

# TABLE 6

Apr-11

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

Updated April 2011 to Reflect Enactment of the Department of Defense and Full-Year Continuing Appropriations Act of 2011

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PELL GRANT PROGRAM, DISCRETIONARY PORTION ONLY, CBO MARCH BASELINE, UPDATED FOR RECENT LEGISLATIVE ACTION a/</b>													
<i>Regular Appropriation</i>													
Maximum award	\$4,860	\$4,860	\$4,860	---	---	---	---	---	---	---	---	---	---
Budget Authority	17,288	17,495	22,956	23,209	23,576	23,966	24,356	24,792	25,298	25,826	26,331	26,859	27,387
Outlays	12,675	19,396	19,498	21,670	23,048	23,678	24,068	24,470	24,924	25,435	25,957	26,468	26,996
<i>Funding under section 401(b)8(A)(iv) of the Higher Education Act of 1965 provided in the Healthcare and Education Reconciliation Act of 2010 and the Department of Defense and Full-Year Continuing Appropriations Act of 2011 b/</i>													
Budget Authority	0	0	13,500	3,183	0	0	0	0	1,060	1,125	1,125	1,140	1,145
Outlays	0	0	11,366	5,290	28	0	0	0	286	1,067	1,124	1,129	1,141
<i>American Recovery and Reinvestment Act of 2009</i>													
Budget Authority	15,640	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	6,300	8,651	647	42	0	0	0	0	0	0	0	0	0
<b>Total</b>													
Budget Authority	32,928	17,495	36,456	26,392	23,576	23,966	24,356	24,792	26,358	26,951	27,456	27,100	27,632
Outlays	18,975	28,047	31,511	27,002	23,076	23,678	24,068	24,470	25,211	26,502	27,081	26,706	27,238

### ESTIMATED DISCRETIONARY CUMULATIVE SHORTFALL/SURPLUS

(by fiscal year, in millions)

	2006	2007	2008	2009	2010	2011	2012
Regular Discretionary Appropriation	13,045	13,661	14,215	17,288	17,495	22,956	0
Healthcare and Education Reconciliation Act of 2010	0	0	0	0	0	13,500	0
American Recovery and Reinvestment Act of 2009	0	0	0	15,640	0	0	0
DOD and Full-Year Cont. Appropriations. Act of 2011	0	0	0	0	0	0	3,183
Total Available Budget Authority	13,045	13,661	14,215	32,928	17,495	36,456	3,183
Estimated Program Costs		<u>12,826</u>	<u>14,697</u>	<u>16,069</u>	<u>26,883</u>	<u>31,595</u>	<u>0</u>
Cumulative Surplus/Shortfall (-)		219	-817	-2,671	3,374	-10,726	-5,727

### ESTIMATED GAP FOR 2012 BETWEEN BUDGET AUTHORITY NEEDED TO SUPPORT A MAXIMUM AWARD OF \$4,860 AND THE CBO BASELINE

	2012
Estimated 2012 Program Costs for \$4,860	31,686
Cumulative Shortfall	-2,544
Total Budget Authority Needed for 2012	34,230
Budget Authority in CBO Baseline for 2012	23,209
Gap Between 2012 Program Costs and Baseline	11,022

a. The CBO March 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 2011. Outlays for future years are based on these levels of budget authority.

b. Budget authority provided in the Healthcare and Education Reconciliation Act of 2010 and the Department of Defense and Full-Year Continuing Resolution Appropriations Act of 2011 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.

**TABLE 7**

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

Updated April 2011 to Reflect Enactment of the Department of Defense and Continuing Appropriations Act of 2011

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-2016	2011-2021
<b>Discretionary Pell Grant Program</b>													
<b>Assumed Discretionary Maximum Award Level a/</b>	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860		
<b>Discretionary Pell Grant Program</b>													
Program Costs	31,457	31,686	31,489	31,954	32,401	32,941	33,362	33,866	34,293	34,794	35,229	191,929	363,473
Outlays	31,511	31,520	31,631	31,617	32,070	32,543	33,049	33,494	33,977	34,424	34,906	190,891	360,742
<b>Mandatory Pell Grant Program</b>													
<b>Projected Additional Mandatory Award b/</b>	\$690	\$690	\$760	\$850	\$955	\$1,070	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200		
<b>Total Federal Spending for Mandatory Pell Grants</b>													
Program Costs	5,315	5,316	5,858	6,671	7,660	8,803	10,080	10,236	10,361	10,512	10,627	39,622	91,439
Outlays	5,041	5,312	5,462	6,072	6,930	7,959	9,136	10,110	10,268	10,401	10,541	36,775	87,231
<b>Total Pell Grant Program</b>													
<b>Total Maximum Award</b>	\$5,550	\$5,550	\$5,620	\$5,710	\$5,815	\$5,930	\$6,060	\$6,060	\$6,060	\$6,060	\$6,060		
<b>Total Federal Spending for Pell Grants</b>													
Program Costs	36,772	37,002	37,348	38,625	40,061	41,744	43,443	44,102	44,655	45,305	45,856	231,551	454,912
Outlays	36,551	36,832	37,093	37,689	39,000	40,501	42,186	43,604	44,245	44,825	45,448	227,666	447,973
<b>Total Projected Recipients (in thousands)</b>	9,880	9,910	9,950	10,160	10,420	10,660	10,980	11,170	11,330	11,520	11,670		

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 maximum discretionary award level of \$4,860. If the discretionary award level were set at a different amount, the mandatory award level would also change.

Note: The estimated program costs include savings from the proposed FAFSA-IRS Data Retrieval Process (GEN-11-03) and the proposed and final rules on "gainful employment" (75 Fed. Reg. 66665 and 75 Fed. Reg. 43616). If timing on the implementation of these policies were changed, it would change CBO's estimate of program costs.