

Pell Grant Preservation & Expansion Act of 2021

“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*

More than 55 years ago, the *Higher Education Act* was signed into law to broaden access to higher education and provide students with the knowledge, skills, and abilities essential to shared and equitable economic growth. This groundbreaking law established the framework for federal financial aid programs that would later include the precursor to the Pell Grant. Today, the Pell Grant program is the cornerstone of federal financial aid for postsecondary education, serving more than 6.7 million students, or 40 percent of all undergraduate students in higher education.

However, as college prices have risen dramatically in recent decades, the purchasing power of the Pell Grant has reached a record low. Despite recent efforts to keep the grant level with inflation through additional discretionary appropriations, students and families are falling further behind. At its peak, the maximum Pell Grant covered more than three-quarters of the price of attending a four-year public college, but today it covers less than one-third of that price. State disinvestment from higher education has also reduced the ability of students to afford a degree or credential.

As the American economy recovers from the unprecedented economic crisis of the COVID-19 pandemic, we must solidify the investment in students and families and advance a more equitable economic future for the next generation. Building on bipartisan action to expand Pell Grants in recent years, the ***Pell Grant Preservation and Expansion Act*** would:

- **Double the maximum Pell Grant to restore its purchasing power:** The scheduled maximum Pell Grant for 2021-2022 is \$6,495. Under current law, the maximum Pell Grant will also remain fixed at this level in Fiscal Year 2022, absent additional discretionary appropriations to the program. This bill would increase the maximum Pell Grant by \$1,475 for the 2022-2023 award year, and double the maximum Pell Grant over a period of five years thereafter, to \$13,000, restoring the purchasing power of the Pell Grant.
- **Shift the Pell Grant program to fully mandatory funding:** By making Pell Grant funding fully mandatory, this bill ensures that students can count on their Pell Grants being fully funded now and into the future and protects the program from funding shortfalls. In the past, these funding shortfalls have led to eligibility restrictions that have reduced access for students and could lead to cuts in the maximum award. Shifting to fully mandatory funding will ensure that the Pell Grant program is stable even during tough economic times.
- **Allow DREAMers to afford college:** Undocumented students are unfairly restricted from accessing federal financial aid. This bill would extend Pell Grant eligibility to DREAMers, help these hardworking students

continue their education, and allow our diverse country and society to benefit from the enormous talent and potential of all students.

- **Reform “Satisfactory Academic Progress” (SAP) requirements:** Approximately 40 percent of first-year Pell Grant recipients risk losing access to Pell Grants due to confusing SAP requirements. Under current law, these penalties have become increasingly strict and disproportionately harm students of color. The consequences are also permanent, denying students with low incomes the opportunity to succeed in higher education with the support of financial aid. This bill promotes student success by providing academic progress warnings to students before they lose financial aid eligibility and resetting Pell Grant eligibility two years after a student is enrolled at an institution of higher education.
- **Help students and families with low incomes:** The bill builds on recent improvements to the financial aid formulas to allow students and families who receive a federal benefit program like SNAP or Medicaid to automatically qualify for the maximum aid, and to receive an extra award of up to \$1,500 in addition to the maximum Pell Grant (\$14,500 in total).
- **Move the Iraq & Afghanistan Service Grant into the Pell Grant program and streamline the Children of Fallen Heroes Scholarship:** The Iraq and Afghanistan Service Grant Program supports the dependents of fallen military service members who died during service in Iraq or Afghanistan since 9/11. By moving this important initiative into the Pell Grant program, the bill safeguards recipients from more than \$400 per year in cuts to their grant as a result of the sequester. The bill also streamlines and aligns eligibility for the Children of Fallen Heroes Scholarship, which supports dependents of public safety officers who die in the line of duty.
- **Reinstate Pell Grant lifetime eligibility to 18 semesters:** Too many students exhaust their Pell Grant eligibility before they can complete their programs, often because their credits didn’t transfer or they had to care for themselves or a loved one. This bill extends eligibility from the current 12 semesters back to 18 semesters as it existed before 2011 eligibility cuts related to a Pell Grant funding shortfall.
- **Broaden access to Pell for part-time students:** The bill sets the minimum award level at 5 percent of the maximum award, rather than 10 percent, to ensure part-time students, such as returning adults who may only be able to take a few classes at a time, are able to retain access to aid as the maximum award grows. This change also prevents the creation of a cliff effect, as the current-law minimum award threshold would otherwise deny aid to any student eligible for less than \$1,300 once the doubled Pell grant is fully phased in. Under the bill, as the maximum Pell Grant doubles to \$13,000, a student will still be able to receive an award of \$650 to support their education.