

**Discretionary Baseline, Cumulative Surplus/Shortfall, and Funding Gap of the Federal Pell Grant Program—CBO's April 2014 Baseline**

(millions of dollars, by fiscal year)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Pell Grant Program, Discretionary Portion Only, CBO April Baseline<sup>a</sup></b>												
<i>Regular Appropriation</i>												
Maximum award	\$4,860	\$4,860	---	---	---	---	---	---	---	---	---	---
Budget Authority	22,778	22,778	23,142	23,552	24,008	24,486	24,965	25,466	25,967	26,491	27,015	27,561
Outlays	16,619	18,165	27,112	29,104	23,752	24,133	24,611	25,095	25,596	26,103	26,627	27,157
<i>Mandatory funding under section 401(b)(7)(A)(iv) of the Higher Education Act of 1965<sup>b</sup></i>												
Budget Authority	7,587	588	0	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145
Outlays	10,643	8,252	499	6	425	1,506	1,391	1,414	1,353	1,148	1,145	1,145

**Estimated Discretionary Cumulative Shortfall/Surplus<sup>c</sup>**

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Regular Discretionary Appropriation	13,045	13,661	14,215	17,288	17,495	22,956	22,824	22,778	22,778
American Recovery and Reinvestment Act of 2009	0	0	0	15,640	0	0	0	0	0
Healthcare and Education Reconciliation Act of 2010	0	0	0	0	0	13,500	0	0	0
DOD and Full-Year Cont. Appropriations Act of 2011	0	0	0	0	0	0	3,183	0	0
Budget Control Act of 2011	0	0	0	0	0	0	10,000	7,000	0
Consolidated Appropriations Act, 2012	0	0	0	0	0	0	612	587	588
Total Available Budget Authority	13,045	13,661	14,215	32,928	17,495	36,456	36,619	30,365	23,366
Estimated Program Costs	12,825	14,699	16,055	26,847	30,556	28,808	27,543	26,456	26,269
Cumulative Surplus/Shortfall (-)	220	-818	-2,658	3,423	-9,638	-1,990	7,086	10,995	8,092

**Estimated Difference Between Budget Authority Needed to Support a Maximum Award of \$4,860 and Available Funding**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Estimated Program Cost for \$4,860	26,495	26,753	27,002	27,377	28,012	28,657	29,249	29,686	30,264	30,853
Cumulative Surplus for 2006-2013 <sup>c</sup>	8,092	0	0	0	0	0	0	0	0	0
Mandatory Budget Authority Available <sup>d</sup>	0	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145
Total additional budget authority needed <sup>e</sup>	18,403	26,753	25,428	25,995	26,603	27,227	28,104	28,541	29,119	29,708

a. CBO's April baseline does not represent a projection of expected costs for the Pell grant program. As with all other discretionary programs, the budget authority is calculated by inflating the budget authority appropriated for fiscal year 2014. Outlays for future years are based on those levels of budget authority. Those outlays do not reflect the impact of the cap on discretionary appropriations as set forth in the Budget Control Act of 2011.

b. Budget authority provided in the Healthcare and Education Reconciliation Act of 2010, the Department of Defense and Full-Year Continuing Resolution Appropriations Act of 2011, the Budget Control Act of 2011, and Consolidated Appropriations Act, 2012 are classified as mandatory. However, the funding is being used to augment the funding provided in annual appropriations to support the discretionary Pell grant program.

c. Cumulative surplus budget authority as calculated under the Pell scoring rule, as in section 406 of the 2006 Budget Resolution (H. Con. Res. 95)

d. Mandatory budget authority that is available to supplement funding for the discretionary portion of the Pell Grant Program. It is provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965.

e. Estimated budget authority that is needed to support a maximum award level of \$4,860 under the Pell scoring rule, as in section 406 of the 2006 Budget Resolution (H. Con. Res. 95).

**Program Costs Assuming a Maximum Discretionary Award Level of \$4,860 in the Federal Pell Grant Program—CBO's April 2014 Baseline**

(millions of dollars, by fiscal year)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2019	2014-2024
<b>Discretionary Pell Grant Program</b>													
<b>Assumed Discretionary Maximum Award Level<sup>a</sup></b>	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860		
<b>Total Federal Spending Discretionary Pell Grants</b>													
Program Costs	26,269	26,495	26,753	27,002	27,377	28,012	28,657	29,249	29,686	30,264	30,853	161,909	310,618
Outlays	26,417	26,332	26,562	26,818	27,101	27,545	28,180	28,810	29,361	29,838	30,417	160,775	307,381
<b>Mandatory Pell Grant Program</b>													
<b>Projected Additional Mandatory Award<sup>b</sup></b>	\$870	\$980	\$1,100	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225		
<b>Total Federal Spending for Mandatory Pell Grant Addon</b>													
Program Costs	5,489	6,357	7,254	8,170	8,287	8,487	8,664	8,829	8,962	9,129	9,299	44,044	88,926
Outlays	5,178	5,719	6,591	7,493	8,192	8,340	8,533	8,707	8,863	9,005	9,173	41,513	85,794
<b>Total Pell Grant Program</b>													
<b>Total Maximum Award</b>	\$5,730	\$5,840	\$5,960	\$6,085	\$6,085	\$6,085	\$6,085	\$6,085	\$6,085	\$6,085	\$6,085		
<b>Total Federal Spending for Pell Grants</b>													
Program Costs	31,758	32,852	34,008	35,171	35,665	36,499	37,321	38,078	38,647	39,393	40,152	205,953	399,544
Outlays	31,595	32,051	33,153	34,310	35,293	35,885	36,713	37,517	38,224	38,843	39,590	202,287	393,175
<b>Total Projected Recipients (in thousands)</b>	8,640	8,760	8,860	8,970	9,110	9,350	9,540	9,720	9,880	10,070	10,270		

Note: Components may not add up to totals due to rounding.

a. The maximum award level for the discretionary portion of the Pell Grant Program is set each year in the annual appropriations act. In the most recently enacted appropriations act, it was set at \$4,860.

b. The additional mandatory award level is based on a formula in the Higher Education Act and assumes a maximum discretionary award level of \$4,860 in fiscal years 2014 to 2024. If an annual appropriations act set the discretionary award level at a different amount, the mandatory award level would also change. The amount of the mandatory add-on for 2014 is based on the total published by the Department of Education.