

# FEDERAL UPDATES

CPST MEETING  
JULY 17, 2025

# Topics

I. FAST

II. Federal Budget

III. Supreme Court Rulings

IV. Budget Reconciliation Package

V. Changes to Definition of Federal Public Benefit

VI. Questions/Discussion

# Federal Action Strategy Team (FAST)

- Established in November 2024
- Comprised of leadership from HHS agencies, One Fairfax, Management & Budget, and Government Relations
- Monitors and analyzes federal actions and legislation that will impact service delivery and operations
- Ensures coordination with internal and external stakeholders

# Federal Budget Development

- President submits budget request (skinny budget)
- Congress adopts budget resolution
- ★ • 12 appropriations bills considered and marked up by House & Senate Appropriations Committees
- House and Senate must pass a budget or continuing resolution by September 30

# FY 2026 Federal Budget Markup

<b>Agriculture, Rural Development, Food and Drug Administration, and Related Agencies</b>	USDA	<b>House committee markup was 6/23</b>  <b>Senate committee markup was 7/10</b>
<b>Commerce, Justice, Science, and Related Agencies</b>	DOJ  Legal Services Corporation	House committee markup date TBD  <b>Senate committee markup was 7/10</b>
<b>Labor, Health and Human Services, Education, and Related Agencies</b>	DOL  HHS  ED	House committee markup on 7/24  Senate committee markup on 8/1
<b>Transportation, Housing and Urban Development, and Related Agencies</b>	HUD	<b>House committee markup on 7/17</b>  Senate committee markup on 7/25

# Supreme Court Rulings

- On July 8, Supreme Court lifted a federal court order that had temporarily blocked the administration's plan for significant federal workforce reductions and agency reorganizations
- On July 14, Supreme Court lifted a federal court order blocking the administration's plan lay off 1/3 of Dept. of Education workforce and shift some functions to states or other federal agencies

# Potential Special General Assembly Session

- Special General Assembly committees have been engaged in a statewide listening tour about federal impacts
- FAST provided recommendations on mitigation strategies for Fairfax County's testimony at the Northern Virginia hearing
- General Assembly may convene a special session during 2<sup>nd</sup> week of September to address federal impacts

# *Budget Reconciliation Package (H.R. 1)*

- New tax cuts and credits
- Huge investments in immigration enforcement and border security
- Significant cuts to social safety net programs
  - SNAP
  - Medicaid

# Budget Reconciliation - SNAP

	Existing	New
<b>Work Requirements for Able-Bodied Adults</b>	<ul style="list-style-type: none"> <li>• Applies to individuals ages 18-54</li> <li>• Dependent exception</li> <li>• Exceptions for unhoused individuals, individuals under 24 who aged out of foster care, and veterans</li> </ul>	<ul style="list-style-type: none"> <li>• Applies to individuals ages 18-64</li> <li>• Dependent exception for children under 14</li> <li>• Eliminates exceptions for unhoused individuals, individuals under 24 who aged out of foster care, and veterans</li> </ul>
<b>Immigrant Eligibility</b>	<ul style="list-style-type: none"> <li>• Qualified immigrants include asylees, refugees, green card holders, Cuban and Haitian entrants, and COFA citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Limits eligibility to green card holders, Cuban and Haitian entrants, and COFA citizens</li> </ul>
<b>Matching Funds</b>		<ul style="list-style-type: none"> <li>• Requires states with a payment error rate above 6% to provide matching funds (5-15%)</li> <li>• National error rate is 11.68%; Virginia's most recent error rate was 9.86%</li> </ul>
<b>Administrative Expenses</b>	<ul style="list-style-type: none"> <li>• 50/50 federal and state split</li> </ul>	<ul style="list-style-type: none"> <li>• 25% federal and 75% state</li> </ul>

# Budget Reconciliation Highlights- Medicaid

	Existing	New
<b>Eligibility Redeterminations for Expansion Population</b>	<ul style="list-style-type: none"> <li>Annual eligibility redetermination</li> </ul>	<ul style="list-style-type: none"> <li>Eligibility redetermination every six months</li> </ul>
<b>Cost Sharing for Expansion Population</b>		<ul style="list-style-type: none"> <li>Requires copays (up to \$35) for certain medical care</li> <li>Exempts primary, behavioral health, prenatal, emergency care, as well as care provided at FQHCs and behavioral health clinics</li> </ul>
<b>Immigrant Eligibility</b>	<ul style="list-style-type: none"> <li>Qualified immigrants include asylees, refugees, green card holders, Cuban and Haitian entrants, and COFA citizens</li> </ul>	<ul style="list-style-type: none"> <li>Limits eligibility to green card holders, Cuban and Haitian entrants, and COFA citizens</li> </ul>
<b>Community Engagement Requirements for Expansion Population</b>		<ul style="list-style-type: none"> <li>Adds 80/hour monthly community engagement requirement for able-bodied adults ages 19-64</li> <li>Exceptions include pregnancy, disability, and parents of children ages 13 or younger</li> </ul>

# KEY IMPLEMENTATION DATES

## OCTOBER 1, 2026

Medicaid: New immigrant eligibility

SNAP: Increase in administrative cost sharing for states

## DECEMBER 31, 2026

Medicaid: Increase in frequency of eligibility redeterminations

Medicaid: Community engagement requirements

## OCTOBER 1, 2027

SNAP: Implementation of cost sharing for states based on payment error rates

## OCTOBER 1, 2028

Medicaid: Implementation of copays for certain services

# Expanded Definition of “Federal Public Benefit”

- On July 10, HHS, USDA, DOL, and ED issued policy that expands the definition of a “federal public benefit” to include programs that were previously available to many immigrants, included *but not limited to*:
  - USDA food and nutrition programs
  - Community Services Block Grant
  - Head Start
  - DOL/ED job training and career and technical education programs
- Now limited to “qualified” immigrants



# Questions / Discussion