Impacts of Expanded PRWORA Interpretation on HHS Programs

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On July 10, 2025, the U.S. Department of Health and Human Services (HHS) <u>announced</u> an expanded interpretation of what constitutes a "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Several child welfare, early childhood, mental health, and general health programs not previously subject to PRWORA's restrictions are now explicitly included. Notably the <u>U.S. Department of Agriculture</u>, <u>Department of Education</u>, and <u>Department of Labor</u> also issued similar notices in July. This summary is focused primarily on the HHS notice.

Read the Federal Register Notice

Background:

PRWORA not only replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program, but it also established that "federal public benefits" can only be made available to those who qualify under a list of immigrant populations. The legislation left the role of determining what qualifies as a "federal public benefit" to the federal agencies that oversee the programs. It did, however, establish some exceptions for what can be considered a public benefit: those that provide treatment for emergency medical conditions, short-term non-cash disaster relief, immunizations, testing and treatment of communicable disease symptoms, and programs necessary to protect life or safety. Additionally, non-profit organizations administering these programs are not required to verify immigration status.

Qualified vs. Non-Qualified Immigrant Status

Qualified Immigrants	Non-Qualified Immigrants
Lawful permanent residents (LPRs) or people with green cards	People with Temporary Protected Status (TPS)
Refugees and people granted asylum	Applicants for adjustment to LPR status with approved visa petitions
People granted withholding of deportation/removal	Applicants for asylum or withholding of deportation/removal
Conditional entrants	People paroled for less than one year
People granted parole by DHS for a period of at least one year	People granted deferred enforced departure or deferred action
Cuban and Haitian entrants	Special immigrant juveniles
Certain abused immigrants, their children, and/or their parents	U Visa holders

Certain survivors of trafficking	People with valid nonimmigrant status or nonimmigrant visas
Individuals residing in the U.S. pursuant to a Compact of Free Association (COFA)	Longtime residents
	People under an order of supervision who have employment authorization People granted Family Unity
	Applicants for cancellation of removal or suspension of deportation (with employment authorization)
	Applicants for adjustment under the LIFE Act (with employment authorization)
	Lawful temporary residents and applicants for legalization under IRCA (with employment authorization)
	Applicants for registry (with employment authorization)
	Undocumented immigrants

In 1998, <u>HHS identified</u> 31 health and social programs considered to be "federal public benefits" restricted to "qualified" immigrants. Those programs included Medicaid, Medicare, Foster Care, TANF, Low Income Home Energy Assistance Program (LIHEAP), Social Services Block Grant (SSBG), and the Children's Health Insurance Program (CHIP).

In January 2001, the U.S. Attorney General issued Order No. 2353-2001, titled "Final Specification of Community Programs Necessary for Protection of Life or Safety Under Welfare Reform Legislation." The order addressed the statutory exception under 8 U.S.C. § 1611(b)(1)(D), which allows for non-qualified immigrants to receive "federal public benefits" when the services are necessary for the protection of life or safety. It specifically identified services such as short-term emergency shelter; assistance during adverse weather conditions; soup kitchens and food banks; crisis counseling and intervention programs; and services and assistance relating to child protection, adult protective services, medical, and public health services that are not contingent upon an individual's income or resources. These services, when delivered at the community level and provided in-kind, were not considered "federal public benefits" for the purposes of PRWORA and therefore could be made available regardless of immigration status.

July 2025 Developments:

The latest notice from HHS establishes the following programs as "federal public benefits":

- Certified Community Behavioral Health Clinics
- Community Mental Health Services Block Grant
- Community Services Block Grant (CSBG)

- Head Start
- Health Center Program
- Health Workforce Programs not otherwise previously covered (including grants, loans, scholarships, payments, and loan repayments).
- Mental Health and Substance Use Disorder Treatment, Prevention, and Recovery Support Services Programs administered by the Substance Abuse and Mental Health Services Administration (SAMHSA)
- Projects for Assistance in Transition from Homelessness Grant Program
- Substance Use Prevention, Treatment, and Recovery Services Block Grant
- Title IV-E Educational and Training Voucher Program
- Title IV-E Kinship Guardianship Assistance Program
- Title IV-E Prevention Services Program
- Title X Family Planning Program

HHS notes that the above list is not exhaustive and that any additional programs determined to be "federal public benefits" will be announced in program specific guidance. The notice establishing the revised policy was published on July 14, 2025 and takes effect immediately upon <u>publication in the Federal Register</u> and has a 30-day comment period. HHS will issue further guidance to affected programs to ensure full implementation.

Importantly, in July 2025, the Attorney General <u>issued a formal notice</u> rescinding the 2001 specification discussed above. In her determination, she declined to exempt any programs under the "life or safety" clause, stating that such exemptions were no longer justified. This action revoked the prior exemptions and reclassified the previously protected services as "federal public benefits" subject to PRWORA. The 2025 reinterpretation significantly narrowed the scope of the "life or safety" exception to municipal services such as police and fire protection, emergency medical transportation, sanitation services, and public transportation.

On July 25th, the federal government <u>agreed to pause enforcement</u> of its new "federal public benefit" interpretation under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) in a group of 21 plaintiff jurisdictions through September 3, 2025. This effectively delays implementation of sweeping eligibility rule changes that would have reclassified certain child welfare funding streams, Head Start, community health centers, mental health services, and more as off-limits to several categories of non-citizens while increasing immigration-status verifications.

APHSA recognizes that these developments will have an impact on the populations our members serve and necessitate administrative changes in overseeing many of these programs. The following summary considers potential impacts to key HHS programs in child welfare and early childhood and will be updated as we gather more member feedback and receive additional HHS guidance/clarification.

Child Welfare:

Title IV-E Prevention Services Program (Family First Prevention Services Act - FFPSA)

• **Program Overview:** Open entitlement program offering a 50% federal reimbursement match through FY 2027; after that, reimbursement will be based on each state's Federal Medical Assistance Percentage (FMAP).

• Previous Guidance on Immigration Status:

Before the July 10 expansion, there were no immigration or citizenship requirements for children or families receiving services under FFPSA.

- Key Clarification from ACF (Child Welfare Policy Manual, Section 8.4B, Question 13):
 - Question: "May a title IV-E agency deny access to services under the title IV-E
 Prevention Program based on the immigration status of the child, parent, or family members?"
 - **Answer:** "Title IV-E agencies that choose to operate the title IV-E Prevention Program may not deny children access to these services based on their immigration status or the immigration status of their family members. The title IV-E Prevention Program is a "federal public benefit" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) as defined in section 401(c)(1)(B) of PRWORA. PRWORA defines federal public benefits to include "any...welfare, health...or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by any appropriated funds of the United States." Title IV-E Prevention Services would be considered welfare, health, or similar benefits.....However, PRWORA provides an exception from restrictions on immigrant access to federal public benefits if they fall within the "necessary for the protection of life or safety" exception of 8 U.S.C. § 1611(b)(1)(D) and if they are in-kind services delivered at the community level, which are not conditioned on the recipient's income or resources. The Attorney General has determined that "services and assistance relating to child protection" fall under the "life or safety" exception to PRWORA. Order No. 2353-2001, 66 Fed. Reg. 3616 (Jan. 16, 2001). Accordingly, because title IV-E Prevention

Program services are services and assistance relating to child protection and meet the other requirements of the Attorney General's order, they are not subject to the citizenship and qualified alien requirements of PRWORA."

It is important to note, as described above, a July 2025 final notice from DOJ significantly narrowed the scope of the "life or safety" exception to municipal services such as police and fire protection, emergency medical transportation, sanitation services, and public transportation.

• Outstanding Questions:

- o How will HHS's new interpretation of PRWORA be applied to child welfare programs, especially considering the July 2025 DOJ notice that rescinded the 2001 life or safety exemption and the existing guidance in the Child Welfare Policy Manual?
- Will states now be expected to revise eligibility screening practices to include immigration status determinations?
- What additional guidance will HHS provide to help states navigate potential conflicts between the DOJ's narrowed interpretation and prior federal child welfare policy?
- There are also questions around how broadly immigration status must be considered. For example:
 - If a child is a U.S. citizen or "qualified" immigrant but resides with a parent or caregiver who is an "non-qualified" immigrant, can the family still receive FFPSA services?
 - Would the presence of one undocumented or "non-qualified" immigrant household member disqualify the family?

Title IV-E Education and Training Voucher Program (ETV)

• **Program Overview:** Authorized at \$45 million annually with a 20% state match requirement. ETV is part of the broader John H. Chafee Foster Care Program for Successful Transition to Adulthood.

• Immigration Status Requirements:

- o The Chafee program does not impose immigration status restrictions.
- However, ETV requires youth to be eligible for federal student aid through FAFSA, which is limited to U.S. citizens and certain eligible non-citizens. As a result, immigration status already limits access to ETV support for postsecondary education.

Title IV-E Kinship Guardianship Assistance Program (Kin-GAP)

• **Program Overview:** Open entitlement program with federal reimbursement based on FMAP. States drew down nearly \$222 million in Kin-GAP funding in FY 2020, with participation and drawdowns increasing significantly in recent years.

• Previous Eligibility Requirements:

Prior to July 10, Kin-GAP eligibility was tied only to the child's immigration status. If the child was a U.S. citizen or "qualified" immigrant, caregivers could receive Kin-GAP payments regardless of their own status.

• Outstanding Questions:

- Will HHS or states interpret PRWORA in a way that extends eligibility requirements to the entire household rather than focusing solely on the child?
- o If so, could this broader interpretation exclude otherwise eligible kin caregivers from receiving support based on their immigration status?
- What guidance will be provided to clarify whether kinship eligibility determinations should be limited to the child or expanded to include the caregiver's immigration status?

Early Childhood:

Head Start

• **Program Overview:** Head Start is a federally funded early childhood program in which federal funds flow directly to local grantees such as nonprofits, school districts, and public agencies to deliver education, health, and family support services to low-income children and families in their communities. In FY 2023, Head Start served over 800,000 children nationwide through a mix of nonprofit and public grantees (including school districts and government entities).

• Previous Eligibility Requirements:

Prior to July 10, 2025, guidance clarified that Head Start was not classified as a "federal public benefit" and exempt from PRWORA in both <u>ACYF-PI-CC-98-08</u> and <u>CCDF-ACF-PI-2008-01</u> because "non-post secondary education benefits were expressly omitted from the statutory definition in title IV of PRWORA." Section §1302.12 of the Head Start Act "Determining, verifying, and documenting eligibility" does not require grantees to verify a child or family's immigration or citizenship status. Children are eligible under income or categorical eligibility requirements.

• Outstanding Questions:

- O How will the reclassification of Head Start as a "federal public benefit" under PRWORA affect program operations, especially given that the Head Start Act does not currently require immigration verification?
- Will grantees now be required to develop new systems to verify immigration or citizenship status? If so, what administrative or financial burdens could this place on public agencies?
- o How will this change impact staffing, data systems, compliance infrastructure, and resources for children and families?
- Will different expectations for nonprofit vs. public Head Start grantees lead to inconsistencies in enrollment procedures, eligibility screening, or service access?
- How might this reinterpretation affect enrollment behavior among mixed-status families? Could fear of disclosure or misunderstanding of requirements lead eligible children to be kept out of the program?
- O Given that 45 CFR § 1302.12 does not currently require verification of immigration status, and no changes to that regulation have been announced, what authority would HHS rely on to enforce new verification requirements?
- O How should state and school district operated Head Start programs navigate the tension between the new HHS interpretation and longstanding Head Start policies on eligibility continuity (e.g., once eligible, a child remains enrolled for the full program year)?
- What guidance or support will HHS provide to help programs balance compliance with PRWORA while maintaining access and minimizing disruptions to early learning?

Child Care and Development Block Grant (CCDBG)

• **Program Overview:** CCDBG is a federally funded program that provides child care subsidies to low-income working families through a federal-to-state block grant structure. States administer the Child Care and Development Fund (CCDF) to increase access to affordable, quality child care and support parental employment and child development.

• Previous Eligibility Requirements:

CCDBG has been subject to PRWORA's public benefit rules since its inception. HHS has consistently interpreted the child as the direct beneficiary of CCDF assistance. Under ACF Policy Instruction <u>ACF-PI-2008-01</u>, only the child's citizenship or immigration

status must be verified for eligibility—not the status of parents or other household members.

• Outstanding Questions:

- O Given that the July 2025 federal notice does not specifically name CCDF as a program subject to PRWORA, will HHS issue further clarification on whether CCDF is now considered a "federal public benefit"?
- Ones the absence of changes to CCDF statutes or regulations mean that states should continue applying the longstanding policy of verifying only the child's immigration status?
- o Could future HHS guidance reinterpret CCDF eligibility requirements in a way that expands verification to include parents or caregivers?
- What steps, if any, should states take now to prepare for potential changes in how PRWORA is applied to child care subsidies under CCDF?

A note about the USDA notice: The USDA Food and Nutrition Service also shared a notice on the re-interpretation of a "federal public benefit." Programs including the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Summer EBT, school meals, The Emergency Food Assistance Program (TEFAP), and the Child and Adult Care Food Program (CACFP) have long been classified as a "federal public benefit" under PRWORA, and thus there is no change. SNAP has distinct rules on eligibility, but programs like WIC and CACFP have always allowed states the option to verify and restrict eligibility based on citizenship status – although to our knowledge, only one state currently uses this option.