

# Impacts of Federal Budget on Latino and Working Families

*Updated July 24, 2025*

## What's happened in Congress — and why it matters

The U.S. House of Representatives and U.S. Senate have passed a harmful and cruel federal budget that:

- Imposes the largest cuts in U.S. history to health care and food assistance.
- Raises taxes on low-income families.
- Restricts access to higher education.
- Eliminates support for mixed-status families.
- Dramatically expands immigration enforcement.
- All while delivering billions in tax breaks to the ultra-wealthy and corporations.

[UnidosUS polling](#) shows that Latino voters overwhelmingly prioritize the cost of living, jobs, housing and healthcare as their top concerns for policymakers to address. Yet this federal budget pushes the country in the opposite direction.

Signed into law by President Trump in early July, this budget will strip millions of their health coverage, make it harder for families to afford food, raise the cost of living, and put college further out of reach. At the same time, it has already empowered federal immigration authorities to expand abusive and indiscriminate arrests and deportations that are tearing families apart, traumatizing children and damaging our local economies.

## Health care: Families will lose coverage and pay more

Health care [ranks as the fourth top concern for Latino voters](#), and 58% of them oppose major budget cuts to Medicaid. The federal budget passed by Congress and signed by President Trump ignores this reality.

The budget:

- Slashes more than \$1 trillion from Medicaid and the Affordable Care Act (ACA), the largest cut to health care in U.S. history.
- Allows enhanced ACA federal tax credits to expire, making insurance through the marketplace unaffordable for millions.
- Roughly 15 million people are expected to lose coverage, including approximately 4 million Latinos who rely on Medicaid or purchase ACA plans.
- Even those who keep their coverage will likely have to pay much more for health care.

## Food Assistance: Less support, more barriers for families to get food on the table

The federal budget will hurt the pocketbooks of Latino families at a time when many already struggle to afford enough food: Nearly two in five don't have enough to eat, and one in eight has gone into debt just to buy groceries. The cost of food and basic living expenses ranked the highest among Latino voter priorities, and 62% of Latinos oppose cutting SNAP.

The budget:

- Cuts \$187 billion from SNAP, the largest cut in history to the nation's leading anti-hunger program.
- Reduces benefits and shifts costs to states, forcing them to either cut SNAP benefits or other priorities such as education.
- Imposes new harsh paperwork and work requirements that block access to SNAP and Medicaid.

## Education: Putting higher education out of reach and diverting public funding

Latino families believe in the power of education and that it is foundational to their American dream. The federal budget slashes higher education support at a time when over half of the 5.3 million Latino student borrowers already struggle to repay their loans, potentially tripling student loan payments [for millions](#) and eliminating critical programs for first-generation college students.

The budget:

- Imposes new restrictions on Pell Grants.
- Replaces student loan forgiveness and repayment programs with more expensive repayment plans.
- Eliminates most federal loan options for graduate students and puts a lifetime cap on how much they can borrow, which affects aspiring teachers, social workers and other students seeking advanced degrees.
- Introduces a \$101 billion private voucher program that gives wealthy donors 100% tax credits, effectively using taxpayer money to subsidize private education.

## Immigration: Causing chaos and instability through mass arrests and deportations

Latino voters — and the broader public — want a balanced approach to immigration that's firm, fair and free of cruelty. The federal budget will instead give a blank check for more abuse and civil rights violations by federal immigration authorities as they engage in indiscriminate mass deportation actions across the country.

- Only 38% of Americans support removing all undocumented immigrants, down from 47% in 2024 (Gallup, June 2025).
- A record 79% now say “immigration is a good thing,” up from 64% last year.
- Nearly half (49%) of Latino voters feel the Trump administration’s deportation policies put them, their family and/or friends at risk.

The budget:

- Funds 10,000 new ICE agents, doubles detention beds and targets millions of undocumented workers for deportation, many of whom have lived in the U.S. for decades and are deeply embedded in our economy and communities.
- These mass deportations are projected to shrink gross domestic product (GDP) by 2.6% and increase food and housing costs due to labor shortages.
- Instills fear and deters families from seeking critical services like medical care, going to school or reporting abuse.

## Child Tax Credit: Entrenching poverty

The Child Tax Credit (CTC) has proven to be the most effective anti-poverty tool that lawmakers have. Families use the CTC to cover daily needs like food, housing and childcare. This budget hits Latino families hard at a time when more supports are needed to help them build a better future.

The budget:

- Requires that at least one parent has a Social Security number to qualify for the CTC, excluding 2.6 million children in mixed-status families.
- Adds income requirements that deny benefits to 17 million children, 44% of which are Latino children.
- Families earning under \$30,000 will be hit the hardest, facing higher costs in food and healthcare and fewer tax credits.

## Bottom line

- This law moves the country in the wrong direction — raising costs, stripping support and increasing fear in Latino communities, all while rewarding the richest Americans.
- It ignores what voters want and undermines the economic security and dignity of millions of families.
- 60% of Latino voters believe President Trump and congressional Republicans are not focusing enough attention on lowering the cost of everyday necessities.

## When does it take effect?

While President Trump signed the bill on July 4, 2025, key provisions take effect at different times.

Provision	Effective Date
Cost shifts from federal to state government in Medicaid and SNAP	State budget cuts can happen at any time, as state officials prepare for future fiscal damage. For example, Texas’s Governor

	vetoed a summer food program for low-income school children, based on the federal budget's future SNAP cost shifts.
Cutting paperwork for Medicaid enrollment and renewal, including for Medicare beneficiaries who rely on Medicaid to pay premiums and coinsurance	Repeal of Biden administration regulations effective immediately.
More rigid and widespread SNAP work documentation requirements	Effective immediately, as soon as federal agencies issue guidance.
SNAP benefits cut for people with certain internet and utility expenses	Effective immediately, as soon as federal agencies issue guidance.
SNAP benefits no longer change to reflect new consumption patterns and nutrition standards	Effective immediately, as soon as federal agencies issue guidance.
ACA insurers have fewer options for accepting partial premium payments. (Change initiated by Trump administration regulation.)	August 2025
End to Clean Energy Credits for electric vehicles	Sept. 30, 2025
Cuts to immigrant eligibility for ACA coverage, for people with income below 100% of the federal poverty level	Dec. 31, 2025 — but people will feel the effects when open enrollment starts in November 2025
Deferred Action for Childhood Arrivals (DACA) holders made ineligible for ACA coverage. (Change initiated by Trump administration regulation.)	
Increased paperwork burdens that obstruct enrollment and renewal into ACA coverage. (Change initiated by Trump administration regulation.)	

People projecting income at or above 100% federal poverty level (high enough for the Advanced Premium Tax Credit eligibility) must provide documentation if past income records show income <100% federal poverty level. (Change initiated by Trump administration regulation.)	
Shortened open enrollment period, greatly limited special enrollment periods. (Change initiated by Trump administration regulation.)	
End of enhanced premium tax credits (unless Congress extends them)	
ACA tax penalties for people who inadvertently claimed excess advance premium tax credits	<p>Penalties charged in 2027 for coverage in 2026</p> <p>Could affect enrollment choices during open enrollment (November/December 2025)</p>
End to energy credits for Residential repairs	Dec. 31, 2025
Remittance Tax	Jan. 1, 2026
CTC Elimination for U.S. citizen children with both undocumented parents	2026 tax filings (for 2025 income)
Auto-renewals in ACA coverage end. (Change initiated by Trump administration regulation.)	Starting in January 2026, people will start being dropped
ACA eligibility for non-citizens limited to lawful permanent residents (LPR), Cuban/Haitian entrants, Compacts of Free Association (COFA) citizens	<p>Effective 2027 plan year</p> <p>Impact will be felt during open enrollment in November and December 2026</p>

Pell Grant eligibility restrictions	July 1, 2026
Limits on graduate student loans	
End of existing student loan repayment plans	July 1, 2026 (for new borrowers) July 1, 2028 (for current borrowers)
In Medicaid expansion states, reduced federal matching funding for undocumented immigrants' emergency services	Oct. 1, 2026
Medicaid eligibility for non-citizens limited to LPRs, Cuban/Haitian entrants, COFA citizens, and lawfully residing children and pregnant women under the Immigrant Children's Health Improvement Act.	Oct. 1, 2026
States' share of SNAP administrative costs goes up from 50% to 75%	Oct. 1, 2026
Retroactive Medicaid eligibility limited to one and two months before application, in expansion and non-expansion states, respectively	Jan. 1, 2027
Expansion adults must be renewed every six months	Jan. 1, 2027
Medicaid work documentation requirements for expansion adults	Jan. 1, 2027  States can begin sooner or, if approved by Centers for Medicare and Medicaid Services, delay implementation until Dec. 31, 2028
States are required to pay a percentage of SNAP benefit costs	Oct. 1, 2027

	Two-year delay for states with high payment error rates
\$35 Medicaid copayment	Oct. 1, 2028
Stricter enforcement of Medicaid improper payment rules for states	Oct. 1, 2029
Immigration enforcement expansion	Through 2029
Medicaid provider taxes and direct payments to providers	Complex

## In the media

Below are some stories and examples of families who have been affected by these budget cuts and mass deportations. You can include mentions of these incidents as you leverage the above points.

- [North Carolina food bank warns it won't be able to meet demand after SNAP cuts](#) — Axios (July 21, 2025)
- [As Trump's raids ramp up, a Texas region's residents stay inside — even when they need medical care](#) — AP News (July 21, 2025)
- [She Was a Rising Senior on the Honor Roll. ICE Just Upended Her Life](#) — Teen Vogue/the 19<sup>th</sup> (July 8, 2025)
- [Trump bill slashes food aid for 200K+ in Michigan](#) — Axios (July 17, 2025)
- [One Big Beautiful Bill will strip health coverage from 175,000 Marylanders](#) — The Washington Post (July 17, 2025)
- [Trump's "big, beautiful bill" puts SNAP at risk](#) — Axios (July 9, 2025)
- ['Would not be an option': Worcester college students say federal aid plays key role in education](#) — Worcester Telegram & Gazette (March 20, 2025)
- [Millions at Risk: How Trump's Insurance Cuts Threaten Latino Communities in California](#) — Fulcrum (July 19, 2025) "
- [How Medicaid cuts would impact Coloradans](#) — Axios (March 25, 2025)
- [To Patients, Parents, and Caregivers, Proposed Medicaid Cuts Are a Personal Affront](#) — California Healthline (March 5, 2025)



- [Atlanta journalist fights deportation from Ice jail despite dropped charges: ‘I’m seeing what absolute power can do’](#) — The Guardian (July 21, 2025)

## What can you do next?

- **Help us amplify the stories of community members affected by this new federal budget.** If you have a lead on a compelling story, [reach out to us using this form](#).
- **Speak out.** Reach out to your representatives to express your community’s concerns. Meet with them or host a tour of your site.
- **Show up.** Join or host local town halls, community forums and press events to make sure our community’s voices are heard.
- **Share on social media.** Use your platforms to share personal stories and key facts about the impact of this federal budget.