



Pell Grant Preservation & Expansion Act

*Sponsored by Senator Mazie Hirono (D-HI),
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"Go back and say to your children and to your grandchildren, and those who come after you and follow you—tell them that we have made a promise to them. Tell them that the truth is here for them to seek. And tell them that we have opened the road and we have pulled the gates down and the way is open, and we expect them to travel it."

President Lyndon B. Johnson, Remarks upon Signing the Higher Education Act of 1965

Fifty-two years ago, the Higher Education Act was signed into law with the goal of providing students with the knowledge, skills, and abilities to grow and strengthen their economic security. By investing more in higher education, we can give students and families the ability to afford critical education and training and the opportunity to succeed. The Pell Grant program is the largest source of federally-funded grant aid for postsecondary education, serving nearly eight million students, or more than 40 percent of all students enrolled in higher education.

Unfortunately, as college costs have risen dramatically in recent decades, the purchasing power of the Pell Grant has reached a record low. Additionally, large fluctuations in the economy have harmed working families and created unnecessary uncertainty that funding will be there to support students with financial need. Unstable and unpredictable funding is not the promise that the Higher Education Act of 1965 envisioned.

Instead of introducing thoughtful proposals to secure the Pell Grant program in light of these urgent challenges, President Trump has proposed to raid \$3.9 billion from the Pell Grant program in Fiscal Year 2018 to pay for a border wall, increased defense spending, and other priorities. If combined with draconian cuts to mandatory funds proposed in many previous budgets by Congressional Republicans, the President's raid would severely destabilize the funding of this critical grant program and potentially lead to slashing award levels or cutting many students out of the program entirely. Undermining the Pell Grant will push college even further out of reach for low-income students and drive many students deeper into debt.

Congress must reject this vision for higher education and student aid. Instead, the Pell Grant program must continue to be a reliable source of funding for aspiring students, their families, and future generations. Building on the bipartisan reinstatement of the year-round Pell Grant, and the rejection of other devastating higher education cuts in the Consolidated Appropriations Act of 2017 (Public Law 115-31), the *Pell Grant Preservation and Expansion Act* would:

- **Improve the purchasing power of Pell Grants:** The maximum Pell Grant of \$5,920 in 2017-2018 will cover just 29 percent of the costs of college at a public university, compared to 79 percent of those costs shortly after Congress created the grant 40 years ago. Under current law, the maximum Pell Grant will also remain fixed at this level in Fiscal Year 2018 with no future inflationary increases, which would further erode the purchasing power of the grant. This bill would provide an immediate \$500 increase to the maximum award and grow the value of the Pell Grant over time by permanently indexing it to inflation.
- **Shift the Pell Grant program to mandatory funding:** By making Pell Grant funding fully mandatory, instead of subject to the annual discretionary appropriations process, this bill

ensures that students can count on their Pell Grants being fully funded now and into the future. In particular, enrollment tends to spike during recessions when workers seek retraining and upskilling, often leading to devastating exclusions from eligibility and other short-sighted changes to financial aid policy. Mandatory funding will ensure that the Pell Grant program is stable even during tough economic times.

- **Reinstate Pell Grant eligibility for defrauded students:** This bill would reset the clock on a student's Pell Grant eligibility if they were defrauded as evidenced by successfully asserting a borrower defense, including many former Corinthian College students.
- **Allow DREAMers to afford college:** Undocumented students who were brought here as children are unfairly forbidden from accessing federal financial aid. This bill would extend Pell Grant eligibility to DREAMers, help these students continue their education, and allow our diverse society to benefit from their enormous talents and potential.
- **Restore Pell Grant eligibility for incarcerated individuals:** This bill revokes a counterproductive prohibition banning incarcerated individuals from accessing Pell Grants, which only encourages recidivism and limits their ability to support themselves and their families upon release. Repealing this 1994 provision is also smart policy: for every dollar invested in prison education, four to five dollars are saved on re-incarceration costs.
- **Reinstate Pell Grant eligibility for students with drug-related offenses:** This bill repeals a 1998 prohibition on federal financial aid for college students convicted of a drug offense and eliminates drug questions on the FAFSA. Data show that students of color and low-income students are disproportionately affected by the existing disqualification.
- **Extend Pell Grant eligibility to high-quality, short-term job training programs:** This bill would allow students in short-term job training to be eligible for Pell Grants if they participate in a career pathway program leading to an in-demand, industry-recognized credential. It is important that students and workers have the option to pursue short-term programs to gain the training, skills, and credentials that are in high demand in their local or regional labor market, and that prepare them for professional licensure or certification.
- **Move the Iraq & Afghanistan Service Grant into the Pell Grant program:** By moving this program for children of fallen military servicemembers who died in the line of duty in Iraq or Afghanistan since 9/11 into the Pell Grant program, it safeguards a recipient from more than \$400 per year in cuts to their grant as a result of the sequester.
- **Increase support for working students:** This bill reduces the "work penalty" that many students face when working to support themselves and offset rising college costs. By enacting a 35 percent increase to the income protection allowance (IPA) for working students, this bill will shield more of their income from any offset to financial aid.
- **Allow very low-income students and families to qualify for full Pell Grants:** This bill fully reverses cuts to the income threshold at which a student receives a zero dollar expected family contribution (EFC) back to \$34,000, which is where the level would have grown to if cuts had not been made in 2011. This change will streamline the financial aid process for the poorest students and ensure they can easily access a full Pell Grant.
- **Increase Pell Grant lifetime eligibility to 14 semesters:** Too many students exhaust their Pell Grant eligibility before they are able to complete their program, often because their credits didn't transfer, they had to care for family members, or even when they attended fraudulent institutions. This bill extends eligibility from the current 12 semesters to 14.