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 supports the maximum award set in the annual appropriation 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

#### Historical Pell Grant Funding and Program Costs, 2014 to 2024

**Budget authority in millions of dollars, by fiscal year**

<table>
<thead>
<tr>
<th>Year</th>
<th>Regular Discretionary Appropriation</th>
<th>Amount and Source of Funding Increase or Reduction (-)</th>
<th>Estimated Program Costs</th>
<th>Estimated Surplus Entering Fiscal Year 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget Authority Needed to Support a Maximum Award of $6,335 and Other Available Funding</td>
<td></td>
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</tr>
</tbody>
</table>

**Notes:**

- \(a\) Budget authority in millions of dollars, by fiscal year.
- \(b\) Amount and Source of Funding Increase or Reduction (-).
- \(c\) Estimated Surplus Entering Fiscal Year 2025.
- \(d\) Estimated Program Cost for $6,335 Maximum Award.
- \(e\) Estimated Cumulative Surplus, 2006 to 2024.
- \(f\) Total Additional Budget Authority Needed.

### Mandatory-for-Discretionary Budget Authority

<table>
<thead>
<tr>
<th>Year</th>
<th>Mandatory-for-Discretionary Budget Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>2025</td>
<td>11,412</td>
</tr>
<tr>
<td>2026</td>
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<tr>
<td>2027</td>
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<td>2029</td>
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<td>2030</td>
<td>11,412</td>
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<td>2031</td>
<td>11,412</td>
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<td>2032</td>
<td>11,412</td>
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<td>2033</td>
<td>11,412</td>
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<tr>
<td>2034</td>
<td>11,412</td>
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</table>

### Total Additional Budget Authority Needed

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Additional Budget Authority Needed</th>
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<tbody>
<tr>
<td>2025</td>
<td>114,021</td>
</tr>
<tr>
<td>2026</td>
<td>247,850</td>
</tr>
<tr>
<td>2027</td>
<td>247,850</td>
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<tr>
<td>2028</td>
<td>247,850</td>
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<td>2029</td>
<td>247,850</td>
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<tr>
<td>2030</td>
<td>247,850</td>
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<tr>
<td>2031</td>
<td>247,850</td>
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<tr>
<td>2032</td>
<td>247,850</td>
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<tr>
<td>2033</td>
<td>247,850</td>
</tr>
<tr>
<td>2034</td>
<td>247,850</td>
</tr>
</tbody>
</table>
### Pell Grant Program

**PROGRAM COSTS**

Millions of dollars, by fiscal year

<table>
<thead>
<tr>
<th></th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
<th>2033</th>
<th>2034</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discretionary Pell Grant Program Costs</strong></td>
<td></td>
<td></td>
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<tr>
<td>Assumed Discretionary Maximum Award (Dollars)(^d)</td>
<td>6,335</td>
<td>6,335</td>
<td>6,335</td>
<td>6,335</td>
<td>6,335</td>
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<tr>
<td>Total for Discretionary Pell Grants</td>
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<tr>
<td>Estimated Program Costs</td>
<td>24,452</td>
<td>25,978</td>
<td>26,704</td>
<td>27,061</td>
<td>27,289</td>
<td>27,449</td>
<td>27,633</td>
<td>27,834</td>
<td>28,003</td>
<td>28,187</td>
<td>28,352</td>
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<tr>
<td>Estimated Outlays</td>
<td>25,269</td>
<td>24,860</td>
<td>26,152</td>
<td>26,789</td>
<td>27,117</td>
<td>27,328</td>
<td>27,495</td>
<td>27,684</td>
<td>27,876</td>
<td>28,049</td>
<td>28,228</td>
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<tr>
<td>Mandatory Add-On Award (Dollars)(^g)</td>
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<td>1,060</td>
<td>1,060</td>
<td>1,060</td>
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<td>1,060</td>
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<tr>
<td>Total for Mandatory Pell Grant Add-On</td>
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<tr>
<td>Estimated Program Costs</td>
<td>4,790</td>
<td>5,087</td>
<td>5,240</td>
<td>5,273</td>
<td>5,320</td>
<td>5,345</td>
<td>5,376</td>
<td>5,419</td>
<td>5,459</td>
<td>5,500</td>
<td>5,538</td>
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<tr>
<td>Estimated Outlays</td>
<td>5,019</td>
<td>4,871</td>
<td>5,124</td>
<td>5,247</td>
<td>5,285</td>
<td>5,326</td>
<td>5,353</td>
<td>5,387</td>
<td>5,429</td>
<td>5,469</td>
<td>5,510</td>
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<tr>
<td><strong>Total Pell Grant Program</strong></td>
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<tr>
<td>Total Spending for Pell Grants</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Program Costs</td>
<td>29,242</td>
<td>31,065</td>
<td>31,943</td>
<td>32,335</td>
<td>32,609</td>
<td>32,794</td>
<td>33,010</td>
<td>33,254</td>
<td>33,462</td>
<td>33,686</td>
<td>33,890</td>
</tr>
<tr>
<td>Estimated Outlays</td>
<td>30,287</td>
<td>29,731</td>
<td>31,275</td>
<td>32,036</td>
<td>32,402</td>
<td>32,654</td>
<td>32,848</td>
<td>33,071</td>
<td>33,305</td>
<td>33,518</td>
<td>33,737</td>
</tr>
<tr>
<td><strong>Total Projected Recipients (Thousands of people)</strong></td>
<td>5,940</td>
<td>6,290</td>
<td>6,460</td>
<td>6,530</td>
<td>6,590</td>
<td>6,630</td>
<td>6,660</td>
<td>6,690</td>
<td>6,730</td>
<td>6,770</td>
<td>6,810</td>
</tr>
</tbody>
</table>

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HHS = Health and Human Services. FUTURE = Fostering Undergraduate Talent by Unlocking Resources for Education

a. Includes rescissions. For example, in fiscal year 2023 the Congress appropriated $22.5 billion and rescinded $360 million.
b. 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.
c. 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).
d. The Pell grant program is primarily a discretionary program. The most recent annual appropriation act set the maximum award at $6,335. CBO’s estimates of the program’s costs are based on an assumption that the maximum amount will remain unchanged through 2034.
e. 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.
f. Estimated budget authority needed to support a maximum award of $6,335 under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).
g. The FAFSA Simplification Act set the mandatory add-on award amount at $1,060 for each year.

* On July 2, 2024, CBO updated amounts for Mandatory-for-Discretionary Budget Authority.