



CWLA and AAICAMA Policy Update

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July 2025 Policy Update: **September 15, 2025**

Time: 12:00 PM Eastern Time

Presentation/Slides LINK: [September 2025 CWLA AAICAMA Policy Update](#)

1. Congress: Back from Recess

a. Appropriations – Shutdown Showdown

Appropriations deal with discretionary funding, while reconciliation deals with mandatory spending. Every year, Congress's Appropriations Committees need to determine how much funding will go to each line item in the discretionary budget before the end of the fiscal year on September 30th.

- There are 12 spending bills that fund the government
- House and Senate Leadership have not agreed to toplines for the annual funding bills.
- Both the House and Senate have [moved bills forward](#).
 - The House has passed 3 bills
 - The Senate has passed 3 bills

The Senate appropriations bills have largely rejected the President's Budget request

- Senate bills need 60 votes to overcome the filibuster, tend to be more bipartisan

Highlights of the Senate bills include:

- Increases for child care and Head Start
- Full funding for mental health and substance use block grants and programs, LIHEAP, and CSBG
- Rejection of the education and housing block grants, plus language on maintaining staffing at the Department of Education
- Full funding for WIC
- Full funding for CBCAP (though includes a small cut to PSSF discretionary funds)

The [House Labor-HHS bill](#) released September 2nd and has passed out of committee. It includes relatively flat funding for child welfare but cuts important programs serving children and families:

- \$75M increase in mandatory Title IV-B funding, provided in the reauthorization last year
- \$10M cut in discretionary IV-B funds for kinship navigators
- Cuts to ORR, which includes programs for unaccompanied children
- Does not include restructuring of HHS in the President's budget
- Cuts 27% for Title I schools, though it stops short of the block grant proposal in the President's budget and it maintains McKinney-Vento (ED)
- Flat funds child care and Head Start
- Eliminates Preschool Development Grants
- Renames the Pell grants to Trump grants – Senator Pell was a giant in education policy, hard-won policy and funding for higher education (ED)

- Eliminates the Healthy Start program (HRSA)
- Eliminates Teen Pregnancy Prevention in HHS
- Eliminates Firearm Injury and Mortality Prevention Research (CDC)
- Increases the Mental Health and Substance Use Block Grants, but cuts total funding for these services, eliminating line-item programs

Will the Government Shutdown?

House Republicans unveiled a short-term continuing resolution (CR) that would continue current funding until mid-November, kicking the deadline to negotiate until just before the Thanksgiving recess.

- Considered a “clean” CR: Largely continues current funding
- Includes additional security funding for officials and Members of Congress

Democratic leadership has rejected the partisan CR and will release a bill of their own, including:

- Extension of the ACA Premium Tax Credits, which expire in December
- Full repeal of HR1 Medicaid cuts
- Guardrails to ensure funding is spent and not withheld via rescissions

The threat of rescissions is a serious complicating factor in these negotiations. Minority party leaders and members want assurances that the Administration will spend the money that Congress appropriates – they feel it doesn’t matter if they negotiate in good faith if the President can just circumvent the agreements.

Last month the President announced that he would withhold \$5 billion in foreign aid via a process called “[pocket rescissions](#),” which a judge has deemed [illegal](#). This case has gone to the Supreme Court, will likely have an answer sooner rather than later

No one knows yet if Congress will reach a deal to avoid a shutdown. Funding is the only real must-pass bill that has to get done, and it has to happen on a bipartisan basis.

- This is the ONLY true leverage that the minority party has in a split Senate
- Democrats took heat for the CR in March, and now they risk alienating their base if they allow another partisan funding bill to move forward
- Both parties will get blame and praise from their bases – shutdowns are politically unpopular no matter the reasons

b. Child Welfare Policy

Congress is really focused on the funding negotiations at the moment, just like they were focused on the budget reconciliation bill in the first half of this calendar year. However, some members have introduced bills related to child welfare:

- Recruiting Families Using Data Act
 - Passed the House
 - Introduced in the Senate
- Adoption Tax Credit Refundability Act
 - Introduced in the House and Senate
 - Partial inclusion in HR 1
- Foster Care Tax Credit Act
 - Introduced in the House

- Foster Youth Mentoring Act
 - Introduced in the House
- Campus Housing Affordability for Foster Youth Act
 - Introduced in the House

There was also a child welfare hearing in the Spring: House Ways and Means Subcommittee Hearing: Aging Out is Not a Plan: Reimagining Futures for Foster Youth. June 12, 9:00am ET. View [here](#).

This hearing indicated that the Ways and Means Committee is interested in exploring reforms and additional support for older youth exiting foster care.

- Focused on reform of the John H. Chafee program for older youth
- Key themes included education, training and housing support for older youth
- Connecting older youth to stable relationships and case management
- Braiding together funding to provide support

The tone of the hearing was bipartisan and cooperative, signally a desire to work together on CW issues.

c. Other Policy Updates

Department of Health and Human Services (HHS) Secretary Kennedy testified before the Senate Finance Committee in a hearing titled, “[The President’s 2026 Health Care Agenda.](#)” The hearing was pretty contentious, with the Secretary taking many difficult questions from members on both sides of the aisle.

- Many Senators asked pointed questions about the CDC and vaccine recommendations, including GOP Senators Cassidy (R-LA), Barrasso (R-WY) and Tillis (R-NC)
- Senator Wyden (D-OR) included the attempt to deport unaccompanied children to Guatemala last weekend

2. The Administration - new regulations and Executive Orders

Public Loan Service Forgiveness. In August, the Department of Education released a [Notice of Proposed Rulemaking](#) that would change eligibility for the Public Service Loan Forgiveness program.

- PSLF provides eligible public servants with loan forgiveness after 10 years
- Has only recently started providing relief, despite passage in 2007

The new proposed rule, if finalized, would disqualify workers and organizations engaged in activities with “substantial illegal purpose” i.e. assisting undocumented immigrants, providing gender affirming care, supporting causes against the priorities of the administration.

CWLA submitted [public comments](#) drawing attention to the impact that this rule would have on the child welfare workforce.

ACF Mission and Values. In September, ACF published a new [statement of mission, vision, values and guiding principals](#).

- Replaces previous information
- Seeks to align ACF with current Administration’s Executive Orders

Some quotes of note:

“In alignment with the Make America Healthy Again vision, we embrace the fundamental principle that the best economic program is a job, and the best social program is a family.”

“We will expand support for proven practices and newly designed programs that promote marriage and family formation.”

“ACF will develop and implement a process to assess whether potential and current grant programs are aligned to ACF’s core priorities.”

“To the extent permitted by law, including any relevant court orders, ACF will not fund programs that promote divisive Diversity, Equity, and Inclusion (DEI) ideologies. Programs must focus on measurable outcomes that align with ACF’s mission.”

“To the extent permitted by law, including any relevant court orders, ACF will not support programs that advance gender ideology, especially the teaching of gender ideology to children.”

On using Gold Standard Science to guide ACF: “ACF funded research projects will align with the values outlined in this priority document.”

On providing services to immigrant populations:

“ACF will require states and grantees to submit accurate data, to ensure compliance with federal law.”