Supporting Young Children with Disabilities and their Families: Federal Policy Updates and Resources for State Advocates

September 2025

Overview of Recent Federal Policy Actions

The federal government has made changes that may affect young children with disabilities and developmental delays and their families. Start Early and New America have partnered to create a summary of what has—and has not—happened as of September 2025 and why it matters.

Actions	Outcomes	Impact
Executive Order to dismantle the Department of Education (ED) was signed by the president in March 2025. - Approximately 50% of ED staff positions have been eliminated since March 2025 - 7 of the 12 Office of Civil Rights (OCR) regional offices have been closed with over 40% of OCR staff positions eliminated - A Supreme Court decision in July allowed ED to move forward with substantial workforce reductions	ED continues to administer the Individual with Disabilities Education Act (IDEA) programs despite recent staff reductions. Although in March 2025, the president suggested oversight of IDEA programs could be moved to the U.S. Department of Health and Human Services (HHS), this has not occurred. IDEA is a federal law and Congress would need to change the law to move oversight of IDEA to HHS. Staffing cuts and current actions at ED do not change a child's Individualized Family Service Plan (IFSP) or Individualized Education Program (IEP). Children with disabilities still receive civil rights protections under IDEA, Americans with Disabilities Act, and Section 504. In August 2025, a federal judge ordered ED will reinstate 260 OCR employees in order to "carry out its statutory functions."	Staffing cuts at OCR make it more difficult for families to file, mediate, and resolve disability-based discrimination complaints Staffing cuts at ED could result in weaker investigations and enforcement of students' civil rights and less guidance to states and school districts. Moving IDEA programs from ED to HHS would downplay the importance of education and shift special education to the outdated medical model of disability, which emphasizes impairments. This could further stigmatize and segregate children with disabilities. If ED programs were to move to HHS it would be critical that they work alongside HHS staff specializing in school-based Medicaid in order to collaborate on common areas of work. However, HHS has reduced its workforce by about 20%, which significantly limits its capacity.

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FY 2026 Budget: The president's budget request proposes consolidation of IDEA funds through the *Special Education Simplified Funding Program*, which: • maintains the current level of funding for IDEA • proposes consolidation of the IDEA Preschool Grants Part B 619 and Special Education National Activities Part D program into the IDEA Part B Formula Grants to States program.	While the President's proposal speaks to his vision for IDEA programs, advocates and members of Congress have voiced support for keeping ED intact: In July 2025, a bipartisan group of former ED officials responsible for oversight of IDEA programs wrote a letter to Congress urging members to keep IDEA programs in ED. Annually Congress determines how to fund programs, like IDEA, through the appropriations process. In July 2025, the Senate Appropriations Committee showed bipartisan support for children with disabilities by voting to continue the current funding model for IDEA. On Sept 2, the House Appropriations Committee proposed a slight decrease in overall Education funding but did not endorse the president's proposal for consolidated block granting of IDEA funds. In August 2025, advocates raised concerns about potential cuts to IDEA Part D grant funding. These funds support parent training centers and technical assistance centers to support children with disabilities.	Part B 619 funds are provided to support 3 - 5 year old children with disabilities in preschool programs. Consolidation of Part B 619 funds into Part B 611 grants could provide states with more flexibility, but may reduce targeted funding support for preschool children with disabilities. IDEA Part D funds are allocated to programs to support families, current and future early childhood workforce, and technology for children birth - 21. If these funds are also moved into Part B 611, Part C (birth - 2) providers may lose access to these funds and programs, depending on state choices.

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Medicaid: HR1 (One Big Beautiful Bill Act) includes significant changes including $1 trillion in cuts to Medicaid resulting in substantial changes to Medicaid and the ACA market place, and over 15 million people becoming uninsured over the next 10 years. The Centers for Medicare and Medicaid Services issued a letter to states indicating that it would not allow "continuous eligibility Section 1115 Medicaid demonstrations with more than 12 months of continuous eligibility." These demonstrations, which CMS will no longer approve, are efforts to help children avoid gaps in coverage during the developmentally critical ages of zero to six.	**Key Facts about Medicaid Cuts** • Restriction on provider taxes will reduce state revenues and federal matching dollars • Work requirements and administrative red tape will result in individuals losing access to Medicaid coverage • Research shows that when parents lose coverage, their children are also more likely to lose coverage, even when their child remains eligible for Medicaid Learn more about the implementation timeline of Medicaid cuts with a quick glance **or** deeper dive.	Medicaid plays a critical role in providing infants and young children with disabilities access to critical medical and rehabilitative services. Medicaid is the 3rd largest funder of EI programs. Medicaid is 4th largest funder of school - based services. Over 50% of children with an IFSP or an IEP receive coverage through Medicaid. Almost 20% of the 1.6 million children with a disability covered by Medicaid qualify through an optional eligibility category. The impending Medicaid cuts and loss of federal funding places increased pressure on state budgets and raises significant concerns about access to medical, developmental and other essential services for young children with disabilities who rely on Medicaid.

State-Level Advocacy Checklist

State advocates play a critical role in elevating the impacts federal policy changes will have on children, families, and communities. *Use this checklist to help guide your advocacy efforts in response to recent federal actions.*

- Find your Early Childhood Contacts - Part C Administrator, Part B 619 Administrator, and Interagency Coordinating Council Chair HERE
- Identify the name of your state Early Intervention Program HERE
- Locate the name of your state's Medicaid and CHIP Programs HERE
- Link to your State Medicaid Agency website and key contacts HERE

Consider the following actions and prompts in response to changes at the federal level:

- Learn how the IDEA funds - Part B 611, Part B 619, and Part D - are allocated in your state.
- Learn more about how Medicaid funds come into your state and how these funds are spent on young children with disabilities.
- Have agencies in your state completed an analysis on how HR1 may impact their budget or specific programs?
- How is your state legislature considering the impact on current and future budgets?
- Who are the other key advocacy groups or coalitions to partner with in your state? (Family, Provider, Early Childhood)?
- Consider how key champions for young children with disabilities and their families could help monitor the impact of federal actions in your state.

State advocates can connect with the following key state and local organizations to strengthen their collective advocacy efforts:

- Division of Early Childhood, Council for Exceptional Children state subdivisions
- State Councils on Developmental Disabilities
- Local Education Agencies/School Districts
- State Parent Information and Training Center and Community Parent Resource Centers
- State Chapters of Health Care and Rehabilitation Providers
  - American Academy of Pediatrics
  - American Occupational Therapy Association
  - American Physical Therapy Association
  - American Speech-Language-Hearing Association

Resources: Empowering Families to Take Action

State advocates play a key role in protecting policies that impact young children with disabilities and families. The following resources provide guidance for state advocates to stay engaged with recent federal policy actions and also provide ways to connect families with coordinated action at the federal level. Partner with families to assist them in sharing their experiences with the media, the public, policymakers, and legislators. You can upload and use stories collected by New America or use The Arc's Storytelling Toolkit to create your own state-specific story banks.

Organization	Focus Area	Key Resource
Council for Exceptional Children	Special education resources, professional development and advocacy	CEC Legislative Action Center
Zero to Three	Early childhood resources and policies	Federal Policy "Baby Agenda"
Division for Early Childhood of the CEC	Early intervention and early childhood special education	News & Advocacy Resources
The Arc of the United States	Advocacy for individuals with intellectual and developmental disabilities	Grassroots Advocacy: Action Center
Georgetown University Center for Children and Families	Health policy and research; focusing on health coverage for kids and families	Resource Center - Medicaid

For more information and future policy updates: Sign up for Start Early's Policy Newsletter and listserv HERE and visit startearly.org.