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114TH CONGRESS
1ST SESSION

H. R. 1957

To improve the Federal Pell Grant program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2015

Mr. HINOJOSA (for himself, Mr. SCOTT of Virginia, Ms. LINDA T. SÁNCHEZ of California, Mr. BUTTERFIELD, Ms. JUDY CHU of California, Mr. KIND, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Education and the Workforce

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A BILL

To improve the Federal Pell Grant program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Pell Grant Cost of Tuition Adjustment Act''.

SEC. 2. PURPOSE.

The purpose of this Act is to restore the role of Federal Pell Grants as the foundational Federal investment in higher education, in order to strengthen the economy of the United States by improving opportunities for low-

income students to complete higher education and join the middle class.

SEC. 3. FINDINGS.

Congress finds the following:

(1) Federal Pell Grants provided under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) (referred to in this Act as ''Federal Pell Grants'') have historically been the fundamental Federal investment in helping low-income students pay for college and enter the middle class.

(2) In the 1979–1980 academic year, the maximum Federal Pell Grant paid for 77 percent of the average cost of attendance at an in-State, 4-year institution of higher education. However, in the 2014–2015 academic year, the maximum Federal Pell Grant covered less than one-third of that average cost of attendance or $18,943. For the 2014–2015 academic year, the average cost of only tuition and fees at an in-State, 4-year institution of higher education is $9,139.

(3) The SAFRA Act (Public Law 111–152) provided a slight inflation adjustment to the maximum Federal Pell Grant. However, this increase is lower than the Consumer Price Index and will end after the 2017–2018 academic year.

(4) The program providing Federal Pell Grants already acts as a quasi-entitlement, in which both mandatory funding and discretionary funding combine to maintain a maximum Federal Pell Grant amount.

(5) The Congressional Budget Office reports on any overall financial surplus or shortfall in the funding provided for the Federal Pell Grant program. However, in recent years, in order to meet the maximum Federal Pell Grant level with the provided level of funding, Congress has made cuts to the program through imposing additional eligibility requirements for Federal Pell Grants and limiting the availability of year-round Federal Pell Grants, causing significant uncertainty and reducing access to higher education for millions of hardworking college students.

(6) Removing the Federal Pell Grant program from the uncertainty of the congressional discretionary appropriations process will improve student access to, and the affordability of, higher education.

SEC. 4. INCREASING THE FEDERAL PELL GRANT AND ADDING A COST OF LIVING ADJUSTMENT.

(a) IN GENERAL.—Section 401(b)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(2)(A)) is

amended by striking clauses (i) and (ii) and inserting the following:

"(i)(I) for award year 2014–2015, $9,139; and

"(II) for award year 2015–2016 and each subsequent award year, the amount of the maximum Federal Pell Grant determined under this clause for the immediately preceding award year, increased by a percentage equal to the estimated percentage increase, if any, in the Consumer Price Index (as determined by the Secretary, using the definition in section 478(f)) for the most recent calendar year ending prior to the beginning of that award year; plus

"(ii) any additional amount specified for the maximum Federal Pell Grant in the last enacted appropriation Act applicable to that award year, less".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to Federal Pell Grants awarded under section 401 of the Higher Edu-

1 cation Act of 1965 (20 U.S.C. 1070a) for award year
2 2015–2016 and each succeeding award year.

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