



June 30, 2026

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193), also known as the *1996 welfare reform law*, was enacted 30 years ago. Leading up to its passage, debates over welfare reform had spanned four decades, from the 1960s through the early 1990s. The debates focused primarily on the Aid to Families with Dependent Children (AFDC) program, which had grown out of the Great Depression era and provided cash assistance to needy families with children, most of whom historically were headed by widowed mothers.

Central issues in the long debate leading up to PRWORA were how AFDC benefits affected work and marriage. Families receiving these benefits increasingly were those where the father was alive but absent. Over the four decades of debate, other issues were raised, including the responsibilities of the absent father (child support enforcement) and the need for child care for young children if the single mother was expected to work.

Ending “Welfare as We Know It”

During the 1992 presidential campaign, then-candidate Bill Clinton called for ending “welfare as we know it.” The Clinton Administration sent a welfare reform proposal to Congress in late 1994 but it was not acted upon. Welfare reform legislation (H.R. 4) was introduced at the beginning of the 104th Congress (January 1995). President Clinton vetoed two bills (a budget reconciliation bill containing welfare reform proposals and H.R. 4). In 1996, a third bill was considered under budget reconciliation rules. President Clinton signed that bill, PRWORA, on August 22, 1996.

A Wide-Ranging Law

PRWORA ended AFDC and related programs, subsuming funding for cash assistance into the broad-purpose Temporary Assistance for Needy Families (TANF) block grant. It ended the entitlement to assistance for needy families with children and established time limits and modified work requirements for families receiving assistance.

PRWORA did more than end AFDC and create TANF. PRWORA also altered the nation’s policies governing child support enforcement; reauthorized, restructured, and increased funding for child care programs; altered both the Food Stamp program (now the Supplemental Nutrition Assistance Program [SNAP]) and child nutrition programs; and changed the eligibility rules that applied to disabled children in the Supplemental Security Income (SSI) program. It also established a framework restricting benefits to only citizens and certain groups of legally present noncitizens across federal public benefits and means-tested assistance programs.

Since PRWORA

PRWORA was enacted in the social and economic context of the early 1990s and the welfare reform debates that preceded it. That context has changed. The number of families with children receiving financial assistance declined from a high of 5.1 million in March 1994 through AFDC (before PRWORA’s enactment) to less than 1 million through TANF in 2025.

Some policies from PRWORA that remain in place today are substantially the same as when enacted in 1996. TANF has never been comprehensively reauthorized; some policy changes have been made over its 30-year history, but most of its policies date back to 1996. Most of today’s child support enforcement policies are also the same as those that were in effect after PRWORA’s changes were instituted.

On the other hand, SNAP was retooled to ease benefit access for working families, and Medicaid and health insurance coverage were expanded. Child care funding, given incremental increases in PRWORA through FY2002, stagnated and lost value to inflation for more than a decade. Beginning in FY2018, funding for child care subsidies was increased. Refundable tax credits (the Earned Income Tax Credit and Child Tax Credit) were increased for families with children and earnings.

Summary of PRWORA

Table 1 provides a summary of the major provisions of PRWORA.

Table I. Summary of Major Provisions of PRWORA By Title

Title	Major Policy Changes
Title I. Block Grants for Temporary Assistance for Needy Families (TANF)	Ended Aid to Families with Dependent Children (AFDC), and related programs. Consolidated funding from the terminated programs into the new TANF block grant, available for broad purposes. Froze funding at early- to-mid- 1990s levels of the repealed programs. Established federal rules for state TANF cash assistance programs (e.g., limiting federally funded assistance to families with an adult recipient to five years, meeting work participation standards, and denying eligibility to fugitive felons). Set both Medicaid eligibility for certain parents and federally assisted foster care income standards at mid-1990s levels. (States were allowed to adjust Medicaid eligibility for inflation; no inflation adjustment was made for foster care income standards.) Barred those convicted of drug felonies from TANF assistance and Food Stamps (subject to state opt-out).
Title II. Supplemental Security Income (SSI)	Changed the eligibility criteria for disabled children. Also made other changes, including denying benefits to fugitive felons.
Title III. Child Support Enforcement (CSE)	Amended the CSE program to enhance states' abilities to enforce child support orders, such as through technologies like the National Directory of New Hires. Provided that more collected child support would go to families who previously received cash assistance rather than reimbursing the federal government and states for assistance payments.
Title IV. Restricting Welfare and Public Benefits for Aliens	Created a framework for noncitizens' eligibility for federal, state, and local public benefits. Provided that a subset of noncitizens, including legal permanent residents, qualify for federal benefits. Established a waiting period for some, and time-limits for others, who qualify for federal benefits
Title V. Child Protection	Directed states to consider relative caregivers, ahead of non-relatives, when placing children outside of their homes. Established a longitudinal study for outcomes of children affected by the child welfare system.
Title VI. Child Care	Reauthorized and substantially amended the Child Care and Development Block Grant (CCDBG). Replaced three AFDC-related child care programs with a new mandatory block grant and required the new funds to be integrated with CCDBG to carry out unified state child care programs. Provided annual increases in mandatory appropriations and authorized an increase in discretionary CCDBG funding, relative to recent appropriations.
Title VII. Child Nutrition	Restructured payments under the Child and Adult Care Food Program, reducing reimbursements for family day care homes that are not located in low-income areas and not operated by a low-income provider ("low income" is defined as 185% of the poverty level or less).
Title VIII. Food Stamps and Commodity Distributions	Established time limits for "able-bodied adults without dependents" aged 18 to 49 (the "ABAWD rule") who did not work. Reduced maximum benefits. Reduced deductions from income that further reduced benefits for households with countable income. Denied benefits to fugitive felons.
Title IX Miscellaneous	Reduced the grants paid to states under the Social Services Block Grant. Denied rental subsidies to fugitive felons.

Source: CRS, based on P.L. 104-193.

CRS Series on PRWORA at 30

This In Focus is part of a series of reports that focus on changes in programs affecting low-income children. The other reports in this series discuss PRWORA's changes, trends since PRWORA, and policy issues in the 30 years since its enactment. See series reports on TANF, Child Support Enforcement, Child Care, and SSI for children with disabilities. Other CRS reports discuss the restrictions on benefits for noncitizens that exist today and have their roots in PRWORA.

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IF13261

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