

## FEDERAL PELL GRANT PROGRAM, DISCRETIONARY BASELINE, CUMULATIVE SURPLUS/SHORTFALL, FUNDING GAP

MAY 2013 BASELINE

(by fiscal year, budget authority, program costs, and outlays in millions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PELL GRANT PROGRAM, DISCRETIONARY PORTION ONLY, CBO MAY BASELINE<sup>a</sup></b>											
<i>Regular Appropriation</i>											
Maximum award	\$4,860	---	---	---	---	---	---	---	---	---	---
Budget Authority	22,778	23,165	23,598	24,099	24,600	25,124	25,648	26,172	26,696	27,242	27,789
Outlays	20,211	30,303	23,827	24,229	24,737	25,260	25,784	26,308	26,838	27,385	27,609
<i>Mandatory funding under section 401(b)7(A)(iv) of the Higher Education Act of 1965<sup>b</sup></i>											
Budget Authority	7,587	588	0	0	1,574	1,382	1,409	1,430	1,145	1,145	1,145
Outlays	9,967	8,928	499	6	425	1,506	1,391	1,414	1,353	1,148	1,145

### ESTIMATED DISCRETIONARY CUMULATIVE SHORTFALL/SURPLUS<sup>c</sup>

(by fiscal year, in millions)

	2006	2007	2008	2009	2010	2011	2012	2013
Regular Discretionary Appropriation	13,045	13,661	14,215	17,288	17,495	22,956	22,824	22,778 <sup>d</sup>
American Recovery and Reinvestment Act of 2009	0	0	0	15,640	0	0	0	0
Healthcare and Education Reconciliation Act of 2010	0	0	0	0	0	13,500	0	0
DOD and Full-Year Cont. Appropriations. Act of 2011	0	0	0	0	0	0	3,183	0
Budget Control Act of 2011	0	0	0	0	0	0	10,000	7,000
Consolidated Appropriations Act, 2012	0	0	0	0	0	0	612	587
Total Available Budget Authority	13,045	13,661	14,215	32,928	17,495	36,456	36,619	30,365
Estimated Program Costs	<u>12,823</u>	<u>14,700</u>	<u>16,060</u>	<u>26,853</u>	<u>30,563</u>	<u>28,769</u>	<u>27,715</u>	<u>27,504</u>
Cumulative Surplus/Shortfall (-)	222	-817	-2,662	3,413	-9,655	-1,968	6,936	9,797

### ESTIMATED DIFFERENCE BETWEEN BUDGET AUTHORITY NEEDED TO SUPPORT A MAXIMUM AWARD OF \$4,860 AND AVAILABLE FUNDING

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Program Cost for \$4,860	28,274	28,460	28,583	28,861	29,175	29,546	30,010	30,423	30,671	31,007
Cumulative Surplus for 2006-2013 <sup>c</sup>	9,797	0	0	0	0	0	0	0	0	0
Mandatory Budget Authority Available <sup>e</sup>	<u>588</u>	<u>0</u>	<u>0</u>	<u>1,574</u>	<u>1,382</u>	<u>1,409</u>	<u>1,430</u>	<u>1,145</u>	<u>1,145</u>	<u>1,145</u>
Total additional budget authority needed <sup>f</sup>	17,889	28,460	28,583	27,287	27,793	28,137	28,580	29,278	29,526	29,862

a. The CBO May baseline does not represent a projection of expected costs for the Pell grant program. As with all other discretionary programs, the budget authority is calculated by inflating the budget authority appropriated for fiscal year 2013. Outlays for future years are based on those levels of budget authority. Those outlays do not reflect the impact of the cap on discretionary appropriations as set forth in the Budget Control Act of 2011.

b. Budget authority provided in the Healthcare and Education Reconciliation Act of 2010, the Department of Defense and Full-Year Continuing Resolution Appropriations Act of 2011, the Budget Control Act of 2011, and Consolidated Appropriations Act, 2012 are classified as mandatory. However, the funding is being used to augment the funding provided in annual appropriations to support the discretionary Pell grant program.

c. Cumulative surplus budget authority as calculated under the Pell scoring rule, as in section 406 of the 2006 Budget Resolution (H. Con. Res. 95)

d. Budget authority appropriated for Pell Grants for fiscal year 2013 in the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), as adjusted by the Office of Management and Budget for the across-the-board cut rescission set out in section 3004 of P.L. 113-6 in order to comply with the fiscal year 2013 discretionary spending limits.

e. Mandatory budget authority available to supplement funding for the discretionary portion of the Pell Grant Program. Provided in section 401(b)7(A)(iv) of the Higher Education Act of 1965.

f. Estimated budget authority needed to support a maximum award level of \$4,860 under the Pell scoring rule, as in section 406 of the 2006 Budget Resolution (H. Con. Res. 95)

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**FEDERAL PELL GRANT PROGRAM, PROGRAM COSTS ASSUMING A MAXIMUM DISCRETIONARY AWARD OF \$4,860**

MAY 2013 BASELINE

	(by fiscal year, program costs and outlays in millions)												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2018	2013-2023
<b>Discretionary Pell Grant Program</b>													
<b>Assumed Discretionary Maximum Award Level<sup>a</sup></b>	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860		
<b>Total Federal Spending Discretionary Pell Grants</b>													
Program Costs	27,504	28,274	28,460	28,583	28,861	29,175	29,546	30,010	30,423	30,671	31,007	170,857	322,515
Outlays	27,506	27,712	28,316	28,491	28,657	28,943	29,272	29,667	30,117	30,486	30,759	169,626	319,928
<b>Mandatory Pell Grant Program</b>													
<b>Projected Additional Mandatory Award<sup>b</sup></b>	\$785	\$870	\$985	\$1,110	\$1,240	\$1,240	\$1,240	\$1,240	\$1,240	\$1,240	\$1,240		
<b>Total Federal Spending for Mandatory Pell Grant Addon</b>													
Program Costs	5,133	5,923	6,778	7,688	8,707	8,841	8,859	8,950	9,087	9,164	9,273	43,071	88,404
Outlays	4,794	5,342	6,146	7,015	7,954	8,733	8,845	8,884	8,986	9,107	9,191	39,984	84,997
<b>Total Pell Grant Program</b>													
<b>Total Maximum Award</b>	\$5,645	\$5,730	\$5,845	\$5,970	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100		
<b>Total Federal Spending for Pell Grants</b>													
Program Costs	32,637	34,197	35,238	36,272	37,568	38,016	38,405	38,960	39,511	39,835	40,280	213,928	410,919
Outlays	32,300	33,054	34,462	35,507	36,611	37,676	38,117	38,551	39,103	39,593	39,951	209,610	404,925
<b>Total Projected Recipients (in thousands)</b>	8,930	9,180	9,280	9,360	9,490	9,600	9,710	9,840	9,970	10,060	10,170		

a. The maximum award level for the discretionary portion of the Pell Grant Program is set each year in the annual appropriations act. In the most recently enacted appropriations act, it was set at \$4,860.

b. The additional mandatory award level assumes a maximum discretionary award level of \$4,860 in fiscal years 2014 to 2023. If an annual appropriations act set the discretionary award level at a different amount, the mandatory award level would also change. The amount of the mandatory add-on for 2013 is based on the total published by the Department of Education in the Federal Register on January 30, 2013.

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