



CWLA and AAICAMA Policy Update

Presented by Kati Mapa, CWLA, Director of Public Policy

Facilitated by Sharon McCartney, AAICAMA Director



July 2025 Policy Update: **July 16, 2025**

Time: 12:00 PM Eastern Time

SUMMARY and Link to Presentation: [July 2025 CWLA AAICAMA Policy Update](#)

Legislative Updates: *Updates from Congress*

1. **Reconciliation.** After months of work, the President signed [HR 1](#), the budget reconciliation bill, into law on July 4, 2025. See CWLA's Statement on the bill [here](#).
 - Yale's Budget Lab [found](#) that the bill will result in the bottom 40% of American households losing income, while the top 0.1% gain an extra \$118,000.
 - At least [17 million people](#) will lose health coverage, due to the cuts to Medicaid and the expiration of the Affordable Care Act premium tax breaks, eroding the coverage gains in recent years.
 - SNAP cuts in the bill are expected to impact [16 million](#) children.
 - Immigrants will lose access to federal support and the bill funds \$45 billion for ICE detention, a [365% increase](#) to ICE's detention budget, leading to even more family separation.

Overall, the bill is a transfer of wealth from the bottom earners to the top earners. Implementation is staggered: some provisions, such as barring immigrants from food, health and tax benefits, are immediate, and others come later. For example, Medicaid work requirements will be introduced by 2027, after the midterm elections. See CAP's explainer with timelines [here](#).

The Byrd Rule: The Senate bill is subject to the Byrd rule, which requires provisions to meet a strict set of rules to be included in a reconciliation package. The "Byrd bath" started once the Senate introduced its bills and continued right up until the final vote, with provisions being deleted, rewritten, and added back in based on the ruling of the Senate Parliamentarian.

Some harmful provisions were removed during the "Byrd bath" in the Senate, including:

- Banning Medicaid spending for gender affirming care
- Fiscal penalties for states that use state funds to provide healthcare for certain immigrants
- A pre-certification requirement to claim children for the Earned Income Tax Credit
- Sponsorship fees for unaccompanied children

The following provisions were included in the final package:

SNAP

- Expanding work requirements to older adults and parents of children over the age of 9, and ends exemption of homeless individuals and young adults from foster care.
- Shifts costs to states by increasing the cost-share of administrative costs and implementing a state cost share of food benefit costs based on the state error rates.
 - Delayed implementation for highest error rate states
- Restricts noncitizen eligibility. This proposal removes SNAP eligibility for several categories of lawfully present immigrants.

Medicaid. Senate Finance Committee made the Medicaid provisions worse; the following provisions were in the final bill:

- Adds work requirements for parents of children over the age of 14.
- Stricter limits on Medicaid provider taxes, which states use to fund rural hospitals and other Medicaid expenses.
 - Includes a \$50 billion fund for rural hospitals to offset this impact.
- Restricts eligibility for the same categories of lawfully present immigrants as the SNAP title.

Taxes: Senate Finance tax package tweaks the House Ways and Means bill:

- For the child tax credit, reduces the increase from \$2,500 per child in House bill to \$2,200 per child but makes it permanent.
- Requires one parent of the child to have an SSN to claim CTC (House bill requires both parents to have SSN.)
- Does nothing for refundability, so it does not help low-income families.
- Still includes the partial refundability for the Adoption Tax Credit
- Still includes the “Trump Accounts” for newborns (restricts eligibility to citizens.)

Immigration: Senate Judiciary bill softens some of the provisions for unaccompanied children. Here’s what made it into the final bill:

- Spends \$45 billion on family detention.
 - Dismantles Flores Settlement by eliminating length of time children can remain in detention.
- Directs total spending of \$126 billion for family separation, family detention.
- Prioritizes the return of young people to their country of origin.
- Directs CBP to conduct searches for “gang-related markings” of children as young as twelve.

What comes next? As noted, the implementation of these provisions will be staggered, and the Administration will need to release guidance and program instructions from the various relevant agencies to instruct states in how to implement the changes.

Budget Chair Jodey Arrington (R-TX) has stated that he wants to do another reconciliation bill, which Congress can do 2 a year – it remains to be seen whether the Majority party could gather enough momentum to pass another one this Congress, given the close margins on this bill.

Resources:

- [Roundup of Proposals Impacting Immigrants](#) - National Immigration Law Center
- [What Health Care Provisions of the One Big Beautiful Bill Act Mean for States](#)
- [The Many Harmful Impacts of the Budget Bills \(Both House and Senate Versions\) on Health Coverage, Costs, and Care](#)
- [‘Big Ugly Tax Scam’ Act Analysis](#)
- [A List of Nearly Everything in the G.O.P. Bill, and How Much It Would Cost or Save](#) - NYT
- [Republicans’ New Child Tax Credit Proposal Pushes More Children Into Poverty](#) - ESP

2. **Appropriations.** The Appropriations process is the yearly budget process that deals with discretionary funding, while reconciliation deals with mandatory spending that is written into law and requires legislative action to be changed.

So far this year, the House and Senate Leadership have not agreed to topline or subcommittee allocations yet, which are the first steps in the budgeting process and typically would be accomplished before the committees move forward on their bills. Instead, the chambers are moving forward on two different tracks.

House Appropriations Chairman Tom Cole (R-OK) has released the schedule for [Appropriations markups](#). Subcommittee markups started last month with some of the less controversial bills. The schedule stretches into mid-July, with the Labor, Health and Human Services, and Education bill last; this bill is always the most difficult to craft and pass, because it is the largest non-defense discretionary bill, covering the most programs, and it also typically includes the most “policy riders” – policy changes that are not necessarily relevant to the budget, and are typically very partisan proposals.

On the Senate side, Senate Appropriations Committee has approved the Agriculture Appropriations bill, which includes an increase in funding for WIC; the House bill would have significantly reduced WIC funding and benefits to mothers and children.

The Commerce, Justice and Science bill stalled over the plan to move the FBI headquarters. Other bill text, like Labor/HHS have not been released yet, though there is a tentative markup scheduled for July 24th that may or may not happen.

Government funding runs out on September 30th, the end of the federal fiscal year. Congress will need to act before then. They have 3 paths forward: pass a complete FY 2026 budget, which is highly unlikely given how far behind they are in the process right now; pass a Continuing Resolution, either for a short term or long term; or allow a government shut down. A government shutdown is wildly unpopular for both parties, so it is unlikely, though it’s difficult to see them being able to agree on much at this point.

3. **Child Welfare Policy Updates.** Dr. Alex Adams, ID Dept. of Health and Welfare, was nominated to be the Assistant Secretary for the Administration on Children and Families. [Confirmation hearing](#) scheduled for July 22nd. This is the first step to be confirmed by the Senate.

Child Welfare Bills Introduced so far:

- *Recruiting Families Using Data Act*
 - Passed the House
- *Adoption Tax Credit Refundability Act*
 - Introduced in the House and Senate
- Foster Care Tax Credit Act
 - Introduced in the House

The Administration: Updates from the White House

1. Notice of change to the definition of “Public Federal Benefit.”

Last week, multiple federal agencies issued notices related to the interpretation of “federal public benefit” under the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). On July 9 the Department of Agriculture issued the first [notice](#), and on July 10, the [Department of Health and Human Services](#) (HHS), [Department of Labor](#) (DOL), and [Department of Education](#) (ED) issued their own notices.

The National Immigration Law Center (NILC) has shared a [rapid analysis](#) of these notices, with explanations of what they mean and a helpful list of who would be impacted by the changes. It is being messaged as a means to keep undocumented immigrants from accessing benefits, but the definition change will make benefits inaccessible to many lawfully-present immigrants as well.

The HHS notice adds the following programs to restricted eligibility:

- Certified Community Behavioral Health Clinics
- Community Mental Health Services Block Grant
- Community Services Block Grant (CSBG)
- Head Start
- Health Center Program
- Health Workforce Programs not otherwise previously covered (including grants, loans, scholarships, payments, and loan repayments).
- Mental Health and Substance Use Disorder Treatment, Prevention, and Recovery Support Services Programs administered by the Substance Abuse and Mental Health Services Administration
- Projects for Assistance in Transition from Homelessness Grant Program
- Substance Use Prevention, Treatment, and Recovery Services Block Grant
- Title IV-E Educational and Training Voucher Program
- Title IV-E Kinship Guardianship Assistance Program
- Title IV-E Prevention Services Program
- Title X Family Planning Program

Although the HHS notice includes a 30-day comment period, all notices are effective immediately (pending further guidance for implementation).

The Supreme Court

1. Birthright Citizenship Decision

In June, the Supreme Court [considered](#) whether federal district courts can issue “universal” injunctions - orders constraining the government from acting against individuals beyond those who brought the lawsuit. These injunctions are used to pause a law or executive order while the case moves forward, to keep the law or order in question from causing damage that would need to be undone if it is found to be unconstitutional.

The majority opinion ruled that a single judge cannot block a presidential order from taking effect nationwide. While this ruling does not change whether or not a child born in the United States is automatically a citizen, it would have lifted the pause on the Administration implementing their Executive Order to deny birthright citizenship to children whose parents are not citizens.

On June 27th, a New Hampshire federal court allowed a [nationwide class action](#) suit to stop the implementation of the EO. This case may also make its way to the Supreme Court.

2. Restructuring the Federal Government

The Supreme Court on July 14th [granted](#) the Trump administration’s request to temporarily pause an order by a federal judge in Massachusetts that would require the Department of Education to reinstate nearly 1,400 employees who were fired earlier this year as part of the department’s efforts to reduce the size of its workforce. Now, the Administration plans to fire 1,400 ED employees, about 1/3 of the staff. More information [here](#).