

118TH CONGRESS
1ST SESSION

H. R. 1742

To index the maximum value of Federal Pell Grants to inflation.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2023

Mr. CASTEN (for himself, Mrs. LEE of Nevada, Mr. MOULTON, Mr. ALLRED, Mr. THOMPSON of Mississippi, Ms. GARCIA of Texas, Mr. PETERS, Ms. LEE of California, Mr. GARCÍA of Illinois, Mr. KILDEE, Ms. TLAIB, Ms. TOKUDA, Mr. DESAULNIER, Mr. TRONE, Mr. CICILLINE, Ms. ADAMS, Ms. BONAMICI, Ms. SEWELL, Mr. KRISHNAMOORTHY, Ms. JACOBS, and Ms. SCHRIER) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To index the maximum value of Federal Pell Grants to inflation.

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 Sustain-
5 ability Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The purchasing power of the Federal Pell
2 Grant has declined rapidly since the 1970s. In aca-
3 demic year 1974–1975, the total maximum Federal
4 Pell Grant covered 80 percent of base educational
5 costs at public 4-year institutions of higher edu-
6 cation. By academic year 2020–2021, the maximum
7 Federal Pell Grant covered just 30 percent of those
8 base costs.

9 (2) The value of Federal Pell Grants must keep
10 pace with students’ costs in order to fulfill their mis-
11 sion of enabling lower-income students to attend col-
12 lege.

13 **SEC. 3. INDEXING FEDERAL PELL GRANTS TO INFLATION.**

14 (a) AWARD YEAR 2023–2024.—Section 401 of the
15 Higher Education Act of 1965 (20 U.S.C. 1070a) is
16 amended—

17 (1) in subsection (a)(1), by striking “through
18 fiscal year 2017” and inserting “through fiscal year
19 2023”; and

20 (2) in subsection (b)(7)(C), by amending clause
21 (iii) to read as follows:

22 “(iii) SUBSEQUENT AWARD YEARS.—

23 “(I) AWARD YEARS 2018–2019
24 THROUGH 2022–2023.—For each of the
25 award years 2018–2019 through

1 2022–2023, the amount determined
2 under this subparagraph for purposes
3 of subparagraph (B)(iii) shall be equal
4 to the amount determined under
5 clause (ii) for award year 2017–2018.

6 “(II) AWARD YEAR 2023–2024.—

7 For award year 2023–2024 and each
8 subsequent award year, the amount
9 determined under this subparagraph
10 for purposes of subparagraph (B)(iii)
11 shall be equal to—

12 “(aa)(AA) \$6,895 or the
13 total maximum Federal Pell
14 Grant for the preceding award
15 year (as determined under clause
16 (iv)(II)), whichever is greater, in-
17 creased by a percentage equal to
18 the annual adjustment percent-
19 age for the award year for which
20 the amount under this subpara-
21 graph is being determined; re-
22 duced by

23 “(BB) \$6,495 or the max-
24 imum Federal Pell Grant for
25 which a student was eligible for

1 the preceding award year, as
2 specified in the last enacted ap-
3 propriation Act applicable to that
4 year, whichever is greater; and
5 “(bb) rounded to the nearest
6 \$5.”.

7 (b) AWARD YEAR 2024–2025, AND EACH SUBSE-
8 QUENT AWARD YEAR.—

9 (1) IN GENERAL.—Section 401(b) of the High-
10 er Education Act of 1965 (20 U.S.C. 1070a(b)), as
11 amended by section 703 of the FAFSA Simplifica-
12 tion Act (title VII of division FF of Public Law
13 116–260), is further amended—

14 (A) by amending paragraph (5) to read as
15 follows:

16 “(5) TOTAL MAXIMUM FEDERAL PELL
17 GRANT.—

18 “(A) AWARD YEAR 2024–2025 AND EACH
19 SUBSEQUENT AWARD YEAR.—For award year
20 2024–2025, and each subsequent award year,
21 the total maximum Federal Pell Grant award
22 per student shall be equal to the sum of—

23 “(i)(I) in the case of award year
24 2024–2025, \$1,060; or

1 “(II) in the case of award year 2025–
2 2026 and each subsequent award year, the
3 amount determined under this clause for
4 the preceding award year, increased by a
5 percentage equal to the annual adjustment
6 percentage for the award year for which
7 the amount under this clause is being de-
8 termined; and

9 “(ii) the amount specified as the max-
10 imum Federal Pell Grant in the last en-
11 acted appropriation Act applicable to that
12 award year.

13 “(B) ROUNDING.—The total maximum
14 Federal Pell Grant for any award year shall be
15 rounded to the nearest \$5.

16 “(C) ANNUAL ADJUSTMENT PERCENTAGE
17 DEFINED.—In this paragraph, the term ‘annual
18 adjustment percentage’, as applied to an award
19 year, is equal to the estimated percentage
20 change in the Consumer Price Index (as deter-
21 mined by the Secretary, using the definition in
22 section 478(f)) for the most recent calendar
23 year ending prior to the beginning of that
24 award year.”;

1 (B) in paragraph (6)(A)(ii), by striking
2 “each of the fiscal years 2024 through 2034”
3 and inserting “fiscal year 2024 and each subse-
4 quent fiscal year”; and

5 (C) in paragraph (8)(A), by striking
6 “through fiscal year 2034”.

7 (2) EFFECTIVE DATE.—The amendments made
8 by paragraph (1) shall take effect as if included in
9 section 703 of the FAFSA Simplification Act (title
10 VII of division FF of Public Law 116–260) and sub-
11 ject to the effective date of section 701(b) of such
12 Act.

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