



Pell Grant Program

The Federal Pell Grant Program provides low-income students with access to funding for postsecondary education at four-year colleges and universities, for-profit schools, two-year colleges, and institutions that specialize in occupational training. Grants are awarded on the basis of financial need and academic course load. The program has three sources of funding: discretionary budget authority, which provides the largest portion and supports a maximum award set in the annual appropriation act; mandatory budget authority, which is specified in the Higher Education Act; and a “mandatory add-on,” which is automatically added, on the basis of a formula, to the discretionary portion of each award.

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BUDGET INFORMATION											
Historical Pell Grant Funding and Program Costs, 2011 to 2021											
Budget authority in millions of dollars, by fiscal year											
Regular Discretionary Appropriation^a	22,956	22,824	22,778	22,778	22,475	22,475	21,165	22,475	21,875	21,975	21,975
Amount and Source of Additional Funding^b											
Healthcare and Education Reconciliation Act of 2010	13,500	0	0	0	0	0	0	0	0	0	0
DoD and Full-Year Continuing Resolution Appropriations Act of 2011	0	3,183	0	0	0	0	1,060	1,125	1,125	1,140	1,145
Budget Control Act of 2011	0	10,000	7,000	0	0	0	0	0	0	0	0
Consolidated Appropriations Act, 2012	0	612	587	588	0	0	514	257	284	290	0
Consolidated Appropriations Act, 2017	0	0	0	0	0	0	-254	0	0	0	0
Consolidated Appropriations Act, 2019	0	0	0	0	0	0	0	-48	0	0	0
Labor, HHS, Education Appropriations Act, 2019	0	0	0	0	0	0	0	0	-39	0	0
FUTURE Act, 2019	0	0	0	0	0	0	0	0	0	25	25
Further Consolidated Appropriations Act, 2020	0	0	0	0	0	0	0	0	0	-50	0
Consolidated Appropriations Act, 2021	0	0	0	0	0	0	0	0	0	0	-28
Total Budget Authority for Discretionary Program	36,456	36,619	30,365	23,366	22,475	22,475	22,485	23,809	23,245	23,380	23,118
Previous Year Shortfall (-) or Surplus	-9,569	-1,781	7,701	11,696	9,482	8,605	9,295	9,007	10,124	10,623	12,520
Total Available Budget Authority	26,887	34,838	38,066	35,062	31,957	31,080	31,780	32,816	33,369	34,003	35,638
Estimated Program Costs	<u>28,668</u>	<u>27,137</u>	<u>26,370</u>	<u>25,580</u>	<u>23,352</u>	<u>21,785</u>	<u>22,773</u>	<u>22,692</u>	<u>22,746</u>	<u>21,441</u>	<u>21,965</u>
Cumulative Shortfall (-) or Surplus ^c	-1,781	7,701	11,696	9,482	8,605	9,295	9,007	10,124	10,623	12,562	13,714
Estimated Surplus Entering Fiscal Year 2022	13,714										

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
Budget Authority Needed to Support a Maximum Award of \$5,435 and Other Available Funding												
Estimated Program Cost for \$5,435 Maximum Award ^d	23,052	26,755	27,263	27,732	28,161	28,665	29,139	29,656	30,094	30,687	132,963	281,204
Estimated Cumulative Surplus, 2006 to 2021 ^e	13,714	-	-	-	-	-	-	-	-	-	13,714	13,714
Mandatory-for-Discretionary Budget Authority ^f	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	5,850	11,700
Total Additional Budget Authority Needed^g	8,168	25,585	26,093	26,562	26,991	27,495	27,969	28,486	28,924	29,517	113,400	255,790

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
PROGRAM COSTS											
Millions of dollars											
Discretionary Pell Grant Program Costs											
Assumed Discretionary Maximum Award (Dollars) ^d	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435	5,435
Total for Discretionary Pell Grants											
Estimated Program Costs	21,965	23,052	26,755	27,263	27,732	28,161	28,665	29,139	29,656	30,094	30,687
Estimated Outlays	21,590	22,242	24,004	26,850	27,380	27,839	28,288	28,783	29,268	29,764	30,244
Mandatory Pell Grant Program Costs											
Mandatory Add-On Award (Dollars) ^h	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Total for Mandatory Pell Grant Add-On											
Estimated Program Costs	5,319	5,510	5,789	5,894	6,019	6,148	6,244	6,365	6,470	6,636	6,656
Estimated Outlays	5,259	5,367	5,580	5,814	5,925	6,051	6,172	6,275	6,391	6,512	6,640
Total Pell Grant Program											
Total Maximum Award (Dollars)	6,495	6,495	6,495	6,495	6,495	6,495	6,495	6,495	6,495	6,495	6,495
Total Spending for Pell Grants											
Estimated Program Costs	27,284	28,562	32,544	33,157	33,751	34,310	34,909	35,504	36,125	36,731	37,342
Estimated Outlays	26,849	27,610	29,585	32,664	33,305	33,890	34,460	35,058	35,660	36,276	36,884
Total Projected Recipients (Thousands of people)	6,250	6,540	7,300	7,440	7,580	7,720	7,860	8,000	8,140	8,280	8,430

Components may not sum to totals because of rounding; n.a. = not applicable; DoD = Department of Defense; HHS = Department of Health and Human Services.

- Includes rescissions. For fiscal year 2021, the Congress appropriated \$22.5 billion and rescinded \$500 million.
- Most of the additional budget authority provided to support the discretionary program is classified as mandatory. Beginning in 2011, the total amount of additional funding can be found in section 401(b)7(A)(iv) of the Higher Education Act of 1965. That budget authority is used to augment the funding provided in annual appropriations for the discretionary Pell grant program.
- The cumulative shortfall or surplus in budget authority is calculated under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).
- The Pell grant program is primarily a discretionary program, with an annual appropriation supporting a maximum award set in the annual appropriation act. In the most recently enacted appropriation act, the maximum award was set at \$5,435. Estimated discretionary program costs assume a \$5,345 award through 2031.
- The cumulative shortfall or surplus in budget authority is calculated under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).
- Mandatory budget authority available to supplement funding for the discretionary portion of the Pell grant program, as provided in section 401(b)7(A)(iv) of the Higher Education Act of 1965.
- Estimated budget authority needed to support a maximum award of \$5,435 under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).
- Under current law, the amount of the mandatory add-on for each year over the 2021-2031 period is the same as the amount in award year 2017-2018, which was published by the Department of Education in a Dear Colleague Letter on October 18, 2016.