

113TH CONGRESS
2D SESSION

S. 2194

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

IN THE SENATE OF THE UNITED STATES

APRIL 1, 2014

Ms. HIRONO (for herself, Mr. REED, and Mr. WHITEHOUSE) 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 Protection
5 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. In the
11 1979–1980 academic year, the maximum Federal
12 Pell Grant paid for 77 percent of the average cost
13 of attendance at an in-State, 4-year institution of
14 higher education. However, in the 2012–2013 aca-
15 demic year, the maximum Federal Pell Grant cov-
16 ered only about 30 percent of that average cost of
17 attendance.

18 (2) The program providing Federal Pell Grants
19 already acts as a quasi-entitlement, in which both
20 mandatory funding and discretionary funding com-
21 bine to maintain a maximum Federal Pell Grant
22 amount.

23 (3) The Congressional Budget Office reports on
24 any overall financial surplus or shortfall in the fund-
25 ing provided for the Federal Pell Grant program.

1 However, in recent years, in order to meet the max-
2 imum Federal Pell Grant level with the provided
3 level of funding, Congress has made cuts to the pro-
4 gram through imposing additional eligibility require-
5 ments for Federal Pell Grants and limiting the avail-
6 ability of year-round Federal Pell Grants, causing
7 significant uncertainty and reducing access to higher
8 education for millions of hardworking college stu-
9 dents.

10 (4) Removing the Federal Pell Grant program
11 from the uncertainty of the congressional discre-
12 tionary appropriations process will improve student
13 access to, and the affordability of, higher education.

14 (5) The “traditional student” who attends col-
15 lege for 4 years immediately after high school is now
16 a minority of college students today. Ambitious stu-
17 dents now need more flexibility to attend school
18 year-round while juggling work schedules.

19 (6) Section 1860 of the Department of Defense
20 and Full-Year Continuing Appropriations Act, 2011
21 (Public Law 112–10, 125 Stat. 169) eliminated the
22 provision of the Federal Pell Grant program of the
23 Higher Education Act of 1965 (20 U.S.C. 1070a et
24 seq.) that allowed 2 Federal Pell Grant awards per
25 year, creating significant hardship for many stu-

dents trying to take courses over the summer or outside the traditional school calendar. Allowing students to continue to receive Federal Pell Grants in successive semesters, without a gap, would reduce the time needed to complete their degrees.

SEC. 4. CONVERTING THE TRADITIONAL FEDERAL PELL GRANT PROGRAM TO A MANDATORY SPENDING PROGRAM.

(a) LEGISLATIVE PROVISIONS.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

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

“(i)(I) for award year 2014–2015, \$5,730; or

“(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 Sec-

1 retary, using the definition in section
 2 478(f)) for the most recent calendar year
 3 ending prior to the beginning of that
 4 award year; plus

5 “(ii) any additional amount specified
 6 for the maximum Federal Pell Grant in
 7 the last enacted appropriation Act applica-
 8 ble to that award year, less”; and

9 (B) by adding at the end the following:

10 “(C)(i) For fiscal year 2015 and each succeeding fis-
 11 cal year, there are appropriated, out of any money in the
 12 Treasury not otherwise appropriated, such sums as may
 13 be necessary to provide, in combination with any amounts
 14 separately appropriated under subparagraph (A)(ii), Fed-
 15 eral Pell Grants under this section in the amount specified
 16 in subparagraph (A) to all eligible students.

17 “(ii) The amounts made available by clause (i) for
 18 any fiscal year shall be available beginning on October 1
 19 of that fiscal year, and shall remain available through Sep-
 20 tember 30 of the succeeding fiscal year.”; and

21 (2) by striking paragraph (7).

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

1 cation Act of 1965 (20 U.S.C. 1070a) for award year
 2 2014–2015 and each succeeding award year.

3 **SEC. 5. YEAR-ROUND FEDERAL PELL GRANT STUDENTS.**

4 (a) IN GENERAL.—Section 401(b) of the Higher
 5 Education Act of 1965 (20 U.S.C. 1070a(b)), as amended
 6 by section 4, is further amended by adding at the end the
 7 following:

8 “(7) YEAR-ROUND FEDERAL PELL GRANT STU-
 9 DENTS.—

10 “(A) IN GENERAL.—Notwithstanding any other
 11 provision of this subsection, the Secretary shall
 12 award, to an eligible student who has received a
 13 Federal Pell Grant for an award year and is enrolled
 14 in a program of study for 1 or more additional pay-
 15 ment periods during the same award year that are
 16 not otherwise covered by the student’s Federal Pell
 17 Grant, an additional Federal Pell Grant for the ad-
 18 ditional payment periods.

19 “(B) AMOUNTS.—In the case of a student re-
 20 ceiving more than one Federal Pell Grant in a single
 21 award year under subparagraph (A), the total
 22 amount of the Federal Pell Grants awarded to such
 23 student for the award year may exceed the total
 24 maximum Federal Pell Grant for such award year,

1 as calculated under clauses (i) and (ii) of paragraph
2 (2)(A).

3 “(C) INCLUSION IN DURATION LIMIT.—Any pe-
4 riod of study covered by a Federal Pell Grant
5 awarded under subparagraph (A) shall be included
6 in determining a student’s duration limit under sub-
7 section (c)(5).

8 “(8) CROSSOVER PERIOD.—In any case where an eli-
9 gible student is receiving a Federal Pell Grant for a pay-
10 ment period that spans 2 award years, the Secretary shall
11 allow the eligible institution in which the student is en-
12 rolled to determine the award year to which the additional
13 period shall be assigned.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall take effect on July 1, 2014.

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