

"ONE BIG BEAUTIFUL BILL ACT" (OBBBA)



INFORMATION FOR FSM CITIZENS IN THE UNITED STATES • FSM EMBASSY, WASHINGTON • JULY 14, 2025 • NO. 2508

The One Big Beautiful Bill Act (OBBBA) passed by the U.S. Congress and signed into law by President Trump on July 4, 2025, did not make changes to most of the programs for which FSM citizens are eligible but made changes to three programs, as highlighted below.

Supplemental Nutrition Assistance Program (SNAP)

FSM citizens will continue to be eligible for SNAP. The OBBBA made the following changes to SNAP that will impact SNAP recipients. The changes take effect on December 31, 2026:

- Able-bodied adults without dependents now have work requirements expanded from ages 18-49 to ages 18-65.
- Work requirement eligibility will be based on working, training or volunteering at least 20 hours/week.
- Eliminates prior exemptions from work requirements for veterans, persons experiencing homelessness, and youth (ages 18-24) who have aged out of foster care.
- Also starting in 2028, U.S. states will need to pay a portion of the expenses. As a result, states may make further changes to eligibility.

Medicaid

FSM citizens will continue to be eligible for Medicaid, but the OBBBA imposes new work requirements that apply to Medicaid recipients and may affect some FSM citizens. The changes take effect on December 31, 2026:

 Able-bodied adults without dependents and adults under 65 must work, train, or volunteer at least 80 hours/month to maintain eligibility. Certain applicants for Medicaid are exempt from the work requirements, including those caring for a dependent child 14 years or younger or a disabled individual; persons where a relevant state Medicaid plan may provide for an exemption; and those subject to certain short-term hardship events, such as a natural disaster, conditions relating to high unemployment, and certain medical needs

Pell Grants

The OBBBA does not change FSM citizens' eligibility for Pell Grants. However, the measure does modify some aspects of the program that may affect some FSM citizens. These changes are effective July 1, 2026:

- Students whose Student Aid Index (formerly known as Expected Family Contribution) is twice the amount of the maximum Pell Grant or higher would now be ineligible. (In academic year 2025-2026 the maximum Pell Grant award is \$7,395).
- Now includes a parent and/or spouse's foreign income within the adjusted gross income (AGI) calculation when determining a student's Pell Grant eligibility calculation.
- Students who receive non-federal grants equal to a student's cost of attendance would not be eligible for a Pell Grant.
- Establishes a new Work Force Pell Grant program which allows low-income students to use Pell Grants for eligible short term workforce programs (150-600 clock hours offered between 8-15 weeks at accredited institutions of higher education).

(Continued on reverse)

Eligibility Unchanged

FSM eligibility remains unchanged for the following programs:

- In-state tuition for FSM students studying in the United States
- Federal Work Study Program (FWS)
- Federal Supplemental Education Opportunity Grants (FSEOG)
- Low Income Home Energy Assistance Program (LIHEAP)
- Social Services Block Grants (SSBG)
- Supplemental Security Income (SSI)
- Individuals with Disabilities Education Act (IDEA)
- Head Start (currently authorized but not yet funded by the U.S. Congress)
- Temporary Assistance for Needy Families (TANF)
- Provisions authorizing veterans' healthcare services in the FSM
- Access to FEMA assistance for FSM citizens residing in the U.S.
- Judicial training assistance
- TRIO programs (Talent Search Program, Upward Bound, etc.)

The FSM Embassy team will continue to advocate for continued implementation of Compact-related benefits for FSM citizens.

FOR MORE INFORMATION:

The full text of the OBBBA is available online from the U.S. Library of Congress at: https://www.congress.gov/bill/119th-congress/house-bill/

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