

# Aim Higher

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## **The Pell Grant Preservation and Expansion Act**

### **Section 1. Short Title.**

The title of this Act is the Pell Grant Preservation and Expansion Act.

### **Section 2. Findings.**

The United States needs individuals who have the knowledge and skills to thrive as educated citizens. Investments in higher education, such as through the Federal Pell Grant, allow students to acquire education and training opportunities beyond high school. The Federal Pell Grant, which is the largest source of Federal grant aid for postsecondary education, allows for millions of students – including three in five African American undergraduates and one in two Latino undergraduates – to attend college. In order to continue serving millions of students, the program should become a fully mandatory program that grows with inflation.

### **Section 3. Table of Contents; References.**

Provides the table of contents and states that, unless otherwise noted, provisions reflect amendments or repeals to sections of the Higher Education Act of 1965 (HEA).

### **Section 4. Funding Federal Pell Grants through Mandatory Funding.**

States that the maximum Pell Grant will increase by \$500 for a total of \$6,420 in 2018-2019, and will be annually adjusted for inflation rounded to the nearest \$5 in subsequent years. It authorizes “such sums as may be necessary” and appropriated out of any money in the Treasury not otherwise appropriated to fund the program. The section also repeals the requirement that the Congressional Budget Office score the program each year.

In order to combat the impact of mass incarceration in communities of color and reduce recidivism in America, this section repeals language in the HEA that currently makes incarcerated individuals ineligible to receive Pell Grants.

### **Section 5. Restoring Federal Pell Grant Eligibility for Borrower Defense.**

Restores Pell Grant eligibility for students who had federal student loans forgiven due to school closure or fraudulent institutional behavior or for students who successfully assert a borrower defense claim. This section also restores Pell Grant eligibility to students who did not receive a federal student loan but would have qualified for a loan discharge due to the circumstances noted above.

## **Section 6. Federal Pell Grant Eligibility for Dreamer Students.**

Allows “Dreamer students” to be eligible for federal financial aid. A “Dreamer student” is defined as an individual who –

- (A) was younger than 16 when brought to the United States;
- (B) provides documentation of secondary school enrollment while in the United States; and
- (C) has done any one of the following:
  - earned (or be in the process of earning) a high school diploma or its equivalent;
  - acquired an associate’s degree or higher;
  - been eligible for a grant of deferred action; or
  - served in the uniformed services.

The section also allows the Secretary to waive some of the above requirements under a hardship exception.

## **Section 7. Repeal of Suspension of Eligibility under the Higher Education Act of 1965 for Grants, Loans, and Work Assistance for Drug-Related Offenses.**

Removes statutory language that limits eligibility for students who have a drug-related offense and restricts the Secretary from including any question about convictions related to the possession or sale of illegal drugs on the Free Application for Federal Student Aid (FAFSA).

## **Section 8. Extending Federal Pell Grant Eligibility of Certain Short-Term Programs.**

Allows the use of Pell Grants for short-term job training programs at institutions of higher education that lead to a recognized postsecondary credential recognized by employers in the relevant industry. Training must be aligned with requirements of employers in the State or local area as defined in the Workforce Innovation and Opportunity Act (WIOA). Only eligible providers listed in WIOA can participate. Additionally, a program’s duration must last between 8 and 15 weeks, and a program must provide between 150 and 600 hours of instructional time during that period.

The maximum job training Pell Grant is 50 percent of the maximum Federal Pell Grant. To be eligible, students cannot have already received a baccalaureate or post-baccalaureate degree. Periods of receiving job training Pell Grants will be included in calculating a student’s total eligibility period for Federal Pell Grants.

To ensure the effectiveness of Pell Grants for short-term job training programs, this section includes a compliance provision to an accrediting agency or association’s criteria for recognition. If an agency or association wishes to accredit a participating institution of higher education that participates in the job training Federal Pell Grant program, the agency or association must establish a process for determining alignment between the program and requirements of State and local employers. The agency or association must also require programs to demonstrate that each credential is recognized by an industry or sector partnership and that the academic content and amount of instructional time is sufficient to prepare students to find employment in the field of training, including preparation for any licensure or certification exams required in that field.

## **Section 9. Providing Federal Pell Grants for Dependents of Deceased Iraq and Afghanistan Military Service Members.**

Current law provides grants to the children of military service members who died as a result of performing military service in Iraq or Afghanistan after September 11, 2001. To receive the grant, the student must have been younger than 24 years of age or enrolled at an institution of higher education at the time of the parent or guardian’s death. This section makes the Iraq and Afghanistan Service Grants program part of the Pell Grant program, which would protect the program from cuts due to sequestration. This change is to take effect for the award year immediately following the date of enactment of this Act.

**Section 10. Increasing Support for Working Students by 35 Percent.**

To allow for basic living expenses such as food, housing, transportation, and medical care, HEA protects some income earned by students (or in the case of a dependent student, the student's parents) from counting as money available to pay for college. This section increases the income protection allowance for academic year 2018-2019 to the following amounts: \$9,010 for a dependent student; \$14,010 for an independent student without dependents who is single, separated, or married and both enrolled in college; and \$22,460 for an independent student without dependents who is married and only one is enrolled in college. It similarly updates the table to increase the income protection allowance for independent students with dependents other than a spouse. The dollar amount varies based on family size and number of dependents in college.

For each academic year after 2018-2019, it directs the Secretary to publish in the Federal Register updated income protection allowance amounts and tables by increasing the 2018-2019 dollar amounts by a percentage equal to the estimated percentage increase in the Consumer Price Index, rounded to the nearest \$10.

**Section 11. Increasing the Federal Pell Grant Auto-Zero Threshold.**

Raises the annual adjusted gross income threshold for maximum Pell Grant award eligibility from \$23,000 to \$34,000. It further requires the Secretary to adjust this amount annually, increasing it by the estimated percentage change in the Consumer Price Index and rounding to the nearest \$1,000.

**Section 12. Raising the Total Semesters of Federal Pell Grant Eligibility.**

Extends the amount of Federal Pell Grant funds that a student may receive over their lifetime from 12 semesters (the equivalent of six years) to 14 semesters (the equivalent of seven years).

**Section 13. Conforming Amendments.**

Makes conforming amendments to HEA in accordance with the changes contained in this Act.

**Section 14. Effective Date.**

This act will take effect on July 1, 2018 and changes will apply beginning with the 2018-2019 award year.