

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

CBO's March 2016 Baseline

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PELL GRANT PROGRAM, DISCRETIONARY PORTION ONLY, CBO MARCH BASELINE^a											
<i>Regular Appropriation</i>											
Maximum award ^b	\$4,860	---	---	---	---	---	---	---	---	---	---
Budget Authority	22,475	22,857	23,307	23,756	24,228	24,723	25,217	25,734	26,251	26,778	27,316
Outlays	23,070	24,921	28,561	23,501	23,879	24,357	24,851	25,352	25,868	26,388	26,918
<i>Mandatory funding under section 401(b)7(A)(iv) of the Higher Education Act of 1965^c</i>											
Budget Authority	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145	1,145	1,145
Outlays	188	425	1,506	1,391	1,414	1,353	1,148	1,145	1,145	1,145	1,145
<i>Total</i>											
Budget Authority	22,475	24,431	24,689	25,165	25,658	25,868	26,362	26,879	27,396	27,923	28,461
Outlays	23,258	25,346	30,067	24,892	25,293	25,710	25,999	26,497	27,013	27,533	28,063
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

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	22,475
American Recovery and Reinvestment Act of 2009	0	0	0	15,640	0	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	0
DOD and Full-Year Cont. Appropriations. Act of 2011 ^a	0	0	0	0	0	0	3,183	0	0	0	0
Budget Control Act of 2011 ^a	0	0	0	0	0	0	10,000	7,000	0	0	0
Consolidated Appropriations Act, 2012 ^a	0	0	0	0	0	0	612	587	588	0	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	22,475
Estimated Program Costs	<u>12,825</u>	<u>14,699</u>	<u>16,054</u>	<u>26,844</u>	<u>30,552</u>	<u>28,796</u>	<u>27,541</u>	<u>26,511</u>	<u>25,318</u>	<u>23,398</u>	<u>22,808</u>
Cumulative Surplus/Shortfall (-) ^d	220	-818	-2,657	3,427	-9,630	-1,970	7,108	10,962	9,010	8,087	7,754

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
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ESTIMATED DIFFERENCE BETWEEN BUDGET AUTHORITY NEEDED TO SUPPORT A MAXIMUM AWARD OF \$4,860 AND AVAILABLE FUNDING

Estimated Program Cost for \$4,860 Maximum Award	23,099	23,541	24,050	24,434	24,817	25,308	25,723	26,123	26,537	26,865
Cumulative Surplus for 2006-2016 ^d	7,754	0	0	0	0	0	0	0	0	0
Mandatory Budget Authority Available ^c	<u>1,574</u>	<u>1,382</u>	<u>1,409</u>	<u>1,430</u>	<u>1,145</u>	<u>1,145</u>	<u>1,145</u>	<u>1,145</u>	<u>1,145</u>	<u>1,145</u>
Total Additional Budget Authority Needed ^e	13,771	22,159	22,641	23,004	23,672	24,163	24,578	24,978	25,392	25,720

a. Some of the 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 is 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 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.

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. 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).

e. 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 2016 Baseline

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
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 for Discretionary Pell Grants													
Program Costs	22,808	23,099	23,541	24,050	24,434	24,817	25,308	25,723	26,123	26,537	26,865	142,749	273,305
Outlays	23,258	22,892	23,215	23,674	24,149	24,534	24,946	25,415	25,827	26,231	26,622	141,722	270,763
Mandatory Pell Grant Program													
Projected Additional Mandatory Award^b	\$955	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055	\$1,055		
Total Federal Spending for Mandatory Pell Grant Addon													
Program Costs	5,378	6,033	6,123	6,281	6,377	6,465	6,582	6,686	6,786	6,890	6,993	36,657	70,594
Outlays	5,151	5,552	6,051	6,165	6,305	6,399	6,496	6,609	6,712	6,813	6,917	35,623	69,170
Total Pell Grant Program													
Total Maximum Award	\$5,815	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915		
Total Federal Spending for Pell Grants													
Program Costs	28,186	29,132	29,664	30,331	30,811	31,282	31,890	32,409	32,909	33,427	33,858	179,406	343,899
Outlays	28,409	28,444	29,266	29,839	30,454	30,933	31,442	32,024	32,539	33,044	33,539	177,345	339,933
Total Projected Recipients (in thousands)	7,800	7,920	7,990	8,140	8,260	8,380	8,500	8,630	8,770	8,900	9,040		

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 2017 to 2026. 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 2016 is based on the total published by the Department of Education in the Federal Register on January 29, 2016.