

FEDERAL PELL GRANT PROGRAM, CUMULATIVE SURPLUS/SHORTFALL AND FUNDING GAP

CBO's March 2015 Baseline

(Budget authority, program costs, and outlays in millions, by fiscal year)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PELL GRANT PROGRAM, DISCRETIONARY PORTION ONLY, CBO MARCH BASELINE^a											
<i>Regular Appropriation</i>											
Maximum award	\$4,860	---	---	---	---	---	---	---	---	---	---
Budget Authority	22,475	22,812	23,217	23,689	24,161	24,655	25,150	25,666	26,183	26,723	27,262
Outlays	19,992	26,354	26,890	23,395	23,811	24,289	24,784	25,284	25,801	26,324	26,863
<i>Mandatory funding under section 401(b)7(A)(iv) of the Higher Education Act of 1965^b</i>											
Budget Authority	0	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145	1,145
Outlays	5,712	6	425	1,506	1,391	1,414	1,353	1,148	1,145	1,145	1,145
<i>Total</i>											
Budget Authority	22,475	22,812	24,791	25,071	25,570	26,085	26,295	26,811	27,328	27,868	28,407
Outlays	25,704	26,360	27,315	24,901	25,203	25,704	26,136	26,432	26,946	27,469	28,008

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ESTIMATED DISCRETIONARY CUMULATIVE SHORTFALL/SURPLUS										
Regular Discretionary Appropriation	13,045	13,661	14,215	17,288	17,495	22,956	22,824	22,778	22,778	22,475
American Recovery and Reinvestment Act of 2009	0	0	0	15,640	0	0	0	0	0	0
Healthcare and Education Reconciliation Act of 2010 ^a	0	0	0	0	0	13,500	0	0	0	0
DOD and Full-Year Cont. Appropriations. Act of 2011 ^a	0	0	0	0	0	0	3,183	0	0	0
Budget Control Act of 2011 ^a	0	0	0	0	0	0	10,000	7,000	0	0
Consolidated Appropriations Act, 2012 ^a	0	0	0	0	0	0	612	587	588	0
Total Available Budget Authority	13,045	13,661	14,215	32,928	17,495	36,456	36,619	30,365	23,366	22,475
Estimated Program Costs	12,825	14,699	16,054	26,846	30,553	28,798	27,543	26,472	25,715	25,647
Cumulative Surplus/Shortfall (-) ^b	220	-818	-2,657	3,425	-9,633	-1,975	7,101	10,994	8,645	5,473

ESTIMATED DIFFERENCE BETWEEN BUDGET AUTHORITY NEEDED TO SUPPORT A MAXIMUM AWARD OF \$4,860 AND AVAILABLE FUNDING

Estimated Program Cost for \$4,860	25,860	26,031	26,265	26,612	27,001	27,480	27,946	28,391	28,809	29,196
Cumulative Surplus for 2006-2015 ^b	5,473	0	0	0	0	0	0	0	0	0
Mandatory Budget Authority Available ^c	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145	1,145
Total additional budget authority needed ^d	20,387	24,457	24,883	25,203	25,571	26,335	26,801	27,246	27,664	28,051

a. Some 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 the Consolidated Appropriations Act, 2012 are classified as mandatory. However, the budget authority is used to augment the funding provided in annual appropriations for the discretionary Pell grant program.

b. The cumulative shortfall or surplus in budget authority is calculated under the Pell scoring rule, as given in section 406 of the 2006 Budget Resolution (H. Con. Res. 95).

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

d. Estimated budget authority 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)

FEDERAL PELL GRANT PROGRAM, PROGRAM COSTS ASSUMING A MAXIMUM DISCRETIONARY AWARD OF \$4,860

CBO's March 2015 Baseline

(Budget authority, program costs, and outlays in millions, by fiscal year)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2015-2020	2015-2025
Discretionary Pell Grant Program													
Assumed Discretionary Maximum Award Level^a	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860		
Total Federal Spending Discretionary Pell Grants													
Program Costs	25,647	25,860	26,031	26,265	26,612	27,001	27,480	27,946	28,391	28,809	29,196	157,416	299,238
Outlays	25,704	25,705	25,904	26,092	26,356	26,714	27,126	27,601	28,061	28,499	28,909	156,476	296,674
Mandatory Pell Grant Program													
Projected Additional Mandatory Award^b	\$915	\$1,005	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140	\$1,140		
Total Federal Spending for Mandatory Pell Grant Addon													
Program Costs	5,684	6,311	7,266	7,359	7,458	7,564	7,702	7,828	7,943	8,094	8,285	41,641	81,492
Outlays	5,388	5,849	6,562	7,281	7,385	7,486	7,600	7,734	7,858	7,983	8,143	39,951	79,269
Total Pell Grant Program													
Total Maximum Award	\$5,775	\$5,865	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000		
Total Federal Spending for Pell Grants													
Program Costs	31,331	32,171	33,297	33,624	34,070	34,565	35,182	35,774	36,334	36,903	37,481	199,057	380,730
Outlays	31,093	31,554	32,466	33,374	33,741	34,199	34,726	35,335	35,919	36,482	37,052	196,427	375,942
Total Projected Recipients (in thousands)	8,450	8,600	8,700	8,790	8,990	9,130	9,270	9,390	9,540	9,690	9,840		

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 assumes a maximum discretionary award level of \$4,860 in fiscal years 2016 to 2025. 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 2015 is based on the total published by the Department of Education in the Federal Register on January, 2015.