



## Pell Grant Program

The Federal Pell Grant Program provides low-income students with access to funding for postsecondary education at public, private, nonprofit, and for-profit four-year colleges and universities, two-year colleges, and institutions that specialize in occupational training. Grants are awarded on the basis of financial need and academic courseload. The program has three sources of funding and each grant has two components. The discretionary portion of the award is primarily funded by annual appropriation acts, which set the amount of the maximum discretionary award; additional funding for that discretionary award is provided by mandatory budget authority, which is specified in the Higher Education Act. The second component of the award is funded by a permanent indefinite appropriation for a “mandatory add-on,” which is automatically added, on the basis of a formula, to the discretionary portion of each award. The Pell surplus or shortfall represents the difference between all the available funding for the discretionary portion of the award and the program’s costs.

**Table 1** shows historical funding and program costs for the discretionary portion of the program for the 2016-2026 period.

**Table 2** shows projected program costs for the 2026-2036 period.

**Table 3** shows projected discretionary and mandatory program costs and outlays for the 2026-2036 period.

**Table 4** shows projections of the cumulative shortfall for the program, under flat and inflated funding, over the 2026-2036 period.

**Table 1.**
**Federal Pell Grant Program: Historical Funding and Program Costs for the Discretionary Portion of the Program**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>BUDGET INFORMATION</b>											
Budget authority in millions of dollars, by fiscal year											
<b>Regular Discretionary Appropriation<sup>a</sup></b>	22,475	21,165	22,475	21,875	21,975	21,975	21,425	22,115	22,475	22,475	22,475
<b>Amount and Source of Funding Increase or Reduction (-)<sup>b</sup></b>											
DoD and Full-Year Continuing Appropriations Act of 2011	0	1,060	1,125	1,125	1,140	1,145	1,145	1,145	1,145	1,145	1,145
Consolidated Appropriations Act, 2012	0	514	257	284	290	0	0	0	0	0	0
Consolidated Appropriations Act, 2017	0	-254	0	0	0	0	0	0	0	0	0
Consolidated Appropriations Act, 2019	0	0	-48	0	0	0	0	0	0	0	0
Labor, HHS, Education Appropriations Act, 2019	0	0	0	-39	0	0	0	0	0	0	0
FUTURE Act, 2019	0	0	0	0	25	25	25	25	25	25	25
Further Consolidated Appropriations Act, 2020	0	0	0	0	-50	0	0	0	0	0	0
Consolidated Appropriations Act, 2021	0	0	0	0	0	-28	0	0	0	0	0
Consolidated Appropriations Act, 2022	0	0	0	0	0	0	-85	0	0	0	0
Consolidated Appropriations Act, 2023	0	0	0	0	0	0	0	-75	0	0	0
Continuing Resolution, 2024	0	0	0	0	0	0	0	0	0	2,000	1,000
Department of Education Administrative Transfer <sup>c</sup>	0	0	0	0	0	0	-7	-61	-206	0	0
Reconciliation Act, 2025	0	0	0	0	0	0	0	0	0	0	10,500
<b>Total Budget Authority for Pell Discretionary Program</b>	<b>22,475</b>	<b>22,485</b>	<b>23,809</b>	<b>23,245</b>	<b>23,380</b>	<b>23,117</b>	<b>22,503</b>	<b>23,149</b>	<b>23,439</b>	<b>25,645</b>	<b>35,145</b>
<b>Previous Year Cumulative Surplus or Shortfall (-)<sup>d</sup></b>	<b><u>8,110</u></b>	<b><u>8,816</u></b>	<b><u>8,399</u></b>	<b><u>9,637</u></b>	<b><u>10,113</u></b>	<b><u>12,176</u></b>	<b><u>14,376</u></b>	<b><u>14,599</u></b>	<b><u>11,567</u></b>	<b><u>2,223</u></b>	<b><u>-5,950</u></b>
<b>Total Available Budget Authority</b>	<b>30,585</b>	<b>31,301</b>	<b>32,208</b>	<b>32,882</b>	<b>33,493</b>	<b>35,293</b>	<b>36,879</b>	<b>37,748</b>	<b>35,006</b>	<b>27,868</b>	<b>29,195</b>
<b>Estimated Program Costs</b>	<b><u>21,769</u></b>	<b><u>22,902</u></b>	<b><u>22,571</u></b>	<b><u>22,769</u></b>	<b><u>21,317</u></b>	<b><u>20,917</u></b>	<b><u>22,280</u></b>	<b><u>26,181</u></b>	<b><u>32,783</u></b>	<b><u>33,818</u></b>	<b><u>34,645</u></b>
<b>Cumulative Surplus or Shortfall (-)<sup>d</sup></b>	<b>8,816</b>	<b>8,399</b>	<b>9,637</b>	<b>10,113</b>	<b>12,176</b>	<b>14,376</b>	<b>14,599</b>	<b>11,567</b>	<b>2,223</b>	<b>-5,950</b>	<b>-5,450</b>
<b>Estimated Cumulative Shortfall, Fiscal Year 2026</b>	<b>-5,450</b>										

DoD = Department of Defense; HHS = Health and Human Services.

a. Includes rescissions. For example, in fiscal year 2023 the Congress appropriated \$22.5 billion and rescinded \$360 million.

b. Most of the additional budget authority provided to support the discretionary program is classified as mandatory. Beginning in 2011, the total amount of additional funding can be found in section 401(b)7(A)(iv) of the Higher Education Act of 1965. That budget authority is used to augment the funding provided in annual appropriations for the discretionary Pell grant program.

c. Funds transferred by the Department of Education from the Pell surplus to cover administrative costs.

d. The cumulative surplus or shortfall represents the difference between the total funds provided to support the discretionary portion of Pell grants and the program's costs. The cumulative surplus or shortfall in budget authority is calculated under the Pell scoring rule as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).



**Table 2.**  
**Federal Pell Grant Program: Projected Program Costs**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Budget Authority Needed to Support a Maximum Award of \$6,335 and Available Funding</b>											
In millions of dollars, by fiscal year											
Estimated Program Cost for \$6,335 Maximum <sup>a</sup>	34,645	35,209	35,513	35,783	36,055	36,285	36,516	36,748	36,981	37,178	37,376
Estimated Cumulative Shortfall, 2026 <sup>b</sup>	-5,450										
Mandatory-for-Discretionary Budget Authority <sup>c</sup>	<u>12,670</u>	<u>1,236</u>									
<b>Total Additional Budget Authority Needed<sup>d</sup></b>	<b>27,425</b>	<b>33,973</b>	<b>34,277</b>	<b>34,547</b>	<b>34,819</b>	<b>35,049</b>	<b>35,280</b>	<b>35,512</b>	<b>35,745</b>	<b>35,942</b>	<b>36,140</b>

- a. The most recent maximum award of \$6,335 for the discretionary portion of the Pell grant program was set in the Continuing Appropriations Act, 2026, which provides appropriations through September 30, 2026.
- b. The cumulative surplus or shortfall represents the difference between the total funds provided to support the discretionary portion of Pell grants and the program's costs. The cumulative surplus or shortfall in budget authority is calculated under the Pell scoring rule as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).
- c. Mandatory budget authority available to supplement funding for the discretionary portion of the Pell grant program, as provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965.
- d. Estimated budget authority needed to support a maximum award of \$6,335 under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).

**Table 3.**  
**Federal Pell Grant Program: Discretionary and Mandatory Program Costs and Outlays**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026- 2031	2026- 2036
<b>PROGRAM COSTS</b>													
By fiscal year													
<b>Discretionary Pell Grant Program</b>													
Assumed Discretionary Maximum Award (Dollars) <sup>a</sup>	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	6,335	n.a.	n.a.
Total, Discretionary Pell Grants (Millions of dollars)													
Estimated program costs	34,645	35,209	35,513	35,783	36,055	36,285	36,516	36,748	36,981	37,178	37,376	213,490	398,289
Estimated outlays	34,023	34,784	35,282	35,580	35,851	36,112	36,342	36,574	36,806	37,030	37,228	211,632	395,612
<b>Mandatory Pell Grant Program</b>													
Mandatory Add-On Award (Dollars)	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	n.a.	n.a.
Total, Mandatory Pell Grant Add-On (Millions of dollars)													
Estimated program costs	6,376	6,381	6,405	6,412	6,420	6,429	6,439	6,448	6,468	6,481	6,484	38,423	70,743
Estimated outlays	6,278	6,376	6,387	6,407	6,414	6,422	6,432	6,441	6,453	6,471	6,482	38,284	70,563
<b>Total Pell Grant Program</b>													
Total Maximum Award (Dollars)	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395	n.a.	n.a.
Total, Pell Grants (Millions of dollars)													
Estimated program costs	41,021	41,590	41,918	42,195	42,475	42,714	42,955	43,196	43,449	43,659	43,860	251,913	469,032
Estimated outlays	40,301	41,160	41,669	41,987	42,265	42,534	42,774	43,015	43,259	43,501	43,710	249,916	466,175
Total Projected Recipients (Thousands of people)	7,640	7,730	7,780	7,820	7,860	7,900	7,940	7,980	8,030	8,070	8,100	n.a.	n.a.

a. The most recent maximum award of \$6,335 for the discretionary portion of the Pell grant program was set in the Continuing Appropriations Act, 2026, which provides appropriations through September 30, 2026.



**Table 4.**  
**Federal Pell Grant Program: Projected Cumulative Shortfall**

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>BUDGET INFORMATION</b>										
Millions of dollars, by fiscal year										
<b>Estimated Difference Between Available Funding and Budget Authority Needed to Support a Maximum Award of \$6,335</b>										
Estimated Program Cost for \$6,335 Maximum Award	35,209	35,513	35,783	36,055	36,285	36,516	36,748	36,981	37,178	37,376
Subtract Estimated Cumulative Shortfall, 2026	-5,450									
Subtract Available Mandatory Authority <sup>a</sup>	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236
Total Additional Budget Authority Needed <sup>b</sup>	<u>39,423</u>	<u>34,277</u>	<u>34,547</u>	<u>34,819</u>	<u>35,049</u>	<u>35,280</u>	<u>35,512</u>	<u>35,745</u>	<u>35,942</u>	<u>36,140</u>
<b>Cumulative Shortfall With 2026 Budget Authority<sup>c</sup></b>										
Projected Discretionary Budget Authority	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475
Add Available Mandatory Budget Authority <sup>a</sup>	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236
Subtract Estimated Program Costs	35,209	35,513	35,783	36,055	36,285	36,516	36,748	36,981	37,178	37,376
Net Shortfall for the Fiscal Year	<u>-11,498</u>	<u>-11,802</u>	<u>-12,072</u>	<u>-12,344</u>	<u>-12,574</u>	<u>-12,805</u>	<u>-13,037</u>	<u>-13,270</u>	<u>-13,467</u>	<u>-13,665</u>
Prior Year Cumulative Shortfall	-5,450	-16,948	-28,750	-40,822	-53,166	-65,740	-78,545	-91,582	-104,852	-118,319
Current Year Cumulative Shortfall	-16,948	-28,750	-40,822	-53,166	-65,740	-78,545	-91,582	-104,852	-118,319	-131,984
<b>Cumulative Shortfall With 2026 Budget Authority Inflated<sup>d</sup></b>										
Projected Discretionary Budget Authority	23,014	23,531	24,026	24,498	24,992	25,487	25,981	26,498	27,015	27,554
Add Available Mandatory Budget Authority <sup>a</sup>	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236
Subtract Estimated Program Costs	35,209	35,513	35,783	36,055	36,285	36,516	36,748	36,981	37,178	37,376
Net Shortfall for the Fiscal Year	<u>-10,959</u>	<u>-10,746</u>	<u>-10,521</u>	<u>-10,321</u>	<u>-10,057</u>	<u>-9,793</u>	<u>-9,531</u>	<u>-9,247</u>	<u>-8,927</u>	<u>-8,586</u>
Prior Year Cumulative Shortfall	-5,450	-16,409	-27,155	-37,676	-47,997	-58,054	-67,847	-77,378	-86,625	-95,552
Current Year Cumulative Shortfall	-16,409	-27,155	-37,676	-47,997	-58,054	-67,847	-77,378	-86,625	-95,552	-104,138

a. Mandatory budget authority available to supplement funding for the discretionary portion of the Pell grant program, as provided in section 401(b)(7)(A)(iv) of the Higher Education Act of 1965.  
b. Estimated budget authority needed to support a maximum award of \$6,335 under the Pell scoring rule, as specified in section 406 of the 2006 budget resolution (H. Con. Res. 95).  
c. Budget authority for 2026 is provided in the Continuing Appropriations Act, 2026, which provides continuing appropriations through September 30, 2026.