



CWLA and AAICAMA Policy Update

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April/May 2025 Policy Update: April 16, 2025

Time: 12:00 PM Eastern Time

Link to Policy Update slides:

https://www.canva.com/design/DAGqtzGTycY/xhkt5nzvDYSpfanUpeT0iA/view?utm_content=DAGqtzGTycY&utm_campaign=designshare&utm_medium=link2&utm_source=uniquelinks&utlId=h174a6d6ff3

On Capitol Hill: Reconciliation Update. House Bill [HR 1](#) passed the House 215-214 on May 22, 2025, ahead of their Memorial Day deadline. The megabill encompasses the President's top political priorities: extending the 2017 tax cuts (and making some permanent), funding for border security and immigration enforcement, and slashing services.

From the [Congressional Budget Office](#) (CBO)

- **Top 1%:** Households earning over \$1 million annually would receive an average tax cut of approximately \$25,870 in 2025, representing a 1.3% increase in after-tax income.
 - **Top 0.1%:** Those earning \$5 million or more would see an average tax reduction of nearly \$280,000, equating to a 3% increase in after-tax income.
 - **Overall Distribution:** More than 60% of the tax benefits would accrue to the top 20% of earners, with over 40% going to the top 5%.
 - **Lower-Income Households:** Those earning below \$30,000 could see a reduction in after-tax income, with average tax increases ranging from \$20 to \$140, depending on income level
- As of this update, the Senate has introduced all of its reconciliation texts, with the Senate Finance Committee finally releasing the text on Monday night. Highlights:
- Leadership trying to thread the needle of making some improvements to the bill to appease moderates, but not changing it too much that the House can't pass it
 - Some small improvements in immigration and tax provisions
 - Some big steps backward in SNAP and Medicaid

SNAP: The Senate was supposed to soften the House provisions, but it mostly mimicked them. As many as 16 million children will be impacted by the bill:

- Expands work requirements to older adults and parents of children over the age of 9, and ends exemption of homeless individuals and young adults from foster care
- Shifts costs to states. Through increasing the cost-share of administrative costs and implementing a new state cost share of food benefit costs based on the state error rates
- Restricts noncitizen eligibility. This proposal removes SNAP eligibility for several categories of lawfully present immigrants

Medicaid: Senate Finance Committee makes the Medicaid provisions worse, as many as 17 million people will lose health insurance:

- Adds work requirements for parents of children over the age of 14
- Stricter limits on Medicaid provider taxes. States use these to fund rural hospitals and other Medicaid expenses.
- Restricts eligibility for the same categories of lawfully present immigrants as the SNAP title.

Taxes: Senate Finance tax package makes some tweaks to House Ways and Means bill, mostly in a good direction. However, the overall bill is still several steps back from current law:

- For the child tax credit, reduces the increase from \$2,500 per child in House bill to \$2,200 per child but makes it permanent instead of it sunsetting in 4 years
- Requires one parent of the child to have a SSN to claim the CTC for their citizen child (House bill requires both parents to have SSNs)
- Does nothing for refundability for the CTC, so does not help low-income families that don't make enough to claim all or part of the credit
- Still includes the partial refundability for the Adoption Tax Credit
- Still includes the "Trump Accounts" for newborns (restricts eligibility to citizens)

Immigration: Senate Judiciary bill softens some provisions for unaccompanied children by a little:

- Removes one sponsorship fee, reducing from \$8,500 to \$5,000 to sponsor a child
- Removes provision that ORR must share information about sponsors with DHS
- Removes one requirement to check UCs for gang-related markings, maintains one requirement.
- Still directs spending for family separation, family detention, and still prioritizes returning young people to their country of origin

Kids in Need of Defense Summary: What Happens Next?

- The Senate will skip committee markups and bring the bills to the floor next week.
- The Senate Parliamentarian will rule on various provisions, removing those that aren't deemed budgetary. This process is called the "Byrd bath."
- Will need to pass the bill by next Friday to meet deadline of July 4th, but Senate Majority Leader Thune has said he make keep everyone in DC through the weekend to get it done
- Goes back to the House for passage.

Links and Information

- [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

1. **Appropriations Update:** House Appropriations Chairman Tom Cole (R-OK) has released the [schedule](#) for Appropriations markups. By law, the House is supposed to have wrapped up all of their appropriations bills by July 1, but they have only managed that four times since the Budget Act in the 1970s.

Note: Appropriations is the yearly process that deals with discretionary funding, while reconciliation deals with mandatory spending, which is written into law and does not need to be revisited every year. Subcommittee Markups started last week, with the Agriculture bill going among the first tranche of bills. The schedule stretches into mid-July, with the Labor, Health and Human Services, and Education bill last, likely in the middle or end of July. This bill is often the last to go because it is the largest of all the funding bills and usually the most controversial, with policy riders and programs with only partisan support included.

2. **Child Welfare Policy Update:** The House Ways and Means Subcommittee on Work and Welfare held a hearing: Aging Out is Not a Plan: Reimagining Futures for Foster Youth. June 12, 9:00am ET. View [here](#).

The purpose of Chafee is to help youth in foster care transition to adulthood. It can help provide access to college, and other basics such as housing, food and getting their driver's license. Chairman Darin LaHood (R-IL) opened the hearing by welcoming the young adults who were participating in the Congressional Caucus on Foster Youth's Shadow Day.

The Chairman noted the Subcommittee's history of bipartisan work to address child welfare policy reform, particularly in the reauthorization of Title IV-B last year. Chairman LaHood teed up several key themes in his opening remarks, such as the Chafee Education and Training Vouchers (ETVs), the issue of housing and homelessness for young people who transition from foster care to independence, and the recent [GAO report](#) that details how states are failing to use their Chafee dollars.

Ranking Member Danny Davis (D-IL) echoed Chairman LaHood's focus on bipartisanship and also thanked the young people with lived experience who share their stories and ideas with Members of Congress, citing recent examples of successful advocacy from older youth in passing the Family First Prevention Services Act and the pandemic relief funding for Chafee. Ranking Member Davis highlighted the need to promote stable relationships and focus on healing for older youth.

The four witnesses elaborated on numerous issues faced by older youth exiting foster care. Ms. Kimberly Webb, a young person in extended foster care in Missouri, and Mr. Raymond Nelson, a former foster youth involved in FosterClub, shared their personal experiences, the challenges they faced, and the supports that helped them navigate independence that should be available to every young person from foster care, such as extended foster care, housing, and driving support.

Dr. Maggie Stevens, President and CEO of Foster Success in Indiana, and Ms. Lisa Guillette, Executive Director of Foster Forward in Rhode Island, spoke about the programs that they each lead, noting the successes that young people have found with well-coordinated supports and caring, comprehensive case management. Ms. Guillette in particular spoke about the need to better coordinate Chafee program funds and purposes with other programs serving older youth, like the Foster Youth to Independence (FYI) housing program.

Members of the Subcommittee were engaged and interested in the topic, with several staying in the hearing room for the majority of the hearing to listen to testimony and questions. Members on both sides of the aisle asked thoughtful questions of Ms. Webb and Mr. Nelson related to their lived experience. Mr. Nelson focused part of his testimony and several of his answers to questions on the need to provide better information and resources for young people transitioning from foster care to independence.

Ms. Webb noted the additional support that she receives from continuing in extended foster care, responding to a question from Representative Judy Chu (D-CA), who is the lead sponsor of the [Increasing Access to Foster Care Through 21 Act](#), which [CWLA endorsed](#) in the 118th Congress. Representative Chu indicated that she would be reintroducing this bill in the current Congress. Ms. Webb also called on Congress to support specialized case managers for older youth, to better help them navigate independence.

Several members of the Subcommittee noted the high rates of homelessness and housing instability for transition age youth (TAY) and asked questions about the interaction between FYI housing vouchers and Chafee; Ms. Guillette stated that additional support for agencies to use Chafee funds to provide the supportive services required for TAY to participate in FYI would help these two programs better complement one another. ETVs were also discussed in several exchanges, with recommendations to expand the program to include technical and trade education and to increase flexibility for young people who have not yet attained their diploma or GED.

The overall tone and tenor of the hearing was positive and collaborative, signaling an opportunity for the subcommittee to work together to make policy improvements for older youth in the coming months.

The Administration: The President's Budget. The White House released additional details about the [President's FY 2026 Budget Request](#) on May 30, 2026, with the full [budget appendix](#). Once all of the Congressional Justifications are published, we will release a full summary and budget chart. For now, the headlines include:

- Head Start is not eliminated - it is flat funded with some recommended policy changes
- Cuts funding for HHS by \$31.3 billion
- 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, eliminating dedicated funding for McKinney-Vento and 21st Century Community Learning programs
- Includes [severe reductions](#) to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by decreasing the fruit and vegetable benefit
- Breastfeeding mothers would see their monthly benefits plummet from \$52 to just \$13, while young children's benefits would drop from \$26 to \$10
- Cuts \$1 billion from SAMHSA programs, creating an alternate \$5.7 billion consolidated mental and behavioral health program
- Eliminates many workforce development programs in healthcare, mental health, and behavioral health
- Makes cuts to juvenile justice programs. The proposal would slash the mentoring account from \$104 million to \$43 million and cut the delinquency prevention funds, called Title V, from \$55 million to \$41 million.
- Cuts Community Based Child Abuse Prevention (CBCAP) and Promoting Safe and Stable Families (PSSF) by \$10M each.

A President's Budget Request is not legislation, but a policy statement. Congress can choose to adopt- or not- as they wish. Constitutionally, Congress holds the "power of the purse." *Now, theoretically.*

1. Ended: Deferred Action for Immigrant Youth Who Have Experienced Abuse

On June 6, 2025, the US Citizenship and Immigration Services ([USCIS](#)) shared a [policy alert](#) announcing the immediate elimination of the Special Immigrant Juvenile Status ([SIJS](#)) Deferred Action [Deferred Action Policy](#). SIJS creates a pathway for children subjected to abuse, neglect, or abandonment to obtain legal status and remain safely in the US. SIJ status does not render an undocumented person a lawful status or eligibility to apply for employment authorization, but it offers an undocumented person the opportunity to apply for legal permanent residency (LPR). A condition of the application for LPR is that an immigrant visa is immediately available at the time the application is filed.

Due to the lack of available immigration applications, many young people were unable to be granted LPR status, putting children in danger of labor exploitation, trafficking, and further abuse. In March of 2022, USCIS began automatically granting deferred action on a case-by-case basis to children with SIJS unable to apply for status adjustment due to the lack of immigrant visas. Deferred action is a temporary suspension of removal action against an undocumented individual.

As of June 6th, the USCIS policy alert made the following changes to the deferred action policy:

- Youth with approved SIJS will no longer be considered for deferred action. Further, they are unable to access deferred action-based work permits.
- Those with current SIJS deferred action status will not be able to renew deferred action status or work permits.

Those with current SIJS deferred action status will maintain their status until it expires or if USCIS terminates their status.

This policy change will greatly exacerbate the SIJS backlog and the ability for undocumented children to obtain safety and protection from human rights abuses. The growing backlog greatly impacts the mental health and physical safety of undocumented young people as well as their ability to securely transition into adulthood.

2. Other Updates:

- The White House did not make a proclamation for Pride Month in June 2025.
- The MAHA Commission [released its report](#) in May, while news outlets noted that the report [included fake citations](#). An updated report is said to be in process.
- Department of Labor announced the closure of Job Corps programs June 30th, but a [federal temporary restraining order](#) has paused the closure.
- A federal judge ordered the reinstatement of Department of Education employees, [President has asked Supreme Court](#) to weigh in.