118TH CONGRESS
2D Session

S.

To improve the structure of the Federal Pell Grant program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. HIRONO (for herself, Mrs. Murray, Mr. Reed, Mr. Whitehouse, Mr. Padilla, Mr. Kaine, Mr. Van Hollen, Mr. Booker, Ms. Warren, Mr. Durbin, Mr. Bennet, Ms. Duckworth, Mr. Welch, Mrs. Sasse, Mr. Wyden, Mr. Cardin, Mr. Casey, Ms. Hassan, Mr. Blumenthal, Mrs. Gillibrand, Mr. Warnock, Mr. Heinrich, Ms. Butler, Ms. Klobuchar, Mr. Coons, Mr. Brown, Mr. Fetterman, Ms. Baldwin, Mr. Merkley, Mr. Markey, Mr. Murphy, Mr. Ossoff, and Ms. Smith) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To improve the structure of the Federal Pell Grant program, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Pell Grant Preservation and Expansion Act of 2024”.

6 SEC. 2. FINDINGS.

7 Congress finds the following:
(1) The United States needs individuals with the knowledge, skills, and abilities that enable them to thrive as educated citizens in society and successfully participate in an interconnected economy.

(2) Investments in higher education through student aid such as the Federal Pell Grant program under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) help students and families reach, afford, and complete education and training opportunities beyond high school.

(3) The Federal Pell Grant program is the largest source of federally funded grant aid for postsecondary education.

(4) The Federal Pell Grant program allows millions of people of the United States to attend college and is especially vital for students of color. Three in 5 African American undergraduate students, and one-half of all Latino undergraduate students, rely on the Federal Pell Grant program.

(5) The Federal Pell Grant program should continue to be a reliable source of funding for aspiring students, their families, and future generations that they can count on to be there for them when they seek higher education.
(6) To stabilize Federal Pell Grant funding and ensure the grant will continue to serve millions of students now and in the future, the program should become a fully mandatory program that grows with inflation.

(7) Restoring prior eligibility cuts and expanding access to underserved students will give millions of students and families the critical student aid support they need and deserve.

SEC. 3. TABLE OF CONTENTS; REFERENCES.

(a) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Findings.
Sec. 3. Table of contents; references.
Sec. 4. Doubling Federal Pell Grants and providing all Federal Pell Grants through mandatory funding.
Sec. 5. Providing increased Federal Pell Grants and other assistance for recipients of means-tested benefits.
Sec. 6. Federal aid eligibility for dreamer students.
Sec. 7. Restoring the total semesters of Federal Pell Grant eligibility.
Sec. 8. Reducing financial aid penalties from satisfactory academic progress determinations.
Sec. 9. Conforming amendments.
Sec. 10. Effective date.

(b) References.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).
SEC. 4. DOUBLING FEDERAL PELL GRANTS AND PROVIDING ALL FEDERAL PELL GRANTS THROUGH MANDATORY FUNDING.

(a) Amount of Minimum Federal Pell Grants.—Section 401 (20 U.S.C. 1070a) is amended—

(1) in subsection (a)(2)(F), by striking “10 percent” and inserting “5 percent”;

(2) in subsection (b)—

(A) in paragraph (1)(B)(i), by striking “paragraph (5)(A)” and inserting “paragraph (5)”;

(B) by striking paragraph (5) and inserting the following:

“(5) Total Maximum Federal Pell Grant.—

“(A) Award year 2025–2026.—For award year 2025–2026, the total maximum Federal Pell Grant award shall be $10,000.

“(B) Award year 2026–2027.—For award year 2026–2027, the total maximum Federal Pell Grant award shall be $11,000.

“(C) Award year 2027–2028.—For award year 2027–2028, the total maximum Federal Pell Grant award shall be $12,000.
“(D) AWARD YEAR 2028–2029.—For award year 2028–2029, the total maximum Federal Pell Grant award shall be $13,000.

“(E) AWARD YEAR 2029–2030.—For award year 2029–2030, the total maximum Federal Pell Grant award shall be $14,000.

“(F) AWARD YEAR 2030–2031 AND SUBSEQUENT YEARS.—For award year 2030–2031, and each subsequent award year, the total maximum Federal Pell Grant award shall be $14,000—

“(i) increased by the adjustment percentage for the award year for which the amount under this subparagraph is being determined; and

“(ii) rounded to the nearest $50.

“(G) DEFINITION OF ADJUSTMENT PERCENTAGE.—In this paragraph, the term ‘adjustment percentage,’ as applied to an award year, is equal to the percentage increase in the Consumer Price Index, as defined in section 478(f), for the most recent calendar year ending prior to the beginning of the award year.”;

(C) by striking paragraphs (6) and (7) and inserting the following:
“(6) APPROPRIATION OF FUNDS.—There are
authorized to be appropriated, and there are appro-
priated, out of any money in the Treasury not other-
wise appropriated, such sums as may be necessary
for fiscal year 2025 and each subsequent fiscal year
to provide the Federal Pell Grant for which a stu-
dent shall be eligible under this section during an
award year.”; and

(D) by redesignating paragraphs (8) and
(9) as paragraphs (7) and (8), respectively;

(3) in subsection (d)(5)(B)—

(A) in clause (i), by striking “subclause (I)
or (II)” and inserting “subclause (I), (II), or
(III)”; and

(B) in clause (ii)—

(i) in subclause (I)(bb), by striking
“or” after the semicolon;

(ii) in subclause (II)(bb)(CC), by
striking the period and inserting “; or”;
and

(iii) by adding at the end the fol-
lowing:

“(III) during a period for which
the student did not receive a loan
under this title but for which, if the
student had received such a loan, such
loan would have been discharged
under the circumstances described in
subclause (II)(bb)(CC).”;

(4) by striking subsections (g) and (h); and

(5) by redesignating subsections (i) and (j) as
subsections (g) and (h), respectively.

(b) Repeal of Scoring Requirement.—Section
406 of H. Con. Res. 95 (109th Congress) is amended—

(1) by striking subsection (b); and

(2) by striking “(a) In General.—Upon” and

inserting the following: “Upon”.

(c) Student Support Services.—Section
402D(d)(1) (20 U.S.C. 1070a–14(d)(1)) is amended by
striking “the minimum” and inserting “10 percent of the
total maximum”.

(d) Scholarship Component.—Section 404E(d)
(20 U.S.C. 1070a–25(d)) is amended by striking “less
than the minimum” and inserting “less than 10 percent
of the total maximum”.

SEC. 5. PROVIDING INCREASED FEDERAL PELL GRANTS
AND OTHER ASSISTANCE FOR RECIPIENTS
OF MEANS-TESTED BENEFITS.

(a) Increased Amount of Maximum Federal
Pell Grants for Students With Negative Stu-
DENT AID INDEXES.—Section 401(b)(1) (20 U.S.C. 1070a(b)(1)), as amended by section 4 of this Act, is further amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking “A student” and inserting “Except in the case of a student with a student aid index of less than zero, a student”;

(B) by striking clause (i); and

(C) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively;

(2) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively;

(3) by inserting after subparagraph (A) the following:

“(B) A student with a student aid index of less than zero shall be eligible for a Federal Pell Grant award that exceeds the total maximum Federal Pell Grant by an amount equal to the amount by which the student’s student aid index is less than zero.”;

(4) in subparagraph (C), as redesignated by paragraph (2)—
(A) in the matter preceding clause (i), by striking “subparagraph (A) for an academic year,” and inserting “subparagraph (A), or an increased Federal Pell Grant under subparagraph (B), for an academic year”; and

(B) in clause (ii), by striking “, except that a student aid index of less than zero shall be considered to be zero for the purposes of this clause”;

(5) in subparagraph (D), as redesignated by paragraph (2), by striking “(A) or (B)” and inserting “(A), (B), or (C)”;

(6) in subparagraph (E), as redesignated by paragraph (2), by inserting “or an increased Federal Pell Grant under subparagraph (B)” after “subparagraph (A)”; or

(7) in subparagraph (F), as redesignated by paragraph (2), by striking “or a minimum Federal Pell Grant under subparagraph (C)” and inserting “an increased Federal Pell Grant under subparagraph (B), or a minimum Federal Pell Grant under subparagraph (D)”.

(b) Special Student Aid Index Rule for Recipients of Means-Tested Benefits.—Section 473
SEC. 6. FEDERAL AID ELIGIBILITY FOR DREAMER STUDENTS.

Section 484 (20 U.S.C. 1091) is amended—

(1) in subsection (a)(5), by inserting ‘‘, or be a

Dreamer student, as defined in subsection (u)’’ after

‘‘becoming a citizen or permanent resident’’; and

(2) by adding at the end the following:

“(u) DREAMER STUDENTS.—

“(1) IN GENERAL.—In this section, the term

‘Dreamer student’ means an individual who—

“(A)(i) is not a citizen or national of the

United States; and
“(ii) is inadmissible or deportable under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)); and

“(B)(i) in the case of such an individual who was younger than 18 years of age on the date on which the individual initially entered the United States—

“(I) has earned a high school diploma, the recognized equivalent of such diploma from a secondary school, or a high school equivalency diploma recognized by State law, or is scheduled to complete the requirements for such a diploma or equivalent before the next academic year begins;

“(II) is enrolled at an institution of higher education pursuant to subsection (d);

“(III) has served in the uniformed services (as such term is defined in section 101 of title 10, United States Code) for not less than 2 years and, if discharged, received an honorable discharge;

“(IV) has acquired a degree, certificate, or recognized postsecondary credential from an institution of higher education
or area career and technical education school (as such term is defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)); or

“(V) has completed not less than 2 years in a postsecondary program at an institution of higher education, or area career and technical education school, in the United States; or

“(ii)(I) is, or at any time was, eligible for a grant of deferred action pursuant to—

“(aa) the memorandum of the Department of Homeland Security entitled ‘Exercising Prosecutorial Discretion with Respect to Individuals Who Came to the United States as Children’ issued on June 15, 2012; or

“(bb) the memorandum of the Department of Homeland Security entitled ‘Exercising Prosecutorial Discretion with Respect to Certain Individuals Who Are the Parents of U.S. Citizens or Permanent
Residents’ issued on November 20, 2014;
or
“(II) would have been eligible for such a grant of deferred action if the applicable memorandum described in subclause (I) had been fully in effect since the date on which it was issued.
“(2) Hardship Exception.—The Secretary shall issue regulations that direct when the Department shall waive the age requirement of paragraph (1)(B)(i) for an individual to qualify as a Dreamer student under such paragraph, if the individual demonstrates compelling circumstances, such as economic hardship (as defined in section 435(o)).”.

SEC. 7. RESTORING THE TOTAL SEMESTERS OF FEDERAL PELL GRANT ELIGIBILITY.
Section 401(d)(5)(A) is amended by striking “12” each place the term appears and inserting “18”.

SEC. 8. REDUCING FINANCIAL AID PENALTIES FROM SATISFACTORY ACADEMIC PROGRESS DETERMINATIONS.
Section 484(c) of the Higher Education Act of 1965 (20 U.S.C. 1091(c)) is amended to read as follows:
“(c) Satisfactory Progress.—
“(1) Definitions.—In this subsection:
“(A) APPEAL.—The term ‘appeal’ means a process by which a student who is not meeting the institution’s satisfactory academic progress standards petitions the institution for reconsideration of the student’s eligibility for assistance under this title.

“(B) FINANCIAL AID PROBATION.—The term ‘financial aid probation’ means a status assigned by an institution to a student who fails to make satisfactory academic progress and who has appealed and has had eligibility for aid reinstated.

“(C) FINANCIAL AID WARNING.—The term ‘financial aid warning’ means a status assigned to a student who fails to make satisfactory academic progress at the end of the semester or equivalent period in which the student first fails to make such progress.

“(D) PAYMENT PERIOD.—The term ‘payment period’ means the applicable payment period described in section 668.4 of title 34, Code of Federal Regulations, or any successor regulation.

“(2) SATISFACTORY ACADEMIC PROGRESS POLICY.—An institution shall establish a reasonable sat-
isfactory academic progress policy for determining
whether an otherwise eligible student is making sat-
isfactory academic progress in the student’s edu-
cational program and may receive assistance under
this title. The Secretary shall consider the institu-
tion’s policy to be reasonable if—

“(A) the policy is not more burdensome
than the policy the institution applies to a stu-
dent who is not receiving assistance under this
title;

“(B) the policy provides for consistent ap-
plication of standards to all students, including
full-time, part-time, undergraduate, and gradu-
ate students, and all educational programs es-
tablished by the institution;

“(C)(i) the policy specifies the grade point
average that a student must achieve at each
evaluation, or if a grade point average is not an
appropriate qualitative measure, a comparable
assessment measured against a norm; and

“(ii) if a student is enrolled in an edu-
cational program of more than 2 academic
years, the policy specifies that at the end of the
second academic year, the student must have a
grade point average of at least a ‘C’ or its
equivalent, or have academic standing consistent with the institution’s requirements for graduation;

“(D) the policy provides for measurement of the student’s progress at each evaluation;

“(E) the policy describes—

“(i) how a student’s grade point average and the pace at which the student progresses toward completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions, including that credit hours from another institution that are accepted toward the student’s educational program are counted as both attempted and completed hours; and

“(ii) how after a student reenrolls after the student’s satisfactory academic progress was reset pursuant to paragraph (3)(B), the student may have any credits that were earned before the student was determined not to be making satisfactory academic progress counted for purposes of determining progress when the student reenrolls, but any attempted hours that were
not earned by the student (including in-
completes, withdrawn courses, and failed
courses) before the student was determined
not to be making satisfactory academic
progress will not negatively impact the de-
termination of whether the student made
satisfactory academic progress after such
reset;

“(F) the policy provides that, except as
provided in subparagraph (G) with respect to a
student placed on financial aid warning or fi-
nancial aid probation and paragraph (3), a stu-
dent is no longer eligible to receive assistance
under this title if the student has not achieved
the required grade point average or who is not
making progress toward completion in the stu-
dent’s educational program—

“(i) at the time of each evaluation
with respect to a student who is in an edu-
cational program of 2 academic years or
less in length; or

“(ii) at the end of the second aca-
demic year with respect to a student who
is in an educational program of more than
2 academic years in length;
“(G) the policy describes when students will be placed on financial aid warning or financial aid probation, in accordance with paragraph (4), and provides that—

“(i) a student on financial aid warning—

“(I) shall continue to be eligible for assistance under this title for one payment period despite a determination that the student is not making satisfactory academic progress; and

“(II) may be assigned such status without an appeal or other action by the student; and

“(ii)(I) a student on financial aid probation may receive assistance under this title for one payment period and the institution may require the student to fulfill specific terms and conditions, such as taking a reduced course load or enrolling in specific courses; and

“(II) at the end of such one payment period, the student is required to meet the institution’s satisfactory academic progress standards, or meet the requirements of the
academic plan developed by the institution and the student, in order to qualify for continued assistance under this title;

“(II) if the institution permits a student to appeal a determination by the institution that the student is not making satisfactory academic progress, the policy describes—

“(i) how the student may reestablish the student’s eligibility to receive assistance under this title;

“(ii) the basis on which the student may file an appeal, including because of the death of a relative, an injury or illness of the student, or another special circumstance; and

“(iii) information the student is required to submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student’s situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

“(I) if the institution does not permit a student to appeal a determination by the institution that the student is not making satisfac-
tory academic progress, the policy describes how the student may reestablish the student’s eligibility to receive assistance under this title;

“(J) the policy provides for notification to students of the results of an evaluation that impacts the student’s eligibility for assistance under this title; and

“(K) the policy does not impose satisfactory progress limitations on need-based institutional aid that are more stringent than the standard applied under this subsection, unless the institution demonstrates to the satisfaction of the Secretary that the policy improves student persistence in, and completion of, postsecondary education for all students.

“(3) REGAINING ELIGIBILITY.—

“(A) STUDENTS WHO REMAIN IN SCHOOL.—Whenever a student fails to meet the eligibility requirements of subsection (a)(2) as a result of the application of this subsection and, subsequent to that failure, the student has academic standing for any grading period consistent with the requirements for staying on track to graduate within 150 percent of the published length of the educational program, as
determined by the institution, the student shall again be eligible under subsection (a)(2) for a grant, loan, or work assistance under this title, as long as the student maintains satisfactory academic progress under paragraph (2) beginning on and after the date that the student regains eligibility.

“(B) STUDENTS WHO LEAVE SCHOOL.—

“(i) IN GENERAL.—If a student has not been enrolled in any institution of higher education for the immediately preceding 2 years, any previous failure to meet the eligibility requirements of subsection (a)(2) shall not be used in any determination of eligibility of such student under such subsection. Such student shall, on the date of enrollment subsequent to such 2-year period, have the student’s eligibility for a grant, loan, or work assistance under this title reset and be deemed as meeting the requirements described in paragraph (2). Beginning on and after such date, the student’s satisfactory academic progress shall be determined in accordance with paragraph (2)(E)(ii).
“(ii) Maximum number of resets.—A student shall be eligible for a reset of eligibility pursuant to this sub-paragraph not more than 2 times.

“(C) Duties of the Secretary.—The Secretary shall—

“(i) send, to each student who failed to meet the eligibility requirements of subsection (a)(2) and who has not regained eligibility for a grant, loan, or work assistance under subparagraph (A), a notice, two years after such failure, that includes—

“(I) a notification that, if the student has not been enrolled in any institution of higher education for the preceding two years and has not received two resets of eligibility under subparagraph (B), the student may use grant, loan, or work assistance under this title for enrollment at any eligible institution, including an institution other than the institution in which the student was previously enrolled;
“(II) a notification that, if the student has remained enrolled, or resumed enrollment, at an institution of higher education, the student may be eligible for a grant, loan, or work assistance under this title subject to the requirements of subparagraph (A);

“(III) information on how many semesters of eligibility for a grant, loan, or work assistance under this title to which the student still has access; and

“(IV) a notification that the student should ask any prospective eligible institution how many of the student’s previously completed credits the student would be able to transfer; and

“(ii) submit an annual report to Congress on the outcomes of students who have received a reset of eligibility pursuant to this paragraph, including—

“(I) the number of students who reenroll in an eligible institution after such reset, disaggregated by race, eth-
nicity, sex, age, socioeconomic status, and disability status;

“(II) the 250 eligible institutions with the highest numbers of enrolled students receiving grant, loan, or work assistance under this title after such a reset;

“(III) the 250 eligible institutions with the highest share of enrolled students receiving grant, loan, or work assistance under this title after such a reset; and

“(IV) the average completion rate and time to completion for students who reenroll in an eligible institution after such reset, disaggregated by institution.

“(4) Evaluation of academic progress.—

“(A) In general.—An institution that determines that a student is not making satisfactory academic progress under its policy may disburse funds provided through student financial assistance programs under this title (including work-study programs under subtitle C)
to the student in accordance with subparagraphs (B), (C), and (D).

“(B) Payment period following not making satisfactory academic progress.—For the payment period following the payment period in which a student did not make satisfactory academic progress, the institution shall place the student on financial aid warning and disburse funds under this title to the student.

“(C) Payment period following financial aid warning.—For the payment period following a payment period during which a student was on financial aid warning, the institution may place the student on financial aid probation, and disburse funds under this title to the student if—

“(i) the institution evaluates the student’s progress and determines that student did not make satisfactory academic progress during the payment period the student was on financial aid warning;

“(ii) the student appeals the determination; and

“(iii)(I) the institution determines that the student should be able to meet the
institution’s satisfactory academic progress standards by the end of the subsequent payment period; or

“(II) the institution develops an academic plan for the student that, if followed, will ensure that the student is able to meet the institution’s satisfactory academic progress standards by a specific point in time.

“(D) PAYMENT PERIOD FOLLOWING FINANCIAL AID PROBATION.—A student on financial aid probation for a payment period may not receive funds under this title for the subsequent payment period unless the student makes satisfactory academic progress or the institution determines that the student met the requirements specified by the institution in the academic plan for the student developed under subparagraph (C)(iii)(II).

“(E) FREQUENCY OF ACADEMIC PROGRESS EVALUATION AND COMMUNICATION.—

“(i) IN GENERAL.—Subject to clause (ii), for the purpose of determining whether presently enrolled students are maintaining satisfactory progress, each institu-
tion of higher education that enrolls stu-
dents who receive any grant, loan, or work
assistance under this title shall review the
progress of such students at the end of
each payment period.

“(ii) SHORTER PAYMENT PERIODS.—
For each institution described in clause (i)
that has payment periods that are shorter
than on the semester system basis (such as
on a quarterly or trimester system basis or
by clock hour program or non-term pro-
gram), such institution shall review the
progress of presently enrolled students at
the end of each semester or equivalent pe-
riod of 12 to 18 weeks.

“(iii) FINANCIAL AID WARNING.—At
the end of each payment period (or, in the
case of an institution described in clause
(ii), at the end of each semester or equiva-
 lent period), each institution shall send a
financial aid warning to presently enrolled
students that do not meet the grade point
average requirement described in para-
graph (2), or its equivalent or academic
standing consistent with the requirements
for graduation, as determined by the institution, that informs the students of their risk of being determined to not be maintaining satisfactory progress and therefore losing eligibility for grant, loan, or work assistance under this title and provides information on—

“(I) the specific criteria of the institution’s academic requirements that the student is not meeting and the specific improvements needed to meet the requirements; and

“(II) how to meet with the student’s academic advisor to get the academic support the student needs.

“(5) Detailing requirements to students.—Each institution of higher education that enrolls students who receive any grant, loan, or work assistance under this title shall detail the institution’s requirements regarding students maintaining satisfactory academic progress—

“(A) to such students before the students begin classes at the institution through a detailed communication that may be separate from a financial aid offer; and
“(B) on the financial aid webpage of the website of the institution.

“(6) CONSUMER TESTING.—The Secretary shall conduct consumer testing to develop exemplary practices and templates—

“(A) to support institutions of higher education in carrying out paragraph (5); and

“(B) which shall be available as resources for institutions of higher education.”.

SEC. 9. CONFORMING AMENDMENTS.

The Act (20 U.S.C. 1001 et seq.) is amended—

(1) in section 401A(d)(1)(B)(i) (20 U.S.C. 1070a–1(d)(1)(B)(i)), by striking “section 401(b)(2)(B)” and inserting “section 401(b)(2)”; and

(2) in section 402D(d)(1) (20 U.S.C. 1070a–14(d)(1))—

(A) by striking “section 401(b)(2)(A)” and inserting “section 401(b)(1)”; and

(B) by striking “described in section 401(b)(4)” and inserting “as described in section 401(b)(5)”; and


SEC. 10. EFFECTIVE DATE.

Except as otherwise provided, this Act, and the amendments made by this Act to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), shall take effect on July 1, 2025, and apply with respect to award year 2025–2026 and each subsequent award year, as determined under the Higher Education Act of 1965. The Secretary of Education shall have the authority to take such steps as are necessary before July 1, 2025, to provide for the orderly implementation on such date of the amendments to the Higher Education Act of 1965 made by this Act.