



## **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.

**Pell Grant Program**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>BUDGET INFORMATION</b>											
<b>Historical Pell Grant Funding and Program Costs, 2012 to 2022</b>											
By fiscal year, budget authority in millions of dollars											
<b>Regular Discretionary Appropriation<sup>a</sup></b>	22,824	22,778	22,778	22,475	22,475	21,165	22,475	21,875	21,975	21,975	21,425
<b>Amount and Source of Funding Increase or Reduction (-)<sup>b</sup></b>											
DoD and Full-Year Continuing Resolution											
Appropriations Act of 2011	3,183	0	0	0	0	1,060	1,125	1,125	1,140	1,145	1,145
Budget Control Act of 2011	10,000	7,000	0	0	0	0	0	0	0	0	0
Consolidated Appropriations Act, 2012	612	587	588	0	0	514	257	284	290	0	0
Consolidated Appropriations Act, 2017	0	0	0	0	0	-254	0	0	0	0	0
Consolidated Appropriations Act, 2019	0	0	0	0	0	0	-48	0	0	0	0
Labor, HHS, Education Appropriations Act, 2019	0	0	0	0	0	0	0	-39	0	0	0
FUTURE Act, 2019	0	0	0	0	0	0	0	0	25	25	25
Further Consolidated Appropriations Act, 2020	0	0	0	0	0	0	0	0	-50	0	0
Consolidated Appropriations Act, 2021	0	0	0	0	0	0	0	0	0	-28	0
Consolidated Appropriations Act, 2022	0	0	0	0	0	0	0	0	0	0	-85
Total Budget Authority for Discretionary Program	36,619	30,365	23,366	22,475	22,475	22,485	23,809	23,245	23,380	23,117	22,510
<b>Previous Year Shortfall (-) or Surplus<sup>c</sup></b>	<u>-1,781</u>	<u>7,701</u>	<u>11,696</u>	<u>9,482</u>	<u>8,607</u>	<u>9,298</u>	<u>9,013</u>	<u>10,132</u>	<u>10,631</u>	<u>12,147</u>	<u>13,921</u>
Total Available Budget Authority	34,838	38,066	35,062	31,957	31,082	31,783	32,822	33,377	34,011	35,264	36,431
<b>Estimated Program Costs</b>	<u>27,137</u>	<u>26,370</u>	<u>25,580</u>	<u>23,350</u>	<u>21,784</u>	<u>22,770</u>	<u>22,690</u>	<u>22,746</u>	<u>21,864</u>	<u>21,343</u>	<u>22,643</u>
Cumulative Surplus <sup>c</sup>	7,701	11,696	9,482	8,607	9,298	9,013	10,132	10,631	12,147	13,921	13,788
<b>Estimated Surplus Entering Fiscal Year 2023</b>	13,788										

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2027	2023-2032
<b>Budget Authority Needed to Support a Maximum Award of \$5,835 and Other Available Funding</b>												
Estimated Program Cost for \$5,835 Maximum Award <sup>d</sup>	22,625	25,304	25,864	26,385	26,998	27,369	28,071	28,951	29,676	30,383	127,176	271,626
Estimated Cumulative Surplus, 2006 to 2022 <sup>e</sup>	13,788										13,788	13,788
Mandatory-for-Discretionary Budget Authority <sup>g</sup>	<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>	<u>5,850</u>	<u>11,700</u>
<b>Total Additional Budget Authority Needed<sup>f</sup></b>	7,667	24,134	24,694	25,215	25,828	26,199	26,901	27,781	28,506	29,213	107,538	246,138

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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>PROGRAM COSTS</b>											
By Fiscal Year, Millions of Dollars											
<b>Discretionary Pell Grant Program Costs</b>											
Assumed Discretionary Maximum Award (Dollars) <sup>d</sup>	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835
Total for Discretionary Pell Grants											
Estimated Program Costs	22,643	22,625	25,304	25,864	26,385	26,998	27,369	28,071	28,951	29,676	30,383
Estimated Outlays	21,686	22,626	23,321	25,423	25,994	26,540	27,089	27,548	28,293	29,131	29,853
<b>Mandatory Pell Grant Program Costs</b>											
Mandatory Add-On Award (Dollars) <sup>e</sup>	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	4,729	4,987	5,275	5,410	5,553	5,671	5,807	5,949	6,083	6,225	6,373
Estimated Outlays	4,866	4,798	5,059	5,308	5,446	5,582	5,705	5,842	5,982	6,118	6,262
<b>Total Pell Grant Program</b>											
Total Maximum Award (Dollars)	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895
Total Spending for Pell Grants											
Estimated Program Costs	27,372	27,612	30,579	31,275	31,939	32,669	33,175	34,020	35,033	35,901	36,756
Estimated Outlays	26,551	27,423	28,381	30,730	31,440	32,122	32,793	33,390	34,275	35,249	36,115
<b>Total Projected Recipients (Thousands of people)</b>	5,900	5,960	6,440	6,580	6,710	6,850	6,950	7,110	7,270	7,450	7,630

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

- Includes rescissions. For fiscal year 2022, the Congress appropriated \$22.5 billion and rescinded \$1,050 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 \$5,835. Estimated discretionary program costs assume a \$5,835 award through 2032.
- 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 \$5,835 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 2022-2032 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.