



HHS Rescinds Key Guidance: What It Could Mean for Community Action and Federal Benefits

Monday, July 28, 2025

1:30pm ET / 12:30pm CT / 11:30am MT / 10:30am PT



The Promise Of Community Action

Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.



Savanna Arral, Esq.



Jonathan Cohen, Esq.



Allison Ma'luf, Esq.

caplawinfo@caplaw.org

PRWORA

Executive Orders

- *1/20/25 – Protecting the American People Against Invasion ([EO 14159](#))*
 - States policy of the US is “to faithfully execute the immigration laws against all inadmissible and removable aliens”
 - Directs OMB to ensure agencies identify and stop providing public benefits to “illegal aliens”
- *2/19/25 – Ending Taxpayer Subsidization of Open Borders ([EO 14218](#))*
 - Specifically references PRWORA; directs agency heads to review benefits provided to "illegal aliens" and "enhance eligibility verification systems"

PRWORA

8 U.S.C. §§ 1601–1646

- Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ([PRWORA](#)):
 - Restricts eligibility of non-citizens for federal benefit programs
 - Includes exceptions for certain types of federal benefits
 - Limits federal government's ability to require nonprofits to conduct verification

PRWORA

8 U.S.C. § 1611(c)

- **Federal public benefit** is provided by an agency of the United States or by appropriated funds of the United States and is:
 1. Any grant, contract, loan, professional license, or commercial license OR
 2. Any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit

PRWORA

Qualified Alien

- Defined in 8 U.S.C. § 1641(b)-(c)
 - Includes: LPRs, asylees, parolees of >1 year, conditional entrants, COFA, survivors of abuse
 - Does NOT include: undocumented immigrants, DACA, work visas, U visas, TPS, DED
- Legal status ≠ **qualified alien** status
- Recent changes to humanitarian protections for Haitians, Cubans, Nicaraguans, & Venezuelans

PRWORA

1998 HHS Guidance

- *Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of "Federal Public Benefit"* ([63 FR 41658](#))
 - Interpreted “federal public benefit” in statute narrowly
 - Excluded many CAA programs from PRWORA, but not CCDF, LIHEAP, Medicare/Medicaid, or TANF
- Followed by **OCS Information Memorandum 30**

PRWORA

2025 HHS Notice

- *Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of “Federal Public Benefit”* ([90 FR 31232](#))
 - Interprets “federal public benefit” in statute expansively
 - Includes many CAA programs in PRWORA scheme, including CSBG and Head Start
- Similar notices also posted by Dept. of Education and USDA

PRWORA

Related Litigation

- *New York v DOJ* (D. RI)
 - Complaint & motion for PI filed 7/21/25
 - **APA** & **Spending Clause** claims
- *WA Ass'n of Head Start v Kennedy* (D. WA)
 - Complaint filed 4/28/25
 - Motion for **TRO** on PRWORA notice filed 7/21/25

PRWORA

2025 DOJ Notice

- 8 U.S.C. § 1611(b) **exceptions** include:
 - Certain medical emergency conditions; short-term, non-cash, in-kind emergency disaster relief; immunizations and testing/treatment for communicable diseases
 - AG's list of programs "necessary for the protection of life or safety"
- *Revised Specification Pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ([90 FR 32023](#))*
 - DOJ has identified NO excepted programs
 - Particular impact on HUD emergency shelters & more

PRWORA

8 U.S.C. § 1642(d)

- **Nonprofit exemption:**

- "... a nonprofit charitable organization, in providing any Federal public benefit [] or any State or local public benefit [], is not required under this chapter to determine, verify, or otherwise require proof of eligibility of any applicant for such benefits."

PRWORA

Nonprofit Exemption

- 1997 DOJ Interim Guidance:
 - “A nonprofit charitable organization that chooses not to verify cannot be penalized (e.g., through cancellation of its grant or denial of reimbursement for benefit expenditures) for providing federal public benefits to an individual who is not a U.S. citizen, U.S. noncitizen national or qualified alien, except when it does so either in violation of **independent program verification requirements or in the face of a verification determination made by a non-exempt entity.**”

PRWORA

1997 DOJ Interim Guidance

- *Interim Guidance on Verficiation [sic] of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ([62 FR 61344](#))*
- No PRWORA regulations, so this is the best source from federal government for **verification framework**
- Cited in recent DOJ notice, so likely still “good” guidance

PRWORA

LIHEAP

- **LIHEAP** has been considered a "federal public benefit" since 1998 HHS guidance
- Nonprofit exemption applies for verification, but states have set up systems to collect immigration data & share with nonprofits to use
- [WPN 22-3](#) directs **WAP** to follow LIHEAP in this context

PRWORA

HUD

- Many **HUD** programs are considered federal public benefit (especially following recent DOJ guidance)
 - Some fell into exception for emergency services before
- HUD regulations separately require verification of immigrant eligibility (pro-rated for household): [24 CFR 5.512](#)
 - Impacts nonprofit exemption

PRWORA

Up Next?

- Additional guidance from subagencies of HHS; rescinding IM 30, etc.
- Possible guidance from states on information collection & sharing with nonprofits
- Specifics on verification framework changes from DOJ?
- Likely changes to internal intake processes

Additional Resources



- HHS Notice - [Personal Responsibility and Work Opportunity Reconciliation Act of 1996 \(PRWORA\); Interpretation of “Federal Public Benefit”](#) – July 14, 2025
- HHS Press Release: [HHS Bans Illegal Aliens from Accessing its Taxpayer-Funded Programs](#) – July 10, 2025
- CAPLAW: [Initial Reactions to HHS Notice Interpreting PRWORA and “Federal Public Benefit”](#) – July 10, 2025
- KFF - [New Policy Bars Many Lawfully Present and Undocumented Immigrants from a Broad Range of Federal Health and Social Supports](#)
- NILC - [What New Federal Notices Mean for Immigrants’ Program Eligibility](#) – July 23, 2025
- CRS - [PRWORA’s Restrictions on Noncitizen Eligibility for Federal Public Benefits: Legal Issues](#) – September 3, 2020 (does not reflect new guidance)



THANK YOU!

**Take care of yourselves.
We are here for you!**