June 28, 2018

Mixed News for Pell in Senate Education Spending Bill

Bill would increase maximum award by $100 and cut Pell funding by $600 million

“This afternoon the Senate Appropriations Committee approved a fiscal year 2019 education spending bill that increases the Pell award by a modest but meaningful $100, and cuts $600 million from the Pell Grant reserve fund. A broad coalition of Pell advocates has for years urged Congress to protect and strengthen the grant, including in a letter earlier this week from over 65 organizations, representing students, teachers, veterans, consumers, civil rights, businesses, and more. While the Senate’s spending bill heeds in part their call to increase the maximum award to at least keep pace with inflation and protect all Pell Grant funds for use in the Pell program, more work is needed to prevent the Pell Grant from falling even further behind rising college costs and sustain the program’s current solid fiscal footing.

“The Senate spending bill would increase the maximum Pell award by $100, a 1.6% increase, bringing it to $6,195 in the 2019-20 school year. This much-needed investment demonstrates continued bipartisan support for the 7.5 million students who rely on the Pell Grant to attend and complete college and helps stave off further erosion of the Pell Grant’s purchasing power. Yet the increase falls short of inflation for the first time in years, following the expiration of the automatic inflation adjustment two years ago. The proposed maximum grant would continue to cover only 28 percent of the cost of attending a four-year public college in 2019-20.

“The Senate spending bill would also cut $600 million from Pell Grant reserve funds, putting future needed investments further out of reach and increasing the risk that future economic downturns force harmful cuts.

“As the foundation of federal student aid, protecting and investing in Pell Grants are the single most important steps Congress can take to reduce student debt burdens and reduce persistent inequities in higher education. The final fiscal year 2018 spending bill seized the opportunity provided by the increased discretionary funding levels in the two-year bipartisan budget agreement to both strengthen the grant and protect all Pell Grant funds. As Congress continues its work on the 2019 spending bill, we urge them to continue this same level of support for the Pell Grant and reject any cuts to the Pell reserve funds.”

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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.