



CWLA and AAICAMA Policy Update

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April/May 2025 Policy Update: April 16, 2025

Time: 12:00 PM Eastern Time

1. Reconciliation

The House Committees have now introduced and marked up their reconciliation bills, teeing up a full House reconciliation package that will come together this week.

Education: On Tuesday, April 29th, the House Committee on Education and Workforce passed [legislation](#) for reconciliation. The bill would:

- increase the number of credits required to meet the definition of full-time enrollment for Pell Grant eligibility;
- eliminate Pell Grants for students who are enrolled less than full-time;
- eliminate new subsidized student loans; and
- require institutions of higher education to repay portions of unpaid loans

These provisions would burden nontraditional students seeking higher education.

Immigration. On Wednesday, April 30, the House Judiciary Committee marked up and passed [its reconciliation bill](#), which includes:

- \$45 billion to build immigration jails for families and adults for family detention
- \$27 billion for immigration agents and operations related to enforcement and removal, this will lead to more children being separated from their parents and primary caregivers.
- Gives CBP authority to coerce unaccompanied children to return back to the country they fled, alone, requires children's families to pay for their time detained in government custody, and funds government officials to examine unaccompanied child for gang-related markings.”

Taxes: May 12th, the House Ways and Means Committee unveiled its [sweeping tax package](#) as part of the “one big, beautiful bill” strategy.

Tentative Good News: SSBG and TANF are NOT cut in this version of the bill, thanks to the advocacy of many.

- These programs provide flexible funding to states, used for child welfare services
- All states use either SSBG or TANF, and most use a combination of both, for child welfare services
- 19 states use SSBG for adoption services

SSBG and TANF cuts could still come back up at a later point in the process, but for now they are safe. This is a huge win.

Other provisions of the bill aren't so good:

- Requires the taxpayer to have a social security number (SSN) to claim the child tax credit, taking the CTC away from [4.5 million children](#) in mixed status households
- Temporarily expands the CTC for those who already receive it, but does nothing for the [17 million children](#) in families with low incomes that do not receive the CTC
- Includes tax incentives for [school vouchers](#), undermining public education
- Allows the [Affordable Care Act \(ACA\) premium tax credit to expire](#), which will result in millions of people losing health coverage.
- Makes the Adoption Tax Credit refundable for the first \$5,000

Medicaid: The Energy and Commerce Committee released its bill, which includes significant cuts and changes to the Medicaid and CHIP Programs.

- **Bill Text:** [House E&C Health Section](#)
- **Bill Summary:** [House E&C Health Subtitle Bill Summary](#)
- **CBO Score:** [House Dems-requested CBO score that details significant coverage losses](#)
 - CBO estimates that 8.6 million people will lose Medicaid coverage by 2034
 - 13.7 million in total will lose coverage (Medicaid & ACA combined)

Medicaid provisions include:

- Imposition of work or community engagement activities for most adults
 - This does NOT include: pregnant women, individuals under the age of 19 or over the age of 64, foster youth and former foster youth under the age of 26, members of a Tribe, individuals who are considered “medically frail”
- Reduces by 10% the FMAP for Medicaid expansion states that cover the cost of Medicaid for immigrants who are not “qualified aliens.”
- Sunsets FMAP increase for Medicaid expansion states.
- Prohibits the funding of gender affirming care for individuals under age 18.
- Requires redetermination of eligibility every 6 months for expansion populations.
- Freezes current amount of provider taxes for states.
- More changes are coming for the Medicaid bill, as conservatives look for additional spending reductions

SNAP: The House Agriculture Committee marked up their [reconciliation bill](#) that will slash the Supplemental Nutrition Assistance Program (SNAP) by \$300 billion and fundamentally change the structure of the SNAP program.

- All states will pay at least 5% cost share for food benefits, more based on [error rates](#)
- Thrifty Food Plan Caps: This prevents benefits from increasing alongside actual food costs, risking benefit erosion over time.
- Expands work requirement age to 18–64; narrows parent exemptions to children under 7. Does not extend the exemption for youth in or from foster care to age 24.

What Happens Next?

- The House Budget Committee voted Sunday night to move the bill forward, but required changes before it hits the floor
- The House Rules Committee will meet at 1am tomorrow (tonight?) 5/21 to consider changes
- The full house will vote on the bill this week
- If that passes, it goes to the Senate for consideration
- The Senate will make significant changes to the bill, but will not do committee markups
- The deadline for passage (set by Congressional leadership) is July 4th.

Resources:

- [Roundup of Proposals Impacting Immigrants](#) - National Immigration Law Center
- [Top 10 Reasons Why House Republicans Reconciliation Bill is Bad for Medicaid](#) - NHeLP
- [Congressional District Impact of Medicaid Cuts](#) - KFF
- [Historic SNAP Cuts Threaten Families, States, and the Future of Food Assistance](#) - FRAC
- [The House Judiciary Reconciliation Text's Catastrophic Implications for Unaccompanied Children](#) - KIND
- [Republicans' New Child Tax Credit Proposal Pushes More Children Into Poverty](#) - ESP

2. The Administration: The President's Budget

On April 16th, the [draft budget request](#) for HHS, called a “passback,” was leaked to the press. This draft is from the Office of Management and Budget, and is subject to change based on feedback from the agency. It includes the first look at what a restructured, smaller HHS would look like, detailing funding for the various offices, including the newly-created Administration for a Healthy America (AHA).

The passback slashes funding throughout HHS. From CWLA's analysis, this proposal would eliminate:

- Head Start, Preschool Development Grants
- Teen Pregnancy Prevention
- Multiple CDC programs including ACEs and Firearm Injury Prevention
- Pregnant and Postpartum Women SUD Treatment Program
- ACL's Developmental Disabilities and Advocacy Program
- Infant and Early Childhood Mental Health
- Rural and tribal health programs
- Mental health and substance use workforce supports
- And more.

On May 2nd, the President released what's known as the “[skinny budget](#)” request for FY 2026. We expect the full budget to come out in June, with all the charts and tables that detail the requests. Some of the headlines from [CWLA's analysis](#):

- Head Start is not eliminated.
- Cuts funding for HHS by 26%
- Eliminates the Low Income Heating and Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG), and Preschool Development Grants

- Block grants Title I and IDEA in education
- \$27 billion reduction for HUD and cuts rental assistance

3. The Administration: Other Updates

[White House Proclamation for National Foster Care Month](#). This proclamation was released on May 7th and specifically highlights the Family First Prevention Services Act, which was signed into law during the President’s first term. The First Lady also released a statement, noting her support for housing for older foster youth through the Foster Youth to Independence vouchers, which are a subset of the Family Unification Program housing vouchers.

[First Lady’s statement on National Foster Care Month Proclamation](#)

Resources:

- [Executive Order Tracker](#)
- [Litigation Tracker](#)
- [Political Appointee Tracker](#)

4. Child Welfare Policy Updates

While Congress focuses on the budget reconciliation process, most other legislation is on hold. We have only seen a few child welfare-specific bills introduced so far this Congress.

- The Recruiting Families Using Data Act
 - This bill would establish new data collection and reporting on the recruitment and retention of foster, kinship and adoptive parents, seeking to better understand the shortage of caregivers for children in foster care.
 - Passed the House, introduced in the Senate.
- Adoption Tax Credit Refundability Act
 - This bill, as the title suggests, would make the adoption tax credit fully refundable, allowing families with low incomes or who adopt many children to claim the full amount of the adoption tax credit – currently, many adoptive families receive only part of this support.
 - Introduced in the House and Senate
- Foster Care Tax Credit Act
 - This bill would create a once-per-year tax credit for foster families who care for children on a short-term basis (less than six months). Caregivers who care for a child for more than 6 months can claim the child tax credit, but there’s no comparable tax benefit for short-term care.
 - Introduced in the House

Liability Insurance Crisis:

Foster care agencies all around the country are finding it more and more difficult to secure liability insurance, as prices are skyrocketing and providers are pulling out of the market. There are a number of reasons for this crisis, and it varies state to state – for some, it’s changes in law regarding reporting

abuse and neglect, and for others, it's shifts in the broader insurance availability. Whatever the reason, the impact is that nonprofit agencies that serve children in child welfare are struggling to maintain their insurance and are often paying exorbitant amounts.

Resources:

AEI put out this report with several policy recommendations: <https://www.aei.org/research-products/report/an-uninsurable-and-unavailable-foster-care-system-how-lawsuits-regulations-social-inflation-and-policy-failures-are-making-the-most-vulnerable-children-uninsurable/>

Social Current also has this policy brief, which is much less detailed but also has a couple of policy recommendations: <https://www.social-current.org/reports/policy-brief-the-growing-liability-insurance-crisis/>