

Health Dept. Freezes \$10 Billion in Funding to 5 Democratic States

The funding pause could jeopardize child care and other programs that serve hundreds of thousands of households in California, Colorado, Illinois, Minnesota and New York.



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Reporting from Washington

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The Trump administration on Tuesday froze \$10 billion in funding for child care subsidies, social services and cash support for low-income families in five states controlled by Democrats, claiming without evidence widespread fraud throughout those states after a major welfare fraud scheme in one of them.

Minnesota, New York, California, Illinois and Colorado will be cut off from around \$7.3 billion in funding for the Temporary Assistance for Needy Families program, which provides cash assistance to households with children, the Department of Health and Human Services announced. The five states will also lose access to nearly \$2.4 billion for the Child Care and Development Fund, which supports child care for working parents, and around \$870 million for social services grants that mostly benefit children at risk.

The funding pause could jeopardize programs that serve hundreds of thousands of low-income households in the five states.

The department, which disburses the funds, said it would require the five states to submit documentation like receipts and to justify their spending before releasing any payment. The three programs that the administration targeted had allowed states broad discretion to design specific ways to support families and children in need.

The funding freeze appears to build on the administration's pause last week in \$185 million in annual aid to Minnesota day care centers after investigators said that more than a dozen welfare fraud schemes in that state had led to billions of dollars in taxpayer losses.

No evidence has suggested that the other four states suffered similar widespread welfare frauds, but Andrew Nixon, a spokesman for the Department of Health and Human Services, hinted that the fraud cases in Minnesota led to the freeze.

"Democrat-led states and governors have been complicit in allowing massive amounts of fraud to occur under their watch," Mr. Nixon said in a statement.

"Under the Trump administration, we are ensuring that federal taxpayer dollars are being used for legitimate purposes."

The department said it had "identified concerns" that ineligible noncitizens like undocumented immigrants had been receiving federal child care benefits, without providing clear evidence.

President Trump has repeatedly used the fraud scandal in Minnesota to attack immigrants, in particular Somalis, after dozens of people, largely members of the Somali diaspora, were charged in the fraud there. But a vast majority of those charged are U.S. citizens of Somali descent, not migrants living in the country illegally.

The freeze is the latest in the Trump administration's pattern of interrupting federal dollars to Democratic-run cities and states, leveraging disbursement of congressionally approved funding to punish perceived enemies and political opponents.

During the government shutdown last year, the administration froze or canceled more than 200 projects that primarily were located in Democratic cities, congressional districts and states. The administration also cut federal disaster preparedness funds for the District of Columbia and 11 blue states after they opposed Mr. Trump's mass deportation campaign, though a federal judge later ordered the funding restored.

Senator Kirsten Gillibrand, Democrat of New York, said the funding freeze had “nothing to do with fraud” and characterized the cuts as “political retribution that punishes poor children in need of assistance.”

“I demand that President Trump unfreeze this funding and stop this brazen attack on our children,” Ms. Gillibrand said.

Mr. Trump had foreshadowed a freezing of funds for some of the states, vowing on Sunday to cut welfare money for Minnesota, California and Illinois. He cited the Minnesota scandal, in which prosecutors say hundreds of millions of dollars were stolen from a government program meant to keep children fed during the Covid-19 pandemic.

“The Somalians are ripping off our country,” Mr. Trump said on Sunday. “What they are doing is they're stealing money from the American taxpayer — and every one of them should be forced to leave this country.”

Mr. Trump has also targeted Minnesota's Democratic governor, Tim Walz, who on Monday dropped his bid for re-election for a third term, citing the welfare scandal.

Gov. JB Pritzker of Illinois, where around 152,000 children are expected to be affected by the funding freeze, denounced Mr. Trump, accusing his administration of “stripping away child care from Illinois families.”

“Thousands of parents and children depend on these child care programs to help them make ends meet, and now their livelihoods are being put at risk,” Mr. Pritzker said in a statement.

Chris Cameron contributed reporting.

A correction was made on Jan. 6, 2026: An earlier version of this article misstated the name of a program that supports child care for working parents. It is the Child Care and Development Fund, not the Child Care Development Fund.

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at corrections@nytimes.com. [Learn more](#)

Minho Kim reports on breaking news for The Times from Washington.

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