



2025 Fact Sheet

Impact of Trump's One Big Ugly Budget Bill on Mississippi

Families across Mississippi are working hard to stay afloat — paying more for everything from groceries to rent to health care. President Trump's One Big Ugly Budget Bill (OBBB) guts basic needs programs for low-income people — cutting \$1 trillion in Medicaid and Affordable Care Act marketplace spending, along with \$187 billion in SNAP — all in order to fund tax breaks to the wealthiest in our country. Consequently, 10 million people are expected to become uninsured, and 40 million SNAP recipients will be impacted. **The OBBB cuts would shift costs to states that they cannot afford — forcing them to make difficult decisions about cutting benefits, limiting eligibility or taking from other programs.**

These budget cuts will have an outsized impact on Mississippi, which has some of the highest rates of poverty, child hunger and housing insecurity: 19% of the state is below the poverty level, 16% of the population faces food insecurity, and 30% of renter households are extremely low-income and risk eviction. Mississippi also relies on these federal funds to support its people. To illustrate, in FY22, Mississippi received \$12.3 billion in federal funds; that was 34.2% of the state's revenue.

OBBB takes food and nutrition away from families

Nearly 400,000 Mississippians receive food assistance through the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, including about 258,000 families with children, over 150,000 families with older adults or disabled people, and 9,000 Mississippi veterans. The OBBB cuts will make it even harder for these communities to put food on the table.

This law raises the state's portion of administration costs from 50% to 75%, adding an additional cost of \$42 million annually. For the first time ever, states will be required to pay for SNAP benefits, starting in October 2027. Based on the 2023 error rate numbers, Mississippi would pay 15% of SNAP benefits, or approximately \$12.6 billion annually.

More SNAP recipients will be subject to cruel work reporting requirements, including older adults aged 55 to 65 and parents of children older than the age of 14. Over 10,000 older adults and 23,000 adults with children are at risk of losing some of their SNAP benefits due to the new requirements. If families lose SNAP, this will have a cascading impact on children, who will lose access to school meals, community eligibility for low-income schools Summer EBT, and more. Mississippi families will also be affected by the freeze to the Thrifty Food Plan. SNAP benefits are updated based on the plan, which estimates the cost of groceries needed to provide for a family of four.

Mississippi's economy will also take a hit from these changes, affecting small businesses, farmers and rural retailers. In 2019, the state 3,061 authorized SNAP retailers, which account for \$605.8 million in SNAP revenue. Every dollar in SNAP benefits generates \$1.79 in economic activity.

Quick Facts

- 16% of Mississippians face food insecurity.
- Nearly 400,000 Mississippians receive food assistance through SNAP. 10,000 older adults and 25,000 adults with children are at risk of losing these benefits because of the OBBB.
- This OBBB raises the state's portion of SNAP administration costs from 50% to 75%, adding an additional cost of \$42 million annually.

OBBB strips away health care coverage

Mississippi ranks as the worst state in the nation for health outcomes. Mississippians rely on Medicaid and CHIP to get lifesaving health care, reaching about 687,000 individuals in the state — including individuals with low incomes, families, pregnant women, older people, and people with disabilities. 50% of children and 57% of births in Mississippi are covered by Medicaid. Those who depend on Medicaid for survival are at risk of losing this lifeline because of the OBBB.

An estimated 161,000 Mississippians are projected to lose health care coverage because of this law. For the first time, individuals needing Medicaid will be subject to work reporting requirements starting in 2027. These requirements do nothing to increase employment, instead, they are designed to simply take health care from recipients and force them into dead-end low-paying jobs.

Additional people will wrongfully lose Medicaid because of the red tape from more frequent renewals that start in 2027. The law also ends Affordable Care Act subsidies that help people with low incomes access health coverage. It also caps provider taxes and state-directed payments, which states use to help pay for their portion of the Medicaid program.

When people do not have health coverage, they do not stop getting sick or needing the doctor. Instead, research finds they often delay care and become more likely to be hospitalized. An increase in uninsured people would be especially devastating to rural hospitals and community health centers because they would be left to shoulder the cost of care and possibly forced to close down, leaving many without any option for care. While there is a rural hospital fund, that is not enough to prevent the harm hospitals will face when large swaths of people lose insurance.

OBBB unfairly punishes immigrants and limits opportunities for students with low-incomes

Harms immigrant families: OBBB blocks lawfully present immigrants (including DACA recipients, asylees, refugees, and people with Temporary Protected Status) from receiving SNAP benefits, purchasing ACA coverages, accessing Medicaid and Medicare, or receiving child tax credit. It allocates over \$170 billion for mass deportation and border wall expansion.

Undermines education: The OBBB will limit opportunities for low-income students to go to college by restricting Pell grants, capping loans, and undermining income-based payments. 41% of Mississippian undergraduates rely on Pell grants to attend school.

Bottom line:

The sheer number of the OBBB cuts means people will lose health insurance, have more trouble paying for groceries and be forced to choose between paying rent and seeking care or putting food on the table. Because some of these changes won't be implemented until later, there is still time to contact your member of Congress to fight these changes and additional cuts being proposed by this administration and Senate and House leadership. **Join our fight today.**

Quick Facts

- An estimated 160,000 Mississippians are projected to lose health care coverage because of this law.
- 50% of children and 57% of births in Mississippi are covered by Medicaid, and are now at risk of losing this lifeline.
- The sheer number of the OBBB cuts means people will be forced to choose between paying rent and seeking care or putting food on the table.