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Medicaid enrolls some 83 million Americans, nearly six times as many as AFDC did in 1996.

If Clinton's Welfare Reform Was Big, Trump's Is Huge

By Hayden Dublois

In passing the One Big Beautiful Bill Act, the Republican Congress set a new gold standard for welfare reform. Some conservatives say the GOP has gone wobbly on work. The reality is that even the 1996 reform that created the Temporary Assistance for Needy Families program—which by 2005 had shrunk the TANF caseload by nearly 60% by moving able-bodied adults into work—pales in comparison with what this month's reconciliation bill achieves. It is easily the biggest welfare reform in U.S. history.

Unlike past reforms, the reconciliation bill focused on the core of the welfare state. TANF's predecessor, Aid to Families With Dependent Children, often trapped families in dependency for generations. Fixing it was necessary. But the 1996 reforms still ignored the biggest drivers of welfare's growth. Federal welfare spending has increased by an inflation-adjusted 170% since then, largely driven by able-bodied adults leaving the workforce to receive Medicaid and food stamps. Those programs now have, respectively, about 83 million and 42 million recipients. By contrast, AFDC had around 14 million enrollees before the 1996 reforms.

Republicans are now tackling this moral and fiscal crisis. The reconciliation reforms will likely move at least twice as many people off welfare as the 1996 reform did.

These include the first-ever Medicaid work requirement. Thanks to President Trump and Congress, able-bodied adults without children, as well as adults with children 14 and older, will now have to work, volunteer, train or go to school at least part time as a condition of receiving taxpayers' help. My organization, the Foundation for Government Accountability, estimates that this requirement will cover at least 10 million people. Millions will leave Medicaid as their incomes rise.

Republicans have also given states a strong incentive to repeal the foolish Medicaid expansion created by ObamaCare, which brought in able-bodied adults previously not allowed to take Medicaid funding. The District of Columbia and 40 states that expanded Medicaid under this provision also have taken up tax and spending gimmicks to net increased funding—such as provider taxes. States tax healthcare providers to help cover the state share of Medicaid spending, but once the federal share is drawn down states effectively return the money to providers. The state and hospital walk away well-off while Washington foots the bill. The One Big Beautiful Bill Act has banned new provider taxes and lowered the threshold for such taxes in Medicaid expansion states, along with instituting other penalties to states' schemes to snatch federal dollars.

As states lose this money, they'll face ever greater pressure to repeal the Medicaid expansion. While it may take years, as states give in the result will be fewer able-bodied adults on Medicaid—and more of them working. The 10 states that haven't expanded Medicaid will have even more reason to stand by that.

The food-stamp reforms are also remarkably strong. Most notably, Republicans have given states a financial stake in the program for the first time. Now, if more than 6% of their food-stamp spending is erroneous, states will have to pay between 5% and 15% of the program's cost. All but seven states have payment error rates above this threshold, and to avoid this budget-buster they'll likely

improve their fraud policing and eliminate foolish policies that have automatically put people on the government dole who don't need to be there. States will finally have a financial reason to enforce existing foodstamp work requirements, ensuring that able-bodied adults who can get a job do so.

Republicans have also strengthened those work requirements. More able-bodied adults without children must now work for food stamps. So must those with children 14 or older. The GOP has also tightened the requirements that states have to meet to receive waivers to avoid foodstamp work requirements. We estimate that about eight million people will be subject to this work requirement, and most will move off of welfare as a result.

Could Republicans have gone further? No doubt. The 1996 reform applied a work requirement of at least 30 hours a week to TANF, whereas today's reforms require a maximum of 20 hours to qualify for Medicaid. Congress also created various loopholes to the new Medicaid work requirement, while temporarily exempting states with especially bad program integrity from the foodstamp spending reform. These carveouts will likely delay or prevent several million Americans from leaving welfare for the workforce.

But it simply isn't true, as some conservatives are saying, that Republicans have gone weak on work. Alongside a slate of reforms, the GOP has finally connected America's biggest welfare program—Medicaid—to work. Congress will have at least one more reconciliation bill before the midterm elections to make the reforms stronger.

Republicans should be proud of this achievement. They are boosting the economy, saving taxpayers billions of dollars, and showing their deep belief in lower-income Americans' ability to contribute to our country's future. The only real shame is that, unlike 30 years ago, not a single Democrat supported progress. That means Republicans can, and should, own this victory. They alone have passed the biggest welfare reform in U.S. history.

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