

114TH CONGRESS
1ST SESSION

S. 1061

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

IN THE SENATE OF THE UNITED STATES

APRIL 22, 2015

Ms. HIRONO (for herself, Mr. MARKEY, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pell Grant Cost of
5 Tuition Adjustment Act”.

6 **SEC. 2. PURPOSE.**

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

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

3 **SEC. 3. FINDINGS.**

4 Congress finds the following:

5 (1) Federal Pell Grants provided under section
6 401 of the Higher Education Act of 1965 (20
7 U.S.C. 1070a) (referred to in this Act as “Federal
8 Pell Grants”) have historically been the fundamental
9 Federal investment in helping low-income students
10 pay for college and enter the middle class.

11 (2) In the 1979–1980 academic year, the max-
12 imum Federal Pell Grant paid for 77 percent of the
13 average cost of attendance at an in-State, 4-year in-
14 stitution of higher education. However, in the 2014–
15 2015 academic year, the maximum Federal Pell
16 Grant covered less than one-third of that average
17 cost of attendance or \$18,943. For the 2014–2015
18 academic year, the average cost of only tuition and
19 fees at an in-State, 4-year institution of higher edu-
20 cation is \$9,139.

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

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

6 (5) The Congressional Budget Office reports on
7 any overall financial surplus or shortfall in the fund-
8 ing provided for the Federal Pell Grant program.
9 However, in recent years, in order to meet the max-
10 imum Federal Pell Grant level with the provided
11 level of funding, Congress has made cuts to the pro-
12 gram through imposing additional eligibility require-
13 ments for Federal Pell Grants and limiting the avail-
14 ability of year-round Federal Pell Grants, causing
15 significant uncertainty and reducing access to higher
16 education for millions of hardworking college stu-
17 dents.

18 (6) Removing the Federal Pell Grant program
19 from the uncertainty of the congressional discre-
20 tionary appropriations process will improve student
21 access to, and the affordability of, higher education.

22 **SEC. 4. INCREASING THE FEDERAL PELL GRANT AND ADD-**
23 **ING A COST OF LIVING ADJUSTMENT.**

24 (a) IN GENERAL.—Section 401(b)(2)(A) of the High-
25 er Education Act of 1965 (20 U.S.C. 1070a(b)(2)(A)) is

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

3 “(i)(I) for award year 2014–2015,
4 \$9,139; and

5 “(II) for award year 2015–2016 and
6 each subsequent award year, the amount
7 of the maximum Federal Pell Grant deter-
8 mined under this clause for the imme-
9 diately preceding award year, increased by
10 a percentage equal to the estimated per-
11 centage increase, if any, in the Consumer
12 Price Index (as determined by the Sec-
13 retary, using the definition in section
14 478(f)) for the most recent calendar year
15 ending prior to the beginning of that
16 award year; plus

17 “(ii) any additional amount specified
18 for the maximum Federal Pell Grant in
19 the last enacted appropriation Act applica-
20 ble to that award year, less”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply with respect to Federal Pell
23 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.

