



ITCA Update May 5, 2025

This update discusses the President's Budget Request for FFY 2026 that begins October 1, 2025. It also provides an update on the development of the Budget Resolution designed as a blueprint for a reconciliation bill to enact President Trump's priorities for tax cuts and defense and border control increases.

President's Budget for FFY 2026 The "skinny" version of the President's Budget request for FFY 2026 was released on May 2nd. There will be no Congressional vote on this budget request as the House and the Senate determine spending levels for all federal programs. Both bodies are beginning their work to develop an appropriations bill that must be agreed to by both chambers and the President by midnight September 30th.

The Budget request recommends an increase in defense spending by 13% and Department of Homeland Security by almost 65%, with portions of these increases being enacted through the budget reconciliation process currently underway.

The President is proposing a decrease in nondefense domestic spending by \$163 billion, a 22.6% cut. The request indicated that "Savings are achieved by reducing or eliminating programs found to be woke and weaponized against ordinary working Americans, wasteful, or best left to the States and localities to provide". The "skinny" budget is available at: <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf> Detail related to selected programs important to children and families is provided below.

Education According to the President's budget request, federal education spending would be decreased by \$12 billion or 15.3%. The request proposes the establishment of a "Special Education Simplified Funding Program" that would consolidate seven IDEA programs and freeze them at FFY 2025 funding levels.

The seven programs to be consolidated are not identified. IDEA includes three formula grants - Part C, Part B, section 611 and Part B, 619 preschool programs. There are five programs under Part D including two personnel training programs, Parent Training and Information, Media and Technology and TA & Dissemination. The budget language states, "The consolidation furthers the Administration's goal of limiting the Federal role in education by reducing the number of programs at ED, the number of staff needed to administer them, and the administrative burden on States so more dollars go to students instead of bureaucrats."

The current IDEA statute would need to be revised by Congress to establish the proposed consolidation with changes needed in many provisions including purposes, eligible grantees, allocation methodologies, use of funds, etc. The budget language also indicates that “Parents of students with disabilities would remain empowered to direct these funds because the Federal IDEA law would remain in place...”

Also proposed is a \$60 million increase in Charter Schools and creation of a K-12 Simplified Funding Program that consolidates 18 competitive and formula grant programs into a \$2 billion formula grant. Other Education programs are proposed for significant cuts, such as Office of Civil Rights and Howard University, or to be eliminated, including Child Care Access Means Parents in School, Teacher Quality Partnership Grants, English Language Acquisition and Migrant Education.

Health and Human Services (HHS) The proposed budget recommends spending for HHS to be decreased by \$33.3 billion or 26.2%. There are significant cuts proposed as well as a new investment of \$500 million in funding for “Make America Healthy Again.” Elimination of some programs are recommended, including the Low-Income Home Energy Assistance Program, Preschool Development Block Grants, and the Community Development Block Grant. There is no detail included on funding for Head Start or child care, so advocates are still prioritizing work on these two programs to be sure they have adequate federal investment.

The President’s full Budget request is expected to be released by the end of this month. Congress will continue development of funding levels for all federal programs throughout the spring and summer. If a final appropriations bill is not signed into law by September 30th, a Continuing Resolution (CR) will be needed to avoid a government shutdown and to continue to fund the government until agreement can be reached.

Budget Reconciliation House Committees have begun marking up their reconciliation provisions. The House Agriculture Committee is expected to develop its mark-up on May 8th. The Committee has been instructed to cut \$230 billion from programs within its jurisdiction. One of the programs expected to receive significant cuts is the Supplemental Nutrition Assistance Program (SNAP). The House Energy and Commerce Committee, which is tasked with cutting \$880 billion, is expected to mark up its portion of the reconciliation bill the week of May 12th. This is a postponement of the original plan to allow more time to reach agreement on how much Medicaid will be cut. Other committees completed their work last week. The Speaker of the House, Mike Johnson (R-LA) wants to bring the full House bill to the floor for a vote before the Memorial Day recess. The Senate is expected to consider a reconciliation bill sometime in June.