

Preliminary Estimate

Discretionary Pell Grants: Maximum Award Level of \$4,860: Amend the 90/10 rule to include Veterans' Benefits as federal funds

March 2015 Baseline

23-Mar-15

In millions, by fiscal year, assumed enactment prior to July 1, 2015

Fiscal year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2015-2020	2015-2025
Spending Subject to Appropriation													
Maximum Award	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860		
Current Law ¹													
Program Costs	25,647	25,860	26,031	26,265	26,612	27,001	27,480	27,946	28,391	28,809	29,196	157,416	299,238
Outlays	25,704	25,705	25,904	26,092	26,356	26,714	27,126	27,601	28,061	28,499	28,909	156,476	296,674
Proposed Changes: Amend the 90/10 rule to include VA benefits													
Program Costs	0	*	*	-5	-5	-5	-5	-5	-5	-5	-5	-15	-40
Outlays	0	*	*	-1	-5	-5	-5	-5	-5	-5	-5	-11	-36
Current Law With Proposed Changes													
Program Costs	25,647	25,860	26,031	26,260	26,607	26,996	27,475	27,941	28,386	28,804	29,191	157,401	299,198
Outlays	25,704	25,705	25,904	26,091	26,351	26,709	27,121	27,596	28,056	28,494	28,904	156,465	296,637
Surplus Budget Authority ²		5,743	0	0	0	0	0	0	0	0	0		
Mandatory Budget Authority ³		0	1,574	1,382	1,409	1,430	1,145	1,145	1,145	1,145	1,145		
Additional Budget Authority Needed ⁴		20,117	24,457	24,878	25,198	25,566	26,330	26,796	27,241	27,659	28,046		

Note: Components may not sum to total due to rounding; * = between -\$500,000 and 0

¹ March 2015 estimate of the cost of supporting a maximum discretionary award level of \$4,860. This does not represent CBO's March 2015 baseline for the Pell Grant Program. As with all other discretionary programs, the baseline is calculated by inflating the budget authority appropriated for fiscal year 2014 (rather than projecting estimated program costs). The Pell grant program is authorized only through 2018, so spending for fiscal years 2019 through 2025 are shown here for informational purposes only. These affects would generally not be shown in a formal cost estimate because they are beyond the period of the program's authorization.

² Cumulative surplus budget authority as calculated under the Pell scoring rule, as in section 406 of the 2006 Budget Resolution (H. Con. Res. 95).

³ 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.

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