

2026

Federal Impact Tracker

Introduction

The policies and actions implemented by the federal administration have a substantial impact on nonprofit organizations within the child welfare and human services sectors. This federal impact tracking document offers a thorough analysis of recent federal initiatives, regulatory modifications, and funding decisions, highlighting their implications for nonprofits delivering essential services to at-risk children and families. Through a systematic evaluation of these developments, the document seeks to inform stakeholders, enhance advocacy efforts, and support strategic planning, thereby enabling organizations to adapt and sustain their critical missions amid an evolving policy environment.

Brief Overview of Federal Policy Changes Affecting Illinois

The first year of the Trump administration has brought significant challenges for children, youth, and families in Illinois, as well as for the community-based human service organizations that support them. These difficulties stem from several federal actions that have directly impacted the stability and well-being of vulnerable populations in the state.

Temporary Suspension of Federal Grants

[A White House memorandum](#) initially called for a temporary suspension of all federal grants. Although this directive was rescinded just days later, the uncertainty created by this announcement forced nonprofit organizations to prepare for the potential loss of crucial federal funding.

H.R. 1: Cuts to Medicaid and SNAP

Legislation enacted through [H.R. 1](#) imposed severe funding reductions and additional administrative burdens. As a result, between 270,000 and 500,000 Illinois residents risk losing Medicaid coverage. Furthermore, Illinois faces the prospect of contributing \$800 million to maintain the Supplemental Nutrition Assistance Program (SNAP) at its current level.

Proposed Cuts to Child and Family Services

Most recently, the Administration for Children and Families (ACF) has proposed pausing nearly \$1 billion in federal funding designated for child care assistance, low-income support, and social services in Illinois. These actions threaten the stability

Citations

- Greater Chicago Food Depository, "[The Power & Possibility of SNAP](#)"
- Illinois Department of Human Services, "[Impacts on SNAP and Medicaid Due to Trump's Budget Law](#)"
- National Council of Nonprofits, "[Executive Orders Affecting Charitable Nonprofits](#)"
- Office of the Governor "[Governor Pritzker Blasts Trump's Partisan Freeze to Crucial Child Care and Family Assistance Programs](#)"

2026 FEDERAL IMPACT TRACKING

Program	Source	Provisions	EFF. Date	Notes
Federal Grant Funding	OMB	Temporarily paused all federal grant, loan, and other financial assistance programs.	1/27/2025	Rescinded two days later, but followed up by a directive for all federal agencies to review all funding.
Medicaid	H.R 1	Cap new State Directed Payments (SDPs) at 100% Medicare payment rates	7/4/2025	
Medicaid	H.R 1	Freeze current and prohibit new provider taxes	7/4/2025	
Medicaid	H.R 1	Prohibit Medicaid funding to Planned Parenthood for 1 year	7/4/2025	
SNAP	H.R 1	Expansion of Able-Bodied Adults Without Dependents (ABAWDs) Population	7/4/2025	Before: Adults aged 18-54, No dependents under 18, and exceptions for people experiencing homelessness, veterans, & former foster youth (18-24). After: Adults aged 18-64, no dependents under 14, and limited exception pathways.
SNAP	H.R 1	Households have to complete full redeterminations every 6-months, with no mid-point report (older adult households exempt)	10/23/2025	
SNAP	H.R 1	Households required to submit proof of housing/shelter expenses at initial application and redetermination	10/23/2025	
SNAP	H.R 1	Restricted Immigrant Eligibility	12/1/2025	Predominantly limits to Legal Permanent Residents (subject to 5-year bar) with certain other statuses also eligible.

Program	Source	Provisions	EFF. Date	Notes
Adult & Juvenile Detention Facilities	DOJ	PREA (Prison Rape Elimination Act) auditors directed to ignore PREA standards for trans and intersex people in federal, state, and local prisons, jails, and youth detention facilities.	12/2/2025	DOJ is working on removing the provision from their PREA rulebook.
Medicaid	H.R 1	Rural Provider Relief Fund Application deadline	12/31/2025	
Child Care & Development Fund	ACF	Funding freeze for Illinois Child Care Assistance Program (CCAP) which supports 100,000 families, including more than 152,000 children	1/6/2026	On hold pending further Court action. Link to Letter
Social Services Block Grant	ACF	Funding freeze for federal dollars that support 275 organizations statewide designed to protect the network of human service providers and ensure the health and welfare of children, seniors, people with disabilities, and those facing poverty and food insecurity	1/6/2026	On hold pending further Court action. Link to Letter
TANF	ACF	Funding freeze for federal supports for Illinois CCAP and the licensing work of daycare by DCFS	1/6/2026	On hold pending further Court action. Link to Letter
Mental Health & Addiction Services	SAMHSA	Terminated grants supporting critical behavioral health and suicide programs, totaling over \$5.94 million for Illinois	1/13/2026	Decision was rescinded in 48 hours and funding was restored. Link to Letter
SNAP	H.R 1	Implement SNAP Work Requirements	2/1/2026	
Medicaid	H.R 1	Narrow the definition of "qualified aliens"	10/1/2026	
SNAP	H.R 1	Elimination of SNAP-ED	10/1/2026	
SNAP	H.R 1	State required to pay 75% (up from 50%) for Administrative Costs	10/1/2026	

Program	Source	Provisions	EFF. Date	Notes
Medicaid	H.R 1	6-Month eligibility redeterminations for ACA adults	1/1/2027	
Medicaid	H.R 1	H.R. 1 - Work requirements	1/1/2027	
SNAP	H.R 1	State required to pay portion of SNAP benefits based on error rates	10/1/2027	
Medicaid	H.R 1	Reduce current SDPs by 10% per year until the SDPs are no greater than 100% of Medicare	1/1/2028	
Medicaid	H.R 1	Cost-sharing for ACA adults	10/1/2028	
Medicaid	H.R 1	Phase-down provider hold harmless threshold	10/1/2028	
Medicaid	H.R 1	Modify "generally redistributive" provider tax criteria	3-Year Transition	