Special Needs Alliance:

Public Policy News You Can Use

January 12, 2026

Department of Education Pushes Ahead to Relocate Special Education Oversight

Last month, Secretary of Education Linda McMahon told a group of disability advocates that she is committed to proceed with plans that would place the Office of Special Education and Rehabilitative Services (OSERS) within the Department of Labor or Department of Health and Human Services (HHS). Earlier this week, HHS's Administration for Community Living (ACL) announced it hired former deputy assistant secretary of OSERS Diana Diaz-Harrison and associate professor of special education at the University of Central Florida and HHS Secretary Robert F. Kennedy Jr.'s wife Rebecca Hines. ACL's recent hirings indicate that OSERS and its oversight of special education across the country is likely to move from the Department of Education to HHS. Last March, President Trump stated that OSERS would move to HHS as a part of his overall efforts to shut down the Department of Education; however, administration officials have not provided details since.

State and Local Governments Prepare for Rise in Health Care Costs due to Surge of Uninsured Population

The One Big Beautiful Bill Act (H.R.1), which President Trump signed into law last summer, is expected to reduce Medicaid spending by more than 900 billion dollars and result in approximately 10 million people becoming newly uninsured in the next decade. As the first wave of people lose their health insurance and Medicaid funding has been severely restricted, communities are struggling to balance the books. States like California and New Mexico legally require counties to provide care to the poorest residents through indigent care programs while other states like Texas have relied on Medicaid funding to care for uninsured people. To contend with the rising costs, states are undergoing contentious negotiations to shift impending budget deficits towards state-mandated balanced budget provisions. However, local governments don't have as much capacity as states to raise revenues, forcing them to consider cutting programs to contend with rising costs. As the year progresses, the

downstream impacts on health care service availability for uninsured and insured populations alike will become clearer.

CMS Release Removes Mandatory State Immunization Reporting Measures

On December 30th, the Centers for Medicare & Medicaid Services (CMS) released its annual State Health Official letter announcing states are no longer required to report data on the immunization status of children and pregnant women enrolled in Medicaid and the Children's Health Insurance Program (CHIP). As part of this policy shift, CMS formally eliminated four performance measures that had previously been used by states and CMS to monitor and improve the quality of care. In the letter to states, CMS Deputy Administrator Dan Brillman adds that in 2026, CMS will look into options that capture whether families were informed about vaccine choices.

While states may voluntarily report on the results for the four removed measures, the removal of these reporting requirements marks a notable departure from longstanding expectations around immunization monitoring and accountability in publicly funded health programs and tracks the upending of several vaccine-related policies under Secretary Kennedy's leadership of HHS. Following this change, the CDC rolled back the universal childhood vaccine recommendations, without formal public comment or input from the CDC's Advisory Committee on Immunization Practices. Public health stakeholders have raised concerns about the current state of vaccine oversight.

What's on Tap

A group of bipartisan Senators is seeking a path forward to extend the Affordable Care Act's (ACA) now expired enhanced premium tax credits (EPTCs), with the goal of releasing bill text on a potential deal as soon as this week. The progress in the upper chamber comes on the heels of the House passing a clean, three-year extension of the EPTCs last week, which notably garnered the support of 17 Republicans. The advancement of this extension in the House comes after four Republicans joined Democrats in signing discharge petition that forced a vote on the tax credits, illustrating a significant break with GOP leadership. Lawmakers in the Senate are expected to utilize the three-year extension advanced out of the House as a vehicle to negotiate an extension that includes a variety of guardrails in an effort to attract the support of GOP Senators to achieve the necessary 60-vote threshold in the upper chamber.

In parallel to the House's efforts to pass the three-year extension of the EPTCs, a group of bipartisan Senators have been negotiating their own package that could be supported by GOP lawmakers. The Senate's package, which would ultimately have to be sent back to the House if it were to clear the Senate, is expected to extend EPTCs for two years and include new restrictions including a $5 a month minimum premium payment and an income cap set at 700 percent of the federal poverty level (FPL). The proposal would also allow enrollees to take their tax credit as cash in their health savings accounts (HSAs) in the second year – a

move supported by President Trump and several prominent Senate Republicans. Despite broad bipartisan support for these aspects of the Senate extension, contention remains on how to approach abortion and the Hyde Amendment. Many Republicans want to incorporate language into the proposal that would ensure ACA EPTCs do not fund abortion services, which is effectively a nonstarter for most Democratic Senators. The ACA already includes language barring federal funds from being used for abortion services, although state and private funding can be used to pay for the services.

Congress is also grappling with the looming funding deadline of January 31st, when the continuing resolution (CR) passed in November expires. Lawmakers in both chambers are racing to advance the nine remaining appropriations bills to the President's desk before the end of the month, with the Senate poised to take up a minibus package that would fund the Departments of Justice, Commerce, Energy, and Interior, in addition to related science agencies. The same package passed out of the House with overwhelming support last week. While the Senate is expected to advance the minibus to President Trump's desk for his signature this week, Congress will still have to pass six more appropriations bills – including funding for the Department of Health and Human Services (HHS) – by the end of the month to avoid another CR or partial government shutdown. Further complicating matters is the schedule of each chamber in the remaining weeks of January. This is the last week before the funding deadline when both the House and Senate will be in session at the same time. The Senate is set to be in recess next week while the House is in session, and the following week, the roles reverse with the House entering recess and the Senate returning to session.

Upcoming Events

Senate

- In session: January 12-16
- Thursday, January 15th, 10:00am | Senate HELP Committee holds a markup on four bills | 430 Dirksen Senate Office Building

House

- In session: January 12-15