



## CWLA and AAICAMA Policy Update

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**SUMMARY February 2026 Policy Update: February 18, 2026**

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**February 2026 Policy Update presentation: Slides [CWLA AAICAMA Policy Update February 2026](#)**

## CWLA-AAICAMA Policy Update

### 1. Appropriations and Funding

At the end of January, the House passed a package of five FY 2026 Appropriations bills, including the Labor, Health and Human Services, and Education (Labor-HHS) bill and the Transportation, Housing and Urban Development (THUD) bill, the two outstanding budget bills that cover important human services funding. This action marked 11 of the 12 appropriations bills completed and passed by both chambers and ended a short partial government shutdown triggered on January 30th.

CWLA published our annual [FY 2026 Budget Chart](#), which tracks spending in a number of programs and line items serving children and families across the Labor-HHS and Commerce, Justice and Science appropriations bills. Overall, most programs that we track received level funding, with some small increases and some significant cuts.

The final outstanding bill that needs to pass is the Department of Homeland Security (DHS) bill; a two week continuing resolution (CR) was included in the package passed last month. Following the killing of Alex Pretti, Democrat Senators refused to vote for the House-passed DHS bill, which had previously been a bipartisan negotiation and was expected to pass. Democrats are now [demanding additional safeguards](#) be included in the bill, such as: proper identification for ICE officers, no masks, protecting sensitive locations from immigration enforcement activities, no more racial profiling, and enforcing the need for a judicial warrant to enter private property. The Senate needs 60 votes to pass an appropriations bill, so the minority party has some leverage here.

The White House and Senate Minority Leader Schumer (D-NY) are actively negotiating the DHS bill at the time of this update, with proposals being sent back and forth; these offers, however, have not been made public. DHS, including FEMA and TSA, are now shut down and no deal is in sight. This shutdown will impact federal employees who have been furloughed, air travel, and potentially disaster relief funding and coordination, and could cause significant disruptions if it continues for an extended period of time.

CWLA's [Statement on DHS Funding](#)

Resources from NILC: **We are encouraging everyone to continue calling and emailing Congress this week.** NILC's social media graphic ([Instagram/Bluesky](#)) and call to action landing page at [www.nilc.org/stopDHS](http://www.nilc.org/stopDHS).

## 2. Actions by the Administration

### *NPRM On Graduation Student Loan Borrowing*

In January, The Department of Education just released a [notice of proposed rulemaking](#) (NPRM) on graduate student loans, which will limit borrowing for many degrees, including social work, and phase out Graduate PLUS loans.

The proposed rule would codify changes to higher education law that were passed as part of HR 1, the budget reconciliation bill signed in July, that were designed to reduce spending on education. These changes would limit how much money can be borrowed for degrees outside the “professional” designation. Many human services degrees would be excluded from this category, including social work. The change would lead to barriers for students, particularly students with low incomes, and could decrease the number of people entering the field. Comments are due March 2<sup>nd</sup> and individuals are encouraged to comment from their personal experience and perspective.

### *HHS Funding Freeze: Update*

In January, [HHS announced](#) that it was freezing funding for 5 Democratic states for the Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and the Social Services Block Grant (SSBG); the freeze has been categorized as a child care funding freeze, although both TANF and SSBG have much broader purposes and are used to support many basic needs services by states and counties.

This freeze was based on accusations of fraud and abuse in these programs in California, Colorado, Illinois, Minnesota, and New York, but in the letters sent to states, there were no specific instances of fraud included. Each of the statutes governing these programs include mechanisms for HHS to claw back funds that have been misspent if fraud is discovered, but because these are mandatory funding streams, HHS does not have the authority to unilaterally freeze them.

The five states quickly filed a lawsuit and were awarded a temporary restraining order. Now, a federal [Judge has issued](#) a preliminary injunction, stopping HHS from withholding the funds while the case plays out.

### *ACF Adds MOUD to Clearinghouse*

Two weeks ago, ACF announced that three U.S. Food and Drug Administration-approved Medications for Opioid Use Disorder (MOUD) have been added as prevention services eligible for funding under Title IV-E, which supports children and families involved with the child welfare system.

This change was done on a fast-track because the medications already have federal approval from the FDA, and the change potentially makes these medications IV-E reimbursable through the Family First Prevention Services Act. The move comes as part of a larger HHS effort to address substance use and addiction.

- [Letter from the Assistant Secretary](#) regarding these changes
- [Language jurisdictions may use](#) to amend their Title IV-E Prevention Plans

### 3. Child Welfare Policy Updates

#### *Chafee Reform Continues to Move*

The House Ways and Means Subcommittee on Work and Welfare has held two hearings on reforming the Chafee program for older youth:

- On June 12th - “[Aging Out is Not a Plan: Reimagining Futures for Foster Youth.](#)”
- On November 18th - “[Leaving the Sticky Notes Behind: Harnessing Innovation and New Technology to Help America’s Foster Youth Succeed](#)”

These hearings are the required first step for the subcommittee to introduce a legislative package to amend Title IV-E to update the Chafee program. Subcommittee staff have indicated that member offices are working on a bipartisan basis to introduce Chafee bills, tackling topics that were raised in the hearing such as the education and training vouchers (ETVs), supportive services, and housing concerns. Four bills have been introduced so far:

#### [Foster Youth Postsecondary Education Access and Success Act](#)

- Introduced by Representatives Chu (D-CA) and Moran (R-TX), this bill would increase the maximum award for ETVs from \$5,000 per student per year to \$12,000. It also includes flexibility to use funds for outreach, to ensure young adults know the resource is available.

#### [Foster Youth Workforce Opportunity Act](#)

- Introduced by Representatives Miller (R-OH) and Evans (D-PA), this bill would allow ETVs to be spent on a broader range of vocational and technical programs, including apprenticeships, as well as remedial education to qualify for higher education.

#### [Foster Youth Housing Opportunity Act](#)

- From Chairman LaHood (R-IL) and Representative Gwen Moore (D-WI), this bill requires additional coordination between child welfare and housing agencies to utilize both Chafee and FYI vouchers to meet housing needs. It also allows Chafee dollars to be spent on supportive services for FYI vouchers beyond the current 30% cap.

#### [Fresh Starts for Foster Youth Act](#)

- Introduced by Ranking Member Davis (D-IL) and Chairman LaHood (R-IL), this bill allows for Chafee funding to be spent on legal support for youth exiting foster care.

### 4. Other Updates

#### *GAO Report on Medical Care for ICE Detainees*

On January 14, the GAO published a new report: [Southwest Border: CBP Should Improve Oversight of Medical Care for Individuals in Custody](#)

This report follows a death of a child in the custody of Customs and Border Patrol (CBP) in 2023 and makes 14 recommendations for the agency. It details the failures of the agency to provide adequate care.

“We found that CBP hasn't consistently followed its policies and guidance for medical care. For example, medically high-risk people didn't always receive medical assessments, as required.”

### *Farm Bill Reauthorization Introduced*

House Agriculture Committee Chairman GT Thompson (R-PA) has introduced a 5 year [Farm Bill reauthorization](#) – the Farm bill covers major provisions in farming and agriculture, rural development, and important nutrition programs such as SNAP.

The reauthorization bill does not address the harms caused by HR1, which advocates and many Democrat lawmakers were pushing for; particularly, the bill doesn't reinstate any of the funding that was cut or delay the cost shift to states. It also does not include bipartisan proposals previously approved to remove the SNAP ban for individuals with drug convictions, and it does not address SNAP skimming, in which beneficiaries have their SNAP funds stolen and have no recourse to recover them.

The bill is expected to pass out of committee, although so far there isn't a plan to bring the bill to the House floor.