costs to California

**These provisions are effective upon the enactment of the bill but agencies are awaiting implementation guidance from USDA*

Tax Cuts & Credits

Huge Tax Cuts for the Well-Off, Further Erosion of Child Tax Credit

- **2026-2035: \$4.5 trillion in tax cuts** for individuals and corporations across the nation — **with the top 1% claiming \$1 trillion of the benefit.**
 - In California, the top 1% will receive an average annual tax cut of \$35,000, while the bottom 20% will receive just \$100, on average.
- **2025 Tax Year:**
 - **Child Tax Credit** — **Continues to exclude 2 million California children *and* for the first time denies the credit** to U.S. citizen children who don't have a parent with a Social Security Number.
 - **Other tax benefits** — Denies additional tax benefits to **people without Social Security Numbers**, such as tax credits for college students.

Impacts on Immigrant Californians

Restricts Eligibility for Immigrants to Access Federally-funded Health Care

Medi-Cal and Children's Health Insurance Program (CHIP)

- Refugees, asylees, and people granted withholding of removal
- Survivors of trafficking
- Survivors of domestic violence who are applying for VAWA or been approved a family-based petition
- People granted humanitarian parole

Covered California

- Refugees, asylees and people granted withholding of removal
- Survivors of trafficking, domestic violence and crimes
- People granted Temporary Protected Status (TPS), Deferred Action for Childhood Arrivals (DACA) or Deferred Enforced Departure (DED)
- **112,600 people who are lawfully present would lose premium tax credits and cost sharing support.**

Restricts Eligibility for Immigrants to Access Food Benefits

CalFresh / SNAP

- Refugees, asylees, and people granted withholding of removal
- Survivors of trafficking
- Survivors of domestic violence who are applying for VAWA or been approved a family-based petition
- People granted humanitarian parole

74,000 immigrant Californians will now be **ineligible for SNAP benefits** because of HR 1.



\$170 Billion for Immigration Enforcement

- **\$75 billion for ICE raids, detentions and deportations**
 - Hires 10,000 new ICE agents
 - Expands ICE detention capacity from **59,000 people** -> **110,000 people**
 - Establishes ICE as larger than most of the world's militaries
- **\$68.7 billion for border militarization**
 - Expands deadly "border" wall
 - Expands C.B.P. jails, checkpoints, and vehicles
 - Hires 3,000 new Border Patrol agents
- **\$26.8 billion for local & state governments for immigration enforcement**
 - Florida detention camps

Mass Immigration Raids and Arrests in California

- **Mass raids in Southern California**
 - **More than 3,000 people abducted** by masked, armed federal agents between June 6 and July 8, 2025.
- **Mass arrests across California**
 - **Hundreds of people** arrested by masked federal agents in and outside courts across California since May 2025.
- **Increase in ICE detention across California**
 - **3,471 people** currently detained in 6 ICE detention centers across California.

Militarized Immigration Raids in SoCal



Credit: New York Post

- **Targets:** Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Santa Barbara Counties.
- **“Nowhere is safe”:** Worksites, public streets, and sensitive locations (churches, schools, courts and hospitals).
- **Violation of constitutional rights:** racial profiling, warrantless & indiscriminate arrests, and inhumane detention conditions.

What's Ahead for Us?

What to Expect at the Federal Level

- **Trumpworld**

- **Illegal stuff:** Expect continued efforts to erode the rule of law — including unconstitutionally withholding funds appropriated by Congress.
- **Legal stuff:** Expect more efforts to cut spending, including additional requests for Congress to cancel previously approved funding (“recissions” process).

What to Expect at the Federal Level

- **Budget reconciliation roll-out**
 - **Phased-in cuts:** Cuts aren't happening all at once, giving state leaders *some* time to plan and react.
 - **Guidance for states:** Executive branch agencies will need to develop guidance on how to implement various provisions of the new law.

What to Expect at the Federal Level

- Congressional appropriations process
 - This process determines spending levels for “discretionary” federal programs like housing and education.
 - Trump proposed deep spending cuts that won’t pass the Senate, where Democrats can use the filibuster to block action.
 - Bipartisan agreement on spending is needed by October 1, 2025 to avoid a “government shutdown.”

Responding to the Federal Cuts

- **Document the harm**
 - What do federal spending cuts mean for Californians?
- **Hold elected officials accountable**
 - November 2026 midterm elections are 453 days away!
 - House Republicans who supported Trump's reconciliation bill will be on the ballot.
- **Mitigate the harm**
 - Urge state leaders to respond boldly to the devastating cuts.

State-Level Advocacy Opportunities

- **August/September**

- State leaders **revise** the budget package (“clean-up” + substantive changes) after returning from summer break on August 18.

- **Fall special session?**

- Gov. Newsom **could call a special session** to address the massive federal cuts, but unclear if he will.

- **January 2026**

- Governor releases his **proposed budget** for the 2026-27 state fiscal year, which begins on July 1, 2026.

Q&A

Thank you!



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