

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

Published on <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-04-29/state-tuition-and-title-iv-eligibility-citizens-freely-associated-states>

POSTED DATE: April 29, 2024


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ELECTRONIC ANNOUNCEMENT ID: GENERAL-24-50

SUBJECT: In-State Tuition and Title IV Eligibility for Citizens of the Freely Associated States

This Electronic Announcement describes the provisions of a new law enacted in March 2024 that prevents public institutions of higher education (IHEs) that participate in the student financial assistance programs under *Title IV* of the *Higher Education Act* of 1965, as amended (*Title IV* programs) from charging students who are citizens of the Freely Associated States more than the in-state tuition rate. The new law also addresses these citizens' eligibility for *Title IV*, HEA program funds.

In-State Tuition

Section 209 (b)(1)(E) of *Title II* of *Division G* of *The Consolidated Appropriations Act* of 2024 ([Public Law 118-42](#) ) provides that "...for fiscal year 2024 and each fiscal year thereafter, the Government of the United States shall require as a condition of eligibility for a public institution of higher education in any State (as defined in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003)) that is not a Freely Associated State to participate in or receive funds under any program under title IV of such Act (20 U.S.C. 1070 et seq.), that the institution charge students who are citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau tuition for attendance at a rate that is not greater than the rate charged for residents of the State in which such public institution of higher education is located...".

Effective on July 1, 2024, for the 2024-25 award year, a public institution of higher education (IHE) (not a private IHE that offers in-state tuition) may not charge more than its in-state tuition rate to citizens of the three Freely Associated States, which are the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau. This requirement applies to tuition charged to students on or after July 1, 2024.

Title IV Eligibility

This law clarifies that citizens of all three Freely Associated States are eligible for the following three *Title IV*, HEA programs: Pell Grants, Federal Work Study (FWS), and Federal Supplemental Educational Opportunity Grant (FSEOG). The law also provides that IHEs located in the Freely Associated States may participate in these three programs: Pell Grants, FWS, and FSEOG.

Specifically, Section 209(b)(1)(D) of the Public Law 118-42 provides that the Government of the United States shall "...continue to make available to eligible institutions of higher education in the Republic of Palau and make available to eligible institutions of higher education in the Federated States of Micronesia and the Republic of the Marshall Islands and to students enrolled in those institutions of higher education, and to students who are citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau and enrolled in institutions of higher education in the United States and territories of the United States, grants under — (i) subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.); (ii) subpart 3 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070b et seq.); and (iii) part C of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087–51 et seq.);".

Thus, IHEs must continue to make awards to eligible students who are citizens of all three of the Freely Associated States under the Pell Grant program. Eligible students who are citizens of the Republic of Palau continue to remain eligible to receive awards under the FSEOG and FWS programs. Effective for the 2024-25 award year, citizens of FSM and RMI are newly eligible for awards under FSEOG and FWS. Students from the Freely Associated States remain ineligible for Direct Loan and TEACH Grant funds.

Supplemental Education Grants

The Amended Compacts between the United States and FSM and RMI discontinue the Supplemental Education Grants (SEG) which were previously provided by the Department directly to the governments of FSM and RMI.

Contact Information

Please send questions about in-State tuition through the [Contact Customer Support form](#) link in Federal Student Aid's Help Center. When submitting a question, please enter your name, email address, IHE, topic, and question. When selecting a topic, please select "Policy Guidance."