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United States v. State of Illinois, et al.

25-cv-1691-DWD, July 24, 2026

FAQ for Public University and Community College Leadership and Financial Aid Directors

Please note that this document was prepared for informational purposes only and does not constitute legal advice. Institutions are encouraged to consult their legal counsel with questions regarding the court's ruling and its applicability to institutional policies, practices, and programs.

Questions

The Ruling

Q. What, precisely, did the District Court hold, and what is now enjoined?

The court declared four statutory provisions unlawful as applied to undocumented students for the 2026-27 academic year. Those provisions are: (1) the university in-state tuition provisions as amended by Public Act 103-0876 (the "2024 Acevedo Act," effective July 1, 2026) across all nine public universities; (2) the parallel community college tuition provision, 110 ILCS 805/6-4a; (3) the RISE Act as amended by Public Act 104-0164 (110 ILCS 986); and (4) the Illinois DREAM Act, 110 ILCS 947/67 (the DREAM Fund Commission).

The court found that these four statutory provisions violated 8 U.S.C § 1623(a). The court noted that this federal law "prohibits states from granting in-state tuition or other postsecondary education benefits to aliens not lawfully present on the basis of state residence unless the state extends the identical benefit to U.S. citizens without regard of their state of residence."

With respect to state financial aid programs, a noteworthy impact of the ruling is that undocumented students are no longer eligible to receive financial assistance from the Illinois Student Assistance Commission (ISAC) under the RISE Act for the 2026-2027 school year.

Based on the ruling, ISAC cannot issue any payments on Monetary Award Program (MAP) or other scholarship and grant programs for undocumented students for the 2026-27 academic year.

Q. Does the injunction take effect immediately?

The court stayed the injunctive relief for fourteen (14) days from the July 24, 2026, order. The injunction takes effect on August 7, 2026.

Applicability: Which colleges, students, and policies are affected?

Q. Does this ruling apply *only* to the community college and universities named in the lawsuit?

No. The ruling applies to all community colleges and all public universities in Illinois.

Q: Does this ruling affect private institutions and their students?

The ruling does not constrain private institutions' own institutional aid or tuition policies.

However, as a result of this ruling, ISAC cannot accept any payment claims and will not issue any payments on MAP or other state scholarship and grant programs for undocumented students under the RISE Act for the 2026-27 academic year, regardless of whether the student is attending a public or private institution.

Q. Does the ruling distinguish between students already enrolled/receiving these benefits and students who would be newly enrolling for the 2026-27 academic year?

No. The ruling applies to all undocumented students, without regard to when they enroll(ed).

The ruling should be applied prospectively. The order does not direct colleges to collect additional amounts for semesters or courses completed before the injunction became effective. Each university or college will need to evaluate their current policies and practices in consultation with their legal counsel to determine ensure compliance with the ruling.

Q. Does the opinion apply equally to undergraduate and graduate students?

The opinion does not differentiate between undergraduate and graduate students in its analysis and applies to all undocumented students at both the undergraduate and graduate level.

Q. Does the ruling apply to permanent residents?

No, lawful permanent residents (also known as "green card" holders) continue to be eligible for in-state tuition and state financial aid.

Q. Does the ruling apply to Deferred Action for Childhood Arrivals (DACA) recipients?

Yes, DACA recipients are covered by the court's ruling. Deferred action does not confer lawful immigration status or eligibility for postsecondary education benefits. DACA recipients should contact their college financial aid office to understand the impact of the ruling on their individual charges and their financial aid package.

Q. For community colleges, what tuition rate will undocumented students be charged (out-of-district, out-of-state, or international), and when will the new rate become effective?

The court declared provisions of the Public Community College Act unlawful as applied to undocumented students. However, the decision does not specifically use the terms "in-district," or "out-of-district," nor does it directly analyze the tuition structure used by Illinois community colleges, which is primarily based upon a student's residence in the district and property taxes.

The court ruled that 110 ILCS 805/6-4a may not be enforced to provide a residency-based tuition benefit to students who are not lawfully present in the United States. Thus, if a college charges in-district, out-of-district, and out-of-state tuition rates, undocumented students should be charged the out-of-state rate because in-district and out-of-district rates are based on residence in Illinois and constitute a benefit that is unavailable to U.S. citizens residing outside Illinois.

Colleges should apply the change prospectively from August 7, 2026, when the court's injunction went into effect. Colleges will need to evaluate their current policies and practices, including how to address outstanding billing for the upcoming semester, in consultation with their legal counsel, to ensure compliance with the court's order.

Q. Are there any implications for dual credit students?

The court's ruling does not address dual credit course enrollment. As discussed above, the court found that 8 U.S.C. § 1623 prohibits postsecondary benefits for undocumented students on the basis of residency that are not available to U.S. citizens and nationals without regard to residency.

The court's ruling may implicate dual credit courses differently, depending on how the course is delivered and funded.

Dual credit taught at a high school. These courses are generally offered at a high school through a partnership agreement between a school district and its local community college. Eligibility typically flows from the student's enrollment at the participating high school and satisfaction of academic criteria—not from an individual community-college residency determination.

Where every academically eligible student enrolled at the partner high school may participate on the same terms without regard to citizenship, immigration status, or the student's individual community-college residency classification, the arrangement is not likely to conflict with the court's order because it is based on enrollment in a participating high school and satisfaction of academic standards rather than the student's residence.

Dual credit taught on a community college campus. The court's reasoning likely applies to campus-based dual credit programs if the college treats the student as an individual college enrollee and tuition (if charged) is based specifically on the student's district residence.

Each university or college will need to evaluate their current policies and practices in consultation with their legal counsel to ensure compliance with the court's order.

Impact on institutional aid and tuition policies

Q. Some public universities do not charge a different tuition rate for in-state and out-of-state students. Are those universities able to continue to charge undocumented students the same tuition rate?

Yes.

Q: How does this ruling limit the institutional aid that schools can legally provide?

Institutions should consult their legal counsel for guidance on individual programs. Public institutions are prohibited from providing in-state tuition benefits for the 2026-27 academic year to undocumented students pursuant to the in-state tuition provisions enjoined by the court's order.

Q. Can a college or university use *institutional* resources to offer aid to an undocumented student, such as a tuition waiver, institutional grant, or foundation scholarship? What about merit-based scholarships, such as for music or athletics?

The court's analysis of the challenged Illinois statutes relies on 8 U.S.C. §1623, which states that an undocumented student "shall not be eligible on the basis of residence within a State (or a political subdivision) for any postsecondary education benefit unless a citizen or national of the United States is eligible for such a benefit…" However, the court was not presented with a question involving such institutional aid programs and only addressed in-state tuition provisions and financial aid offered through the DREAM Act and RISE Act.

If a university offers institutional aid in the form of waivers, grants, or scholarships that are also available to non-resident U.S. citizens or nationals (including merit-based scholarships), the court's order likely does not preclude the university from offering the same assistance on the same terms to undocumented students. Institutions are encouraged to consult their legal counsel to determine whether institutional policies or programs are in compliance with the court's order.

Q. Can an undocumented student be eligible for institutional aid programs such as a "promise" program, where Illinois families with incomes below a certain threshold receive free tuition and fees?

The court did not address "promise" programs or other reduced or free tuition programs for Illinois families. As discussed above, the court found that 8 U.S.C. § 1623 prohibits postsecondary benefits for undocumented students on the basis of residency that are not available to U.S. citizens and nationals without regard to residency. The court's reasoning likely would also apply to reduced- or free-tuition programs for *Illinois resident families* that do not reach a certain household income threshold, if these programs are not also offered to U.S. citizens and nationals without regard to their residency. Public institutions should consult legal counsel regarding their own programs to ensure compliance with the ruling.

Q: Does this ruling impact scholarships or funding provided by *private* donors?

It is recommended that public institutions consult legal counsel regarding their own programs, including scholarships and funding provided by private donors, to ensure compliance with the ruling.

Q: How can a student fill the gap left from lost aid? Does it matter whether the student is at a public or private institution?

Affected students will need to work with their financial aid offices to fully understand the impact of the ruling on their individual charges and their financial aid packages. Unfortunately, regardless of the sector that a student's school belongs to, they are not likely to find easy solutions to fill the gap that will be left by the elimination of state financial aid.

It is recommended that public institutions consult legal counsel regarding their own programs to ensure compliance with the ruling.

Private institutions' institutional aid and tuition policies are not constrained by this ruling.

NEW Q: Some institutions have already awarded institutional aid for Fall 2026. Will those institutions be required to rescind those awards or ask students to repay those funds?

If an institution awarded residency-based institutional aid to an undocumented student that was not available to U.S. citizens and nationals without regard to residency, the institution will likely not be able to pay out that award. The court's ruling does not require that students repay funds previously received from an institution. Institutions should consult legal counsel to ensure compliance with the ruling.

NEW Q: May university foundation funds continue to be awarded to students?

It is recommended that public institutions consult legal counsel regarding the use of university foundation funds under the court's order.

NEW Q: May community colleges continue to award the Star Scholarship and other scholarships funded by their local municipality?

The ruling applies explicitly to in-state tuition policies, scholarships from the Illinois DREAM Fund, and state financial aid awarded under the RISE Act. Additional financial support for individual students, such as scholarships, assistantships and other stipends were not addressed. The ruling's application to other programs would need to be evaluated on a case-by-case basis in consultation with legal counsel.

NEW Q: How should community colleges determine eligibility for out-of- district tuition when students have already provided documentation establishing residency, or from students who come from specific high school districts, and otherwise qualify for the in-district tuition rate?

The court's order does not specify what steps universities and colleges must take to comply with the injunction. Institutions should review information that is already collected and reasonably available and necessary to make the required tuition determinations in compliance with the court's order. Colleges may not provide a residency-based tuition benefit such as in-district tuition to undocumented students if U.S. citizens or nationals residing outside Illinois are not eligible for the same benefit without regard to residency.

Impact on State and Other Financial Aid Programs

Q: Does this ruling affect ISAC-administered scholarships and grants for the 2026-27 academic year—even the scholarships and grants that were included in financial aid packages for this fall?

Unfortunately, yes. This ruling prohibits ISAC from paying awards to students who were eligible for state financial aid under the RISE Act and completed the Alternative Application.

As a result, ISAC cannot accept any payment claims and will not issue any payments on MAP or other scholarship and grant programs for undocumented students under the RISE Act for the 2026-27 academic year.

We know this court decision brings tremendous uncertainty and financial challenges for Illinois undocumented students.

Q: Does the ruling apply to all ISAC programs, including scholarships, grants, waivers, and loan repayment programs?

Yes, students who are eligible for state financial aid under the RISE Act and who completed the Alternative Application rather than the FAFSA cannot receive an award through any ISAC-administered programs for the 2026-27 school year.

Q: Does this ruling apply to all AIM HIGH funds, including the state dollars *and* institutional matching dollars?

The ruling prohibits ISAC from issuing state-funded payments on all grant programs for undocumented students under the RISE Act for the 2026-27 academic year, including the AIM

HIGH program. The court's reasoning likely also applies to funds provided as part of the university's required match. However, institutions should consult with their legal counsel to ensure compliance with the court's ruling.

Q: Does this apply to any *other* state-run student financial aid programs besides the ones that ISAC runs?

The ruling applies explicitly to in-state tuition policies, scholarships from the Illinois DREAM Fund, and state financial aid that ISAC would otherwise award under the provisions of the RISE Act. The ruling's application to other programs would need to be evaluated on a case-by-case basis in consultation with legal counsel.

Q. How does this ruling affect the DREAM Fund and its scholarship provisions, enacted as part of the DREAM Act?

The Illinois DREAM Act (110 ILCS 947/67) is enjoined in full, which includes the DREAM Fund Commission's scholarship-eligibility criteria.

The ruling essentially invalidated the statute that established the Illinois DREAM Fund Commission under state law, preventing it from awarding public scholarships using public funds, including dollars from the State Lottery.

Q: Should colleges immediately stop awarding undocumented students all financial aid, or just ISAC-administered state aid?

No. This is <u>not</u> a blanket ruling that would prohibit all institutions from providing any benefit to undocumented students. The decision prohibits institutions from using certain statutes, including the in-state tuition provisions applicable to Illinois public universities and community colleges, the Acevedo Act, the RISE Act, and the Illinois DREAM Act, as a basis to provide benefits to undocumented students.

The determination of whether the ruling applies to a specific program should be made in consultation with an attorney and should consider the institution or agency, the source of the funds, the authority under which the funds or benefit are awarded, and the criteria used to determine eligibility.

Q. If any issues that affect student costs are still unresolved by the first term drop/add dates for 2026-27, what can be done?

In these extraordinary circumstances, institutions are strongly encouraged to adopt student-friendly policies to minimize harm, such as providing extended grace periods or creating pathways for students to exit housing agreements and other institutional contracts when their enrollment status changes.

NEW Q: If a student is undocumented or a DACA recipient but also meets the eligibility criteria for a first-generation scholarship, may the student still receive first-generation scholarship funding?

The court did not address first-generation scholarship programs. Institutions should consult their legal counsel for guidance on such programs.

NEW Q: How are undocumented student-athletes impacted by these changes, particularly with respect to eligibility for institutional aid or tuition benefits?

Undocumented student-athletes are not eligible to receive in-state tuition or state financial aid pursuant to the provisions enjoined by the court's order. If an institution offers aid to student-athletes who are non-resident U.S. citizens or nationals, the court's order likely does not preclude the institution from offering the same assistance on the same terms to undocumented student-athletes. The ruling's application to aid to student-athletes would need to be evaluated on a case-by-case basis in consultation with legal counsel.

NEW Q: Can colleges and universities use state grant dollars, such as those through Adult Education, Innovative Bridge and Transition, or Noncredit, to cover tuition and fees of undocumented students participating in Integrated Education and Training?

The court ruled that 8 U.S.C. §1623 prohibits postsecondary benefits for undocumented students on the basis of residency that are not available to U.S. citizens and nationals without regard to residency. The court did not address Integrated Education and Training Education (IET) or other state-funded adult education programs. These programs should be evaluated on a case-by-case basis to determine whether a specific program is secondary education or a "postsecondary educational benefit" under 8 U.S.C § 1623(a).

However, when adult education is combined with postsecondary career and technical education programs, through IETs, and tuition is being paid, then tuition related restrictions would likely apply. Institutions are encouraged to consult their legal counsel to determine whether institutional policies or programs are in compliance with the court's order.

House Bill 5093/Public Act 104-0511

Q. House Bill 5093 (Public Act 104-0511), signed June 26, 2026, changes the eligibility criteria for in-state tuition and ISAC-administered financial aid starting with the 2027-28 academic year. Does this ruling impact implementation of HB 5093?

No. The court's ruling does not apply to HB 5093, which will take effect for the 2027-28 academic year. The Alternative Application for the 2027-28 academic year will open on October 1, 2026.

Q: Should we hold off awarding financial aid to students for 2027-28, since HB 5093/P.A. 104-511 may also be challenged?

Under the law as it currently stands, the new criteria established by HB 5093 (now Public Act 104-511) for state financial aid will be implemented for the 2027-28 academic year, for which ISAC will begin accepting and considering applications in October 2026.

While HB 5093 has not been challenged at this time, it is true that a challenge could occur at any time that could disrupt or even prevent payment of awards for 2027-28 or a future year. Given this uncertainty, ISAC and school partners must consider how to provide students with appropriate, realistic context for 2027-28 awarding.

Identifying Affected Students

Q: Will ISAC provide schools with a list of impacted students that have lost state financial aid?

No. Financial aid administrators should watch for updates from ISAC regarding how to identify affected students in the grant processing system. Institutions should leverage their Undocumented Student Resource Liaisons and community groups to help identify students who may be impacted by this change. Subsequently, institutions should coordinate outreach to impacted students prior to move-in to help them understand the status of their financial aid before they begin to incur costs from the institution.

Q. Is there an expectation that institutions proactively work to identify undocumented students?

The court's order does not specify what steps universities and colleges must take to comply with the injunction. Institutions should review information that is already collected and reasonably available and necessary to make the required tuition determinations in compliance with the court's ruling.

Q. What privacy considerations apply to immigration or citizenship status information?

Institutions are encouraged to consult their legal counsel to ensure institutional policies and practices regarding information that is collected as part of a student's education record, including information regarding immigration or citizenship status, is in compliance with the Family Educational Rights and Privacy Act (FERPA)and other applicable law.

NEW Q: What happens to students whose immigration status changes during the semester?

This was not addressed by the court's order. Students who become lawful permanent residents or citizens during the academic year are encouraged to contact their institution's financial aid office to understand the impact on their financial aid package.

NEW Q: Does the ruling apply to students in asylum status?

No, students who are granted asylum have lawful immigration status, are eligible for postsecondary education benefits, and may continue to receive in-state tuition and state financial aid. This would not apply while the petition for asylum is pending.

NEW Q: Does this affect students with active parole status?

Students who are paroled for at least one year and can provide evidence from U.S. Citizenship and Immigration Services that they are in the United States for other than a temporary purpose with the intention of becoming a U.S. citizen or permanent resident may be eligible for postsecondary education benefits. It is recommended that public institutions consult legal counsel about how the court's order affects students with active parole status.

Impact Beyond Financial Aid and Tuition

Q. Does the decision affect State-funded Adult Education programs?

The court's ruling does not address state-funded adult education programs. These programs are generally considered secondary education, not a "postsecondary educational benefit" under 8 U.S.C § 1623(a).

NEW Q: Does this ruling apply to non-college providers?

The ruling applies to all community colleges and all public universities in Illinois, as well as the DREAM Fund Commission and ISAC. Entities are encouraged to consult their legal counsel for further guidance.

Communications

Q. Will ISAC communicate details about this ruling and its impact to students? If yes, when is the communication being sent and can the language be shared with institutions?

A set of FAQs for use with students and parents is available at ISAC's website and was sent directly to financial aid administrators via e-messaging. Colleges are encouraged to share these FAQs as needed or use them as part of their own institution-specific student guidance.

The agency currently does not plan to send its own communication directly to students, for several reasons. Historically, students' touchpoint regarding financial aid is not ISAC but the campus financial aid office. Thus, students do not typically receive other correspondence or updates directly from ISAC, making the agency unfamiliar to many program recipients. We also acknowledge and respect that each college will have its own approach to addressing and

communicating about the current situation with its students, and we do not want an ISAC communication to confuse or contradict messages coming directly from institutions. Finally, as some affected students will also lose in-state tuition rates, some institutions may have additional critical updates that could be overlooked if the student receives messages from multiple parties.

Q. Are there specific talking points ISAC will provide to schools that they can include in communications they send to students?

ISAC has prepared a set of FAQs for use with students and parents, available at ISAC's website. Please feel free to share these FAQs as needed or use them as part of your own institution-specific student guidance.

Q: Are institutions expected to update their webpages, policies, catalogs, award letters, etc. to reflect this ruling?

As a result of this ruling, ISAC is prohibited from issuing any payments on MAP or other scholarship and grant programs for undocumented students under the RISE Act for the 2026-27 academic year. **Institutions will need to update affected students' financial aid packages to reflect this change.**

To provide students accurate information and realistic expectations, colleges should also review other materials to ensure accuracy, including the institution's website.

ISAC also encourages institutions to share the student FAQs provided here and here.