



Federal Policy Update

January 20, 2026

Ahead of the January 30th government funding deadline, Congressional leaders reached a significant bipartisan spending deal on Tuesday to fund the Department of Education (ED) and other programs in the LHHS-Ed bill for Fiscal Year 2026. Total funding for ED is \$79 billion for FY26, which represents an increase of \$217 million over the previous year. Total funding for AmeriCorps is \$1.25 billion, which is essentially level with FY25. The Department of Labor (DOL) received a slight \$65 million increase to \$13.7 billion in discretionary funding for the department. Overall, the final LHHS-Ed bill effectively rejects the most drastic budget cuts and structural changes proposed by the Trump administration. Given this bill has the support of both parties in both chambers, we expect this bill to pass and be signed by the President into law before the January 30th deadline.

You can find the Committee for Education Funding's (CEF) [chart here](#) for all education programs and where the programs would go per interagency agreements, and see highlights below.

Education Department funding highlights:

- Title I: \$18.4 billion, level funded
- Title II (effective educator funding): \$2.19 billion, level funded
- 21CCLC (summer and afterschool programs): \$1.33 billion, level funded
- Title IV-A (student support and academic enrichment grants): \$1.38 billion, level funded
- Rural Schools: \$225 million, slight increase in funding
- Promise Neighborhoods: \$91 million, level funding
- FSCS: \$150 million, level funding
- Perkins CTE state grants: \$1.44 billion, level funded
- IDEA: \$15.49 billion, level funded

Department of Labor funding highlights:

- WIOA Youth Program: \$948 million, level funding
- Workforce Pathways for Youth Grants: \$0, \$20 million cut
- Youthbuild: \$105 million, level funding

Health and Human Services funding highlights:

- Head Start: \$12.3 billion, slight 0.7% increase
- Childcare Development Block Grant: \$8.8 billion, slight 1% increase

Americorps Highlights:

- State and National: \$557 million, level funded
- Vista: \$103 million, level funded
- NCCC: \$37 million, level funded

Interagency Agreements Update:

The bill includes some language that would seem to prohibit much of the content of interagency agreements such as using funds to eliminate programs, relocate or reorganize offices and employees. However, this is not new language (it was in the FY25 continuing resolution) and this Administration has shown it does not care about Congressional intent. Notably, the bill is missing language that was included in the base Senate LHHS-Ed base bill, which prohibited ED from using funds "to transfer significant responsibilities related to the carrying out of title I, part A of the ESEA or parts B or C of the IDEA from the Department of Education to another department or agency."

Additionally, the joint explanatory statement includes language regarding the use of interagency agreements and ED's ability to transfer authority. Falling short of outright prohibiting the IAAs, the explanatory statement expresses strong concerns about the impact of IAAs and requires ED to provide biweekly briefings on the implementation of any such IAAs. Taken together, the bill language and explanatory text leave open questions about how to interpret Congressional prohibition on the use of IAAs.

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