AGN. NO.__________

MOTION BY SUPERVISOR HILDA L. SOLIS July 15, 2025

Evaluating the Impact of the Passage of the Federal "Big Bill"

Congressional Republicans passed President Trump's "Big Bill" on Thursday, July 3, 2025, which was subsequently signed into law on Friday, July 4, 2025. This legislation will lead to an estimated $4.5 trillion in tax cuts that will benefit the wealthiest households, who are expected to see an estimated annual increase of $12,000. Meanwhile, the poorest households are expected to lose an estimated $1,600 per year. These cuts will also be used to fund ongoing immigration enforcement in Los Angeles County and beyond, with the bill including $8 billion for the hiring of new ICE agents, $868 million for ICE retention and signing bonuses, and $950 million to incarcerate noncitizens. This additional enforcement funding, as well as the tax cuts are largely driven by funding reductions to critical programs, including Medicaid and food assistance, that low-income, vulnerable residents depend on.

The federally passed bill includes a burdensome 80-hour-per-month work requirement, more frequent eligibility redeterminations, and copayments of up to $35 for Medicaid enrollees with incomes over 100% of the federal poverty line (also known as Medicaid expansion adults), among other changes. Changes resulting from this bill will significantly impact access to Medicaid and health services in the County, and harm

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County residents who rely on this program to access life-saving health care.

Further, reductions to federal funding by modifying the Federal Medical Assistance Percentage (FMAP) from 90% to 50% for emergency services provided to adults without children and that have an unsatisfactory immigration status, reductions to state directed payments, and reductions to the Medicaid Disproportionate Share Hospital (DSH) program, among others, will decrease access to critical resources for the State, County, and local health providers. Experts anticipate that funding reductions will force states to reduce their health programs and will make hospitals and community health providers more vulnerable to the risk of closure. These changes will also ultimately hurt our most at-need residents who rely on this program to access necessary health services.

In addition to the massive cuts to Medicaid, restrictions for lawfully present immigrants to access federal health programs, including Affordable Health Act (ACA) premium tax credits, will also leave many without health coverage. Additional restrictions for lawfully present immigrants may leave approximately 1.3 million uninsured by 2034. Green card holders in the five-year waiting period to access Medicaid, who are currently eligible for subsidized ACA health coverage, will likely be the largest group impacted. Importantly, this bill would also eliminate federal funding for health coverage under Medicaid, the Children’s Health Insurance Program, and Medicare, and eliminate ACA premium tax credits and food assistance for refugees, people granted asylum, and certain victims of domestic violence, sex or labor tracking, including children.

In Los Angeles County, approximately 41% of Los Angeles County residents rely on Medi-Cal, California's Medicaid program, many of whom are children, seniors, individuals with disabilities, and working adults. Throughout the State, 82% of adults that rely on Medi-Cal are part of a working family. While the industries with the highest percentage of Medi-Cal workers include agriculture, forestry, fishing and mining, restaurants and food service, and other services such as auto mechanics, hair salons, and private households. The passage of this bill has implications for the health and well-being of County residents who rely on this program. It will also have significant implications to our health system, providers, and our economy at large. In the County, healthcare is one of the fastest-growing employment sectors, contributing more than 787,300 jobs. Medicaid plays a significant role in creating healthcare jobs, as it represents almost one dollar our every five dollars spent on health care nationwide.

In addition to imposing work requirements on Medicaid, the federal bill also imposes stricter work requirements for the Supplemental Nutrition Assistance Program (SNAP), limits work requirement exemptions, and restricts the ability of states to waive work requirements, which will result in many County residents losing essential access to food via SNAP.

Nationally, more than 71 million individuals depend on Medicaid for health care access, while 40 million individuals currently use SNAP. Most recipients of these programs already work, yet new requirements imposed by this bill will pose additional administrative barriers. Additionally, evidence shows that work requirements do not increase employment but do reduce enrollment in health coverage and limit access to care. Work requirements will only force individuals struggling between jobs or caring for a sick child or loved one to lose the ability to treat their illnesses and thrive. In fact, it is expected that almost 12 million more individuals would become uninsured by 2034, while 3 million more would no longer qualify for SNAP benefits. However, the devastating impacts from this legislation could be far greater with some estimates indicating that with all policy changes combined, approximately 17 million individuals could lose health insurance.

The bill also includes significant cuts for clean energy incentives, incentives that benefit the reduction of air pollution, the monitoring and reduction of air pollutants in disadvantaged schools and communities, and protections from various contaminants that are known greenhouse gases. Over the past several years, the green economy has grown exponentially, and many industries have invested locally and internationally in clean energy products. A drastic move to redirect diverse industries from clean energy back to a focus on fossil fuels could lead to extensive expenses for businesses. The repeal and rescission of various environmental programs and regulations will likely increase compliance costs and liabilities for small businesses. Changes to consumer financial protection measures could also increase operational costs for small businesses in the financial sector.

Meanwhile, the revision to the student loan programs decreasing borrowing power leaves certain professions more out of reach for low-income students and students of color that tend to borrow more for higher education. At a time when certain professions face shortages, certain programs, such as medical school, will likely remain more out of reach for descendants of immigrants.

Lastly, the introduction of fees for asylum applications, employment authorization documents, immigration appeals, and other immigration-related processes, along with changes to labor protections, minimum wage laws, and employment rights, as a result of federal legislation could impact job security and working conditions for immigrant workers. Increased immigration enforcement, supported with funding from this bill, will also impact our local economy as immigrants are afraid to leave their home to work or participate in public life. Increased immigration is already having an impact on local businesses from across all sectors throughout the County. As immigration enforcement intensifies, our local economy will also continue to suffer.

The impacts of the recently passed federal "Big Bill" will have a devastating effect on our County residents, health providers, the environment, working conditions, and local businesses. This legislation will also limit our County's ability to deliver essential services. However, for the County to work towards preserving critical programs, it is also necessary that we fully understand the impacts of the recently passed federal legislation.

I, THEREFORE, MOVE that the Board of Supervisors suspend Section 22.1 of the Rules of the Board for the limited purpose of considering this motion.

I, FURTHER, MOVE that the Board of Supervisors direct the Department of

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Health Services, Department of Public Social Services, Department of Mental Health, Department of Economic Opportunity, the Chief Executive Office, and other relevant departments to report back in writing in 30 days on expected impacts from the recently passed Federal "Big Bill". This includes, but is not limited to, the following:

1. Estimated reductions in Health and Social Services for County residents, including Medicaid and the Supplemental Nutrition Assistance Program (SNAP).
2. Expected impacts to County departments and facilities, including increased costs and funding reductions.
3. Anticipated impacts to the County's workforce and economic development.

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