May 1, 2017

Statement on Bipartisan FY17 Spending Agreement’s Mixed Message for Pell Grants

“The bipartisan Congressional agreement to fund the government through September sends a mixed message about the importance of college affordability. It both restores year-round access to Pell Grants and cuts the funding available after this year.

“Reinstating year-round Pell Grants will help more students afford additional courses so they can graduate more quickly. But today’s deal gives with one hand and takes with the other. The budget agreement raids $1.3 billion from Pell Grant funding despite the urgent need to contain rising student debt and help more people get the education they need to succeed in today’s economy.

“Although the agreement preserves an already scheduled, inflation-based increase in the maximum grant for FY2017 (by $105 to $5,920 for the 2017-18 school year), the maximum grant will still cover the smallest share of the cost of attending a public four-year college in more than 40 years—less than 30 percent. And this is the last such scheduled increase: Pell Grant awards will not increase in FY2018—and will decrease in real terms—unless Congress takes action. Pell Grant recipients are already more than twice as likely to have student loans, and they graduate with much more debt than their higher-income peers.

“With college costs so out of reach for low-income families, we urge Congress to use the Pell Grant reserve funds—the results of prior program cuts and an improving economy—to protect and strengthen resources for college affordability, not raid Pell Grant funding to spend elsewhere.”

# # #

An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on Twitter and Facebook.