



## **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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
<b>BUDGET INFORMATION</b>													
<b>Historical Pell Grant Funding and Program Costs, 2014 to 2024</b>													
Budget authority in millions of dollars, by fiscal year													
<b>Regular Discretionary Appropriation<sup>a</sup></b>	22,778	22,475	22,475	21,165	22,475	21,875	21,975	21,975	21,425	22,115	22,475		
<b>Amount and Source of Funding Increase or Reduction (-)<sup>b</sup></b>													
Appropriations Act of 2011	0	0	0	1,060	1,125	1,125	1,140	1,145	1,145	1,145	1,145		
Consolidated Appropriations Act, 2012	588	0	0	514	257	284	290	0	0	0	0		
Consolidated Appropriations Act, 2017	0	0	0	-254	0	0	0	0	0	0	0		
Consolidated Appropriations Act, 2019	0	0	0	0	-48	0	0	0	0	0	0		
Labor, HHS, Education Appropriations Act, 2019	0	0	0	0	0	-39	0	0	0	0	0		
FUTURE Act	0	0	0	0	0	0	25	25	25	25	25		
Further Consolidated Appropriations Act, 2020	0	0	0	0	0	0	-50	0	0	0	0		
Consolidated Appropriations Act, 2021	0	0	0	0	0	0	0	-28	0	0	0		
Consolidated Appropriations Act, 2022	0	0	0	0	0	0	0	0	-85	0	0		
Consolidated Appropriations Act, 2023	0	0	0	0	0	0	0	0	0	-75	0		
Total Budget Authority for Discretionary Program	23,366	22,475	22,475	22,485	23,809	23,245	23,380	23,117	22,510	23,210	23,645		
<b>Previous Year Shortfall (-) or Surplus<sup>c</sup></b>	<u>11,696</u>	<u>9,482</u>	<u>8,110</u>	<u>8,816</u>	<u>8,533</u>	<u>9,654</u>	<u>10,128</u>	<u>12,190</u>	<u>14,388</u>	<u>14,609</u>	<u>12,219</u>		
Total Available Budget Authority	35,062	31,957	30,585	31,301	32,342	32,899	33,508	35,307	36,898	37,819	35,864		
<b>Estimated Program Costs</b>	<u>25,580</u>	<u>23,847</u>	<u>21,769</u>	<u>22,768</u>	<u>22,688</u>	<u>22,771</u>	<u>21,318</u>	<u>20,919</u>	<u>22,289</u>	<u>25,600</u>	<u>24,452</u>		
Cumulative Surplus <sup>c</sup>	9,482	8,110	8,816	8,533	9,654	10,128	12,190	14,388	14,609	12,219	11,412		
<b>Estimated Surplus Entering Fiscal Year 2025</b>	11,412												
		<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2025-2029</b>	<b>2025-2034</b>
<b>Budget Authority Needed to Support a Maximum Award of \$6,335 and Other Available Funding</b>													
Estimated Program Cost for \$6,335 Maximum Award <sup>d</sup>		25,978	26,704	27,061	27,289	27,449	27,633	27,834	28,003	28,187	28,352	134,481	274,490
Estimated Cumulative Surplus, 2006 to 2024 <sup>c</sup>		11,412										11,412	11,412
Mandatory-for-Discretionary Budget Authority <sup>e, *</sup>		3,170	2,170	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	9,048	15,228
<b>Total Additional Budget Authority Needed<sup>f</sup></b>		11,396	24,534	25,825	26,053	26,213	26,397	26,598	26,767	26,951	27,116	114,021	247,850

**Pell Grant Program**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>PROGRAM COSTS</b>											
Millions of dollars, by fiscal year											
<b>Discretionary Pell Grant Program Costs</b>											
Assumed Discretionary Maximum Award (Dollars) <sup>d</sup>	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335
Total for Discretionary Pell Grants											
Estimated Program Costs	24,452	25,978	26,704	27,061	27,289	27,449	27,633	27,834	28,003	28,187	28,352
Estimated Outlays	25,269	24,860	26,152	26,789	27,117	27,328	27,495	27,684	27,876	28,049	28,228
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	4,790	5,087	5,240	5,273	5,320	5,345	5,376	5,419	5,459	5,500	5,538
Estimated Outlays	5,019	4,871	5,124	5,247	5,285	5,326	5,353	5,387	5,429	5,469	5,510
<b>Total Pell Grant Program</b>											
Total Maximum Award (Dollars)	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395
Total Spending for Pell Grants											
Estimated Program Costs	29,242	31,065	31,943	32,335	32,609	32,794	33,010	33,254	33,462	33,686	33,890
Estimated Outlays	30,287	29,731	31,275	32,036	32,402	32,654	32,848	33,071	33,305	33,518	33,737
<b>Total Projected Recipients (Thousands of people)</b>	5,940	6,290	6,460	6,530	6,590	6,630	6,660	6,690	6,730	6,770	6,810

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.