

## **Proposed Financial Aid Eligibility Changes in Reconciliation Bill Would Exclude Refugees, Asylees, and More**

May 2025

The FY25 Concurrent Budget Resolution includes a provision (Sec. 30001) that would severely restrict the types of immigrants who may be eligible for federal financial aid. The proposed policy change subverts established federal laws that categorize immigrants as “qualified” or not qualified for financial aid, limiting access to higher education with no meaningful budgetary impact. This document describes the impact of the proposed policy change on refugee and displaced students. Other populations—including trafficking survivors and victims of domestic abuse—would also be harmed by the proposed amendment.

### **Background: Refugees and Displaced Students in U.S. Higher Education**

Since the U.S. Refugee Admissions Program (USRAP) began in 1980, the United States has been a global leader in humanitarian protection, resettling [thousands](#) of refugees over the years. Refugees and other displaced scholars undergo a years-long vetting process that includes thorough screenings and background checks before resettling in the United States as long-term residents. Supporting access to higher education helps ensure that resettled individuals receive the training and credentials they need to rebuild their lives and careers in the United States, promoting social integration and economic mobility.

### **Refugee and Displaced Students Are Eligible for Federal Financial Aid**

The United States has long recognized the importance of providing financial support to noncitizens on a pathway to permanent residency. Section 484(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(5)) specifies that noncitizens who can show they are “in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident” may be eligible for financial aid. This language was drafted intentionally to include refugees, asylees and certain other categories of immigrants who are eligible to apply for permanent resident status. Federal Student Aid (FSA) specifically [recognizes](#) refugees, asylees, trafficking survivors, and certain survivors of domestic violence (among others) as “eligible noncitizens” who are entitled to federal financial aid under this provision.

### **Changes Incurred by Proposed Amendment to Student Eligibility (Sec. 30001)**

Section 30001 of the FY25 Concurrent Budget Resolution replaces the phrase above with a limited list of eligible noncitizens that excludes refugees and asylees, among others. The amendment strikes language related to individuals’ ability to demonstrate that they are on a pathway to permanent residency in favor of an enumerated list of eligible noncitizen groups. This change would eliminate financial aid eligibility for refugees, individuals granted asylum, and other humanitarian populations who meet certain eligibility requirements.

Current policy recognizes the importance of preparing displaced populations for life in the United States. Access to higher education ensures that eligible noncitizens can continue self-sustaining careers, allowing them to contribute to the U.S. economy. The groups affected by the proposed policy change are likely to adjust their status in the future. Restricting their financial aid eligibility eliminates critical resources they need to prepare for lives as U.S. citizens. The impact of this policy change is compounded by U.S. Citizenship and Immigration Services' (USCIS) "quiet pause" on processing green card applications, which will further delay affected individuals from obtaining the status they would need to qualify for aid under the new definition, putting off their ability to complete their education indefinitely.

The estimated budgetary impact of this change is negligible and was excluded from the cost estimate produced by the Congressional Budget Office (CBO), attesting to the incidental nature of the policy change.

### **Financial Aid is a Necessary Resource for Refugee and Displaced Students**

Refugee and displaced students face enormous barriers to postsecondary opportunities. Financial aid is key to facilitating higher education access for these populations. Eliminating access to financial aid would effectively preclude these talented individuals from enrolling in higher education, imperiling their ability to forge community connections, continue studies interrupted by conflict, and obtain sustainable employment. Rescinding these students' eligibility for aid would also interrupt operations at institutions that have committed to enrolling and supporting refugee students with the understanding that these students would remain eligible for federal aid.

### **Blocking Access to Higher Education Will Harm Our Economy and Society**

Refugees make the United States stronger, facilitating cultural connections that make the country more competitive on the global stage while reversing population decline, filling critical job openings, and helping the U.S. maintain its economic vitality. Refugees are [net contributors to the U.S. economy](#), paying tens of billions of dollars in taxes and [revitalizing](#) local businesses. They keep American industry running and—following in the footsteps of [Albert Einstein](#), also a refugee—make extraordinary contributions as [founders](#), inventors, and entrepreneurs.

Supporting access to higher education provides opportunities for resettled populations to apply their talents in our schools and workforce. Blocking these individuals from higher education will have an adverse impact on their cultural integration and economic self-sufficiency. The proposed policy change stymies an important talent pool, cutting off sources of labor, spending power, and innovation key to retaining our stance as a global leader.