

Child and Family Policy Update

June 2025

A copy of this update with live links can be found on the National Indian Child Welfare Association's (NICWA) website at <u>https://www.nicwa.org/child-and-family-policy-updates/</u>

<u>Hot Topics</u>

After the House Approves Their Budget Reconciliation Bill, the Senate Begins Work on Their Bill

The House of Representatives narrowly approved their budget reconciliation bill, <u>One Big</u> <u>Beautiful Bill Act</u> (H.R. 1), on May 22, 2025. The budget reconciliation bill included individual bills from eight different House committees. The final bill addressed several of the Administration's priorities, including tax reform, defense, and border security. H.R. 1 was expected to include cuts to federal human service programs that tribal nations receive funding under, such as the Temporary Assistance to Needy Families (TANF) and Social Services Block Grant (SSBG), however, no cuts to these programs were included. NICWA sent <u>letters</u> to members of the House Ways and Means Committee, which has jurisdiction over TANF and SSBG programs, urging them to avoid cutting funding to these programs.

While cuts to TANF and SSBG were not included, cuts to Medicaid and Supplemental Nutrition Assistance Program (SNAP) were included in the House bill. These cuts will impact low-income families and children's ability to receive services funded under these programs, especially for Native children and families living outside tribal lands. Currently, 40% of Native children are enrolled in Medicaid or the Children's Health Insurance Program (CHIPS), which funds health services for children not eligible for Medicaid. The cuts to large federal health and human service programs are needed to offset the costs of tax cuts and other priorities of the President's which have significant costs (approximately \$4.5 trillion over 10 years).

With the passage of the House reconciliation bill, the Senate begins work on their version of a budget reconciliation bill. There is pressure in the Senate to make greater cuts to programs, including health and human service programs, to reduce federal spending and find larger offsets to the President's priorities. Likely a Senate budget reconciliation bill will not mirror the provisions in the House bill completely, which will set up a conference between the House and Senate to negotiate a final bill that can pass both chambers. The Senate has a goal of approving their bill by Independence Day, so tribal nations and Native children's advocates are strongly encouraged to reach out to their Senators to voice their concerns about cutting funding to programs like TANF, SSBG, Medicaid, and SNAP. You can adapt NICWA's <u>letter</u> to the House for a letter to your Senators. Contact information for your Senators can be found <u>here</u>.

The process of budget reconciliation is being used to help pass tax cuts and support the President's immigration, defense, and energy priorities. The budget reconciliation process allows Congress, in particular the Senate, to pass legislation with only 51 votes instead of the usual 60 votes needed. While 51 votes is still a majority in the Senate, they have rules that allow members to filibuster legislation, which can significantly delay a vote. To end a filibuster, the Senate needs 60 votes to achieve what is referred to as "cloture" to end the filibuster. Currently, Senate Republicans only have 53 seats out of 100 Senate seats, and moving to a vote, especially on legislation that is more controversial, requires 60 votes.

To start the budget reconciliation process, the Senate and House passed budget resolutions that identified the amounts of increases or decreases in spending and revenue. The Senate passed their budget resolution on February 21, 2025 (<u>S. Con. Res. 7</u>) and the House passed theirs on February 25, 2025 (<u>H. Con. Res. 14</u>). The budget resolutions contains charts that outline how much savings or increases each committee has, which they use as they develop legislation to be included in the final budget reconciliation bill. The committees focus on federal programs under their jurisdiction.

Department of Health and Human Services (HHS) Requests Comments on Deregulation Priorities

On May 14, 2025, HHS published a request for information to solicit comments on HHS's goal to dramatically reduce regulations. The request for information (RFI) asks commenters to address several questions that focus on identifying regulations that create barriers to access to and operation of federal programs, are considered overly burdensome, are thought to be unlawful, and impede innovation among many other questions. The RFI is focused on identifying regulations that can be modified or eliminated in support of Executive Orders 14192 and 14219. While tribal nations are generally supportive of regulation reforms that improve program accessibility and operation, there are concerns about changing regulations that provide protection for Native children and families or tribal nations. Comments are due by July 14, 2025, and NICWA is urging tribal nations and advocates to submit comments about regulations that could be reformed to improve federal program access and operation, while also identifying regulations that provide protection for Native children and families and should not be changed, such as the 2024 final rule to require collection of data from states through the AFCARS data system that measure how the Indian Child Welfare Act is being implemented with Native children and families in state child welfare systems.

President Releases Fiscal Year (FY) 2026 Budget Priorities

President Trump released his FY 2026 budget request to Congress on May 2, 2025. The budget request document contains his top line budget requests for all federal departments and operations. The budget request, referred to as the "skinny budget," does not provide individual program budget requests in many cases, only his top line requests. Within the "skinny budget" are requests to cut or eliminate several Department of Health and Human Services (HHS) and Department of Interior (DOI) programs that tribes receive funding from. Some of these include the elimination of the Low Income Home Energy Assistance Program, Community Services Block Grant (basic needs and poverty reduction), Circles of Care grant program (children's mental health system development), and Tribal Behavioral Health Grants program (grants for suicide prevention and mental health services for Native youth). There is also language in the skinny budget that suggests Bureau of Indian Affairs Social Services programs will be cut or proposed for elimination. Important to note is the skinny budget is a request to Congress and does not mandate changes in federal spending. Only Congress can authorize federal program spending through the appropriations process.

Following the release of the skinny budget, HHS released their FY 2026 budget in brief and the Administration published a technical amendment to their FY 2026 skinny budget. The HHS budget justification does not provide significantly more detail about specific program requests than the skinny budget, but the technical amendment provides language that suggests the Administration is requesting no more than \$10 million be reserved for BIA Welfare Assistance programs. Welfare Assistance programs include General Assistance, Child Assistance, Adult Care Assistance, Emergency Assistance, and Burial Assistance. The total FY 2025 funding appropriated for BIA Welfare Assistance programs was \$78.5 million, suggesting the Administration is requesting an 87% decrease in funding requests.

You can find a NICWA analysis of the President's FY 2026 budget request <u>here</u>. You can also find a copy of a letter sent by the Coalition for Tribal Sovereignty regarding proposed budget cuts to Administration for Children and Families programs under HHS <u>here</u>. NICWA has previously provided testimony to the House Appropriation Committee and HHS on the need to preserve funding for these programs and will be working with members of Congress to educate them about the vital role these programs play in supporting vulnerable tribal citizens. **NICWA urges tribal advocates to contact their House and Senate delegation to ask that programs that tribes access not be cut or eliminated**. **There is little time left in this fiscal year for Congress to act on FY 2026 appropriations, so it will be critical that tribal advocates reach out to their congressional delegates very soon. You can find contact information for your Congressional members <u>here</u>.**

Trump Administration Executive Orders Causing Concern in Indian Country

Starting with President Trump's first day in office on January 20, 2025, his Administration

began issuing numerous Executive Orders and other policies that are expanding the scope of the Executive Branch's authority in the federal government and challenging constitutional norms regarding the powers of the Executive Branch. These actions are putting roadblocks up to accessing federal funding authorized for tribal nations by Congress, eliminating federal staff positions that help oversee and administer federal programs for tribal nations, and freezing regulations and other policies that benefit tribal nations. As of May 13, 2025, the Administration has issued 147 Executive Orders and the number is expected to grow. You can find a regularly updated list of Executive Orders <u>here</u>.

Key Executive Orders and administrative policies that have impacts for tribal nation human service programs and Native children and families:

- Office of Management and Budget Memorandum (M-25-13) on Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs: The Office of Management and Budget (OMB) memo M-25-13 instructed federal agencies to temporarily pause federal funding and assistance while simultaneously conducting an assessment to determine individual federal funding and assistance compliance with Executive Orders. If federal funding or assistance was found to not be aligned with existing Executive Orders it was ordered to be cancelled, including funding or assistance already authorized by Congress. Two days after OMB memo M-25-13 was first issued, it was rescinded by OMB, but later that same day the Trump Administration said it would continue the freeze on federal funding. Several federal programs that support tribal human services programs were caught up in this funding freeze initially. While many of these federal programs have begun distributing funding to tribal nations, there are still federal programs that serve Native populations that are not able to draw down their federal funding, creating confusion and uncertainty about whether these funds will be available in the future.
- Executive Order 14151 Ending Radical and Wasteful Government Diversity, Equity and Inclusion (DEI) Programs and Preferencing and Executive Order 14173 Ending Illegal Discrimination and Restoring Merit-Based Opportunity. These Executive Orders require federal agencies to assess programs, grants, and contracts within their agencies for DEI promotion or activities and eliminate the programs and funding that supports them. While tribal nations and Native people have a unique political status that is the basis for federal programs and policies that address their needs and is separate from their racial status, there are numerous reports of federal programs and activities related to tribal nations being canceled based upon them being considered DEI-related. This may also have an impact on technical assistance or other services being offered by Native organizations under contract with the federal government.
- <u>Executive Order 14170</u> Reforming the Federal Hiring Process and Restoring Merit to Government Service and <u>Executive Order 14210</u> Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative: While tribal nations and Native people have a unique political status that is the basis for

federal programs and policies that address their needs and is separate from their racial status, there are concerns that the language in the Executive Order does not address the unique status of Indian Preference in hiring that is separate from hiring prohibitions based upon race, sex, or religion. Executive Order 14210 seeks to reduce the federal workforce dramatically, requiring federal agency heads to consult with and seek approval for new hires from the newly created Department of Government Efficiency (DOGE). This could impede the hiring of federal staff with relevant experience in the support and administration of federal programs tribal nations access.

- Regulatory Freeze Pending Review Memorandum and Executive Order 14192 Unleashing Prosperity Through Deregulation: The regulatory freeze will impact any regulations that were not published in the Federal Register prior to January 20, 2025, or any that were published, but did not go into effect within 60 days from January 20, 2025. The Executive Order seeks to repeal 10 regulations for each new regulation promulgated during this Administration. For this to occur, many existing regulations would need to be eliminated or scaled back considerably. The Executive Order could impact existing regulations that provide protection and support to Native children and families, including the recently promulgated Adoption and Foster Care Analysis and Reporting System (AFCARS) regulations that established requirements for states to report on the status of Native children and families in their child welfare systems.
- Repeal of Richardson Waiver in the regulatory process at HHS: The Richardson Waiver has been used for a number of years to promote greater public knowledge and input into the federal agency regulatory process. Among other things, it allows public comments on proposed regulation changes. The Department of Health and Human Services has issued a Rule (policy statement) revoking the use of the Richardson Waiver and reducing or eliminating the use of public comments in the regulation process going forward. This will severely limit the ability of tribal nations to comment on HHS regulation changes and raises concerns about changes being made to regulations that introduce barriers to tribal access and operation of federal programs and weaken protections for Native people contained in existing federal regulations.

Following the release of these Executive Orders, newly confirmed Secretary for the Department of Interior (DOI), Doug Bergum, issued <u>Secretary's Order 3415</u> that exempts the Department's treaty and trust obligations to tribal nations from DEI policies identified in Presidential Executive Order 14151. Following the DOI Order, the Office of General Counsel for the Department of Health and Human Services (HHS) issued an <u>advisory</u> opinion (25-01) in response to a question about the application of Executive Order 14151 to Indian Health Services programs. In their opinion, they state that Executive Order 14151 and a number of related Executive Orders should not be interpreted to rescind, eliminate, hinder, or impair the Department's legal obligations to tribal nations. While these departmental orders and opinions are helpful, there are still questions about how the policies of the new Administration will impact tribal nation human service program

funding, federal staffing for programs that tribal nations administer, and changes for state programs that will trickle down to Native children and families in state human service systems.

If your tribe or urban Native organization is seeing impacts from these or other Executive Orders, you can provide information to the Senate Committee on Indian Affairs by emailing them at <u>oversight@indian.senate.gov</u>. The Committee is tracking impacts to Indian Country from Executive Orders and communicating concerns to the Administration. All information provided will be held confidential. You can also contact NICWA Government Affairs and Community Development Specialist Evan Roberts at <u>evan@nicwa.org</u>, to provide information on your experiences. While we appreciate concerns that tribes and urban Native organizations have about sharing this kind of information, it is critical to being able to provide accurate and impactful advocacy to remove barriers and address concerns.

Legislative

New Child Welfare Legislation Signed Into Law with Tribal Support

On January 4, 2025, President Biden signed into law the <u>Supporting America's Children and</u> <u>Families Act</u> (P.L. 118-258). The legislation reauthorizes two child welfare programs under Title IV-B of the Social Security Act that provide some of the most flexible federal funding for tribes and states to help children at risk of removal into foster care stay at home safely. The legislation contains several provisions that benefit tribal nations and Native children and families.

Key child welfare provisions in the new law include:

- Increase in mandatory funding under the Title IV-B, Subpart 2 Program (Promoting Safe and Stable Families) that will increase funding for existing tribal grantees and allow a number of new tribes to qualify to receive the funding (Section 107 and increase to overall appropriation).
- Change the current funding mechanism under Title IV-B, Subpart 1 Program (Child Welfare Services) from the outdated regulatory formula to a 3% set-aside from the overall appropriation. This will provide a small increase in tribal funding under the program (Section 107).
- Increase funding for the Tribal Court Improvement Program from \$1 million to \$2 million per year allowing more tribes to apply for and receive grant funding (Section 107).
- Allow the Secretary of the Department of Health and Human Services (HHS) to modify Title IV-B reporting requirements for tribes and states to reduce administrative burden (Sections 106 and 107).

- Require states to collect and report data related to Indian Child Welfare Act (ICWA) requirements in state child welfare cases involving Native children and families (Section 107).
- Require HHS to provide technical assistance to states and tribes for the purpose of supporting effective implementation of ICWA (Section 107).
- Require HHS to consult with tribes on the development of guidelines to maximize the engagement of tribes in state court proceedings involving ICWA (Section 104).
- Allow tribes the option of using their federally negotiated indirect rate in the operation of Title IV-B programs (Section 107).
- Clarify tribes as eligible to apply for and receive competitive grant funding to evaluate programs or services that meet one of the evidence-based criteria under the Title IV-E Prevention Services Program (Section 108).
- Allow the Secretary of HHS to waive or modify an application requirement or matching requirement for tribal grants addressing the needs of foster children who have parents that are incarcerated (Section 113).
- Require the Secretary of HHS to use tribally relevant data in carrying out evaluation activities under a grant program addressing the needs of foster children who have parents that are incarcerated (Section 113).

In addition, the law also authorizes tribal nations to access the Treasury Offset Program (TOP) that allows states and tribes to access tax returns of parents that are behind in child support payments (Section 202). The funds are then distributed to the custodial parent. Previously, only states were allowed to utilize this program. The National Tribal Child Support Association and National Association of Tribal Child Support Directors were key supporters of this legislation.

NICWA worked on the legislation for over two years with tribal advocates to develop tribal provisions and secure passage of the legislation before the end of the congressional session last December. Reauthorizations of major child welfare laws only happen every 10 years, so it was critical that tribal voices were heard in the process.

Native American Child Protection Act Signed into Law

On December 23, 2024, President Biden signed into law the <u>Native American Child Protection</u> <u>Act</u> (P.L. 118-160). The legislation was first introduced in the House by Representative Ruben Gallego (D-AZ) and its companion bill, S. 2273, was introduced in the Senate by Senators Ben Ray Luján (D-NM) and Susan Collins (R-ME). It amends the Indian Child Protection and Family Violence Prevention Act of 1990 (P.L. 101-630) to reauthorize and reform programs for Native communities to treat and prevent child abuse, neglect, and family violence. The House passed H.R. 663 in September 2023 with significant bipartisan support, and the Senate passed it without amendment on December 17, 2024. The grant programs outlined in the legislation are intended to fill funding gaps for tribal services by providing dedicated funding for prevention and treatment for victims of child abuse, neglect, and family violence. The Act amends the law to clarify activities that can be supported with grant funding. This includes child abuse prevention and treatment, including technical assistance and training, establishing child protection teams or multidisciplinary teams, and developing intergovernmental agreements between tribes and states to prevent, investigate, prosecute, and treat child abuse, neglect, and family violence. The Act includes language to make urban Indian organizations eligible for the grant programs when partnering with a tribe or tribal organization. Language in the Act also encourages the use of culturally appropriate programs and services and authorizes the establishment of a National Indian Child Resource and Family Services Center to assist Native communities through technical assistance and training.

The authorizing language in the law that provides authority to appropriate funding for the grant programs has not been reauthorized by Congress since the original passage of the legislation in 1990. NICWA has been working to reauthorize the grant programs for many years and will continue to work with the new Congress to accomplish this goal. Reauthorization is critical to increasing appropriations for the grant programs and signaling to Congress that this is a priority program for tribal nations.

Administrative

AFCARS Final Rule on ICWA Data Elements Published

On December 5, 2024, the Biden Administration published a Final Rule restoring many of the ICWA data elements that were previously eliminated in 2020. The ICWA data elements were first approved in 2016, and then in mid-2020. 85% of the previously approved data elements were eliminated. A review of comments filed by states, tribes, child welfare organizations, and individuals during the public comment period revealed there was strong support for restoring the proposed ICWA data elements. These data elements are critical to helping the Administration for Children and Families (ACF), states, and tribes better understand how ICWA is being implemented across the country and effectively target resources to improve implementation where needed. The proposed data elements would be added to the Adoption and Foster Care Analysis Reporting System (AFCARS), which collects data from state child welfare agencies. The Final Rule goes into effect on February 5, 2025, with the first data collection period starting on October 1, 2028 (first data due to ACF on May 15, 2029). This caps over 30 years of NICWA advocacy to close the gap in data collection on Native children and families that can inform improved implementation of ICWA.

Administration for Children and Families Expands Flexibility for Tribes to Provide Cultural Services in Federal Child Welfare Programs

On July 30, 2024, the Children's Bureau published <u>new policies</u> in their Child Welfare Policy Manual that expand flexibility to tribes that are operating the Title IV-E program under an agreement with a state

Title IV-E agency. The new policies clarify that a tribe in an agreement with a state may provide prevention programs and services adapted to the culture and context of the tribal community served. This allows eligible tribes to use cultural programs and services beyond those approved under the <u>Title IV-E Prevention Services Clearinghouse</u>. States can only use prevention programs and services that are approved under the Clearinghouse.

The new policy will allow tribes in agreements with states to utilize cultural programs and services that are not approved by the Clearinghouse. A tribe must still document the cultural program and services they are using, such as providing information on the program and service, how it meets the specific needs of the eligible children or caregivers, and previous outcomes that have been achieved when using the program and service. Title IV-E tribes may still use Clearinghouse-approved programs and services and culturally adapt them, but they are not limited to these. Previous guidance for tribes operating Title IV-E directly from the federal government under the statutory language (ACYF-CB-PI-18-10) is also the basis for these new policy changes. The current guidance will likely need to be updated in the future to include tribes in agreements with states and how they can utilize this new flexibility.

In 2018, Congress passed the Family First Prevention Services Program (P.L 115-123) that established a new program component within the Title IV-E Foster Care and Adoption Assistance Program. The new component allowed states and tribes with approved Title IV-E plans to seek reimbursement for eligible prevention services provided to children who were at imminent risk of placement in foster care and their parents or relative caregivers. Like other parts of Title IV-E, the funding provides reimbursement for services already provided as opposed to grant-style funding. The prevention services component of Title IV-E is optional, so not every state may opt for the funding, which determines whether a tribe in an agreement with a state will be able to operate the prevention services component. Currently, there are about 130 tribes operating Title IV-E through an agreement with a state.

For more information relating to this update, please contact NICWA Director of Government Affairs and Advocacy David Simmons at <u>desimmons@nicwa.org</u>.