

# Work Requirements: Existing Policies in Medicaid, SNAP, Housing Assistance, and TANF

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## Work Requirements: Existing Policies in Medicaid, SNAP, Housing Assistance, and TANF

Congress is considering changes to work requirements for recipients of low-income assistance programs. Meeting health care and financial needs while promoting work is a central tension in policies related to low-income assistance. Policies to promote work vary across the four programs examined in this report: Medicaid, the Supplemental Nutrition Assistance Program (SNAP), housing assistance, and cash aid from the Temporary Assistance for Needy Families (TANF) block grant. The policies differ based on the program history; the nature of the particular program; whether or not it has dedicated funding for employment services, education, and training; and other factors.

Medicaid enrollees are not subject to work requirements under current law. Congress has previously considered but has not passed legislation to establish Medicaid work requirements. The first Trump Administration granted states waivers of federal law to allow them to adopt Medicaid work requirements, but this waiver authority was revoked in all states except Georgia under the Biden Administration.

SNAP has several work-related requirements. Its strictest requirement applies to able-bodied adults without dependents (ABAWDs), ages 18 to 54. ABAWDs are limited to receiving SNAP for 3 months in a 36-month period if they do not work or participate in a work program at least 80 hours per month. SNAP also has dedicated Employment and Training (E&T) funding. States may impose an E&T participation requirement for certain nonexempt SNAP recipients.

Public housing has a federal community engagement requirement. CRS estimates that more than 80% of those in public housing were exempt from the requirement in 2023 because they were working, due to their age or disability status, or because they were receiving a welfare benefit and were in compliance with those program requirements. Additionally, a limited number of communities participate in a waiver program under which they can adopt local work requirement policies.

TANF is a block grant to the states and most work-related requirements apply to states rather than individual recipients. States must meet *numerical work participation standards* with respect to needy families receiving cash assistance funded by the block grant. States that fail to meet these standards are at risk of a penalty that reduces the state's block grant. States determine the requirements that apply to individual recipients and are generally free to determine what is required and the sanction for an individual's failure to comply. States may meet the numerical work participation standards by reducing the number of families receiving assistance; having adult assistance recipients in unsubsidized employment; or providing employment services, education, and training to non-employed assistance recipients. In general, states have met TANF standards through caseload reduction and by continuing assistance for employed parents by utilizing earnings disregards and earnings supplement programs.

Designing new or revised work requirement policies typically raises issues such as budgetary implications, impact on labor force participation, funding or availability of services, and implications of noncompliance, among others. The Congressional Budget Office (CBO) has estimated that some changes to work requirements in the individual entitlement programs (Medicaid and SNAP) could produce mandatory budgetary savings. Changes to TANF's numerical work participation standards can also produce mandatory budgetary savings if they are set in such a way that CBO assumes some states will fail to meet the standards and be penalized. Housing assistance is financed via discretionary appropriations and thus program changes cannot provide mandatory savings.

The programs vary by whether they include funding for employment, education, training, and other services. However, even in the programs that include such funding, there is no obligation on the part of the state to use these funds to help recipients meet their work requirements. The implications of noncompliance with current or future work requirement policies vary by program. For TANF, failure to comply with requirements results in either partial or complete loss of cash benefits to the family. In SNAP, it is loss of food assistance for the noncomplying individual (and sometimes the entire household). Noncompliance with a housing requirement might ultimately result in eviction. Should a Medicaid work requirement be enacted, the loss of Medicaid may result in cost savings to the program, but the costs of an individual's medical care may be shifted to others if that person receives *uncompensated* medical care (such as in a hospital emergency room).

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## Summary of Work Requirements in Medicaid, SNAP, Housing Assistance, and TANF

Element	Medicaid	SNAP	Housing Assistance	TANF
Type of benefit	Financing for acute and long-term health care.	Benefits redeemable for food.	Below-market rent either through a voucher or a subsidized apartment.	Cash (work requirements apply to cash assistance recipients, though TANF may be used for other benefits and services).
Type of requirement	No statutory requirement. (Previous work requirements have been implemented under waivers of federal law.)	Requirements that apply to nonexempt individuals.	Requirements that apply to nonexempt individuals in the public housing program.	The main requirement is a numerical <i>performance measure</i> that applies to the state. States decide what requirements apply to individuals.
Share of those in receipt covered by the requirement	No statutory requirement.	In FY2022, an estimated 19% of all household heads were required to register for work (i.e., were subject to SNAP's <i>general work requirements</i> ).	In CY2023, an estimated 83% of those in public housing were exempt from these requirements; approximately 2.4% were out of compliance.	In FY2023, 60% of TANF families were included in the performance measure.
Main requirements	No statutory requirement.	Nonexempt individuals must register for work. <i>ABAWD rule</i> for able-bodied adults ages 18 to 54 limits them to assistance for 3 months in a 36-month period unless they are working or in a work program for 80 hours per month. States may require participation in E&T programs for other nonexempt recipients.	Generally, nonelderly, nondisabled, nonworking public housing residents must complete eight hours per month of economic self-sufficiency or community service activities. Recipients of other welfare program benefits who are in compliance with those program requirements are also exempt.	States may meet numerical participation standards through reducing the number of families receiving assistance; assisting employed parents and caretakers; or engaging non-employed recipients in activities.
Funded employment services	No statutory requirement.	SNAP has dedicated employment and training funding.	None.	TANF block grant funds (capped funding and state TANF dollars) may be used for employment, education, and training.
Sanction for noncompliance	No statutory requirement.	Loss of SNAP benefits for noncomplying individuals and sometimes the household.	Nonrenewal of public housing lease, which could result in eviction.	States are required to sanction those who refuse to work, but it is the states that determine the sanctions.

**Source:** Congressional Research Service (CRS) review of applicable statutory and regulatory provisions on May 8, 2025.

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## Introduction

Work requirements for recipients of low-income assistance are reportedly under consideration in the context of potential budget reconciliation legislation in the 119<sup>th</sup> Congress.<sup>1</sup> This report reviews work requirement and work promotion policies in selected federal social assistance programs: Medicaid, the Supplemental Nutrition Assistance Program (SNAP), housing assistance, and cash aid from the Temporary Assistance for Needy Families (TANF) block grant. Three of these programs have existing work requirement related policies, and for the fourth (Medicaid), previous work requirements have been implemented on a limited scale at the state level under waivers of federal law. New or revised work requirement policies for these programs have received consideration in recent Congresses and may continue to receive consideration in the 119<sup>th</sup> Congress.

This report begins with an overview of goals that might be achieved via such policies as well as typologies of the policies and of the programs examined in the report. Next, it presents a summary table (**Table 1**) comparing key elements of work policies across the selected social assistance programs. This is followed by narrative descriptions of the programs, their policies, and relevant context. In some cases, either or both administrative data or microsimulation data characterizing the program caseloads are provided. While **Table 1** attempts to compare similarities and differences across the programs, the subsequent narrative summaries of programs are more variable, given that the programs differ significantly in terms of their purpose, history, design, administration, population served, and scale

## Goals of Work-Related Policies

Work-related considerations factor prominently in the design of numerous government benefit programs. The largest benefit program, Social Security, is a social insurance program that bases eligibility for benefits on past work. Medicare Hospital Insurance and Unemployment Insurance (UI) are also social insurance programs based on past work.

Low-income assistance programs, which base their benefits on financial need rather than past work, can also affect participation and attachment to the labor force, particularly for those with low wages and irregular work.

Four primary rationales for work requirement policies in social assistance programs have historically been made:

- **Offsetting work disincentives inherent in social assistance programs.** Economic theory suggests that providing income without work lessens the incentive to go to work. Empirical studies have generally confirmed this, though the size of the work disincentive is in dispute.<sup>2</sup>

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<sup>1</sup> Senate Finance Committee Democrats, copy of reported House Budget Committee Republicans' memorandum on budget reconciliation options, January 17, 2025, <https://www.finance.senate.gov/imo/media/doc/budgetoptionspdf.pdf>.

<sup>2</sup> See, for example, Robert A. Moffitt, "The US Safety Net and Work Incentives: Is There a Problem? What should Be Done?," in *The U.S. Labor Market: Questions and Challenges for Public Policy*, Michael R. Strain, ed. (Washington, DC: American Enterprise Institute, 2016), pp. 122-137.

- **Promoting a culture of work.** The argument has been made that if the social norm of work is not reinforced, an alternative norm of dependency on government assistance can take place.<sup>3</sup>
- **Prioritizing limited government resources.** Work requirements may result in some individuals deciding that the cost of complying with a requirement is greater than the value of the benefit. Work requirements may thus serve to screen out those who might be financially eligible for benefits but have alternative means of support. The savings from such reductions in benefit receipt can be used for other priorities.
- **Combatting poverty.** Without income from work, a person and his or her family members are much more likely to be poor. Work, and the income from it, may improve a person's and their family's economic wellbeing, particularly in the long-run.

Meeting the health care and financial need of families and promoting work is a central tension in providing need-tested assistance.

If an individual fails to comply with work requirements and thus loses benefits, health care and financial needs might go unmet for both the noncomplying individual and, in some cases, his or her family members. The reasons for failure to comply can vary; some may be within the control of the individual and others potentially outside their control. For example, some individuals are unemployed, meaning they are willing, able, and seeking work but not working. Unemployment might be the result of macroeconomic conditions, such as an economic recession, or for reasons more specific to the individual. Further, the time and complexity of complying with the requirement to document work might cause individuals and families to fail to meet a work requirement even if they are working.

The self-sufficiency goals underlying some work requirement policies may be difficult to achieve even if requirements are met. The wages some individuals command in the labor market may be insufficient to raise family incomes above the poverty threshold. In other words, though work may often be necessary to escape poverty, it might not be sufficient to do so.

Implementing work requirement policies often requires substantial administrative expenditures (e.g., monitoring) and can be challenging. These administrative expenditures can, at least in part, offset cost savings from reductions in program receipt produced by work requirements.

## Work Promotion Policies and Work Requirements: Brief History and Typology

The current policies related to work in social assistance programs have been developed over the entire history of these programs.<sup>4</sup> The Social Security Act of 1935 limited its cash assistance programs to populations that were, at the time, not expected to work: the aged, the blind, and single parents (mostly mothers) caring for children.

President Lyndon Johnson's War on Poverty and Great Society programs focused on a number of policy areas, including programs to address the lack of education and skills that was seen as a cause of poverty; programs for youth, to interrupt the intergenerational transmission of poverty;

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<sup>3</sup> See, for example, Lawrence M. Mead, *Beyond Entitlement. The Social Obligations of Citizenship* (New York, NY: The Free Press, 1986).

<sup>4</sup> This brief history is based on information in CRS Report R43731, *Poverty: Major Themes in Past Debates and Current Proposals*.



initiatives for low-income residents to participate directly in tailoring antipoverty approaches to fit the specific needs of their communities, through a network of local entities known as community action agencies; and ending legal discrimination through enactment of civil rights legislation.

As the social expectations regarding single mothers and work changed, policies to promote or require work in the cash assistance for needy families with children programs also evolved as legislation was enacted during the *welfare reform* debates.<sup>5</sup> Beginning in 1967, states were permitted to require *participation* in employment and training programs for non-employed single parents (mostly single mothers). The Family Support Act of 1988 (P.L. 100-485) permitted states to require participation of single mothers with children who were one or older in the Job Opportunities and Basic Skills (JOBS) Training program. Implemented in the midst of the 1990-1991 recession, JOBS ultimately spent \$1.5 billion in FY1995 (\$3 billion in 2024 dollars) on employment services, education, and training for assistance recipients.

SNAP (then called *food stamps*) policy was also affected by the welfare reform debates. Legislation in 1970 established uniform national requirements that able-bodied SNAP adults register for work.<sup>6</sup> In 1977, legislation established a requirement that nonexempt SNAP adults search for work, and penalized households whose heads voluntarily quit jobs. The Food Stamp Act of 1985 (P.L. 99-198) established the Employment and Training (E&T) program and allowed states to mandate participation in work-related activities for certain recipients.

The welfare reform debates also spawned a set of policies to “make work pay.” The Earned Income Tax Credit (EITC) was established within the federal income tax system to increase net income by offsetting income and payroll taxes paid by the lowest-paid workers in 1975.<sup>7</sup> However, it was not until the late 1980s and early 1990s that these policies to supplement low wages began to fully develop. The EITC was expanded in 1986 and again in the 1990s; programs to subsidize child care were established; and Medicaid eligibility for children began to be based on the poverty status of children rather than being linked to receipt of cash assistance. “Make work pay” policies have continued to expand to this day, through the establishment of the child tax credit in 1997 and subsequent enhancements. Most of the make work pay initiatives are focused on families with children.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA; P.L. 104-193; also referred to as the *1996 welfare law*) ushered in changes to work requirements. It established requirements that emphasized work over participation in job search, education, and training for both cash assistance (the new TANF block grant) and for SNAP able-bodied adults without dependents (ABAWDs) populations. The PRWORA debates around work policies were mirrored in debates about work in housing assistance programs, culminating with the 1998 enactment of a limited community service or work activity requirement for nonworking, nonexempt public housing residents.<sup>8</sup>

Portions of all these approaches to work promotion—including work requirements—remain part of current policy affecting Medicaid, SNAP, housing assistance, and TANF. To summarize this, CRS developed a typology of different work-related policies of social assistance programs in **Figure 1**. One form of work promotion policies involves workforce and education programs to

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<sup>5</sup> This discussion summarizes information in CRS Report R44668, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Legislative History*.

<sup>6</sup> This early history of SNAP work requirements is from U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS), *A Short History of SNAP*, April 1, 2025, <https://www.fns.usda.gov/snap/history>.

<sup>7</sup> For more information, see CRS Report R44825, *The Earned Income Tax Credit (EITC): Legislative History*.

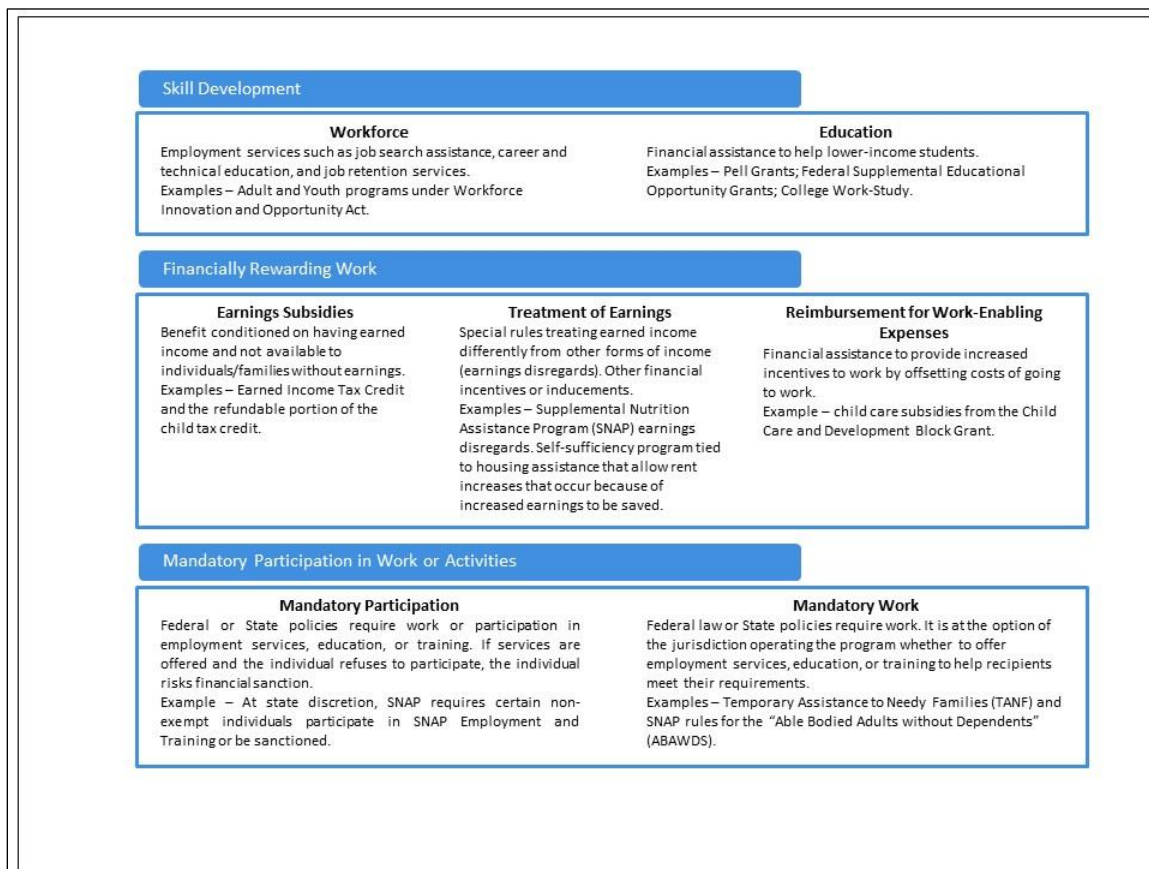
<sup>8</sup> This history is reviewed in CRS Report RS21591, *Community Service Requirement for Residents of Public Housing*.



help participants develop their capacity and prospects in the labor market. Another form of work promotion involves programs and policies to reward work financially (e.g., earnings supplements to help “make work pay” more than assistance). These policies are shown in the first two rows of the figure. The last row focuses on *work requirement* policies, and distinguishes between the following:

- **Mandatory participation requirements.** This type of requirement mandates that those who are not employed participate in a publicly funded employment services, training, or education program.
- **Mandatory work requirement.** This type of requirement mandates that an assistance recipient be working or involved in a work-related activity or alternative activity (such as community service). Under this type of requirement, recipients who are not employed are not provided a funded activity—and sometimes are not guaranteed help—to meet their requirement.

**Figure 1. Work Requirements in the Context of Work Promotion Policies**



Source: CRS.

## Programs Examined in this Report

The programs examined in this report are the following:

- **Medicaid** is a federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports (LTSS), to a

- diverse low-income population, including children, pregnant women, adults, individuals with disabilities, and people ages 65 and older. Since 2014, states have had the option to cover nonelderly adults with income up to 133% of the federal poverty level (FPL) under the Affordable Care Act (ACA) Medicaid expansion. Medicaid is an entitlement to individuals.<sup>9</sup>
- **SNAP** (formerly known as *food stamps*) provides low-income families with an in-kind income supplement to enable them to purchase a minimal cost, nutritious diet. SNAP is available to all low-income households regardless of their demographic composition, though benefits for ABAWDs who are not working are time-limited. SNAP benefit amounts are uniform nationwide for families of a given size except for higher amounts in Alaska, Hawaii, Guam, and the U.S. Virgin Islands. SNAP benefits are an entitlement to individuals.
  - **Housing assistance programs** support below-market rent for low-income households through subsidized apartments (public housing, project-based rental assistance) and rental vouchers (known as the *Section 8 Housing Choice Voucher program*). While available to all types of households, some assistance is specifically targeted for persons who are elderly or have disabilities. Housing assistance programs are funded annually through discretionary appropriations, 100% federally funded, and administered by local public housing authorities (PHAs) and private property owners under contract with the federal government. The programs are not entitlements and federal funding is sufficient to serve roughly one-in-four eligible families, meaning there are waiting lists for assistance in most communities.
  - **TANF** provides monthly cash assistance to low-income families with children whose incomes are below state-determined eligibility thresholds. Benefits are financed from the TANF block grant to the states and associated state funds. States determine benefit amounts. While TANF may also be used to provide other types of services, such as child care or training, for the purposes of this report, the TANF receipt, benefit amounts, and requirements it considers are limited to the monthly cash assistance caseload. TANF law explicitly says that the block grant does *not* convey an entitlement to individuals.<sup>10</sup>

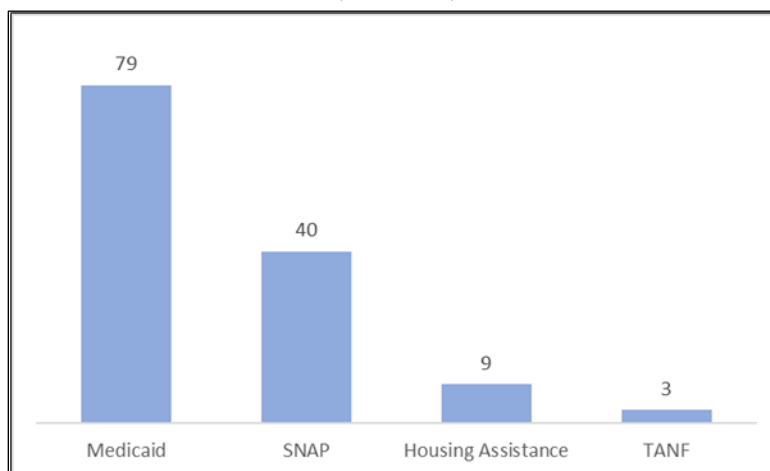
**Figure 2** shows the total number of recipients in each of these programs. In terms of enrollment, the two largest programs are Medicaid and SNAP; the housing assistance and TANF cash assistance programs serve comparatively fewer individuals.

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<sup>9</sup> Medicaid is both an individual entitlement and an entitlement to states. Individuals who meet the program's eligibility requirements are entitled to the services as articulated in the state plan. Medicaid is also an entitlement to states. States that meet federal program rules are entitled to federal funds.

<sup>10</sup> Section 401(b) of the Social Security Act.

**Figure 2. Number of Recipients Receiving Assistance**  
(in millions)



**Source:** CRS, based on the following: Medicaid and SNAP recipients are taken from the Congressional Budget Office (CBO) June 2024 baseline for FY2025 and represents average monthly numbers, housing assistance is based on administrative data from CY2023, and TANF is based on administrative data for FY2024 and represents average monthly numbers.

In terms of populations served, TANF is restricted to families with children. In TANF, 2 million of the 3 million recipients are children and 1 million are adult recipients. The other programs are not limited to any single demographic category; they serve elderly individuals, individuals with disabilities, and adults without disabilities or children, in addition to adults in families with children.

**Table 1** presents a brief summary of the key elements of work requirement policies across the four programs covered in this report. Each cell offers a brief overview of program-specific requirements; additional detail is available in the “Medicaid,” “SNAP,” “Housing Assistance,” and “TANF” sections of the report.

**Table 1. Summary of Work Requirements in Medicaid, SNAP, Housing Assistance, and TANF**

Element	Medicaid	SNAP	Housing Assistance	TANF
Work requirement based on federal statute?	No statutory requirement. (Previous work requirements have been implemented under waivers of federal law.)	Yes	Public housing is the only housing assistance program with a federal work requirement.  Some Public Housing Authorities (PHAs) can set their own work requirements for public housing and the Housing Choice Voucher programs under waivers of regular program rules via the Moving to Work (MTW) demonstration.	Yes

Element	Medicaid	SNAP	Housing Assistance	TANF
Who are work requirements applied to?	No statutory requirement.	Requirements apply to recipients.	Requirements apply to individual recipients. For public housing, the requirement applies to nonexempt residents and is eight hours per month spent in community service or economic self-sufficiency activities.	Federal requirements apply to the states. States must meet numerical work participation standards (performance metrics) or risk loss of block grant funds. States determine the requirements that apply to individual recipients.
Target population	No statutory requirement.	<i>General work requirements</i> apply to recipients ages 16 to 59.  The <i>ABAWD rule</i> applies to recipients ages 18 to 54 who are not disabled and do not live with children may receive benefits for 3 out of 36 months if not working or participating in activities at least 20 hours per week.	Nonelderly, nondisabled adults who are not already working or engaged in work activities. (Adults who are working or engaged in work activities are exempt from the requirement, as are recipients of state welfare benefits who are in compliance that that program's requirements.)	Adult recipients and heads of households under 18 (or under 19 if in school).
<b>Exemptions from Work Requirements</b>				
Age	No statutory requirement.	Individuals ages 16 to 18 are exempt from general work requirements if they do not head their household, are attending school, or are in a training program. Individuals who are over age 59 are exempt from all work requirements. Individuals under 18 and 55-59 are exempt from the ABAWD rule.	Adults aged 62 and older are exempt.	No age exemption from the numerical participation standards. States determine age exemptions for individuals.
Disability	No statutory requirement.	Those who are receiving disability benefits or are otherwise physically or mentally unfit are exempt. A caretaker of a disabled dependent is exempt.	Adults who are disabled and can certify that they cannot comply with the requirement are exempt. Caretakers of a person with a disability are also exempt.	States may exclude from the work participation calculation parents who receive Social Security or Supplemental Security Income benefits. A caretaker of a disabled family member may also be exempted and excluded.

Element	Medicaid	SNAP	Housing Assistance	TANF
Pregnancy	No statutory requirement.	Exempt from the ABAWD rule	No exemption.	No exemption.
Age of youngest child	No statutory requirement.	Parents or other household members caring for a child under age 6 or for an incapacitated person are exempted from general work requirements. Parents with children under 18 are exempt from the ABAWD rule.	No exemption.	Single parents caring for a child under age 1 may be excluded from the work participation rate calculation. Single parents with a child under age 6 cannot be sanctioned for refusal to work if affordable child care is not available.
Share of those in receipt covered by the requirement	No statutory requirement.	In FY2022, an estimated 19% of all household heads were required to register for work (i.e., were subject to SNAP's general work requirements).	In CY2023, an estimated 83% of those in public housing were exempt from the requirement; approximately 2.4% were not in compliance.	In FY2023, 60% of TANF families were included in the performance measure.
Funded employment services	No statutory requirement.	SNAP has dedicated employment and training funding.	None	TANF block grant funds (capped funding and state TANF dollars) may be used for employment, education, and training.
Consequences for not meeting the requirement	No statutory requirement.	Loss of SNAP food assistance for the individual. For failure to participate in SNAP E&T, states may opt to suspend benefits to the household for a period of time.	Noncompliant tenants are given the opportunity to enter into a compliance agreement at lease renewal. Failure to sign a compliance agreement, or meet the terms of the agreement, results in nonrenewal of the lease, which may result in eviction.	Either partial or total loss of cash assistance to the family (state option). States can also end SNAP and Medicaid benefits for noncomplying families.

**Source:** CRS review of applicable statutory and regulatory provisions. SNAP work provisions are at Section 6(d)(1) and 6(o) of the Food and Nutrition Act. The public housing work and community service requirements are at Section 12(c) of the US Housing Act of 1937. TANF work provisions are at Section 407 and Section 408(b) of the Social Security Act.

**Table 1** illustrates the variability in work requirement policies across Medicaid, SNAP, housing assistance, and TANF. Both SNAP and housing assistance (public housing) apply a federal work or participation requirement on certain individual beneficiaries. TANF establishes a federal work participation standard that applies to the states and leaves it to each state to determine which policies to adopt for their beneficiaries in order to meet that standard. Medicaid statute does not include a federal work requirement, but states may seek CMS approval for Section 1115 demonstration waivers that allow them to experiment with program changes that in the judgment of the Secretary of the U.S. Department of Health and Human Services (HHS) further the goals of the Medicaid program (e.g., implementing work requirements). Similarly, certain PHAs

participating in a limited waiver program can establish their own work requirement policies in some housing assistance programs.

This variation in work requirement policies across the programs reflects the variation in the programs themselves. For example, consider the following:

- **The populations served by the programs are different.** TANF generally serves families with children headed by adults who are nonelderly and nondisabled, a population generally expected to be able to participate in the labor market. The other programs serve a wider range of individuals, including elderly and disabled persons who are typically not expected to be able to earn sufficient wages through work to support themselves, and are thus generally exempt from such requirements. The relative share of work-eligible adults in a program can influence how work requirement policies are designed and implemented to account, in part, for administrative costs relative to participants.
- **The benefits are provided in different forms.** TANF provides cash directly to recipients, whereas the other programs provide various forms of in-kind benefits designed to help families meet basic needs such as health care, food, and shelter. Thus, the administrative mechanisms through which these benefits are provided necessarily vary. Further, the ease of turning benefits off and on for recipients who fail to meet program requirements is different; housing assistance involves one-year leases, whereas the other programs provide monthly or sub-yearly benefits.
- **Recipients' access to benefits varies.** Medicaid and SNAP are entitlement programs. Housing assistance benefits are rationed, with long waiting lists for assistance. Thus, the likelihood of an assistance recipient regaining benefits that are lost due to sanction are much lower for housing assistance recipients. TANF funding is capped, and statute explicitly says TANF does not convey an entitlement to individuals.
- **The programs are administered by different entities with varying levels of administrative flexibility.** TANF allows states broad flexibility in their program designs to meet established federal work participation targets. Medicaid also allows states flexibility in their program designs, though that flexibility is subject to a federally controlled waiver process. SNAP is state-administered as well, but within narrower federal parameters and some limited state options related to work policies. Housing assistance is administered by local public housing agencies and private market owners, who have some flexibility in program design but little authority to establish additional program requirements for beneficiaries outside of a limited waiver program.

The following sections of the report provide a brief overview of, and context for, the work requirement and work promotion policies in each of the four programs. Given the variation across the programs noted above, these sections are not presented in a uniform structure that allows for easy comparison; readers seeking such a comparison should refer back to **Table 1**.

## Medicaid

Medicaid is a joint federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports (LTSS), to a diverse low-income population, including children, pregnant women, adults, individuals with disabilities, and people ages 65 and



older.<sup>11</sup> In FY2023, Medicaid covered health care services for an estimated 96 million individuals<sup>12</sup> at an estimated cost of \$894 billion, with the federal government paying \$614 billion of that amount.<sup>13</sup>

Historically, Medicaid eligibility has generally been limited to low-income children, pregnant women, parents of dependent children, the elderly, and individuals with disabilities. However, the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) included the ACA Medicaid expansion, which expands Medicaid eligibility to nonelderly adults with income up to 133% of the FPL at state option.<sup>14</sup> As of December 2024, 40 states and the District of Columbia have implemented the ACA Medicaid expansion.<sup>15</sup> According to the Congressional Budget Office (CBO), in FY2023 approximately 20 million of the 96 million program enrollees were determined Medicaid-eligible on the basis of the ACA Medicaid expansion pathway.<sup>16</sup>

Under current law, enrollees are *not* required to meet work or other community engagement requirements as a condition of Medicaid eligibility. To be eligible for Medicaid, individuals must meet both categorical (e.g., elderly, children, or pregnant women) and financial (i.e., income and sometimes assets limits) criteria. Some eligibility groups are mandatory for states to cover under their Medicaid programs; others are optional. In addition, all Medicaid applicants must meet federal and state requirements regarding residency, immigration status, and documentation of U.S. citizenship.

## Work Among Adults Enrolled in Medicaid

CRS used microsimulation to estimate the 2025 rates of employment for Medicaid adult enrollees age 19 to 64 without disabilities.<sup>17</sup> It is estimated that for 2025, 68% of Medicaid adult enrollees

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<sup>11</sup> For more information, see CRS Report R43357, *Medicaid: An Overview*.

<sup>12</sup> The FY2023 enrollment figure is the average monthly enrollment from the Centers for Medicare and Medicaid Services' (CMS') Office of the Actuary analysis of Medicaid enrollment data from the Medicaid Statistical Information System, the Transformed Medicaid Statistical Information System, and the Form CMS-64 data as reported by states to the Medicaid Budget and Expenditure System (provided to CRS on November 15, 2024).

<sup>13</sup> The expenditure figures are from the Form CMS-64 data as reported by states to the Medicaid Budget and Expenditure System as of May 29, 2024, available at <https://www.medicaid.gov/medicaid/financial-management/state-expenditure-reporting-for-medicaid-chip/expenditure-reports-mbescbes/index.html>.

<sup>14</sup> As enacted, the ACA Medicaid expansion was a mandatory expansion of Medicaid eligibility to nonelderly adults with incomes up to 133% of the FPL; see 42 U.S.C. §1396a(a)(10)(A)(i)(VIII). States that refused to comply with this coverage expansion faced the threat of losing all federal Medicaid funding. However, on June 28, 2012, in *National Federation of Independent Business v. Sebelius*, the U.S. Supreme Court held that the federal government could not withhold payment for a state's entire Medicaid program for failure to implement the ACA Medicaid expansion. See 567 U.S. 519, 580-86 (2012). Instead, the Court determined that the federal government could withhold only funding for the ACA Medicaid expansion if a state did not implement the expansion, which effectively made the expansion optional. See *ibid.* at 588.

<sup>15</sup> For more information, see CRS In Focus IF10399, *Overview of the ACA Medicaid Expansion*. States that have *not* implemented the ACA Medicaid expansion as of December 2024 include Alabama, Florida, Georgia, Kansas, Mississippi, South Carolina, Tennessee, Texas, Wisconsin, and Wyoming.

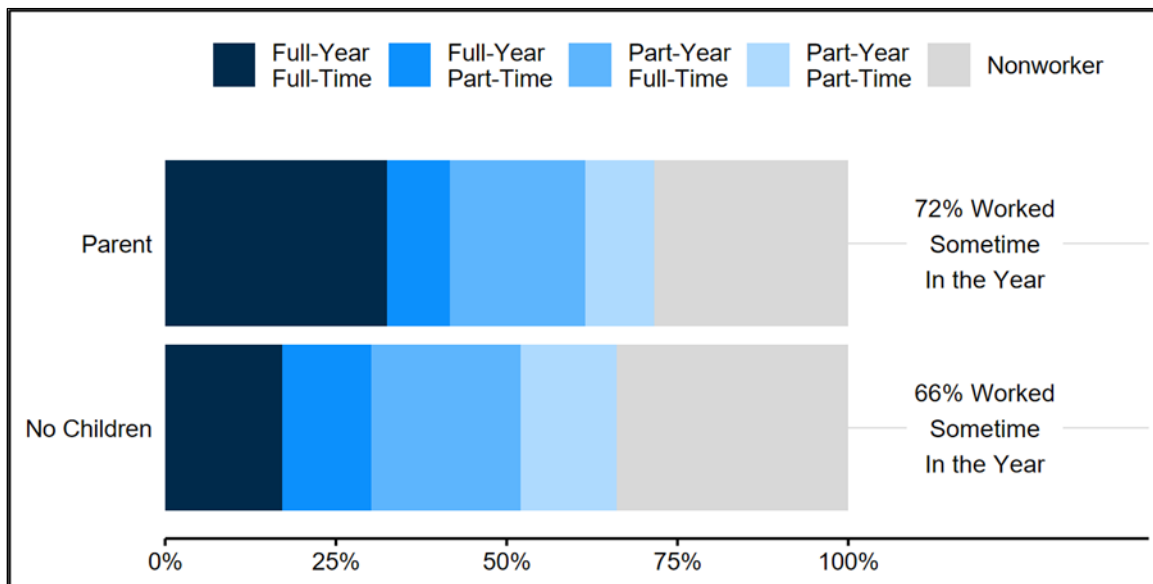
<sup>16</sup> This enrollment estimate represents average monthly enrollment in Medicaid full and partial benefit coverage, as reported in CBO's baseline projections for Medicaid, as of June 2024, <https://www.cbo.gov/system/files/2024-06/51301-2024-06-medicaid.pdf>.

<sup>17</sup> The data used for this analysis represent projected data for 2025. The examination of work over a year for Medicaid enrollees generally relies on data from Census Bureau household surveys. Projected data were used because recent survey data were affected by the COVID-19 pandemic and the policy responses to it. Most of the policy responses to the pandemic have expired, and thus recent historical data provide a poor baseline for examining prospective policy changes. Microsimulation was used to estimate Medicaid enrollment because recent survey data under reports receipt of need -tested benefits. Microsimulation is used to impute additional enrollees based on their characteristics among (continued...)



in families with children (who were nonelderly and without disabilities) will work at some time during the year. **Figure 3** shows the estimated rate of employment in 2025 for two groups of Medicaid adult enrollees ages 19 through 64 without disabilities: (1) parents with dependent children age 18 and younger and (2) adults who do not have children age 18 and younger. Across these groups, parents are estimated to be more likely than nonparents to work at any time during the year and to work full-year, full-time.

**Figure 3. Medicaid Enrollees Ages 19 through 64 Without Disabilities: by Parental Status and Work Experience Over the Year**  
(data projected to 2025)



**Source:** CRS estimates using ASEC 2016 to 2018 data projected to 2025 and TRIM microsimulation to estimate program enrollment.

## Key Congressional Efforts to Enact Medicaid Work or Other Community Engagement Requirements

The 115<sup>th</sup> Congress considered adding a work requirement as a condition for receipt of Medicaid as a part of budget reconciliation legislation.<sup>18</sup> On May 4, 2017, the House passed the American Health Care Act of 2017 (AHCA, H.R. 1628). H.R. 1628 would have added a new Medicaid state plan option to permit states to require certain nondisabled, nonelderly, non-pregnant adults to satisfy a work requirement as a condition for receipt of Medicaid, effective October 1, 2017.

those simulated as eligible for Medicaid. Data from the Census Bureau's Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) were modified to project the characteristics of the population, their economic circumstances, and program participation for 2025. The data were projected to reflect the characteristics of the population in 2025 by the Urban Institute, under contract with the Congressional Research Service (CRS) and using specifications provided by CRS. The computer microsimulation was done using the Transfer Income Model (TRIM), primarily funded by HHS and maintained at the Urban Institute. The specifications provided by CRS were to project data to come as close as possible to that assumed by CBO for 2025 in its demographic, economic, and budget outlooks published in 2024.

<sup>18</sup> For background information on the budget reconciliation process specific to the budget resolution for FY2017, see CRS Report R44883, *Comparison of the American Health Care Act (AHCA) and the Better Care Reconciliation Act (BCRA)*.

Under the bill, the definition of work and associated requirements would have been established by the state. The bill would have made exceptions for certain adults (e.g., single parents of children under age 6 or of a child with a disability, and individuals under age 20 who maintained satisfactory attendance in a secondary school or the equivalent, or who participated in employment-related education). The provision also included increased federal funding for administrative activities to implement the work requirement under this provision.

The House bill was received in the Senate on June 7, 2017, and the next day the Senate Majority Leader had it placed on the calendar to make it available for floor consideration.<sup>19</sup> The Senate Budget Committee published on its website a discussion draft, The Better Care Reconciliation Act of 2017 (BCRA), on June 22 and updated it on June 26, July 13, and July 20.<sup>20</sup> This draft legislation was written in the form of an amendment in the nature of a substitute, meaning that it was intended to be considered by the Senate as an amendment to H.R. 1628, as passed by the House, but that all of the House-passed language would be stricken and the language of the BCRA would be inserted in its place. The BCRA included a Medicaid state option to add work requirements for specified adults that was almost identical to the House-passed AHCA bill.

On July 19, 2017, the Senate Budget Committee posted the Obamacare Repeal Reconciliation Act of 2017 (ORRA) on its website as another draft reconciliation bill.<sup>21</sup> The ORRA was largely based on the Restoring Americans' Healthcare Freedom Reconciliation Act of 2015 (H.R. 3762, 114<sup>th</sup> Congress), which was vetoed by President Obama on January 8, 2016, and returned to the House. The Medicaid work requirement provision was dropped from this draft reconciliation bill.

The Senate ultimately voted on H.R. 1628, the Healthcare Freedom Act of 2017, an Amendment in the Nature of a Substitute (S.Amdt. 667) on July 27, 2017. The bill was defeated by a vote of 49 to 51.

During the 118<sup>th</sup> Congress, the House passed the Limit, Save, Grow Act of 2023 (H.R. 2811) on April, 26, 2023, by a vote of 217 to 215. H.R. 2811 included a provision that would have required states to establish a “community engagement” requirement as a condition of Medicaid federal funding for Medicaid services provided to nondisabled, non-pregnant enrollees ages 19 through 55 without dependents under age 6 (with specified exceptions). Exempted enrollees would have included individuals who were participating in a substance use disorder treatment program, were complying with work requirements under a different federal program, or were enrolled at least half time in an educational program, as defined. The bill would have defined “community engagement” as 80 hours or more of work, community service, or a combination of both per month and would have directed states to verify compliance through existing databases (e.g., state health and human services agencies or payroll databases) prior to seeking verification from the Medicaid enrollee.

Under the provision, states would have lost federal Medicaid reimbursement for health care services provided to those enrollees who did not meet the 80 hours per month requirement for three or more months during a calendar year for which the individual was enrolled. States would have been permitted to disenroll those who did not satisfy the requirement, or maintain enrollment for those individuals using only state funds. CBO released a cost estimate of H.R. 2811 on April 26, 2023, where the agency found that “under those requirements, federal costs would decrease, the number of people without health insurance would increase, the employment

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<sup>19</sup> For more information on House action on H.R. 1628, see CRS Report R44785, *H.R. 1628: The American Health Care Act (AHCA)*.

<sup>20</sup> The July 20, 2017, draft is at <https://www.budget.senate.gov/imo/media/doc/ERN17500.pdf>.

<sup>21</sup> For more information, see CRS Report R44903, *Provisions of Obamacare Repeal Reconciliation Act of 2017 (ORRA)*.

status of and hours worked by Medicaid recipients would be unchanged, and state costs would increase.”<sup>22</sup> The bill was placed on the Senate calendar on May 2, 2023, but never received a vote.

Some Members of the 119<sup>th</sup> Congress have signaled interest in adding Medicaid work requirements as a condition of receipt of Medicaid services. The policy is listed in a draft document that is being circulated by the House Budget Committee as one of the reconciliation policy options that are being considered as a way to reduce federal Medicaid spending.<sup>23</sup>

The 119<sup>th</sup> Congress introduced the Jobs and Opportunities for Medicaid Act (H.R. 1059/S. 447) on February 6, 2025. The bills would require “able bodied-adults” ages 18 through 64 (with exceptions) to meet 20 hours or more of work or volunteer activities per week. Failure to meet the requirement in a given month would result in a loss of Medicaid medical assistance for that month, beginning January 1, 2026. Exempted populations would include individuals who are medically certified as physically or mentally unfit for employment, a primary parent or caretaker of a dependent child with a serious medical condition or disability, as determined by the state, among other entities. The bills were referred to the House Committee on Energy and Commerce and the Senate Committee on Finance, respectively, on the same day they were introduced.

The Ending the Cycle of Dependency Act of 2025 (H.R. 1452) was introduced in the House on February 21, 2025. The bill is similar to H.R. 2811 in the 118<sup>th</sup> Congress except that it would require states to establish what the bill refers to as a “work requirement” as a condition of federal funding for Medicaid services provided to specified enrollees. The bill would extend the age of the population who would be subject to these requirements to include specified enrollees ages 19 through 59 (with exceptions). In addition, H.R. 1452 does not include a state requirement to verify compliance through existing databases prior to seeking verification from the Medicaid enrollee. The bill was referred to the House Committee on Energy and Commerce and the House Committee on Agriculture on the same day it was introduced. It was later referred to the House Committee on Agriculture’s Subcommittee on Nutrition and Foreign Agriculture on March 20, 2025.

## **Administrative Actions Related to Medicaid Work Requirements<sup>24</sup>**

### **The First Trump Administration**

Administrative actions related to Medicaid work requirements have been implemented through the Medicaid Section 1115 demonstration waiver authority. Section 1115 of the Social Security Act (SSA) authorizes the HHS Secretary to waive Medicaid program requirements contained in SSA Section 1902 and/or to provide authority for expenditures that do not otherwise qualify for federal financial participation under SSA Section 1903 (referred to as “costs not otherwise matchable”) in order to permit states to conduct time-limited experimental, pilot, or demonstration projects that, in the judgment of the Secretary of HHS, are likely to assist in promoting the objectives of the Medicaid program. Long-standing Medicaid program guidance requires Centers for Medicare & Medicaid Services (CMS)-approved demonstration waiver

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<sup>22</sup> See CBO, letter to the Honorable Frank Pallone, Jr., *Re: CBO’s Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, Grow Act of 2023*, April 26, 2023, <https://www.cbo.gov/system/files/2023-04/59109-Pallone.pdf>.

<sup>23</sup> Senate Finance Committee Democrats, copy of reported House Budget Committee Republicans’ memorandum on budget reconciliation options, January 17, 2025, [https://www.finance.senate.gov/imo/media/doc/budget\\_optionspdf.pdf](https://www.finance.senate.gov/imo/media/doc/budget_optionspdf.pdf)

<sup>24</sup> The litigation discussion included in this section was the sole contribution written by Jennifer A. Staman, Legislative Attorney, CRS American Law Division.

projects to be budget neutral to the federal government, whereby estimated spending under the demonstration waiver cannot exceed the estimated cost of the state's Medicaid program without the demonstration waiver.<sup>25</sup>

Prior to the first Trump Administration, no state had received CMS approval to use the Medicaid Section 1115 demonstration waiver authority to condition Medicaid eligibility and/or receipt of Medicaid services on meeting a Medicaid work or other community engagement requirement. On January 11, 2018, CMS released a state Medicaid director letter announcing a Section 1115 demonstration waiver initiative to encourage states to pursue demonstration projects that promote work and community engagement (e.g., skills training, education, job search, caregiving, volunteer service) among nonelderly, non-pregnant, nondisabled adult Medicaid enrollees. The initiative was structured as a condition of continued eligibility and receipt of Medicaid services and/or receipt of additional benefits or reduced enrollee cost sharing.<sup>26</sup> The stated policy goal of the CMS Community Engagement Initiative was to “determine whether those requirements assist beneficiaries in obtaining sustainable employment or other productive community engagement and whether sustained employment or other productive community engagement leads to improved health outcomes.”

As a part of this Section 1115 demonstration waiver initiative, states were encouraged to align proposed Medicaid community engagement policies with existing TANF or SNAP work requirement policies to the extent that such features are consistent with Medicaid program objectives. For example, states were encouraged to align rules regarding exempted populations, allowable activities, required hours of participation, enrollee reporting requirements, and the availability of work support programs. States were encouraged to take into consideration special accommodations for Medicaid enrollees who are considered to be “medically frail” or for those engaging in substance use disorder treatment. States were also encouraged to allow for a range of activities to meet work requirements, especially for enrollees who live in areas with limited employment opportunities or lack viable transportation options. Consistent with long-standing CMS Medicaid Section 1115 demonstration waiver guidance, CMS approval of state proposals was considered on a case-by-case basis, had to include monitoring and evaluation components, and be budget neutral to the federal government. The CMS guidance also made it clear that this demonstration authority did not permit federal Medicaid funds to be directed toward enrollee supports to help them prepare for work or increase their earnings.

## State Activity

Under the first Trump Administration, 23 states submitted Section 1115 Medicaid demonstration waiver proposals requesting CMS approval for work requirements or other community engagement activities.<sup>27</sup> Of the 23 state submissions, CMS approved Section 1115 community

<sup>25</sup> For more information on Medicaid waiver authorities see, CRS Report R43357, *Medicaid: An Overview*.

<sup>26</sup> CMS, *RE: Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries*, SMD: 18-002, January 11, 2018, <https://web.archive.org/web/20180111180302/https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>.

<sup>27</sup> The 23 states were Alabama, Arizona, Arkansas, Georgia, Idaho, Indiana, Kansas, Kentucky, Maine, Michigan, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, Virginia, and Wisconsin. See HHS, Assistant Secretary for Planning and Evaluation (ASPE), Office of Health Policy, *Medicaid Demonstrations and Impacts on Health Coverage: A Review of the Evidence*, Issue Brief HP-2021-03, March 11, 2021, <https://aspe.hhs.gov/sites/default/files/private/pdf/265161/medicaid-waiver-evidence-review.pdf>.

engagement demonstration waivers in 13 states.<sup>28</sup> The demonstration waiver projects generally required certain adult populations to engage in work or other qualifying activities as a condition of Medicaid coverage. However, the projects differed in terms of which groups were targeted (e.g., selected age groups within the ACA Medicaid expansion population, or other specified adult populations); exempted groups (e.g., medically frail, specified age groups, caregivers with young children or of individuals with disabilities, full-time students); the number of required hours and over what time frame; the types of qualifying activities; reporting requirements; and the consequences for not meeting the specified requirements.

Among the 13 states with approved Medicaid Section 1115 community engagement demonstration waivers, two (Arkansas and Georgia) implemented the demonstration projects for any substantial period of time.<sup>29</sup> Currently, Georgia is the only state with an active Section 1115 community engagement demonstration waiver.

### *Arkansas Works Demonstration Waiver*

On March 5, 2018, CMS approved an amendment to the state's existing Arkansas Works Section 1115 demonstration waiver.<sup>30</sup> Among the policies included in the amendment was a requirement for Arkansas Works ACA Medicaid expansion enrollees ages 19 through 49 (with specified exceptions) to complete and report 80 hours per month of community engagement activities (e.g., employment, education, job skills training, community service) as a condition of continued Medicaid eligibility. Failure to satisfy the work and reporting requirements under the demonstration resulted in disenrollment from the Medicaid program until the next plan year for those who did not qualify for a good cause exemption.

The Arkansas work requirement amendment was in effect from June 2018 through March 2019 and resulted in a loss of Medicaid enrollment for approximately 18,000 individuals due to noncompliance.<sup>31</sup> A number of studies attribute the loss of Medicaid coverage to enrollee lack of awareness and confusion around the requirement for 80 hours per month of community

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<sup>28</sup> The 13 states were Arizona, Arkansas, Georgia, Indiana, Kentucky, Maine, Michigan, Nebraska, New Hampshire, Ohio, South Carolina, Utah, and Wisconsin. Nine additional states submitted Community Engagement demonstration waiver proposals during the first Trump Administration, including Alabama, Idaho, Kansas, Mississippi, Montana, Oklahoma, South Dakota, Tennessee, and Virginia.

<sup>29</sup> According to the HHS, ASPE's Office of Health Policy, CMS-approved Medicaid Section 1115 community engagement demonstration waivers in Arkansas, Indiana, Kentucky, Michigan, and New Hampshire proceeded far enough in their project implementation to obtain early data on potential enrollment effects. However, the Arkansas demonstration waiver was the only one that disenrolled Medicaid enrollees for noncompliance with the work and reporting requirements. For more information on why the other states with CMS approved Section 1115 community engagement demonstration waivers halted implementation of these programs, see HHS, ASPE, Office of Health Policy, *Medicaid Demonstrations and Impacts on Health Coverage: A Review of the Evidence*, Issue Brief HP-2021-03, March 11, 2021, <https://aspe.hhs.gov/sites/default/files/private/pdf/265161/medicaid-waiver-evidence-review.pdf>. Also see the discussion of actions taken during the Biden Administration in the "Biden Administration" section of this CRS report.

<sup>30</sup> CMS, Arkansas Works (Project Number 11-W-00287/6), Special Terms and Conditions (STCs), March 5, 2018, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/ar-works-ca.pdf>.

<sup>31</sup> Arkansas Department of Health and Human Services, *Arkansas Works Section 1115 Demonstration Waiver, Quarterly Report*, January 1, 2019 – March 31, 2019, <https://humanservices.arkansas.gov/wp-content/uploads/ARWorksQrtlyRptJan-Mar19.pdf>. A monthly Work and Community Engagement Snapshot was not produced for March 2019 due to the suspension of the work and community engagement requirement during legal proceedings. However, according to the state's January 2019 report, of the approximately 105,158 Arkansas Works enrollees who were subject to the work requirement during January 2019, approximately 10,258 (9.8%) did not meet the work or reporting requirements under the waiver.



engagement coupled with enrollee failure to report qualifying activities.<sup>32</sup> While the studies acknowledge that the evidence is limited, one points to the reversal of the 2018 Medicaid coverage losses in 2019 (i.e., after CMS rescinded authority for the community engagement portion of the demonstration waiver program<sup>33</sup>) as evidence of the impacts of these policies on Medicaid program enrollment.<sup>34</sup>

Following approval of the waiver, a group of Arkansas residents sued the HHS Secretary, claiming that the waiver was unlawfully approved and “fundamentally alter[ed] the design and purpose of Medicaid.”<sup>35</sup> In *Gresham v. Azar*, the U.S. District Court for the District of Columbia agreed with the residents and vacated the Secretary’s approval of the work requirement waiver on the basis that his decision was arbitrary and capricious, and therefore violated the Administrative Procedure Act (APA).<sup>36</sup> The court indicated that, pursuant to Section 1115 and the Medicaid Act’s statutory language, the Secretary can only approve waivers that are “likely to assist in promoting the objectives” of the Medicaid program.<sup>37</sup> The court vacated the Secretary’s approval, declaring that the program’s “core” objective is the provision of health coverage to the needy, and that the Secretary failed to appropriately consider the effect of Arkansas’s waiver on this objective.<sup>38</sup> On May 14, 2019, CMS sent a letter to the state removing authority for the community engagement portion of the demonstration waiver program pending court appeal.<sup>39</sup>

The U.S. Court of Appeals for the D.C. Circuit in *Gresham* affirmed the district court’s decision on similar grounds, and the federal government and the State of Arkansas petitioned the U.S. Supreme Court for review.<sup>40</sup> In December 2020, the Supreme Court agreed to hear the case, together with a case related to Medicaid work requirements in the State of New Hampshire.<sup>41</sup> However, following the 2020 presidential transition, and prior to oral argument, the Biden Administration asked the Supreme Court to end the work requirements litigation by vacating the appellate court judgments in the cases in order to remove the cases from the Supreme Court’s

<sup>32</sup> For example, see CBO, *Work Requirements and Work Supports for Recipients of Means-Tested Benefits*, 57702, June 2022, p. 19, <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>; Benjamin D. Sommers, Lucy Chen, and Robert J. Blendon et al., “Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care,” *Health Affairs*, vol. 39, no. 9 (September 2020), <https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2020.00538>, and Morgan A Henderson, Laura Spicer, and Allice Middleton, “Reporting Requirements Matter (A Lot): Evidence From Arkansas’s Medicaid Work Requirements,” *Health Affairs*, March 3, 2025, <https://www.healthaffairs.org/content/forefront/reporting-requirements-matter-lot-evidence-medicaid-work-requirements-arkansas#:~:text=While%20there%20is%20no%20evidence,confused%20by%20the%20work%20requirements>.

<sup>33</sup> CMS, Letter to Ms. Dawn Stehle, State Medicaid Director, Arkansas Department of Health and Human Services, May 14, 2018, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/Health-Care-Independence-Program-Private-Option/ar-works-court-decision-ltr-20190504.pdf>.

<sup>34</sup> Benjamin D. Sommers, Lucy Chen, and Robert J. Blendon et al., “Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care,” *Health Affairs*, vol. 39, no. 9 (September 2020), <https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2020.00538>.

<sup>35</sup> See *Gresham v. Azar*, 363 F. Supp. 3d 165, 175 (D.D.C. 2019).

<sup>36</sup> *Ibid.* at 181.

<sup>37</sup> *Ibid.* at 178.

<sup>38</sup> *Ibid.* at 181. See also generally *Stewart v. Azar*, 313 F. Supp. 3d 237 (D.D.C. 2018); *Stewart v. Azar*, 366 F. Supp. 3d 125 (D.D.C. 2019) (Kentucky work requirement waiver found to be inconsistent with Medicaid requirements).

<sup>39</sup> CMS, Letter to Ms. Dawn Stehle, State Medicaid Director, Arkansas Department of Health and Human Services, May 14, 2018, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ar/Health-Care-Independence-Program-Private-Option/ar-works-court-decision-ltr-20190504.pdf>.

<sup>40</sup> *Gresham v. Azar*, 950 F.3d 93 (D.C. Cir. 2020).

<sup>41</sup> *Azar v. Gresham*, 141 S. Ct. 890 (2020). See also *Philbrick v. Azar*, 397 F. Supp. 3d 11 (D.D.C. 2019), *aff’d*, 2020 U.S. App. LEXIS 16161 (D.C. Cir. May 20, 2020), cert. granted, 141 S. Ct. 890 (December 4, 2020).

calendar and remand the matters back to HHS.<sup>42</sup> The Administration contended that, in light of its commencement of the waiver examination and withdrawal processes, the cases “no longer present a suitable context” to examine the relevant issues.<sup>43</sup> On April 18, 2022, the Court granted the Biden Administration’s request and the lower court judgments in *Gresham* were vacated.<sup>44</sup> As a result, this litigation does not prevent CMS from engaging in any future efforts to review or approve Medicaid Section 1115 waivers that include work or community engagement requirements, though any newly approved waivers containing such requirements could be subject to new legal challenges.

### *Georgia’s Pathway to Coverage Demonstration Waiver*

On October 15, 2020, CMS approved the Georgia Pathways to Coverage Section 1115 demonstration waiver for the period from October 15, 2020, through September 30, 2025. Under the demonstration, the state expanded Medicaid eligibility to individuals ages 19 through 64, with incomes up to 95% of the FPL (effectively 100% of the FPL with the five-percentage point income disregard), who are otherwise ineligible for Medicaid. As a condition of eligibility and continued coverage, individuals eligible under the state’s expansion to 100% of the FPL must complete and report a minimum of 80 hours of qualifying activities per month (e.g., employment, education, job skills training, community service). Failure to satisfy the work requirements and other demonstration requirements (e.g., meet premium payments arrangements) results in disenrollment from the Medicaid program. The demonstration waiver program includes specified exceptions for “good cause” and “reasonable accommodations.” Under the demonstration waiver’s special terms and conditions, individuals who are disenrolled for not meeting the demonstration waiver requirements are permitted to reapply at any time. As a part of the initial demonstration waiver application, the state estimated that approximately 64,336 previously ineligible individuals would enroll in Medicaid throughout the life of this demonstration.<sup>45</sup>

After President Biden took office, CMS reconsidered Georgia’s waiver and subsequently withdrew approval of the work requirements on the basis that they did not promote the objectives of the Medicaid program.<sup>46</sup> In the withdrawal letter, the agency expressed, among other things, that evidence supporting the agency’s prior approval of the work requirements “did not sufficiently account for the likely loss of coverage, ... the inability of intended beneficiaries of the demonstration initially to enroll in coverage, or the evidence demonstrating that healthier individuals and individuals with coverage are more likely to find and retain employment.”<sup>47</sup> In response, the State of Georgia sued the CMS Administrator, claiming that the rescission of the waiver’s approval was unlawful under the APA and other grounds.

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<sup>42</sup> Motion To Vacate the Judgments of the Court of Appeals and Remand, to Remove the Cases from the March 2021 Argument Calendar, and to Hold Further Briefing in Abeyance Pending Disposition of this Motion, *Cochran v. Gresham*, No. 20-37, 20-38 (U.S. April 5, 2021).

<sup>43</sup> *Ibid.* at 5. Additionally, with regard to the Arkansas waiver, the federal government asserted that the state’s waiver expired on December 31, 2021, providing an additional basis for vacating the judgment in the *Gresham* case. See Suggestion of Mootness and Motion to Vacate the Judgments of the Court of Appeals and to Remand, *Becerra v. Gresham*, No. 20-37, 20-38 (U.S. April 1, 2022).

<sup>44</sup> *Becerra v. Gresham*, 142 S. Ct. 1665 (2022).

<sup>45</sup> CMS, Letter to Frank W. Berry, Commissioner, Georgia Department of Community Health, October 15, 2020, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ga/ga-pathways-to-coverage-ca.pdf>.

<sup>46</sup> CMS, Letter to Caylee Noggle, Commissioner, Georgia Department of Community Health, December 23, 2021, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ga/ga-pathways-to-coverage-12-23-2021-ca.pdf>.

<sup>47</sup> *Ibid.* at 4.



On August 19, 2022, in *Georgia v. Lasure*, the U.S. District Court for the Southern District of Georgia sided with the state and held that CMS' decision to rescind the waiver violated the APA as arbitrary and capricious.<sup>48</sup> In its opinion, the court explained that CMS improperly categorized the waiver as causing a reduction in eligibility by comparing the waiver to a scenario in which there is a *full* adoption of the Medicaid expansion, rather than "taking the demonstration on its own terms" (i.e., a scenario in which there is a coverage gain because a *portion* of the Medicaid expansion population receives coverage under the waiver with work requirements, as compared with no coverage of the Medicaid expansion population at all).<sup>49</sup> The district court vacated the rescission, thereby allowing the demonstration project to be implemented. The court's decision effectively reinstated the approval of the work requirement and other demonstration waiver provisions for the State of Georgia.<sup>50</sup>

The work requirement portion of the waiver was ultimately implemented on July 1, 2024.<sup>51</sup> As of January 24, 2025, total reported state enrollment in the Pathways to Coverage demonstration waiver was estimated at 6,514.<sup>52</sup> State representatives point to implementation delays as a result of the Biden Administration actions, court delays, and the Medicaid unwinding as being among the reasons for the low enrollment in this demonstration program to date.<sup>53</sup>

## Biden Administration

With the transition to the Biden Administration, the community engagement demonstration waivers that were approved under the first Trump Administration came under scrutiny. Just before the transition to the Biden Administration, the first Trump Administration sent a letter to states with approved Section 1115 demonstration waivers requesting that they enter into an agreement that specified a process and timeline associated with any future CMS efforts to suspend or terminate a demonstration waiver in whole or in part.<sup>54</sup> Seventeen states signed this Procedures for Withdrawing or Modifying a Section 1115 Demonstration agreement.<sup>55</sup>

On January 28, 2021, President Biden released an *Executive Order on Strengthening Medicaid and the Affordable Care Act* that directed the HHS Secretary to review "demonstrations and waivers, as well as demonstration and waiver policies, that may reduce coverage under or otherwise undermine Medicaid or the ACA." On February 12, 2021, the Biden Administration rescinded the January 4, 2021, waiver modification process agreement letters and all signed agreements as part of efforts to suspend or withdraw demonstration waiver approvals in whole or

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<sup>48</sup> *Georgia v. Brooks-LaSure*, 2022 U.S. Dist. LEXIS 149167 (S.D. Ga. 2022).

<sup>49</sup> *Ibid.* at 3, 32-26.

<sup>50</sup> *Georgia v. Brooks-LaSure*, CASE NO. 2:24-cv-16-LGW-BWC 18 (United States District Court for the Southern District of Georgia Brunswick Division) 2024.

<sup>51</sup> CMS, Letter to Stuart Portman, Executive Director, Division of Medical Assistance Plans, Department of Community Health, November 14, 2024, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ga-pathway-cvrge-cms-aprvd-evltn-dsgn-stcs.pdf>.

<sup>52</sup> Testimony of Grant Thomas, Georgia Department of Community Health before the Senate Committee on Health and Human Services, 1<sup>st</sup> Session of the 158<sup>th</sup> Georgia General Assembly, January 29, 2025, <https://vimeo.com/showcase/gasenhhs>.

<sup>53</sup> *Ibid.*

<sup>54</sup> For example, see CMS, Letter to Dawn Stehle, Deputy Director for Health and Medicaid, Arkansas Department of Human Services, January 4, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ar-cms-ltr-from-state-rescinded-01062021.pdf>.

<sup>55</sup> The 17 states were Alabama, Alaska, Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Louisiana, Mississippi, Missouri, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, and Utah.

in part.<sup>56</sup> On that same day, CMS rescinded the first Trump Administration’s January 11, 2018, state Medicaid director’s letter (SMD: 18-002) that established the Medicaid Section 1115 community engagement demonstration waiver initiative, and sent letters to 10 states with approved demonstration waivers (and later to the State of Michigan on February 14, 2021) to alert them that the community engagement requirement component of their existing Section 1115 demonstration waiver was under review for withdrawal.<sup>57</sup> CMS gave states 30 days to make a case against demonstration waiver withdrawal; seven states responded.<sup>58</sup>

Ultimately, the Medicaid community engagement demonstration waiver approvals in all but the State of Georgia (see discussion above) were postponed,<sup>59</sup> withdrawn by CMS,<sup>60</sup> or rejected by the state<sup>61</sup> for reasons including an “evolving national landscape concerning Community Engagement waivers and ongoing litigation,” “disruptions caused by the COVID-19 pandemic,” and state compliance with the conditions for receipt (e.g., maintenance of effort, continuous Medicaid enrollment) of a temporary 6.2 percentage point federal medical assistance percentage (FMAP) increase as authorized under the Families First Coronavirus Recovery Act (FFCRA, P.L. 116-122) in response to the COVID-19 public health emergency, among others.

## Recent Developments

Some states have signaled a continued interest in pursuing work requirement demonstration waivers. On June 1, 2023, the State of Arkansas submitted an amendment to its existing ARHOME Section 1115 Demonstration Project.<sup>62</sup> If approved, the amendment would allow the state to implement a work requirement for all able-bodied, working-age recipients of Arkansas’ Medicaid expansion program, ARHOME. Other states have also signaled interest in pursuing work requirement demonstration waivers in anticipation of a possible change in policy under the second Trump Administration. For example, during the November 2024 general election South Dakota passed a ballot measure to authorize the state to impose a work requirement on their ACA

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<sup>56</sup> See, for example, CMS, Letter to Maureen Corcoran, Medicaid Director, Ohio Department of Medicaid, January 4, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/oh-cms-ltr-from-state-rescinded-01152021.pdf>.

<sup>57</sup> See, for example, CMS, Letter to Allison Taylor, Director of Medicaid Indiana Family & Social Services Administration, February 12, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/in-cms-ltr-state-02122021.pdf>.

<sup>58</sup> The seven states were Arkansas, Georgia, Indiana, Nebraska, Ohio, South Carolina, and Utah. An example of a state response can be found at <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/in-cms-ltr-from-state-03102021.pdf>.

<sup>59</sup> See, for example, Arizona Health Care Cost Containment System (AHCCCS) letter to CMS, *Re: Implementation of AHCCCS Works*, October 17, 2019, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/az/Health-Care-Cost-Containment-System/az-hccc-postponement-ltr-ahcccs-works-10172019.pdf>.

<sup>60</sup> See, for example, CMS, Letter to State Medicaid Director, June 24, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/in-healthy-indiana-plan-cms-withdr-commu-engmnt.pdf>. Also see CMS, Letter to Lori Shibinette, Commissioner, Department of Health and Human Services State of New Hampshire, March 17, 2021, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nh-granite-advantage-health-care-program-ca2.pdf>.

<sup>61</sup> For example, see Letter to CMS Administrator Seema Verma, from Janet T. Mills, Governor of the State of Maine, January 22, 2019, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/me/mainecare/me-mainecare-approval-reponse-ltr-01222019.pdf>.

<sup>62</sup> For more information, see Arkansas Department of Human Services, Request to Amend the ARHOME Section 1115 Demonstration Project No. 11-W-00365/4, June 1, 2023, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ar-arhome-pa-06022023.pdf>.

Medicaid expansion population.<sup>63</sup> North Carolina enacted a state law that would require the state to seek CMS approval for a work requirement demonstration waiver should there be any indication that such a policy would be approved by CMS.<sup>64</sup> Ohio enacted a law requiring applicants applying for enrollment through the ACA Medicaid expansion pathway to satisfy at least one of a list of requirements (e.g., meeting work requirements, participation in school or an occupational training program). In February 2025, Ohio became the first state to submit a Medicaid Section 1115 work requirement demonstration waiver under the second Trump Administration.<sup>65</sup> Arizona submitted an amendment to its existing demonstration waiver on March 31, 2025.<sup>66</sup> Among the policies under consideration in Arizona's waiver amendment are the implementation work requirements and five-year lifetime limits on the use of Medicaid services for certain nondisabled adults. Other work requirement waiver submissions may follow.<sup>67</sup>

## SNAP

SNAP is the nation's largest domestic food assistance program, serving over 41.7 million recipients in an average month at a federal cost of nearly \$100 billion in FY2024. The program increases recipients' food purchasing power by providing benefits on Electronic Benefits Transfer (EBT) cards to eligible households, redeemable for eligible foods at authorized retailers. SNAP is jointly administered by state agencies, which handle most recipient functions, and the federal government—specifically, the U.S. Department of Agriculture's Food and Nutrition Service (USDA-FNS)—which supports and oversees the state functions and handles most retailer functions. The program operates in the 50 states, the District of Columbia, Guam, and the U.S. Virgin Islands.<sup>68</sup>

While most federal spending on SNAP is for the benefits themselves (which are 100% federally funded), the federal government also provides 50% of states' administrative costs and related grants such as nutrition education and separate, dedicated funding for employment and training for SNAP participants (see discussion below). Most SNAP spending is provided by open-ended, mandatory funding, which means that SNAP participation and spending can ebb and flow over time—largely in response to economic conditions, but in recent years due also to increases in benefits in response to the COVID-19 pandemic.

In general, federal statute and regulation set household eligibility rules, including work-related rules, with some flexibilities available to the states. SNAP household eligibility rules also include incentives to work such as an earned income deduction, which means that income earned from

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<sup>63</sup> See South Dakota Secretary of State, Unofficial Results, General Election, November 5, 2024, <https://electionresults.sd.gov/resultsSW.aspx?type=BQ&map=CTY>.

<sup>64</sup> General Assembly of North Carolina, Session 2023, House Bill 76-Ratified, *An Act to Provide North Carolina Citizens with Greater Access to Health Care Options*, March 23, 2023, <https://www.ncleg.gov/Sessions/2023/Bills/House/PDF/H76v4.pdf>.

<sup>65</sup> Letter to The Honorable Secretary Robert F. Kennedy, Jr., HHS, *RE: Group VIII 1115 Demonstration Waiver Application*, February 28, 2025, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/oh-work-reqirmnt-community-engmnt-pa-03072025.pdf>.

<sup>66</sup> See the submission at <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/az-hccc-pa-03312025.pdf>.

<sup>67</sup> Rylee Wilson, "11 States Pushing for Medicaid Work Requirements," *Becker's Payer*, April 14, 2025, <https://www.beckerspayer.com/policy-updates/states-renew-push-for-medicaid-work-requirements/>. See also Claire Dickey, "Map Shows States With Medicaid Work Requirements as Change Possible," *Newsweek*, February 19, 2025, <https://www.newsweek.com/medicaid-work-requirements-map-shows-which-states-2033306>.

<sup>68</sup> For background on SNAP, see CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*.

wages or self-employment provides an advantage over unearned income in the benefit eligibility and calculation process.

The Food and Nutrition Act, SNAP's current authorizing law, is typically reauthorized in an omnibus farm bill<sup>69</sup> approximately every five years, with the most recent enacted in 2018, though Congress has at times amended the Food and Nutrition Act in budgetary or other laws.

## Work Among SNAP Adults

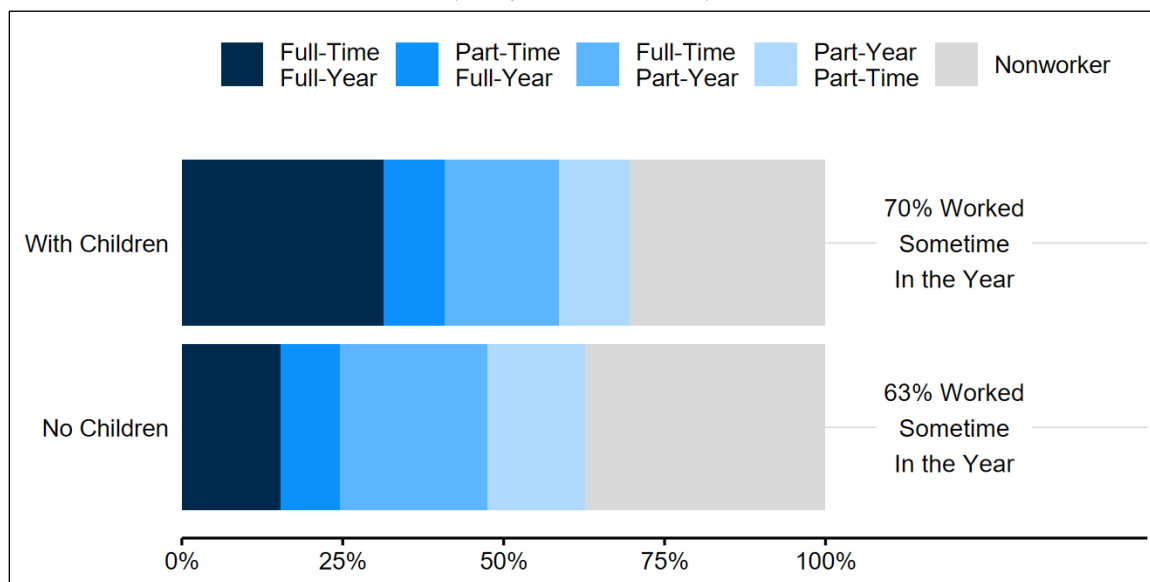
Using a microsimulation to project SNAP participation for 2025, CRS estimates suggest that work among SNAP adults—other than those who are over 65 or with disabilities<sup>70</sup>—is fairly common, though full-time, full-year work is less common. Estimates are presented in **Figure 4**. The first bar in the figure shows that an estimated 70% of adults (nonelderly and without disabilities) in families with children work during the year, including roughly 31% who work full-time, full-year. Other nonelderly adults without disabilities—those without children in their family—are shown in the second bar; 63% of this population are estimated to work during the year, with 15% working full-time, full-year.

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<sup>69</sup> See CRS In Focus IF10187, *Farm Bill Primer: What Is the Farm Bill?*

<sup>70</sup> Under current law, SNAP defines “elderly” as age 60 or older. However, because some contemporary SNAP work requirement proposals would set requirements for individuals as old as age 64, this figure shows the work characteristics of SNAP adults without disabilities up to age 64. (See, for example, H.R. 1528, and Trump Administration President’s budgets FY2018-FY2021.) The data used for this analysis represent projected data for 2025. The examination of work over a year for SNAP participants generally relies on data from Census Bureau household surveys. (Administrative data are limited to examining employment status in a single, sampled month.) Projected data were used because recent survey data were affected by the COVID-19 pandemic and the policy responses to it. Most of the policy responses to the pandemic have expired, and thus recent historical data provide a poor baseline for examining prospective policy changes. Microsimulation was used to estimate SNAP participation because recent survey data under reports receipt of need-tested benefits. Microsimulation is used to impute additional enrollees based on their characteristics among those simulated as eligible for SNAP. Data from the Census Bureau’s Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) were modified to project the characteristics of the population, their economic circumstances, and program participation for 2025. The data were projected to reflect the characteristics of the population in 2025 by the Urban Institute, under contract with CRS and using specifications provided by CRS. The computer microsimulation was done using the Transfer Income Model (TRIM), primarily funded by HHS and maintained at the Urban Institute. The specifications provided by CRS were to project data to come as close as possible to that assumed by CBO for 2025 in its demographic, economic, and budget outlooks published in 2024.

**Figure 4. SNAP Participants Ages 18 through 64 Without Disabilities: By Presence of Children in the Family and Work Experience Over the Year**  
(data projected to 2025)



**Source:** CRS estimates using ASEC 2016 to 2018 data projected to 2025 and TRIM microsimulation to estimate program enrollment.

## Work-Related Eligibility Requirements

SNAP law includes rules on employment or work-related activities for able-bodied, nonelderly adult participants (with certain rules specific to those without dependents).<sup>71</sup> Some rules apply in all states that operate SNAP. However, because each state designs its own E&T program, certain requirements can vary by state. The ABAWD time limit applies to all states, but the law makes waivers available to states based on labor market conditions.<sup>72</sup>

Individuals exempt from work requirements include most children (under age 18), individuals with disabilities, and the elderly (ages 60 and older). In 2025, these groups are projected to account for two-thirds (35 million out of 54 million) of all SNAP participants who receive benefits at some time in the year.

## All States: General Work Requirements in SNAP<sup>73</sup>

To gain or retain eligibility, *most adults who are not elderly or disabled* must

- register for work (typically with the SNAP state agency or a state employment service office);
- accept a suitable job if offered one;
- fulfill any work, job search, or training requirements established by administering state SNAP agencies;

<sup>71</sup> 7 U.S.C. §2015(d), (o); 7 C.F.R. §273.7, 273.24.

<sup>72</sup> 7 U.S.C. §2015(o)(4); 7 C.F.R. §273.24(f).

<sup>73</sup> 7 U.S.C. §2015(d).

- provide the administering public assistance agency with sufficient information to allow a determination with respect to their job availability; and
- not voluntarily quit a job without good cause or reduce work effort below 30 hours a week.

The law *exempts* from the above general work requirements SNAP participants who are<sup>74</sup>

- physically or mentally unfit for work;
- under age 16 or over age 59;
- between ages 16 and 18 if they are not a head of household or are attending school or a training program;
- working at least 30 hours a week or earning the minimum wage equivalent;
- caring for dependents who are disabled or under age 6;
- already subject to and complying with another assistance program's work, training, or job search requirements (e.g., TANF, unemployment compensation);
- eligible postsecondary students;<sup>75</sup> or
- residents of substance abuse treatment programs.

Individuals are disqualified from SNAP for failure to comply with the general work requirements for periods of time that differ based on whether the violation is the first, second, or third.<sup>76</sup>

In FY2022, nearly 19% of household heads were required to register for work, meaning they were subject to SNAP's general work requirements.<sup>77</sup> While nearly 77% of household heads were exempt, this includes about 7% who were exempt due to working 30 hours or the minimum wage equivalent.

## **Variations by State: SNAP E&T Requirements and Services Available**

As noted previously, those not exempted must register for work and accept suitable job offers. In addition, state SNAP agencies may require work registrants to fulfill some type of work, job search, or training obligation.

### **SNAP E&T Services Available and Optional Mandatory Participation**

SNAP agencies must operate an E&T program of their own design for work registrants. E&T program components can include any or all of the following: supervised job search or training for job search, workfare (work-for-benefits), work experience or training programs, education

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<sup>74</sup> 7 U.S.C. §2015(d)(2).

<sup>75</sup> Students attending higher education more than half-time are subject to specific eligibility restrictions. For more information, see CRS Report R46817, *Food Insecurity Among College Students: Background and Policy Options*.

<sup>76</sup> Minimum periods of disqualification, which may be increased by the state SNAP agency, range from one to six months. In addition, states have the option to disqualify the entire household for up to 180 days if the household head fails to comply with work requirements.

<sup>77</sup> USDA-FNS, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2022*, June 2024, p. 78, <https://www.fns.usda.gov/research/snap/characteristics-fy22>.



programs to improve basic skills, or any other employment or training activity approved by USDA-FNS.<sup>78</sup>

SNAP agencies may require all work registrants to participate in one or more components of their program, or limit participation by further exempting additional categories and individuals for whom participation is judged impracticable or not cost effective.<sup>79</sup> States may also make E&T activities open only to those who volunteer to participate; most states operate voluntary programs.<sup>80</sup>

## Dedicated SNAP Funding for Employment and Training

SNAP law provides separate funding for state-run E&T. Federal funding for SNAP E&T is in three parts:

- \$103 million allocated among the states based on a formula;
- \$20 million reserved to be allocated among states that *pledge* to provide E&T services to all those at risk of losing their benefits because of the ABAWD rule (discussed below); and
- a 50% match on state expenditures that exceed the above allocations on employment and training activities and supportive services such as transportation and child care.

In FY2023, total federal funding for SNAP E&T programs was approximately \$650 million, and approximately 315,000 individuals were served by them.<sup>81</sup> This was lower than in FY2019, when an estimated 406,000 individuals were served in these programs, but higher than the 214,000 served in FY2021.<sup>82</sup>

## ABAWD Time Limit and Related State Flexibilities<sup>83</sup>

In addition to SNAP's work registration and E&T program requirements, there is a special time limit for ABAWDs. This requirement—often referred to as the *ABAWD rule*—was added by PRWORA. Since then, amendments have been made by the 2018 farm bill (P.L. 115-334) and the Fiscal Responsibility Act of 2023 (P.L. 118-5).

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<sup>78</sup> For further resources on the SNAP E&T program, see USDA-FNS, <https://www.fns.usda.gov/snap-et>.

<sup>79</sup> Recipients who participate in an E&T activity beyond work registration cannot be required to work more than the minimum wage equivalent of their household's benefit. Total hours of required participation (including both work and any other required activity) cannot exceed 120 hours a month. SNAP agencies must also reimburse participants' costs directly related to participation (e.g., transportation, child care). The federal government shares in half the cost of this support, and state agencies may limit support to local market rates for necessary dependent care.

<sup>80</sup> According to FY2025 state plans, 45 jurisdictions out of 53 (50 states, the District of Columbia, Guam, and the U.S. Virgin Islands) operated voluntary SNAP E&T programs. Source: CRS examination of SNAP E&T state plans found at <https://www.fns.usda.gov/snap-et/stateplan> (accessed April 12, 2025).

<sup>81</sup> USDA-FNS, 2025 USDA Explanatory Notes – Food and Nutrition Service, <https://www.usda.gov/sites/default/files/documents/34-FNS-2025-ExNotes.pdf>.

<sup>82</sup> USDA-FNS, 2024 USDA Explanatory Notes – Food and Nutrition Service, <https://www.usda.gov/sites/default/files/documents/35-2024-FNS.pdf>, and USDA-FNS, 2022 USDA Explanatory Notes – Food and Nutrition Service, <https://www.usda.gov/sites/default/files/documents/34FNS2022Notes.pdf>.

<sup>83</sup> See 7 U.S.C. §2015(o).



## Time Limit

Currently, the ABAWD rule applies to adults between the ages 18 and 54 without a child in the household (the upper age limit of 54 is in place until FY2030, as is an exemption for veterans, persons experiencing homelessness, and former foster youth<sup>84</sup>). Individuals who would not be subject to the general work requirements are also not subject to the ABAWD time limit. Waivers and exemptions are available to states (discussed further below).

SNAP law limits benefits to ABAWDs to 3 months out of a 36-month period, unless the participant

- works at least 20 hours per week,
- participates in an E&T program for at least 20 hours per week, or
- participates in a state's workfare program.<sup>85</sup>

Those who lose benefits under this rule are able to reenter the program if, during a 30-day period, they work or participate in a work/training activity for at least 20 hours per week.<sup>86</sup>

In addition to exemptions and waivers, legislation twice suspended the ABAWD rule nationwide during times of high unemployment.<sup>87</sup>

## Reporting and Verification of Hours

States must verify hours of work or participation in E&T programs for ABAWDs who are satisfying the work requirement.<sup>88</sup> The state must obtain verification of work hours when benefits are initially certified or at periodic recertification. States may use a variety of sources such as paycheck stubs, employer statements, or other means for verifying work. Recipients must report when their hours of work fall below 20 hours per week, averaged monthly.<sup>89</sup>

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<sup>84</sup> The Fiscal Responsibility Act of 2023 (P.L. 118-5) gradually increased the upper age limit for which the rule applies to age 50 in FY2023, age 52 in FY2024, and age 54 beginning in FY2025. This law also exempted veterans, homeless individuals, and former foster children ages 24 or younger from the ABAWD rule. Its modifications to the ABAWD rule sunset at the end of FY2030.

<sup>85</sup> Hours of workfare required will vary by state, but a participant's monthly allotment divided by hours worked must be greater than or equal to the minimum wage. 7 U.S.C. §2029(a)(1).

<sup>86</sup> ABAWDs who become employed but then lose their jobs again can, under some circumstances, earn an additional three months of eligibility, bringing their maximum months of SNAP receipt without working at least 20 hours per week or being in an approved work or training program to 6 months in a 36-month period. USDA-FNS provides guidance on this and other aspects of the time limit in its 2015 *Able-Bodied Adults without Dependents (ABAWD) Policy Guide*, <https://www.fns.usda.gov/snap/guide-serving-abawds-time-limit-participation>. See also USDA-FNS, "SNAP Work Rules Screening Checklists and Flow Chart," 2023, <https://www.fns.usda.gov/snap/work-rules-screening>.

<sup>87</sup> The American Recovery and Reinvestment Act (ARRA; P.L. 111-5) suspended the ABAWD rule from April 2009 through September 2010. The Families First Coronavirus Response Act (P.L. 116-127) generally suspended the rule from April 1, 2020, through the end of June 2023. Under the latter suspension, states could still disqualify an individual under the rule if he or she were offered a slot in a work or workfare program but refused to participate. See USDA-FNS, *SNAP—Preparing for the Reinstatement of Time Limit for ABAWDs*, September 20, 2021, <https://www.fns.usda.gov/snap/snap-preparing-reinstatement-time-limit-abawds>.

<sup>88</sup> 7 C.F.R. §273.2(f)(1)(xiv).

<sup>89</sup> USDA-FNS, *Able-Bodied Adults without Dependents (ABAWD) Policy Guide*, September 2023, pp. 16, 24, <https://fns-prod.azureedge.us/sites/default/files/resource-files/SNAP-ABAWD-Policy-Guide-September-2023.pdf>.

## Employment Services to Help Meet the Time Limit

States have the option, but are not required, to offer ABAWDs a slot in an E&T program or a workfare program. If a state does not offer an ABAWD a slot in such a program, benefits can be terminated for those without at least a half-time job once the three-month limit is reached, unless the individual is covered by an exemption or a waiver of the ABAWD requirement. There are limits to how much job search counts toward meeting the ABAWD requirement.<sup>90</sup>

For FY2025, all but seven jurisdictions indicated in their SNAP E&T state plans that they would serve ABAWDs with E&T funds.<sup>91</sup>

Though a jurisdiction might indicate that it would serve ABAWDs with E&T funds, it does not mean all non-employment ABAWDs would be guaranteed services to help them meet the requirement. States may receive some additional SNAP E&T funding if they *pledge* to serve all ABAWDs. In FY2025, four states (South Dakota, Texas, Vermont, and Wisconsin) pledged to serve all ABAWDs.<sup>92</sup>

## Waivers and Exemptions from Enforcing the Time Limit Available to States

The Food and Nutrition Act makes available waivers and exemptions from the ABAWD rule. A state may request a waiver from the rule for (1) an area with an unemployment rate of over 10% and/or (2) an area that “does not have a sufficient number of jobs to provide employment for the individuals.”<sup>93</sup> The USDA-FNS regulation (7 C.F.R. §273.24(f)) specifies the criteria that can qualify a state or portion of a state for a waiver of the ABAWD rule.<sup>94</sup> As of January 1, 2025, 31 states have waivers from the ABAWD time limit under these provisions.<sup>95</sup> Most of these waivers are for certain areas of a state, but seven states have statewide waivers.

In addition to this waiver authority, statute also provides a set number of exemptions that states may use to provide additional months of SNAP benefits beyond the time limit.<sup>96</sup> These

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<sup>90</sup> If the recipient is participating in SNAP E&T to comply with the ABAWD rule, job search alone cannot be used to meet the requirement. Job search may only count to meeting the ABAWD rule if it is a subsidiary activity of another E&T activity, and must count for less than half of required hours (7 C.F.R. § 273.24). Job search under WIOA programs can fully satisfy the ABAWD rule.

<sup>91</sup> In the FY2025 state plans, North Dakota, the U.S. Virgin Islands, and Wyoming did not list ABAWDs as a population served by E&T. In its plan, Illinois said it would serve “work able” SNAP recipients, New Mexico said it would provide services assuming the individual was not receiving benefits in certain other programs such as UI, and Utah said it makes E&T mandatory for recipients up to age 46. Source: CRS examination of SNAP E&T state plans found at <https://www.fns.usda.gov/snap-et/stateplan> (accessed April 12, 2025).

<sup>92</sup> CRS examination of FY2025 SNAP E&T state plans found at <https://www.fns.usda.gov/snap-et/stateplan>.

<sup>93</sup> 7 U.S.C. §2015(o)(4).

<sup>94</sup> For a waiver based on 10% unemployment, states may request a waiver with evidence that an area has “a recent 12-month average unemployment rate over 10 percent; recent three-month average unemployment rate over 10 percent; or an historical seasonal unemployment rate over 10 percent” (7 C.F.R. §273.24(f)(2)(i)). For a waiver based on a “lack of sufficient jobs,” 7 C.F.R. §273.24(f)(2)(ii) permits a state to submit any of the following as evidence if an area (1) “is designated as a Labor Surplus Area (LSA) by the Department of Labor’s Employment and Training Administration (ETA),” (2) “is determined by the Department of Labor’s Unemployment Insurance Services as qualifying for extended unemployment benefits,” (3) “has a low and declining employment-to-population ratio,” (4) “has a lack of jobs in declining occupations or industries,” (4) “is described in an academic study or other publications as an area where there are lack of jobs,” or (5) “has a 24-month average unemployment rate 20 percent above the national average for the same 24-month period.”

<sup>95</sup> USDA-FNS, “ABAWD Waivers,” <https://www.fns.usda.gov/snap/abawd/waivers>.

<sup>96</sup> 7 U.S.C. §2015(o)(6). “Federal law provides that each state SNAP agency be allotted a number of exemptions equal to 8 percent of the state’s caseload that is ineligible for program benefits because of the ABAWD time limit,” USDA- (continued...)

exemptions are measured in case months, allowing the state to provide, for example, an additional case month of benefits after an individual's time limit has been reached. USDA annually adjusts states' allotments of exemptions. States vary in their uptake of these exemptions.

## Selected Legislative and Executive Branch Efforts Prior to the 119<sup>th</sup> Congress

### Congressional Action

The 2014 and 2018 farm bill laws (P.L. 112-55 and P.L. 115-334, respectively) included policies impacting SNAP's work rules. For example, in 2014 the law included a pilot program to evaluate and test SNAP E&T strategies. In 2018, the law increased requirements for states' E&T service offerings and reduced states' discretionary exemptions from the ABAWD time limit. During the development of the 2014 and 2018 farm bills, the House voted on a number of policies that would have made SNAP work requirements stricter, but these were not included in the enacted farm bill conference agreement. Some examples of House-passed policies included making it more difficult for states to qualify for ABAWD time limit waivers and new work requirements pilots that would expand the time limit to apply to most nondisabled adults under age 60.<sup>97</sup>

In 2024, in the 118<sup>th</sup> Congress, the House Agriculture Committee ordered a farm bill to be reported that did not include changes to work requirement rules. This bill was not reported or taken up by the Senate. However, earlier in 2023, Congress enacted and the President signed a law (that was not a farm bill) to expand the age range subject to the ABAWD time limit while also exempting new groups from it.<sup>98</sup>

### The First Trump Administration

President Trump's budgets delivered to Congress in 2017-2020 included legislative proposals for expanding SNAP work requirements.<sup>99</sup> They each included a proposal to limit the availability of waivers to the ABAWD time limit and/or a proposal to increase the upper age range of the time limit from 59 to 64.

The first Trump Administration also pursued rulemaking to amend ABAWD time limit regulations, seeking to limit the availability of ABAWD waivers to states.<sup>100</sup> A federal district court struck down this final rule in October 2020.<sup>101</sup> The Trump Administration appealed, and the

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FNS, "ABAWD Discretionary Exemptions," updated December 2024, <https://www.fns.usda.gov/snap/work-requirements/policies>.

<sup>97</sup> For more information, see CRS Report R43076, *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side*; and CRS Report R45525, *The 2018 Farm Bill (P.L. 115-334): Summary and Side-by-Side Comparison*.

<sup>98</sup> For more information, see CRS Insight IN12165, *Supplemental Nutrition Assistance Program (SNAP) Provisions in H.R. 3746, the Fiscal Responsibility Act of 2023*.

<sup>99</sup> USDA-FNS, Congressional Budget Justifications for FY2018, FY2019, FY2020, FY2021, available from USDA at <https://www.usda.gov/about-usda/general-information/staff-offices/office-budget-and-program-analysis/congressional-justifications>.

<sup>100</sup> USDA-FNS, "Supplemental Nutrition Assistance Program: Requirements for Able-Bodied Adults Without Dependents," 84 *Federal Register* 66782, December 5, 2019.

<sup>101</sup> *Dist. of Columbia v. U.S. Dep't of Agric.*, 496 F. Supp. 3d 213, 257 (D.D.C. 2020).

Biden Administration later filed a motion to dismiss the appeal, which was granted by the U.S. Court of Appeals for the D.C. Circuit.<sup>102</sup>

## Housing Assistance

The federal government funds three primary forms of direct housing assistance programs for low-income individuals and families: (1) the public housing program<sup>103</sup>, (2) the Section 8 Housing Choice Voucher (HCV) program<sup>104</sup>, and (3) the project-based rental assistance programs (including the Section 8 project-based rental assistance program,<sup>105</sup> the Section 202 Supportive Housing for the Elderly,<sup>106</sup> and the Section 811 Housing for Persons with Disabilities programs<sup>107</sup>). Combined, these programs serve about 4.6 million low-income households, including households made up of persons who are elderly and persons who have disabilities, families with and without children, and single adults. All the programs are 100% federally funded via annual discretionary appropriations; due to resource constraints, they serve (combined) roughly one out of every three or four eligible families. The programs offer housing to low-income families that costs no more than 30% of family income; however, the form the assistance takes varies across the programs. While all the programs are administered at the federal level by the U.S. Department of Housing and Urban Development (HUD), they vary in their local administration. The HCV program is the largest housing assistance program; in 2023, it served over 5 million individuals, while the project-based rental assistance programs combined served about 2.2 million individuals and the public housing program served about 1.6 million individuals.<sup>108</sup>

**Figure 5** provides a breakdown of the characteristics of the individuals currently served by federal housing assistance programs. The majority of people served are those that are generally not expected to work: persons who are elderly, have disabilities, or are children. About 31% of housing assistance recipients are estimated to be nonelderly, nondisabled adults. Among that population in 2023, about 44% reported at least some income from work (including UI). That means an estimated 17% of the overall housing assistance caseload in 2023 appeared to be nonelderly, nondisabled, nonworking adults.<sup>109</sup>

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<sup>102</sup> Ibid., appeal docketed, No. 20-5371 (D.C. Cir. December 15, 2020); order to dismiss granted, No. 20-5371 (D.C. Cir. March 23, 2021).

<sup>103</sup> For more information, see CRS In Focus IF12547, *The Public Housing Program*.

<sup>104</sup> For more information, see CRS In Focus IF12546, *The Section 8 Housing Choice Voucher Program*.

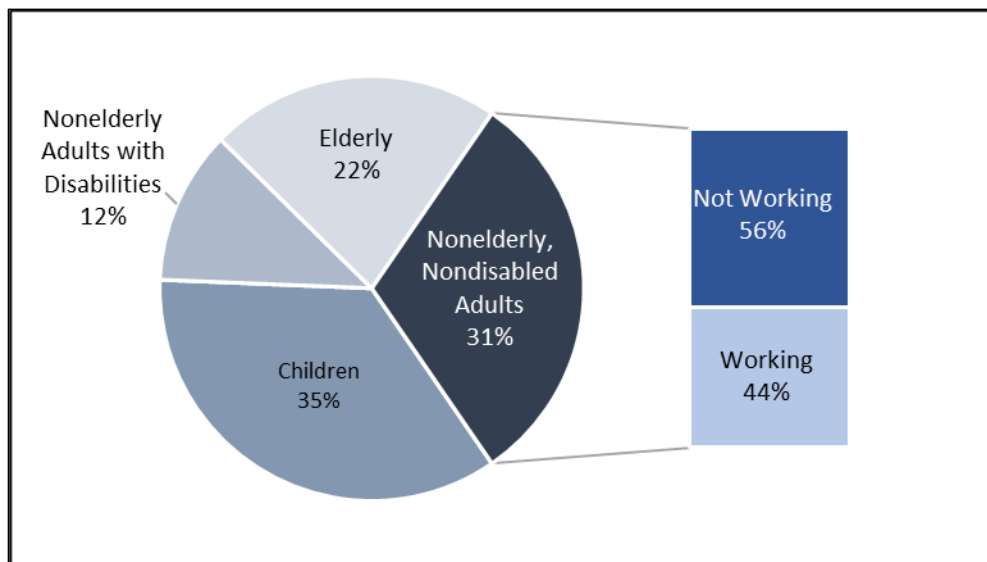
<sup>105</sup> For more information, see CRS In Focus IF12545, *The Section 8 Project-Based Rental Assistance Program*.

<sup>106</sup> For more information, see CRS Report RL33508, *Section 202 and Other HUD Rental Housing Programs for Low-Income Elderly Residents*.

<sup>107</sup> For more information, see CRS Report RL34728, *Section 811 and Other HUD Housing Programs for Persons with Disabilities*.

<sup>108</sup> HUD, *Picture of Subsidized Households* data, 2023.

<sup>109</sup> Estimates based on CRS calculations of HUD 2023 administrative data.

**Figure 5. Work Among Housing Assistance Recipients, 2023**

**Source:** CRS estimates based on HUD administrative data.

**Notes:** Individuals are defined as “Elderly” if they are age 62 or older. Individuals are categorized as “Nonelderly Adults with Disabilities” if they are identified as persons with disabilities in HUD’s dataset, based on meeting HUD’s definition of a “person with disabilities,” found at 24 C.F.R. §5.403. Individuals are categorized as “Working” if they reported any earnings from work or if they collected UI, or “Not Working” if they did not. These data do not identify whether an individual labeled “Not Working” might have circumstances that would potentially exempt them from an actual or theoretical work requirement, such as being a full-time student.

## Work Promotion Policies

Work and self-sufficiency policies, including work incentive initiatives, did not become part of assisted housing programs until the mid-1980s. The early initiatives that were adopted were generally small demonstrations.<sup>110</sup> This may be, in part, because for the first several decades of public housing, the program primarily served working poor families. As a result of both policy and demographic changes, the number of nonworking and very poor families in public and assisted housing grew over time.<sup>111</sup> In addition to these population changes, the adoption of the income-based rent structure in rental assistance programs in the mid-1960s raised concerns about work disincentives, because increases in tenants’ earnings are effectively taxed at a 30% rate in the form of rent increases.

It was not until the 1998 reforms (P.L. 105-276) that the first work requirement for housing was put into place. It mandated that certain public housing residents participate in community service or economic self-sufficiency activities for eight hours per month. The Community Service and Self-Sufficiency (CSS) requirement remains the only federal work requirement in assisted housing, and it applies only to public housing residents and not participants in other federal rental assistance programs (e.g., Section 8 HCV program, Section 8 project-based rental assistance). While not a *federal* requirement, a limited number of PHAs that administer the Section 8 Housing

<sup>110</sup> Amy S. Bogdon, “What Can We Learn from Previous Housing-Based Self-Sufficiency Programs,” in *The Home Front: Implications of Welfare Reform for Housing Policy*, Sandra J. Newman, ed., 1<sup>st</sup> ed. (Washington, DC: The Urban Institute Press, 1999).

<sup>111</sup> For a review of the history of public housing, see “A Brief History of the Public Housing Program,” in CRS Report R41654, *Introduction to Public Housing*.

Choice Voucher program and/or the public housing programs have adopted *local* work requirement policies via their participation in the Moving to Work (MTW) demonstration.

Since the adoption of the CSS requirement in public housing and the adoption of work requirement policies by some MTW agencies, there has been debate about the extent to which further work requirement policies should be adopted in federally-assisted housing programs.

## **Public Housing Community Service and Self Sufficiency Requirement**

Certain nonexempt public housing residents are subject to an eight-hour per month community service or economic self-sufficiency requirement if they are not otherwise working. Key features of the requirement are discussed below.<sup>112</sup>

**Applicability and Exemptions:** The CSS requirement applies to each nonexempt member of a household, not only to the head of household.

Exempted persons include individuals

- under age 18 or age 62 and older,
- who are disabled and can certify that they cannot comply with the requirement, or caretakers of a person with a disability,
- who would meet their state's TANF exemption or are currently meeting TANF requirements,
- who are currently receiving a welfare benefit from the state and are complying with that program's requirements,<sup>113</sup> or
- are engaged in work or work activities:
  - no minimum number of hours is statutorily established for compliance, although PHAs are encouraged by HUD to use a 30-hour per week standard; and
  - work activities are defined largely using the activities in TANF law, but include the provision of child care services to an individual who is participating in a community service program as a work activity.

**Required Activities:** Nonexempt individuals must perform eight hours per month of community service or economic self-sufficiency activity. The community service or economic self-sufficiency activities permitted under the CSS requirement are determined by each PHA, and can include, for example, volunteering at public and nonprofit institutions and organizations, including the PHA itself; or participating in job readiness activities, substance abuse or mental health counseling, or higher education.

**Compliance Monitoring:** Residents are evaluated annually by the PHA for compliance, and noncompliant residents are given an opportunity to enter into a compliance agreement with the PHA. Failure to sign a compliance agreement or meet its terms results in termination of assistance at the end of the lease period, which can result in eviction.

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<sup>112</sup> This information is adapted from HUD, *Public Housing Occupancy Guidebook*, "Community Service and Self-Sufficiency Requirement," February 2021, [https://www.hud.gov/sites/dfiles/PIH/documents/PHOG\\_CSSR\\_Final.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/PHOG_CSSR_Final.pdf).

<sup>113</sup> HUD has determined that SNAP qualifies as a welfare program of the state. See HUD Notice PIH-2015-12, "Administering the Community Service and Self-Sufficiency Requirement."



Recent CRS estimates of HUD administrative data indicate that the majority of public housing residents (83% in 2023) were either determined to be, or appeared to be, exempt from the requirement; about 2.4% of residents were determined to be not exempt and not in compliance.<sup>114</sup>

## Moving to Work Demonstration

The MTW demonstration was authorized by Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134) to design and test ways to

- promote self-sufficiency among assisted families,
- achieve programmatic efficiency and reduce costs, and
- increase housing choice for low-income households.

Under MTW, HUD was authorized to select up to 30 PHAs to participate in the demonstration and receive waivers of most rules that govern public housing and the Section 8 HCV program. Over the years, Congress expanded the demonstration by directing HUD to add additional agencies, so 39 PHAs (out of about 3,300) currently participate. While the total number of PHAs participating in MTW is relatively small (less than 1%), because they include some large PHAs, they administer approximately 12% of all public housing and HCV assistance.<sup>115</sup>

With HUD approval, MTW agencies can merge their Section 8 HCV and public housing funding, alter eligibility and rent policies, modify their reporting requirements with HUD, and make other program changes. Agencies participating in MTW have used the flexibility it provides in different ways. Some have made minor changes to their existing Section 8 HCV and public housing programs, such as limiting reporting requirements; others have implemented full funding fungibility between their public housing and HCV programs and significantly altered their eligibility and rent policies.

Relevant for the purposes of this report, some have adopted time limit and work requirement policies, similar to those enacted in the 1996 welfare reform law, that go beyond the CSS requirement and apply to either or both public housing and HCV recipients. A 2023 HUD review of MTW work requirement policies found that nine MTW agencies had at some point instituted a work requirement policy and seven remained in place. Of those PHAs that implemented work requirement policies, some reported (and one study found) that MTW work requirement policies seemed to increase work and earnings; however, due to data limitations, “whether the increases in employment and household income associated with implementation of the work requirement policy reach a level that enables self-sufficiency remains unclear.”<sup>116</sup>

While called a demonstration, MTW was not implemented in a way that would allow it to be rigorously evaluated. Therefore, there is not sufficient information to evaluate the effectiveness of the various reforms adopted by MTW agencies. This critique likely influenced the design of the 2016 limited expansion of the MTW demonstration (which is discussed later in this report).

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<sup>114</sup> CRS analysis of HUD 2023 administrative data. Note that 12% of individuals in the data had missing values for the variable related to compliance with the public housing community service requirement; CRS imputed an exempt status for those individuals who were missing data if they were aged 17 or younger, aged 62 or older, disabled, or received income from work or TANF.

<sup>115</sup> Martha M. Galvez, Ruth Gourevitch, and Benny Docter, *A Picture of Moving to Work Agencies' Housing Assistance*, HUD and the Urban Institute, April 2021, <https://www.huduser.gov/portal/sites/default/files/pdf/MTW-Agencies-Housing-Assistance.pdf>.

<sup>116</sup> Hiren Nisar, Maxwell Matite, and Lan Hu, *A Review of Work Requirement Policies in HUD-Funded Assisted Housing*, HUD, Final Research Report, Washington, DC, June 10, 2022, <https://www.huduser.gov/portal/sites/default/files/pdf/A-Review-of-Work-Requirement-Policies.pdf>



## Work Incentive Policies

There are several policies designed to incentivize work among residents in public and assisted housing residents. Some PHAs offer the Family Self-Sufficiency (FSS) program, which allows families to build escrow accounts with increased earnings—which would otherwise have been diverted to increased rent payments—while completing a five-year self-sufficiency plan developed with a case worker. FSS is optional for PHAs to offer and for tenants to join. Further, federal funding for FSS coordinators is not sufficient for all PHAs to participate or for all participating PHAs to offer it to all interested families. Some original MTW PHAs offer their own work incentive programs; one MTW expansion cohort is testing various rent models to test their impacts on work and earnings.<sup>117</sup> Some public housing properties participate in the Jobs-Plus Initiative, which offers work supports in conjunction with earnings disregards<sup>118</sup> to increase earnings and advance employment outcomes.

## Selected Legislative and Executive Branch Efforts Prior to the 119<sup>th</sup> Congress

As noted earlier, discussion around work requirements began in the 1990s during the welfare reform debates, and have continued, particularly in the context of MTW expansion.

### 2018 Rent Reform and Work Requirements Proposal

During the first Trump Administration, HUD's FY2019 budget documents indicated the Administration planned to present a Rent Reform legislative proposal to Congress, which would include providing PHAs and owners "the option to implement minimum work requirements for work-able residents."<sup>119</sup> Draft legislative language was posted on HUD's website but was not introduced in Congress.<sup>120</sup>

### MTW Expansion, Work Requirements Cohort

After many years of proposals to expand the original MTW demonstration—with some of the opposition coming from concerns about work requirement policies<sup>121</sup>—Congress authorized a limited expansion of MTW in the FY2016 appropriations law (P.L. 114-113). HUD was directed to select up to 100 agencies to participate in a more narrowly scoped MTW demonstration,

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<sup>117</sup> For more information, see <https://www.hudexchange.info/programs/mtw/mtw-stepped-and-tiered-rent-demonstration/#stepped-and-tiered-rent-demonstration-background>.

<sup>118</sup> A broader earnings disregard that applied to many assisted housing residents was ended in 2024, per the terms of P.L. 114-201.

<sup>119</sup> HUD FY2019 Budget Justifications, pg. 2-2.

<sup>120</sup> See proposed bill text at <https://www.hud.gov/sites/dfiles/Main/documents/RentReformLegislativeText.pdf>. Despite a press release from the House Financial Services Committee indicating that Rep. Dennis Ross would introduce the legislation, CRS's searches of Congress.gov found no indication that the legislation was introduced. House Financial Services Committee, "Improving HUD's Rental Assistance Program," press release, April 25, 2018, <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=403360>. A separate bill was introduced in the 117<sup>th</sup> and 118<sup>th</sup> Congresses to expand SNAP work requirements to low-income housing program recipients; see the Let's Get to Work Act of 2022 (S. 4438, 117<sup>th</sup> Congress and S. 39, 118<sup>th</sup> Congress).

<sup>121</sup> For example, see U.S. Congress, House Financial Services Committee, Housing and Insurance Subcommittee, *Evaluating How HUD's Moving-To-Work Program Benefits Public and Assisted Housing Residents*, 113<sup>th</sup> Cong., 1<sup>st</sup> sess., June 26, 2013, H. Hrg. 113-35 (Washington, DC: GPO, 2013), and Financial Services Committee Democrats, "Waters Urges Rejection of Moving to Work Expansion," press release, July 14, 2015, <https://democrats-financial-services.house.gov/news/documentsingle.aspx?DocumentID=399237>.

allowing newly participating PHAs waivers of only certain federal rules and regulations, designed to test specific policies unique to the cohort into which they were selected. The intent behind the design of this expansion was to test various policy changes to inform future program design. One of the five expansion cohorts announced late in the first Trump Administration was a work requirement policy cohort.<sup>122</sup> The Biden Administration withdrew that cohort before the selection of participants was made,<sup>123</sup> and instead implemented a different policy cohort to fill remaining expansion slots.

## TANF

TANF is a broad-purpose block grant that funds a wide range of benefits and services to ameliorate the effects of, and address the root causes of, childhood economic and social disadvantage. It is best known for helping states fund cash assistance for needy families with children, but it also funds employment services and education, child care subsidies, short-term aid, benefits and services for families at risk of having children removed because of abuse or neglect, youth services, state-level tax credits for families with children, and activities to reduce out-of-wedlock pregnancies and promote two-parent families.<sup>124</sup>

TANF was created in PRWORA and replaced the Aid to Families with Dependent Children (AFDC) cash assistance program, the Job Opportunities and Basic Skills (JOBS) Training program, and several other related programs.<sup>125</sup> TANF folded funding from the discontinued programs into its broad-purpose block grant. The block grant provides states with set amounts of funding each year. TANF is also partially funded by nonfederal (e.g., state) dollars, as states are required to spend a minimum amount of nonfederal dollars each year under the TANF maintenance of effort (MOE) requirement. The federal grant and MOE amounts were set in PRWORA and have not been adjusted for changes in circumstances, such as inflation, population, or reductions in the number of assistance recipients.

TANF was created during a period when states were experimenting with *welfare-to-work* programs. Pre-PRWORA law included a *participation requirement* for nonexempt AFDC adult recipients to participate in the JOBS program or have their family's benefit reduced. Under waivers of federal law, states experimented with programs of their own design (subject to federal approval). The welfare-to-work experiments of the pre-PRWORA era found that mandatory participation in a program of funded employment services increased employment and reduced receipt of assistance relative to a baseline where there was no mandate to participate in the program. Funded employment services involved employment assessments, individualized plans, services (e.g., assisted job search), and case management. Most of the increase in employment from these studies was in the short-term, with impacts fading over time. The most consistent findings from these experiments were that mandated job search resulted in participants finding jobs sooner compared to a baseline where there was no such mandate.<sup>126</sup>

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<sup>122</sup> See HUD, "Request for Applications under the Moving to Work Demonstration Program for Fiscal Year 2021: COHORT #3 – Work Requirements," PIH Notice 2021-02, January 7, 2021.

<sup>123</sup> See HUD, "RESCINDING of Request for Applications under the Moving to Work Demonstration Program – Work Requirements Cohort," PIH Notice 2021-18, June 17, 2021.

<sup>124</sup> For an overview of TANF, see CRS Report R48413, *Temporary Assistance for Needy Families (TANF) Block Grant: A Primer*.

<sup>125</sup> For a discussion of the legislative history of PRWORA, see CRS Report R44668, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Legislative History*.

<sup>126</sup> The history of these experiments and their findings are discussed in Judith M. Gueron and Edward Pauly, *From* (continued...)

### The National Evaluation of Welfare-to-Work Strategies (NEWWS)

NEWWS is one of the most often cited studies that found evidence that participation in a welfare-to-work program could lead to increased employment and reduced receipt of assistance. The applicability of NEWWS findings to current work requirements and proposals related to work requirements is best assessed in light of the interventions studied and the population that was affected.

NEWWS began as the evaluation of the JOBS employment and training program that was created under the Family Support Act of 1988. It was designed to test the mandate that non-employed adult recipients of cash aid for needy families with children participate in that program or be subject to a financial sanction that reduced the family's benefit. This mandate was part of the pre-PRWORA AFDC program, not TANF. It was also consistent with pre-PRWORA federal policy and did not require a waiver of federal rules. It was explicitly designed to test alternative strategies to engage recipients in activities: either a *work-first* approach that focused on up-front job search or longer-term education and training. The findings generally were that mandated job search or longer-term education and training increased employment and reduced assistance receipt in many sites.<sup>127</sup>

The population studied in NEWWS was primarily single mothers receiving cash assistance, a group that was comparatively economically disadvantaged. In most sites, around 4 out of 10 participants lacked a high school diploma. Across all sites, less than 12% of participants were employed upon entering. The share who reported ever working in the past 12 months varied considerably across sites, with a number of sites having fewer than 30% reporting employment over the past year.<sup>128</sup>

## TANF's Requirements Related to Work

TANF's requirements related to work apply only to families that have adult recipients (or minors who are parents). As a block grant, the requirements apply to *states* rather than individual recipients. It is states that decide what requirements to apply to individuals.

Under TANF, states are required to do the following:

- They must assess each recipient who is an adult (ages 18 or older) or has not completed high school and is not attending secondary school.<sup>129</sup> The assessment must be made within 90 days of determination of the recipient's eligibility for assistance. States have the option to develop an Individual Responsibility Plan (IRP), setting forth employment goals for the individual, the obligations of the individual, and the services the state will provide the individual to be able to obtain and keep employment.
- They must sanction individuals who refuse to comply with work requirements without good cause. States determine the sanction amount; they can choose to reduce or end benefits for families with noncomplying individuals. States cannot sanction a single parent with a child under age 6 if he/she cannot find affordable child care.<sup>130</sup>

*Welfare to Work* (New York, NY: Russell Sage Foundation, 1991); Daniel Friedlander and Gary Burtless, *Five Years After: The Long-Term Effects of Welfare-to-Work Programs* (New York, NY: Russell Sage Foundation, 1995); and Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence* (New York, NY: Russell Sage Foundation, 2013).

<sup>127</sup> Gayle B. Hamilton, Stephen B. Freedman, and Lisa Gennetian et al., *How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs*, HHS and U.S. Department of Education, November 30, 2001, <https://aspe.hhs.gov/reports/how-effective-are-different-welfare-work-approaches-five-year-adult-child-impacts-eleven-programs-0>.

<sup>128</sup> For a further discussion of how the welfare-to-work experiments differed from contemporary forms of work requirements, see Dan Bloom, *What Does MDRC's Research Really Say about Work Requirements*, MDRC, June 2023, <https://www.mdrc.org/work/publications/what-does-mdrcs-research-really-say-about-work-requirements>

<sup>129</sup> Section 408(b) of the Social Security Act.

<sup>130</sup> Section 407(e) of the Social Security Act.

- They must meet a numerical work participation standard.

## The Numerical Work Participation Standard

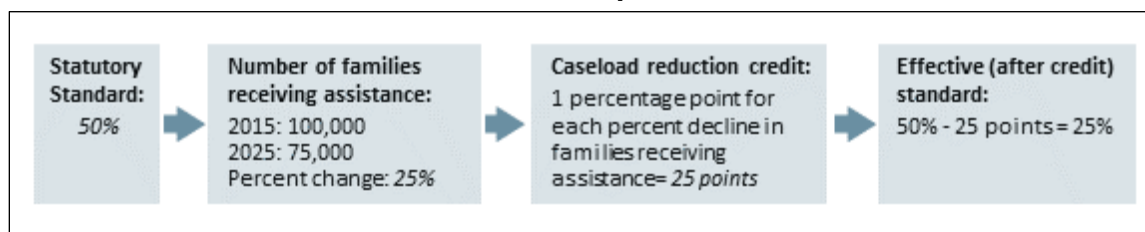
The numerical work participation standard is often discussed as *the TANF work requirement*, though it applies to states rather than individuals. A state that fails to meet the standard is at risk of a financial penalty that would reduce its TANF block grant.

Statute sets nominal minimum work participation rates that states are required to achieve, expressed as a percentage of families: 50% of all families receiving assistance and 90% of two-parent families receiving assistance are required to be *engaged in work*.<sup>131</sup> As discussed below, not all families receiving assistance are included in the calculation that determines whether the 50% or 90% standards are met.

## Caseload Reduction Credit

In practice, the participation standards (50% and 90%) may be reduced in a state through the *caseload reduction credit*. The credit reduces these nominal standards by one percentage point for each percent reduction in the number of families receiving assistance in the state from the base year to the immediately preceding fiscal year. Beginning in FY2026, states will receive credit for caseload reduction since FY2015.<sup>132</sup> **Figure 6** illustrates the calculation of the caseload reduction credit for a hypothetical state for FY2026.

**Figure 6. Hypothetical Example of How the Caseload Reduction Credit Would Reduce a State's Work Participation Standard: FY2026**



Source: CRS analysis.

## The Work Participation Rate

The effective (after-credit) standards are then compared with the *work participation rate* (WPR). The WPR is a percentage that compares the number of families that meet the criteria of being engaged in work to the total number of families included in the calculation.

The families included in the WPR calculation are families with a *work-eligible individual*. Generally, work-eligible individuals are parents of child recipients or teen heads of households. Child recipients are not work-eligible, and thus families where only the child or children are

<sup>131</sup> TANF's numerical participation standards are in Section 407(a) of the Social Security Act.

<sup>132</sup> As enacted in PRWORA, the caseload reduction credit measured the change in the number of families receiving assistance from FY1995 to the preceding fiscal year. The Deficit Reduction Act of 2005 (P.L. 109-171) provided that the credit would measure the change in the number of families from FY2005, effective in FY2007. The Fiscal Responsibility Act of 2023 (P.L. 118-5) provided that the credit would measure the change in the number of families receiving assistance from FY2015 to the immediately preceding fiscal year, effective in FY2026.

eligible for TANF assistance are excluded.<sup>133</sup> Additionally, the statute allows certain families with a work-eligible individual to be excluded from the calculation. For example, states have the option to exclude single parents caring for an infant (limited to 12 months in a lifetime) from the calculation. In FY2023, out of 1 million TANF assistance families, 617,000 were included in the all-family rate.

Federal law has detailed rules for which families count as “engaged in work.”<sup>134</sup> The detailed rules for determining whether an individual is engaged in work are *not* requirements that apply directly to individual recipients under TANF. They are rules for determining who may count toward a state meeting its performance standard. The rules may help shape states’ decisions regarding what to require of individual recipients, but states have the flexibility to determine requirements that apply to individual recipients.

A family must have an individual who is either employed or participating in specified activities for a minimum number of hours per week to be counted as engaged in work. The minimum hours per week depend on family composition. Single-parent families with a child under age 6 must participate at least 20 hours per week. The hours requirement is higher for single-parent families with older children (30 hours per week) and for two-parent families (50 hours per week or 55 hours per week if the family receives subsidized child care), which may be split between the parents.

#### **Engaged In Work: TANF’s Federal Activities**

Federal law (§407(d) of the Social Security Act) lists 12 activities that count toward the TANF work participation standard: (1) unsubsidized employment; (2) subsidized private sector employment; (3) subsidized public sector employment; (4) work experience; (5) on-the-job training; (6) job search and readiness assistance, time limited to up to 12 weeks in a 12-month period; (7) community service; (8) vocational educational training, time-limited to 12 months in a lifetime; (9) job skills training directly related to employment; (10) education directly related to employment, in the case of a recipient who lacks a high school diploma; (11) satisfactory attendance at secondary school; and (12) providing child care services to an individual who is participating in a community service program.

Of the 12 statutory activities listed in the text box, 7 may be counted at all times without limit: unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, on-the-job training, community service, and providing child care services to an individual participating in a community service program. Job search and readiness, a category that includes both actual job search, preparation for job search (e.g., resume writing classes), and activities to remove barriers to employment (e.g., substance abuse treatment), counts for up to 12 weeks in a 12-month period. Vocational educational training, including post-secondary education, counts for up to 12 months in a lifetime. Job skills training directly related to employment also counts if a minimum number of hours in other activities is met.

For adults aged 20 and older, participation in the activities that would lead to a high school diploma or GED is limited to those who lack that credential and applies only if combined with a minimum number of hours in activities more closely related to work.<sup>135</sup> Those age 19 who lack a

<sup>133</sup> These child-only families include those where non-parent relatives (grandparents, aunts, uncles) care for children and do not receive benefits on their own behalf, but only on behalf of the children in their care. In many states, disabled parents receiving Supplemental Security Income (SSI) are ineligible. States may exclude families where the only adults receive SSI or other disability benefits. They may also exclude those caring for a disabled child from the calculation. Ineligible noncitizen parents who are caring for eligible (usually citizen) children are excluded from the calculation.

<sup>134</sup> Section 407(c) of the Social Security Act.

<sup>135</sup> Activities that lead to a high school diploma or GED count only if 20 hours per week in a month were spent in the following activities: (1) unsubsidized employment, (2) subsidized private sector employment, (3) subsidized public (continued...)



high school diploma may be deemed engaged in work through completion of secondary school or education directly related to employment.

## Meeting the Work Standard

TANF is unique among the programs examined in this report in that its main work requirement is a performance standard for the states. States have flexibility in how they choose to achieve the standards and determine what specific requirements to apply to individual recipients. There is also close to 30 years of data with which to evaluate states' responses to this type of work requirement. This section provides an examination of how states met the work standard and its implications for the amount of employment and participation in job preparation activities among recipients of assistance.

TANF permits a state to meet its work standard in three ways:

- reducing the number of families receiving assistance through the caseload reduction credit;
- providing TANF-funded assistance to those who get a job while on assistance or providing assistance to those already working (because *unsubsidized employment* counts toward being engaged in work); or
- engaging non-employed recipients in employment services, education, or training.

## Caseload Reduction and Assisting Employed Recipients of Assistance

**Figure 7** shows caseload reduction from AFDC to TANF and the percentage of adult recipients who were employed. The reduction in the number of families receiving benefits is a distinctive characteristic of the post-PRWORA era. It resulted from both a decline in the number of families eligible for assistance and a decline in the share of eligible families who received assistance.<sup>136</sup> Under TANF, states earned caseload reductions in many years that reduced their effective work participation standard for all families to zero.

Additionally, under AFDC few adult recipients were employed. This was likely at least in part because of policy that limited benefits for families with workers; federal law limited the earnings disregard in AFDC so that many who got a job while on the rolls became ineligible for assistance either immediately or soon thereafter.<sup>137</sup> Those federal rules were eliminated when TANF was

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sector employment, (4) work experience, (5) on-the-job training, (6) job search and readiness assistance, (7) community service, (8) vocational educational training, or (9) providing child care services to an individual participating in community service. Because single parents with a child under age 6 have a 20-hour requirement, this effectively means the state cannot get credit for this activity unless it is embedded in an activity such as work experience or community service. For two-parent families, high school and GED activities count only if 30 hours per week in the month, and 50 hours per week in the month if a family receives child care, were spent on them. These restrictions are in Sections 407(c)(1)(A) (single parents), 407(c)(1)(B)(i), and 407(c)(1)(B)(ii) of the Social Security Act.

<sup>136</sup> For a discussion of the decline in the number of families receiving assistance, see CRS Report R47503, *Temporary Assistance for Needy Families: The Decline in Assistance Receipt Among Eligible Individuals*.

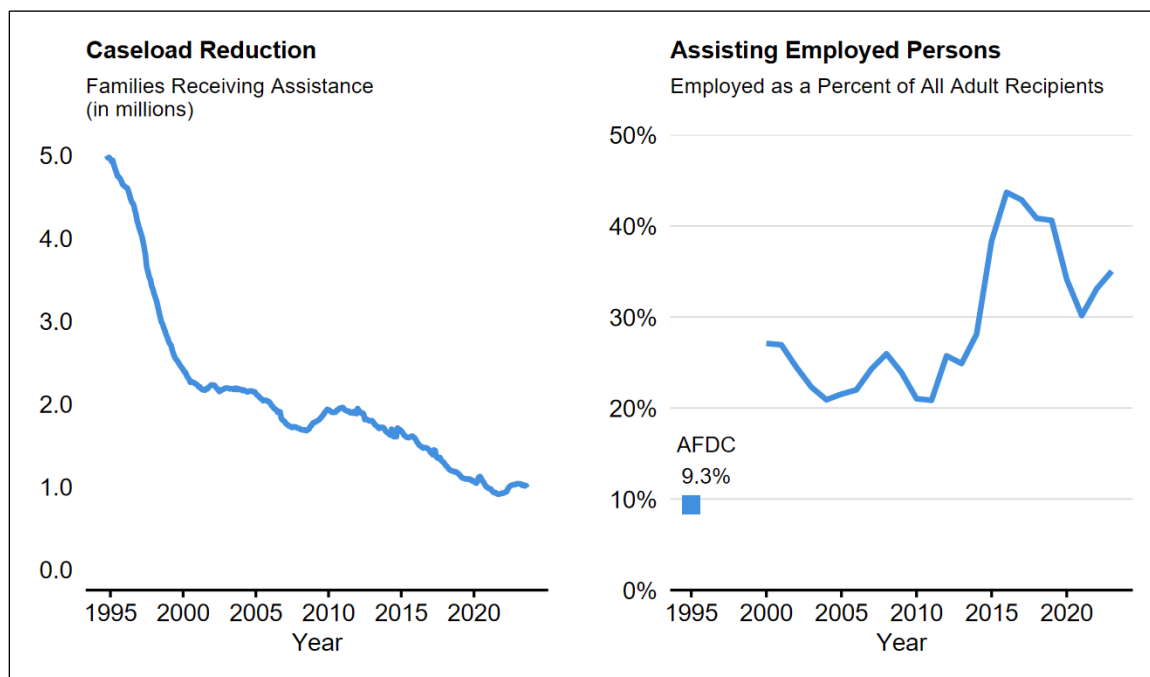
<sup>137</sup> In AFDC, for the first four months on the job states were required to disregard the first \$120 plus one-third of remaining earnings for each month. From month 4 to month 11 on the job, \$120 in monthly earnings was disregarded. After 12 months on the job, states were required to disregard \$90 of earnings per month. After 12 months, all earnings in excess of \$90 per month reduced AFDC benefits dollar-for-dollar. The limited earnings disregard was put into law by the Omnibus Budget Reconciliation Act of 1981 (OBRA81; P.L. 97-35). Before OBRA81, federal law required states to disregard the first \$30 and one-third of the remainder indefinitely. OBRA81 consolidated a separate work (continued...)



enacted and states are free to determine earnings disregards under the block grant. Most states expanded aid to families in which individuals got a job while receiving aid. These expanded earnings disregards both provide an incentive to work *and* help states meet their work participation standard.

A more recent development (particularly following amendments in 2005) was that states began to provide small amounts of assistance to working parents without a necessary connection to TANF assistance programs. For example, some states used TANF MOE dollars to provide assistance to working parents in SNAP because it also helped them meet the TANF work standard.

**Figure 7. Two Routes to Meet the TANF Work Requirements:  
Caseload Reduction and Assisting Employed Persons**



**Source:** CRS tabulations of the TANF National Data files and data from HHS.

**Note:** Adult recipients are all adults and heads of households under age 18, as well as those over age 65 and with disabilities if receiving TANF assistance.

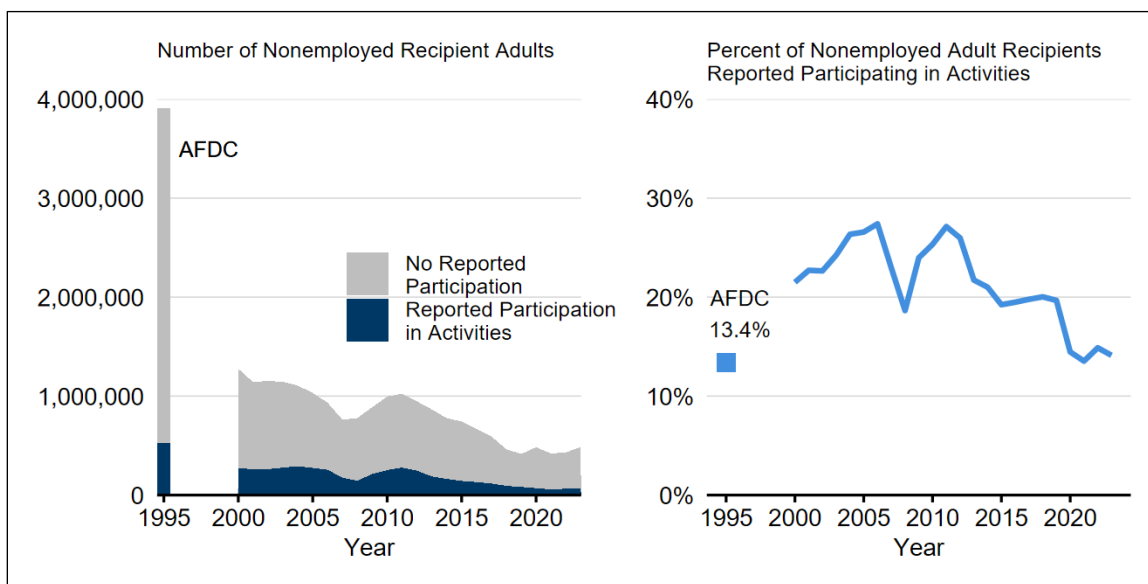
## Engaging Nonemployed Recipients in Activities

As discussed previously, the focus of the pre-PRWORA AFDC requirements was mandated participation in the JOBS employment and training program. TANF changed that, with the shift toward states meeting performance standards that also allowed credit for caseload reduction and employment among assisted families. TANF also ended individual entitlements, so recipients were not guaranteed assistance in meeting the state work requirements through funded employment, education, or training slots.

expense deduction into the overall earnings disregard and set time limits to the disregard of one-third of earnings. A study of the effect of the OBRA81 changes concluded that those who had earnings at implementation were less likely to receive AFDC one year later, but the changes had little effect on families that did not have earnings at implementation. See Research Triangle Institute, *Evaluation of the 1981 AFDC Amendments*, Final Report, April 15, 1983.

**Figure 8** shows participation in job preparation activities under AFDC and TANF. It shows both the number of non-employed adult recipients and the rate at which non-employed recipients were reported as participating in activities. In many years under TANF, the rate at which non-employed adult recipients were engaged in job preparation activities was higher than under AFDC in 1995. However, more people (because of the larger number of adult recipients) participated in activities under AFDC than under TANF. Though the rate of participation in activities among non-employed adult recipients was (until recent years) higher under TANF than AFDC, that rate never exceeded 30% (see the right panel of **Figure 8**). After a peak during the recession following the 2008 global financial crisis, the share of non-employed TANF adults reported as participating in activities began to decline, reaching low rates during and following the COVID-19 pandemic.

**Figure 8. Participation in Job Preparation Activities for Non-Employed Cash Assistance Adult Recipients**



**Source:** CRS tabulations of the TANF National Data files.

**Notes:** Data are shown for FY1995 under AFDC and for FY2000 through FY2023 under TANF. Adult recipients are all adults and heads of households under age 18, as well as those over age 65 and with disabilities if receiving TANF assistance.

## Work Verification

States are required to submit to HHS plans to verify hours of work or participation in job preparation activities. For employed individuals, documentation may include pay stubs, employer reports, or time and attendance records. For those who are self-employed, self-reporting is not considered sufficient; additional documentation is required. For those in job preparation activities, documentation may include time sheets, service provider attendance records, or school attendance records.<sup>138</sup>

<sup>138</sup> 45 C.F.R. §261.61.

## TANF Work Requirements and the Federal Budget

Under the current financing arrangement of a fixed block grant, states receive the same grant amounts regardless of the number of families receiving assistance and assistance dollars. If changes to TANF work requirements were to succeed in reducing the number of families receiving assistance and/or increasing employment, it would not directly affect total federal TANF spending. Any savings from reduced assistance payments would accrue to the states rather than the federal government. States could then use those accrued dollars to fund any other form of TANF benefit, service, or activity allowable as a use of the federal grant or countable toward the TANF MOE.

TANF work requirements affect federal spending only indirectly, through the penalties that reduce TANF block grants if a state *fails* to meet the TANF work standard. The Congressional Budget Office (CBO) has estimated that some past proposals would have made it harder for states to meet the TANF work standard and that more states would not meet the standard. The penalties from not meeting the standard were estimated to reduce the states' block grant amounts and produce estimated mandatory budgetary savings.<sup>139</sup>

## Selected Legislative and Executive Branch Efforts Prior to the 119<sup>th</sup> Congress

The basic policies regarding TANF work requirements date back to the block grant's creation in PRWORA. However, there have been some modifications. Concerns over the inconsistent measurement of the WPR<sup>140</sup> and that many nonemployed recipients were not engaged in activities led to policy changes made in the Deficit Reduction Act of 2005 (DRA; P.L. 109-171). DRA changed the year from which the number of families receiving assistance was measured for the caseload reduction credit from the original 1995 (as set in PRWORA) to 2005. It also required HHS to establish regulations defining the content of the listed work activities, define when a parent would be *work-eligible*, and establish work verification procedures for the states.

Subsidized employment counts toward the TANF work participation standards. In response to the recession associated with the global financial crisis of 2008, the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) established an Emergency Contingency Fund that provided extra funding for FY2009 and FY2010 to states that increased their subsidized employment expenditures in those years.<sup>141</sup>

## 2018 Ways and Means Committee Bill

In 2018, the House Ways and Means Committee reported legislation (H.R. 5861, 115<sup>th</sup> Congress) that would have reauthorized TANF. The bill did not receive action by the full House.

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<sup>139</sup> CBO estimated budgetary savings for provisions affecting TANF work provisions in both the Deficit Reduction Act of 2005 and the Fiscal Responsibility Act of 2023. See CBO, *S. 1932, Deficit Reduction Act of 2005, Conference Agreement as Amended and Passed by the Senate on December 21, 2005*, cost estimate, January 27, 2006, <https://www.cbo.gov/sites/default/files/109th-congress-2005-2006/costestimate/s1932conf0.pdf>; and CBO, *CBO's Estimate of the Budgetary Effects of H.R. 3746, the Fiscal Responsibility Act of 2023*, Letter to Speaker of the House Kevin McCarthy, May 30, 2023, [https://www.cbo.gov/system/files/2023-05/hr3746\\_Letter\\_McCarthy.pdf](https://www.cbo.gov/system/files/2023-05/hr3746_Letter_McCarthy.pdf).

<sup>140</sup> U.S. Government Accountability Office (GAO), *HHS Should Exercise Oversight to Help Ensure TANF Work Participation Is Measured Consistently across States*, GAO-05-821, August 29, 2005.

<sup>141</sup> States could also receive extra funding through increased spending on basic assistance and on short-term aid. See CRS Report R41078, *The TANF Emergency Contingency Fund*.

Among other provisions, the bill would have eliminated the WPR as a performance standard, and replaced it with a set of employment outcome measures similar to those used in the Workforce Innovation and Opportunity Act (WIOA) workforce programs. The outcomes measures included the rate of employment and the earnings of those who left TANF assistance. The bill would have required states to develop Individual Opportunity Plans (IOPs) for all those receiving assistance for more than 60 days.

The bill would also have allowed states to transfer TANF block grant funds to programs under Title I of the Workforce Innovation and Opportunity Act (employment services for youth, activities for adults, and dislocated workers). Funds transferred to WIOA would have been required to be spent on families eligible for TANF.

### Fiscal Responsibility Act of 2023

The Fiscal Responsibility Act of 2023 (P.L. 118-5) made several changes to TANF related to work. Two of these changes were to the participation standard. The act

- revised the caseload reduction credit, re-basing caseload change from FY2005 (where it had been since FY2007) to FY2015; and
- for special programs that assist working parents without a necessary connection to the regular TANF assistance program (discussed in the section, “Caseload Reduction and Assisting Employed Recipients of Assistance”), established a minimum monthly benefit of \$35 for that family to count toward the work participation standard.

P.L. 118-5 also permitted HHS to allow up to five states to operate pilot work programs that were to be assessed using different performance standards from the current TANF work participation standards. The alternative performance standards are

- *employment outcome measures*, specified in statute and similar to those proposed in the 2018 Ways and Means Committee-reported bill; and
- other measures related to *family well-being* as determined by the Secretary of HHS.

In 2024, under the Biden Administration, 22 states and Puerto Rico applied to participate in the pilot; the 5 states selected were California, Kentucky, Maine, Minnesota, and Ohio.<sup>142</sup>

On March 10, 2025, HHS, under the second Trump Administration, rescinded the authority of the five selected states to operate under their pilot rules. HHS said that it would issue a new solicitation for proposals and outline its expectations for participation in the pilot program.<sup>143</sup> HHS said the five states would not be accountable for meeting the FY2025 work standard (the fiscal year in progress when the authority to operate the pilot was rescinded).

## Policy Considerations

As noted throughout this report, the scope, structure, and intent of work requirement policies have varied over time and across programs. When designing new work requirement policies, or

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<sup>142</sup> See the announcement from HHS, Administration for Children and Families (ACF) at <https://acf.gov/sites/default/files/documents/ofa/work-family-wellbeing-pilot-statement.pdf>.

<sup>143</sup> See the announcement from HHS, ACF at <https://acf.gov/sites/default/files/documents/ofa/pilot-program-new-direction.pdf>.

modifying existing policies, policymakers may consider how the design of such policies could affect their ability to meet various policy goals. Some related considerations are presented below.

## Impact on Federal Spending

CBO has estimated that certain proposals related to work requirements for Medicaid and SNAP would reduce federal outlays. For example, CBO estimated in 2023 that a proposal to establish a Medicaid *community engagement* requirement of 80 hours per month as a condition of federal funding for Medicaid services provided to adults ages 19 to 55 without disabilities, who were not pregnant and who were without dependents under age 6 (with specified exceptions) would have decreased federal outlays.<sup>144</sup> CBO also estimated at that time that raising the upper age limit of the ABAWD rule without other policy changes (in 2023, from 49 to 54 years old) would reduce federal outlays.<sup>145</sup>

Medicaid and SNAP are entitlement programs with federal outlays that depend on the number of people receiving benefits and the amount they receive. On the other hand, TANF is financed via a fixed block grant. As discussed previously, changes to TANF work rules can have a budgetary effect. This would occur through setting state work standards that CBO estimates some states would not meet; hence, those states would be penalized through a reduction in their block grant.

Because housing assistance is funded through discretionary appropriations, the budgetary implications of a broader work requirement policy are less clear. If tenant incomes increase as a result of a work requirement, then the amount of subsidy they receive could decrease. This could mean cost savings for the program or the ability to serve more families, depending on whether discretionary appropriations were decreased commensurately. If work requirement policies trigger families to exit the program, then, assuming congressional appropriations were maintained, subsidy costs could increase or decrease depending on the characteristics of the new families served from the program waiting lists.

## The Role of Employment Services, Education, and Training

A CBO review of work requirements and work supports for recipients of means-tested assistance found that certain forms of work requirements can reduce spending, but the impact of requirements on increasing employment and earnings among the recipients of the programs was mixed. In discussing SNAP work requirements, CBO concluded:

SNAP's work requirement has probably boosted employment for some adult recipients without dependents but has reduced income, on average, across all recipients. Earnings increased among recipients who worked more, but far more adults stopped receiving SNAP benefits because of the work requirement.<sup>146</sup>

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<sup>144</sup> CBO, *CBO's Estimate of the Budgetary Effects of Medicaid Work Requirements Under H.R. 2811, the Limit, Save, and Grow Act of 2023*, Letter to the Honorable Frank Pallone Jr., April 26, 2023.

<sup>145</sup> The reduction in federal outlays from this proposal was estimated at \$11 billion under the House-passed version of the Limit, Save, and Grow Act of 2023 (H.R. 2811). See CBO, *CBO Estimate of the Budgetary Effect of H.R. 2811 the Limit, Save, and Grow Act of 2023*, Letter to the Honorable Jodey Arrington, April 25, 2023, [https://www.cbo.gov/system/files/2023-04/59102-Arrington-Letter\\_LSG%20Act\\_4-25-2023.pdf](https://www.cbo.gov/system/files/2023-04/59102-Arrington-Letter_LSG%20Act_4-25-2023.pdf). However, the final proposal adopted by Congress made some additional changes to the ABAWD rule that offset the spending reductions. These changes included exempting people experiencing homelessness, veterans, and those ages 18 to 24 who were in foster care when they turned age 18. CBO estimated that the changes to the SNAP ABAWD rule contained in the Fiscal Responsibility Act of 2023 as enacted would result in a net *increase* in federal outlays of \$2.1 billion over a 10-year period.

<sup>146</sup> CBO, *Work Requirements and Work Supports for Recipients of Means-Tested Benefits*, June 2022, p. 2, <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>.

CBO noted that the evidence on the effects of work requirements on Medicaid was scant. Its review found more evidence for an impact on work for cash assistance. CBO pointed to both the pre-PRWORA welfare-to-work experiments as well as its own work examining changes in a TANF program in Alabama.<sup>147</sup>

SNAP and TANF have dedicated funding for employment services. Housing assistance and Medicaid do not have funding for employment and training services. Funded employment services involve employment assessments, individualized plans, and services (e.g., assisted job search) and case management. Participation in these services can help recipients meet requirements—and avoid financial sanctions for noncompliance.

The pre-PRWORA welfare-to-work experiments provided consistent evidence of positive, though limited, increases in employment from participation in employment and training services. However, these impacts were for a specific population (single mothers) in the policy, economic, and social context of the 1980s and early 1990s. These findings may not be generalizable to the current policy, economic, and social context.<sup>148</sup> The most consistent findings from these experiments were that mandated job search resulted in participants finding jobs sooner compared to a baseline where there was no such mandate. The role of mandated job search has been little discussed in contemporary discussions of work requirements.

The broader literature on the effectiveness of employment and training shows less consistent impacts than found in the welfare-to-work experiments. A recent review of studies on employment and training services for low-income populations concluded that, on average, interventions produced “modest” increases in employment and earnings.<sup>149</sup> A series of pilots for SNAP E&T funded by the 2014 farm bill that sought to test strategies to connect SNAP recipients to employment had results consistent with this broader literature.<sup>150</sup> The pilot programs increased participation in employment and training activities. However, many participants did not complete their programs of activities. And participation in activities did not always translate into higher employment and earnings or lower SNAP receipt. Across 12 pilot programs, participation in the pilot services increased earnings in 4 programs. SNAP participation declined in 1 of the pilots but increased in 2.

The requirements associated with past Medicaid waivers, housing assistance, and the SNAP ABAWD rule were not necessarily paired with an obligation on the part of the state or PHA to provide or connect individuals with employment and training services. Absent help in meeting the requirements, recipients may seek out existing programs on their own that address employability (e.g., WIOA). One consideration would be whether an agency administering a program should be required to provide information to those under a work requirement about potential employment services in the community. Another consideration for policymakers is the capacity of existing employment and training programs to serve new participants who enroll in order to meet their work requirements.

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<sup>147</sup> CBO, *Work Requirements and Work Supports for Recipients of Means-Tested Benefits*, June 2022, 2, <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>.

<sup>148</sup> For further discussion of how the welfare-to-work experiments differed from contemporary forms of work requirements, see Dan Bloom, *What Does MDRC’s Research Really Say about Work Requirements*, MDRC, June 2023, <https://www.mdrc.org/work/publications/what-does-mdrcs-research-really-say-about-work-requirements>.

<sup>149</sup> Leah Shiferaw, Sarah Dolfen, and Andrei Streke, “The Effects of Employment and Training Programs for Populations with Low Incomes: Evidence from the Pathways Clearing House,” *Journal of Labor Research*, vol. 45 (2024), pp. 385-402.

<sup>150</sup> The 12 pilot programs were operated in 10 states. Two states (California and Mississippi) tested two different types of programs. See USDA, *Expanding Opportunity and Reducing Barriers to Work: Final Summary Report*, May 2022, <https://fns-prod.azureedge.us/sites/default/files/resource-files/SNAP-ET-FinalReport.pdf>.



## Addressing Other Barriers to Work: Social Services

Employment services and training might address only some of the barriers to work that some of the most socioeconomically disadvantaged recipients face. Other barriers can include child care, other dependent care (e.g., for family members who are older or have disabilities), transportation, previous incarceration, domestic violence, substance use, and mental health issues.

These factors might be dealt with through *good cause* exemptions, though program recipients might have to determine how to request such exemptions. However, some programs might not require an assessment that would uncover such barriers. Barriers to work also might be dealt with by providing services to address them.<sup>151</sup>

TANF allows its funding to be used for child care, transportation assistance, and addressing other barriers to employment. SNAP allows E&T funding to reimburse work-related costs, including child care. The other programs discussed in this report (i.e., housing assistance and Medicaid) might not have funding to provide these services.

The Child Care and Development Fund (CCDF) subsidizes child care for low-income parents. If work requirements are extended to parents who are not TANF recipients or not participating in SNAP E&T, a parent might have to seek assistance on their own (similar to seeking employment services on their own from WIOA). CCDF has capped federal funds, and currently serves only a fraction of children eligible for subsidies.<sup>152</sup> Enhanced work requirements in other programs could increase the number of children eligible for, and parents seeking, assistance from the already limited child care subsidy programs.

## The Impact of Work Requirements on Working Recipients

Work requirements are often thought of as affecting nonworking recipients. However, such requirements can also affect working recipients. As discussed in this report, a majority of adults under age 65 without disabilities who receive Medicaid or SNAP are working, albeit sometimes not continuously or full-time.

Work requirements can increase the burden for working recipients to prove that they remain eligible for benefits by requiring that they produce additional or more frequent information about their wages and hours. A working recipient who does not provide needed documentation when requested can potentially lose eligibility for benefits.

There have been initiatives to reduce this burden—for example, under the Arkansas Medicaid waiver the state relied at least in part on an automated data system to verify work of enrollees

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<sup>151</sup> In the 2000s, HHS fielded an evaluation of various strategies to address the “hard to employ.” The populations studied included the previously incarcerated, individuals with substance abuse issues, individuals with medical or mental health conditions, and TANF recipients. The evaluation studied eight “program models,” but found that only three produced an increase in employment. Temporary subsidized jobs increased short-term employment and earnings while individuals were in such jobs but did not produce long-term impacts on employment and earnings. Additionally, the evaluation concluded that combining work and treatment/service-focused strategies may be more promising than offering either strategy alone. Other strategies, such as enhanced early childhood services (i.e., “Enhanced Early Head Start”) and assessment and treatment of barriers before being offered a job did not have employment effects; see David Butler et al., *What Strategies Work for the Hard-to-Employ? Final Results from the Hard-to-Employ Demonstration and Evaluation Project and Selected Sites from the Employment Retention and Advance Project*, HHS, ACF, OPRE and HHS, ASPE, OPRE Report 2012-08, March 2012, [https://www.dol.gov/sites/dolgov/files/ETA/research/pdfs/hard\\_to\\_employ\\_1.pdf](https://www.dol.gov/sites/dolgov/files/ETA/research/pdfs/hard_to_employ_1.pdf).

<sup>152</sup> In 2021, an estimated 1.5 million children in a month received subsidies out of 8.0 million children who were eligible. These are estimates from the TRIM microsimulation model. This does not mean that all subsidies were sought for all 8.0 million children, but it illustrates the limitations of the capacity of current child care funding.

subject to the requirement. As discussed previously, a study of the effects of that waiver program found that many enrollees were confused about the requirement. Reliance on automated systems could also lessen the information provided to recipients about what requirements they are under and how to comply with them.

Additionally, work requirements generally establish how many hours of activities a recipient must meet to be in compliance. As discussed previously, many working recipients have gaps in employment that mean they might not accrue sufficient hours each month to meet the requirement. Assistance recipients disproportionately work in occupations such as leisure and hospitality, food preparation and service, and buildings and grounds cleaning and maintenance,<sup>153</sup> occupations that typically pay lower wages but also have higher rates of unemployment. Policymakers might consider how to treat temporary periods of non-work or reduced work for those who otherwise have significant attachment to work.

## Earnings Supplements to “Make Work Pay”

As discussed previously, work might be necessary, but it is not always sufficient, to raise an individual or family out of poverty. The welfare-to-work demonstrations showed that a mandated requirement alone—without other policy changes—resulted, on average, in earnings increases being offset by reductions in benefits. However, another key finding of the research from the pre-PRWORA era was that programs with participation mandates that resulted in higher earnings and lower assistance did not, on average, raise incomes.<sup>154</sup> It was programs that combined participation mandates with continued government assistance to working families that resulted in increased average incomes.

Today, most of public, need-tested cash assistance comes from the two refundable tax credits: the EITC and the child tax credits. These reduce tax liabilities of families or increase after-tax incomes through tax refunds. However, most of the benefits from the EITC and all of the benefits from the child tax credit are targeted toward families with dependent children. In 2024, both labor force participation rates and employment rates among parents (mothers and fathers) were near their historical highs.<sup>155</sup> Child poverty rates, by all common measures, were lower in 2024 than they were in 1995.

Some of the work requirements, such as the ABAWD rule in SNAP, the CSS requirement in public housing, and requirements that existed under Medicaid waivers, are applied to the population without children. Workers without children are ineligible for the child tax credit and are eligible for a comparatively smaller EITC. Thus, families and individuals without children could be subject to the same work requirements as families with children but not receive comparable benefits from earnings supplements that are afforded to families with children. This might lead to the combined work requirement and support policies having a smaller impact on

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<sup>153</sup> GAO, *Federal Safety Net Programs: Millions of Full-Time Workers Rely on Federal Health Care and Food Assistance Programs*, GAO-21-45, October 19, 2020, <https://www.gao.gov/assets/gao-21-45.pdf>.

<sup>154</sup> Gordon L. Berlin, *Encouraging Work and Reducing Poverty. The Impact of Work Incentive Programs*, MDRC, March 2000, [https://www.mdrc.org/sites/default/files/full\\_88.pdf](https://www.mdrc.org/sites/default/files/full_88.pdf).

<sup>155</sup> CRS tabulations of monthly Current Population Survey (CPS) data as made available through IPUMS at the University of Minnesota. IPUMS modifies the data from the CPS to make it more comparable over time. CRS tabulated these data from 1983 to 2024. In 2024, the monthly average of 82.9% of parents (with their own children under age 18 in their household) were in the labor force, the same as the historical high reached in 2023. In contrast, in 1995, 80.6% of parents were in the labor force, and in 1983, 75.3% of parents were in the labor force. The growth over time was mostly attributable to increases in labor force participation among mothers.

labor force participation and work of adults in families without children than they do on families with children.

## The Consequences of Failing to Meet a Requirement

A requirement is enforced via a consequence for noncompliance. For TANF, the consequence is the loss of all or part of a family's cash assistance benefit. For SNAP, the consequence is the loss of all or part of a household's food assistance benefit. In the case of the public housing work/community service requirement, the tenant risks having their tenancy terminated (which could include eviction).

Noncompliance with a potential Medicaid work requirement might result in loss of eligibility or loss of federal funding for medical services received under the program. The loss of Medicaid eligibility could result in an individual becoming uninsured. The loss of federal funding for medical services received under the program may result in an enrollee's inability to utilize Medicaid services. Though there might be a cost saving to the Medicaid program, the medical care costs of an uninsured individual through *uncompensated care* must still be borne by someone.<sup>156</sup>

## Conclusion

There is an inherent tension between helping families meet their basic needs and promoting work in low-income assistance programs. One method of addressing that tension is to condition benefit receipt on meeting a work-related requirement. However, in designing a work-related requirement, policymakers might consider a number of factors that have led to very different types of requirements existing in the programs examined in this report. These factors include the populations that the program serves and the group the work requirement applies to; whether recipients have access to employment, training, and other services to help meet the requirement; and the consequences for noncompliance.

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<sup>156</sup> For a discussion of uncompensated care, see CRS Report R43812, *Hospital-Based Emergency Departments: Background and Policy Considerations*.

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