

## The Far-Reaching Harmful Impacts of the Reconciliation Bill — on Families, Older Adults, Immigrants, and State Budgets

President Trump’s newly signed Budget Reconciliation Bill ([OBBBA](#)), passed by congressional Republicans on July 4, 2025, imposes sweeping changes to the Supplemental Nutrition Assistance Program (SNAP). The law shifts costs to states, expands time limits and work requirements, and eliminates eligibility for groups long protected under humanitarian policy. Though implemented locally, these changes were federally designed to weaken SNAP by making it more costly and politically unsustainable at the state level. **The table below summarizes key provisions. For a full analysis, [click here](#).**

Increases in Administrative Costs, Section <a href="#">10106</a>	Effective Date
Beginning in fiscal year (FY) 2027, the federal share of SNAP administrative costs will drop from 50 percent to 25 percent, shifting 75 percent to states. This change will strain state budgets, reduce program capacity, and likely cause service delays. Further, in <a href="#">10 states</a> — California, Colorado, Minnesota, New Jersey, New York, North Carolina, North Dakota, Ohio, Virginia, and Wisconsin — county governments administer SNAP, covering 34.3 percent of all participants (14.6 million individuals).	Beginning in fiscal year 2027 (October 1, 2026)
Historical Change in SNAP Cost-Sharing <a href="#">10105</a>	Effective Date
Beginning in FY 2028, states must contribute to SNAP food benefits for the first time, ending the federal government’s full funding of benefits. Contributions will be tied to payment error rates: 0 percent for rates under 6 percent, 5 percent for 6–8 percent, 10 percent for 8–10 percent, and 15 percent for rates above 10 percent. Most states risk new costs — 44 would be affected under <a href="#">FY 2024</a> data. States with extremely high error rates may delay cost-sharing until FY 2029 or 2030, but only once. This structure increases financial pressure, especially as administrative costs rise and federal support declines. It also creates incentives to tolerate higher error rates to postpone state obligations.	Beginning in fiscal year 2028 (October 1, 2027)
Expanded Time Limits, i.e., Work Requirements <a href="#">10102</a>	Effective Date
The new law expands SNAP time limits and eliminates recent exemptions. Adults up to age 65 — including veterans, individuals experiencing homelessness, and former foster youth — are now subject to a three-month time limit unless they meet strict work requirements. Previously, these groups had been exempt under the 2023 Fiscal Responsibility Act. The expansion also affects parents, grandparents, and caregivers of children ages 14 or older, as well as some Native American adults. These changes place more people at risk of losing food assistance despite caregiving responsibilities or employment barriers, with especially harsh impacts in rural areas and low-wage communities.	Effective upon bill passage, however, the U.S. Department of Agriculture (USDA) has to issue guidance to the states on how to administer these changes.

<b>Restrictions on Noncitizen Eligibility <a href="#">10108</a></b>	<b>Effective Date</b>
The new law sharply restricts SNAP eligibility for immigrants. Effective immediately, only Lawful Permanent Residents (LPR), certain Cuban or Haitian entrants, and Compact of Free Association (COFA) nation citizens remain eligible. Refugees, asylees, trafficking survivors, and other humanitarian groups — previously considered “qualified” immigrants — are now excluded. This marks a significant departure from decades of bipartisan policy supporting individuals fleeing violence or persecution. While many LPRs must still wait five years for eligibility, earlier exemptions for LPR children and severely disabled adults remain. These changes eliminate SNAP access for documented immigrants long protected under federal law, increasing food insecurity among some of the nation’s most vulnerable populations.	Effective upon bill passage; while USDA has to issue guidance to the states on how to administer these changes, it is unclear how USDA will apply a timeline to this provision based on their attacks on immigrant families. Advocates are encouraged to speak to their state agencies for guidance.
<b>Thrifty Food Plan (TFP) Limits <a href="#">10101</a></b>	<b>Effective Date</b>
The new law limits USDA’s ability to update the Thrifty Food Plan (TFP), which determines SNAP benefit levels. While the 2021 update aligned the TFP with modern nutrition and raised benefits by \$1.40 per person daily, future updates may now occur only once every five years and must be cost-neutral. This restriction prevents benefit increases — even during rising food prices — undermining SNAP’s ability to keep pace with inflation. Over time, this will erode purchasing power and increase food insecurity for millions of households, reversing progress made under the 2018 Farm Bill’s directive for science-based, up-to-date benefit calculations.	Effective upon bill passage.
<b>Narrows State Option to Calculate Utilities <a href="#">10103</a></b>	<b>Effective Date</b>
Effective immediately, households receiving LIHEAP fuel assistance no longer automatically qualify for the Standard Utility Allowance (SUA) in SNAP, unless they include an older adult or a person with a disability. This change removes a key deduction for many low-wage families, even those facing high energy costs. Previously, states could simplify benefit calculations by granting the SUA to LIHEAP recipients. The new restriction will reduce SNAP benefits for many and disproportionately harm families in areas with high living costs or extreme weather, where utility expenses strain already limited household budgets.	Effective upon bill passage, however, USDA has to issue guidance to the states on how to administer these changes.
<b>Narrows State Option to Calculate Utilities <a href="#">10104</a></b>	<b>Effective Date</b>
The new law reverses a 2024 USDA rule that allowed internet expenses to count toward the Standard Utility Allowance (SUA) in SNAP. That rule, adopted after public input and regulatory review, acknowledged internet access as essential for low-income households pursuing jobs, education, or training. Effective immediately, states may no longer include internet costs in the SUA. This change ignores growing evidence that digital access is a basic necessity and will reduce SNAP benefits for households already facing economic hardship, further limiting their ability to achieve stability and upward mobility in a technology-driven economy.	Effective upon bill passage, however, USDA has to issue guidance to the states on how to administer these changes.
<b>Defunds SNAP Nutrition Education <a href="#">10107</a></b>	<b>Effective Date</b>
Eliminates funding for the nutrition education and obesity prevention grant program SNAP-Ed.	Fiscal year 2026 (October 1, 2025)