

Memo: Recent Federal Agency Actions Restricting Non-Citizens' Access to Federal Programs and Services

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The <u>U.S. Department of Health and Human Services (HHS)</u>, <u>U.S. Department of Agriculture</u>, the <u>U.S. Department of Labor (DOL)</u>, <u>Department of Education (ED)</u>, <u>U.S. Department of Justice (DOJ)</u> and <u>U.S. Department of Housing and Urban Development (HUD)</u> have added new citizenship and immigration status requirements to a range of federal programs and services that, for the past three decades, have been available to broader categories of non-citizens, including undocumented immigrants. This memo provides an overview of the agency actions, the current status of litigation challenging some of the notices, and overall implications for programs administered by county governments and community partners. *Without further federal guidance, which should be forthcoming, it is imperative for counties to consult with county counsel and state agencies about expectations for implementation.*

Background: The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)

The new restrictions on non-citizen access to a variety of federal programs and services stems from newly updated agency interpretations of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which makes "federal public benefits" available only to a very narrow list of "qualified" immigrants along with U.S. citizens.¹

PRWORA applies to programs such as Medicaid (Medi-Cal), the Supplemental Nutrition Assistance Program (SNAP/CalFresh)², Temporary Assistance for Needy Families (TANF/CalWORKs), Housing and Urban Development (HUD) rental assistance programs, and Supplemental Security Income (SSI). The Act generally bars non-citizens from these programs and even requires green card holders to live in the United States for five years prior to being eligible, with some small exceptions, such as refugees, asylees and victims of domestic violence.

Federal agencies have, however, generally had discretion over whether to categorize some smaller programs as federal public benefits. Additionally, by statute, PRWORA does not apply to the treatment of emergency medical conditions, short-term non-cash disaster relief, immunizations, testing and treatment of communicable disease symptoms, and certain in-kind

¹ This <u>Congressional Research Service report specifies</u>, in detail, how PRWORA had been interpreted prior to last week's new agency guidance.

² Note that the recently enacted reconciliation package (<u>PL 119-21</u>) added eligibility restrictions above and beyond PRWORA to the SNAP and Medicaid programs. Under the new law, even most "qualified aliens" will no longer be able to access these supports.

programs necessary to protect life or safety. PRWORA also specifically **exempts non-profit organizations from verifying the immigration status** of individuals when providing Federal public benefits.

HHS, ED, DOL, HUD and USDA will now restrict access to several additional programs and funding streams by redefining them as "federal public benefits" and, in some cases, requiring certain grantees to verify the immigration status of those receiving services.

Impacted Immigrants

Immigrants currently allowed to access programs being redefined as a "federal public benefit" and who will now be deemed ineligible include (but are not limited to) those with Temporary Protected Status (TPS) holders, Deferred Action for Childhood Arrivals (DACA) recipients, individuals granted employment authorization, individuals with nonimmigrant visas, applicants for asylum and undocumented and other categories of lawfully present immigrants. Additionally, the administrative burden associated with verifying immigration status will impact all program participants regardless of their citizenship status.

Guidance and Impacted Programs by Agency

U.S. Department of Health and Human Services (HHS)

In its notice, HHS rescinded a <u>1998 policy</u> that for decades determined that certain services remain available without immigration restrictions. HHS has now explicitly designated a significant and wide-ranging number of programs as federal public benefits under PRWORA, including:

Behavioral Health

- Certified Community Behavioral Health Clinics
- Community Mental Health Services Block Grant
- Mental Health and Substance Use Disorder Treatment, Prevention, and Recovery Support Services Programs under the Substance Abuse and Mental Health Services Administration

Health Care Providers

- Community Health Center Program
- Title X Family Planning Program

Children and Families/Human Services Programs

- Title IV-E Educational and Training Voucher Program
- Title IV-E Kinship Guardianship Assistance Program
- Title IV-E Prevention Services Program
- Head Start

• The Community Services Block Grant (CSBG) (CSBG provides funding to local community action agencies)

HHS notes that additional unnamed programs may also be considered "federal public benefits." The HHS notice specifically acknowledges that nonprofits that receive and administer these programs are not required to verify immigrant eligibility. **However, without additional guidance, even nonprofits are uncertain about how to proceed, fearing the loss of federal funds.**

<u>The HHS notice</u> took effect immediately upon its publication in the Federal Register on July 14, 2025, though there was a <u>30-day comment period</u>. HHS has indicated further guidance will be forthcoming to ensure full implementation.

U.S. Department of Agriculture (USDA)

The USDA <u>notice</u> appears, for the most part, to keep current policy in effect. It does not impact the Special Supplemental Nutrition Program for Women, Children and Infants (WIC), the Emergency Food Assistance Program (TEFAP), and several other child nutrition programs, which already give states the option of verifying citizenship but cannot mandate the practice. Meanwhile, under federal law, the school breakfast and lunch programs must remain available to all eligible children regardless of their immigration status.

However, USDA's notice indicates that recipients of certain USDA licensing, grants, payments and loan programs are receiving a "federal public benefit" and must be qualified immigrants. While USDA has suggested that its notice might apply to food banks that receive commodities through the Commodity Credit Corporation (CCC) program, it is unclear how this would interact with PROWRA's statutory exemption for non-profit organizations. USDA has also indicated that the notice may impact retailers authorized to engage in the commercial activity of accepting SNAP benefits for certain commercial goods but does not expand on how this would work. Further guidance from USDA is needed to clarify these matters.

The USDA notice took effect on July 10, 2025 and did not have a public comment period.

U.S. Department of Labor

The DOL <u>guidance</u> indicates that participant-level services provided under the Workforce Innovation and Opportunity Act (WIOA) program are considered "federal public benefits." Because of the nature of WIOA programs, the notice instructs grantees to verify valid work authorization for all recipients of participant-level services in WIOA programs no less than every three months. State and local workforce agencies are encouraged to utilize the U.S. Citizenship and Immigration Services' Systematic Alien Verification for Entitlements (SAVE) system for this process. Indian and Native American Program grantees are exempt.

The **DOL guidance** went to public workforce development system agencies on July 10, 2025.

U.S. Department of Education (ED)

The **ED notice** makes certain post-secondary career, technical, and adult education programs administered subject to PRWORA's restrictions, revoking **1997 guidance** that had exempted those programs. The notice acknowledges that nonprofit organizations are exempt from the requirement to verify immigration status but instructs states or other governmental entities involved in the administration of these programs to ensure that all relevant programs are in compliance with PRWORA, even when some or all educational services are ultimately provided by a nonprofit charitable organization. The ED notice acknowledges that this guidance is non-binding and **does not** change existing Supreme Court precedent prohibiting states from discriminating against undocumented children by denying them access to a state's system of free public K-12 education.

The <u>FD notice</u> was posted on July 11, 2025 and did not have a public comment period. The notice stated that ED does not have any plans to take enforcement actions against any grantee or subgrantees under PRWORA prior to August 9, 2025 and that the department planned to send letters to impacted grantees regarding eligibility verification. However, is unclear whether the department has taken further action.

U.S. Department of Housing and Urban Development (HUD)

While most housing assistance programs, such as Section 8 vouchers and public housing, already fell within the definition of a federal public benefit, **the HUD notice** significantly expands the agency's interpretation to include any grants it administers that are not explicitly governed by another statute as well as any assistance it provides similar to the delivery of inkind services at the community level by public or private nonprofit agencies not already exempt by statute. As such, the department now considers all of its grant programs under Community Planning and Development to be federal public benefits, with explicit mention of:

- Emergency Solutions Grants (ESG)
- Continuum of Care (CoC) programs
- HOME
- HOME Investment Partnerships American Rescue Plan (HOME-ARP)
- National Housing Trust Fund
- Community Development Block Grant (CDBG)
- Community Development Block Grant Disaster Recovery (CDBG-DR),
- Housing Opportunities for Persons with AIDS (HOPWA) formula grants and competitive program
- Pathways to Removing Obstacles to Housing (PRO Housing)
- Preservation and Reinvestment Initiative for Community Enhancement (PRICE)
- Self-Help Homeownership Opportunity Program (SHOP)
- Congressional earmarks

The notice suggests that grantees will be expected to use immigration verification (e.g. Systemic Alien Verification for Entitlements (SAVE) for these programs. While acknowledging

that the law exempts nonprofit organizations from verifying the immigration status of program beneficiaries, the notice clarifies HUD will issue verification guidelines for circumstances in which states or local governments pass through funds to non-governmental organizations. These guidelines will be taken from guidance issued by the Department of Homeland Security that have not yet been published. Since no guidance has been distributed yet, it is unclear what exact steps grantees should be taking to stay in compliance.

The <u>HUD notice</u> was posted on November 26 and did not have a notice and comment period. HUD will undertake a review and revised guidance in order to determine the means of verification of immigration status for programs now interpreted to be federal public benefits under PROWRA.

Legal Action

Two separate lawsuits have been filed in response to some of the agency notices.

- Parent advocacy groups and a coalition of Head Start providers plaintiffs in an ongoing <u>lawsuit</u> related to a variety of administration actions impacting Head Start program <u>requested</u> to amend their complaint to challenge the HHS PRWORA directive. On September 11, 2025, a federal judge issued a preliminary nationwide injunction blocking implementation of the HHS notice for **head start programs only**.
- 2. Attorneys general in 20 states and Washington, D.C., challenged the reinterpretation of PRWORA from HHS, DOL and ED and on September 10, 2025 were granted a preliminary injunction blocking the implementation of the reinterpretation in those states and D.C., which is still in effect as litigation proceeds. In states not covered by the lawsuit, any changes to program eligibility and an implementation timeline are still contingent on additional guidance.

Next Steps for Counties

Additional federal guidance is needed for grantees to implement the new interpretation of PRWORA, particularly with respect to which entities will be required to verify citizenship status, how that verification should be carried out, and penalties for non-compliance. While awaiting further guidance, county governments are encouraged to consult with state agency partners and county counsel to prepare for implementation within impacted programs and develop appropriate outreach to community partners and program participants.