

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

Ms. HIRONO (for herself, Mrs. MURRAY, Mr. REED, Mr. WHITEHOUSE, Mr. KAINE, Mr. PADILLA, Mrs. SHAHEEN, Mr. BENNET, Mr. BLUMENTHAL, Mr. MARKEY, Ms. DUCKWORTH, Mr. HEINRICH, Mr. WARNOCK, Ms. WARREN, Mrs. GILLIBRAND, Ms. SMITH, Mr. VAN HOLLEN, Mr. MURPHY, Mr. BOOKER, Mr. WYDEN, Ms. KLOBUCHAR, Mr. DURBIN, Mr. KING, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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 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 Preserva-  
5 tion and Expansion Act of 2026”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) The United States needs individuals with  
2           the knowledge, skills, and abilities that enable them  
3           to thrive as educated citizens in society and success-  
4           fully participate in an interconnected economy.

5           (2) Investments in higher education through  
6           student aid such as the Federal Pell Grant program  
7           under section 401 of the Higher Education Act of  
8           1965 (20 U.S.C. 1070a) help students and families  
9           reach, afford, and complete education and training  
10          opportunities beyond high school.

11          (3) The Federal Pell Grant program is the larg-  
12          est source of federally funded grant aid for postsec-  
13          ondary education.

14          (4) The Federal Pell Grant program allows mil-  
15          lions of people of the United States to attend college  
16          and is especially vital for students of color. Three in  
17          5 African American undergraduate students, and  
18          one-half of all Latino undergraduate students, rely  
19          on the Federal Pell Grant program.

20          (5) The Federal Pell Grant program should  
21          continue to be a reliable source of funding for aspir-  
22          ing students, their families, and future generations  
23          that they can count on to be there for them when  
24          they seek higher education.

1           (6) In Public Law 119–21, Congress expanded  
2           Federal Pell Grant eligibility to short-term training  
3           programs, but did not make additional investments  
4           nor take efforts to stabilize the program for longer  
5           than one fiscal year. Congress also made students  
6           whose total non-Federal grants and scholarships  
7           alone equal or exceed their cost of attendance ineli-  
8           gible for the Federal Pell Grant.

9           (7) To stabilize Federal Pell Grant funding and  
10          ensure the grant will continue to serve millions of  
11          students now and in the future, the program should  
12          become a fully mandatory program that grows with  
13          inflation.

14          (8) Restoring prior eligibility cuts and expand-  
15          ing access to underserved students will give millions  
16          of students and families the critical student aid sup-  
17          port they need and deserve.

18 **SEC. 3. TABLE OF CONTENTS; REFERENCES.**

19          (a) TABLE OF CONTENTS.—The table of contents of  
20 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 recipi-  
ents 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 de-  
terminations.

Sec. 9. Restoring Federal Pell Grant eligibility for certain students with scholarships.

Sec. 10. Conforming amendments.

Sec. 11. Effective date.

1           (b) REFERENCES.—Except as otherwise expressly  
2 provided, whenever in this Act an amendment or repeal  
3 is expressed in terms of an amendment to, or repeal of,  
4 a section or other provision, the reference shall be consid-  
5 ered to be made to a section or other provision of the  
6 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

7 **SEC. 4. DOUBLING FEDERAL PELL GRANTS AND PRO-**  
8 **VIDING ALL FEDERAL PELL GRANTS**  
9 **THROUGH MANDATORY FUNDING.**

10           (a) AMOUNT OF MINIMUM FEDERAL PELL  
11 GRANTS.—Section 401 (20 U.S.C. 1070a) is amended—

12                   (1) in subsection (a)(2)(F), by striking “10 per-  
13 cent” and inserting “5 percent”;

14                   (2) in subsection (b)—

15                           (A) in paragraph (1)(B)(i), by striking  
16 “paragraph (5)(A)” and inserting “paragraph  
17 (5)”;

18                           (B) by striking paragraph (5) and insert-  
19 ing the following:

20                           “(5) TOTAL MAXIMUM FEDERAL PELL  
21 GRANT.—

1           “(A) AWARD YEAR 2026–2027.—For award  
2 year 2026–2027, the total maximum Federal  
3 Pell Grant award shall be \$10,000.

4           “(B) AWARD YEAR 2027–2028.—For award  
5 year 2027–2028, the total maximum Federal  
6 Pell Grant award shall be \$11,000.

7           “(C) AWARD YEAR 2028–2029.—For award  
8 year 2028–2029, the total maximum Federal  
9 Pell Grant award shall be \$12,000.

10           “(D) AWARD YEAR 2029–2030.—For award  
11 year 2029–2030, the total maximum Federal  
12 Pell Grant award shall be \$13,000.

13           “(E) AWARD YEAR 2030–2031.—For award  
14 year 2030–2031, the total maximum Federal  
15 Pell Grant award shall be \$14,000.

16           “(F) AWARD YEAR 2031–2032 AND SUBSE-  
17 QUENT YEARS.—For award year 2031–2032,  
18 and each subsequent award year, the total max-  
19 imum Federal Pell Grant award shall be  
20 \$15,000—

21           “(i) increased by the adjustment per-  
22 centage for the award year for which the  
23 amount under this subparagraph is being  
24 determined; and

25           “(ii) rounded to the nearest \$50.

1           “(G) DEFINITION OF ADJUSTMENT PER-  
2           CENTAGE.—In this paragraph, the term ‘adjust-  
3           ment percentage,’ as applied to an award year,  
4           is equal to the percentage increase in the Con-  
5           sumer Price Index, as defined in section 478(f),  
6           for the most recent calendar year ending prior  
7           to the beginning of the award year.”;

8           (C) by striking paragraphs (6) and (7) and  
9           inserting the following:

10           “(6) APPROPRIATION OF FUNDS.—There are  
11           authorized to be appropriated, and there are appro-  
12           priated, out of any money in the Treasury not other-  
13           wise appropriated, such sums as may be necessary  
14           for fiscal year 2026 and each subsequent fiscal year  
15           to provide the Federal Pell Grant for which a stu-  
16           dent shall be eligible under this section during an  
17           award year.”; and

18           (D) by redesignating paragraphs (8) and  
19           (9) as paragraphs (7) and (8), respectively;  
20           (3) in subsection (d)(5)(B)—

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

24           (B) in clause (ii)—

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

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

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

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

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

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

18 (b) REPEAL OF SCORING REQUIREMENT.—Section  
19 406 of H. Con. Res. 95 (109th Congress) is amended—

20 (1) by striking subsection (b); and

21 (2) by striking “(a) IN GENERAL.—Upon” and  
22 inserting the following: “Upon”.

23 (c) STUDENT SUPPORT SERVICES.—Section  
24 402D(d)(1) (20 U.S.C. 1070a–14(d)(1)) is amended by

1 striking “the minimum” and inserting “10 percent of the  
2 total maximum”.

3 (d) SCHOLARSHIP COMPONENT.—Section 404E(d)  
4 (20 U.S.C. 1070a–25(d)) is amended by striking “less  
5 than the minimum” and inserting “less than 10 percent  
6 of the total maximum”.

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

10 (a) INCREASED AMOUNT OF MAXIMUM FEDERAL  
11 PELL GRANTS FOR STUDENTS WITH NEGATIVE STU-  
12 DENT AID INDEXES.—Section 401(b)(1) (20 U.S.C.  
13 1070a(b)(1)), as amended by section 4 of this Act, is fur-  
14 ther amended—

15 (1) in subparagraph (A)—

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

20 (B) by striking clause (i); and

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

23 (2) in subparagraph (B)—

24 (A) in the matter preceding clause (i), by  
25 striking “subparagraph (A) for an academic

1           year,” and inserting “subparagraph (A), or an  
2           increased Federal Pell Grant under subpara-  
3           graph (B), for an academic year,”; and

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

8           (3) in subparagraph (C), by striking “subpara-  
9           graph (A) or (B)” and inserting “subparagraph (A),  
10          (B), or (C)”;

11           (4) in subparagraph (D), by inserting “or an  
12          increased Federal Pell Grant under subparagraph  
13          (B)” after “subparagraph (A)”;

14           (5) in subparagraph (E), by striking “or a min-  
15          imum Federal Pell Grant under subparagraph (C)”  
16          and inserting “an increased Federal Pell Grant  
17          under subparagraph (B), or a minimum Federal Pell  
18          Grant under subparagraph (D)”;

19           (6) by redesignating subparagraphs (B)  
20          through (F) as subparagraphs (C) through (G), re-  
21          spectively; and

22           (7) by inserting after subparagraph (A) the fol-  
23          lowing:

24                   “(B) A student with a student aid index of  
25          less than zero shall be eligible for a Federal

1 Pell Grant award that exceeds the total max-  
2 imum Federal Pell Grant by an amount equal  
3 to the amount by which the student's student  
4 aid index is less than zero.”.

5 (b) SPECIAL STUDENT AID INDEX RULE FOR RE-  
6 CIPIENTS OF MEANS-TESTED BENEFITS.—Section 473  
7 (20 U.S.C. 1087mm) is amended by adding at the end  
8 the following:

9 “(d) SPECIAL RULE FOR MEANS-TESTED BENEFIT  
10 RECIPIENTS.—Notwithstanding subsection (b), for an ap-  
11 plicant (or, as applicable, an applicant and spouse, or an  
12 applicant's parents) who, at any time during the previous  
13 2-year period, received a benefit under a means-tested  
14 Federal benefit program, as defined in section  
15 479(b)(4)(H), (or whose parent or spouse received such  
16 a benefit, as applicable), the Secretary shall for the pur-  
17 poses of this title consider the student aid index as equal  
18 to  $-\$1,500$  for the applicant.”.

19 **SEC. 6. FEDERAL AID ELIGIBILITY FOR DREAMER STU-**  
20 **DENTS.**

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

22 (1) in subsection (a)(5), by inserting “, or be a  
23 Dreamer student, as defined in subsection (u)” after  
24 “becoming a citizen or permanent resident”; and

25 (2) by adding at the end the following:

1 “(u) DREAMER STUDENTS.—

2 “(1) IN GENERAL.—In this section, the term  
3 ‘Dreamer student’ means an individual who—

4 “(A)(i) is not a citizen or national of the  
5 United States; and

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

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

13 “(I) has earned a high school diploma,  
14 the recognized equivalent of such diploma  
15 from a secondary school, or a high school  
16 equivalency diploma recognized by State  
17 law, or is scheduled to complete the re-  
18 quirements for such a diploma or equiva-  
19 lent before the next academic year begins;

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

23 “(III) has served in the uniformed  
24 services (as such term is defined in section  
25 101 of title 10, United States Code) for

1 not less than 2 years and, if discharged,  
2 received an honorable discharge;

3 “(IV) has acquired a degree, certifi-  
4 cate, or recognized postsecondary creden-  
5 tial from an institution of higher education  
6 or area career and technical education  
7 school (as such term is defined in section  
8 3 of the Carl D. Perkins Career and Tech-  
9 nical Education Act of 2006 ( 20 U.S.C.  
10 2302)); or

11 “(V) has completed not less than 2  
12 years in a postsecondary program at an in-  
13 stitution of higher education, or area ca-  
14 reer and technical education school, in the  
15 United States during such time period; or

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

19 “(aa) the memorandum of the  
20 Department of Homeland Security en-  
21 titled ‘Exercising Prosecutorial Dis-  
22 cretion with Respect to Individuals  
23 Who Came to the United States as  
24 Children’ issued on June 15, 2012; or

1                   “(bb) the memorandum of the  
2                   Department of Homeland Security en-  
3                   titled ‘Exercising Prosecutorial Dis-  
4                   cretion with Respect to Individuals  
5                   Who Came to the United States as  
6                   Children and with Respect to Certain  
7                   Individuals Who Are the Parents of  
8                   U.S. Citizens or Permanent Resi-  
9                   dents’ issued on November 20, 2014;  
10                  or

11                   “(II) would have been eligible for  
12                   such a grant of deferred action if the  
13                   applicable memorandum described in  
14                   subclause (I) had been fully in effect  
15                   since the date on which it was issued.

16                   “(2) HARDSHIP EXCEPTION.—The Secretary  
17                   shall issue regulations that direct when the Depart-  
18                   ment shall waive the age requirement of paragraph  
19                   (1)(B)(i) for an individual to qualify as a Dreamer  
20                   student under such paragraph, if the individual dem-  
21                   onstrates compelling circumstances, such as eco-  
22                   nomic hardship (as defined in section 435(o)).”.

1 **SEC. 7. RESTORING THE TOTAL SEMESTERS OF FEDERAL**  
2 **PELL GRANT ELIGIBILITY.**

3 Section 401(d)(5)(A) (20 U.S.C. 1070a(d)(5)(A)), is  
4 amended by striking “12” each place the term appears  
5 and inserting “18”.

6 **SEC. 8. REDUCING FINANCIAL AID PENALTIES FROM SATIS-**  
7 **FACTORY ACADEMIC PROGRESS DETERMINA-**  
8 **TIONS.**

9 Section 484(c) (20 U.S.C. 1091(c)) is amended to  
10 read as follows:

11 “(c) SATISFACTORY PROGRESS.—

12 “(1) DEFINITIONS.—In this subsection:

13 “(A) APPEAL.—The term ‘appeal’ means a  
14 process by which a student who is not meeting  
15 the institution’s satisfactory academic progress  
16 standards petitions the institution for reconsid-  
17 eration of the student’s eligibility for assistance  
18 under this title.

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

25 “(C) FINANCIAL AID WARNING.—The term  
26 ‘financial aid warning’ means a status assigned

1 to a student who fails to make satisfactory aca-  
2 demic progress at the end of the semester or  
3 equivalent period in which the student first fails  
4 to make such progress.

5 “(D) PAYMENT PERIOD.—The term ‘pay-  
6 ment period’ means the applicable payment pe-  
7 riod described in section 668.4 of title 34, Code  
8 of Federal Regulations, or any successor regula-  
9 tion.

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

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

22 “(B) the policy provides for consistent ap-  
23 plication of standards to all students, including  
24 full-time, part-time, undergraduate, and grad-

1           uate students, and all educational programs es-  
2           tablished by the institution;

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

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

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

18          “(E) the policy describes—

19                  “(i) how a student’s grade point aver-  
20                  age and the pace at which the student pro-  
21                  gresses toward completion are affected by  
22                  course incompletes, withdrawals, or repeti-  
23                  tions, or transfers of credit from other in-  
24                  stitutions, including that credit hours from  
25                  another institution that are accepted to-

1           ward the student’s educational program  
2           are counted as both attempted and com-  
3           pleted hours; and

4           “(ii) how after a student reenrolls  
5           after the student’s satisfactory academic  
6           progress was reset pursuant to paragraph  
7           (3)(B), the student may have any credits  
8           that were earned before the student was  
9           determined not to be making satisfactory  
10          academic progress counted for purposes of  
11          determining progress when the student re-  
12          enrolls, but any attempted hours that were  
13          not earned by the student (including in-  
14          completes, withdrawn courses, and failed  
15          courses) before the student was determined  
16          not to be making satisfactory academic  
17          progress will not negatively impact the de-  
18          termination of whether the student made  
19          satisfactory academic progress after such  
20          reset;

21          “(F) the policy provides that, except as  
22          provided in subparagraph (G) with respect to a  
23          student placed on financial aid warning or fi-  
24          nancial aid probation and paragraph (3), a stu-  
25          dent is no longer eligible to receive assistance

1 under this title if the student has not achieved  
2 the required grade point average or who is not  
3 making progress toward completion in the stu-  
4 dent’s educational program—

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

9 “(ii) at the end of the second aca-  
10 demic year with respect to a student who  
11 is in an educational program of more than  
12 2 academic years in length;

13 “(G) the policy describes when students  
14 will be placed on financial aid warning or finan-  
15 cial aid probation, in accordance with para-  
16 graph (4), and provides that—

17 “(i) a student on financial aid warn-  
18 ing—

19 “(I) shall continue to be eligible  
20 for assistance under this title for one  
21 payment period despite a determina-  
22 tion that the student is not making  
23 satisfactory academic progress; and

1                   “(II) may be assigned such sta-  
2                   tus without an appeal or other action  
3                   by the student; and

4                   “(ii)(I) a student on financial aid pro-  
5                   bation may receive assistance under this  
6                   title for one payment period and the insti-  
7                   tution may require the student to fulfill  
8                   specific terms and conditions, such as tak-  
9                   ing a reduced course load or enrolling in  
10                  specific courses; and

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

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

22                  “(i) how the student may reestablish  
23                  the student’s eligibility to receive assist-  
24                  ance under this title;

1                   “(ii) the basis on which the student  
2                   may file an appeal, including because of  
3                   the death of a relative, an injury or illness  
4                   of the student, or another special cir-  
5                   cumstance; and

6                   “(iii) information the student is re-  
7                   quired to submit regarding why the stu-  
8                   dent failed to make satisfactory academic  
9                   progress, and what has changed in the stu-  
10                  dent’s situation that will allow the student  
11                  to demonstrate satisfactory academic  
12                  progress at the next evaluation;

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

19                  “(J) the policy provides for notification to  
20                  students of the results of an evaluation that im-  
21                  pacts the student’s eligibility for assistance  
22                  under this title; and

23                  “(K) the policy does not impose satisfac-  
24                  tory progress limitations on need-based institu-  
25                  tional aid that are more stringent than the

1 standard applied under this subsection, unless  
2 the institution demonstrates to the satisfaction  
3 of the Secretary that the policy improves stu-  
4 dent persistence in, and completion of, postsec-  
5 ondary education for all students.

6 “(3) REGAINING ELIGIBILITY.—

7 “(A) STUDENTS WHO REMAIN IN  
8 SCHOOL.—Whenever a student fails to meet the  
9 eligibility requirements of subsection (a)(2) as a  
10 result of the application of this subsection and,  
11 subsequent to that failure, the student has aca-  
12 demic standing for any grading period con-  
13 sistent with the requirements for staying on  
14 track to graduate within 150 percent of the  
15 published length of the educational program, as  
16 determined by the institution, the student shall  
17 again be eligible under subsection (a)(2) for a  
18 grant, loan, or work assistance under this title,  
19 as long as the student maintains satisfactory  
20 academic progress under paragraph (2) begin-  
21 ning on and after the date that the student re-  
22 gains eligibility.

23 “(B) STUDENTS WHO LEAVE SCHOOL.—

24 “(i) IN GENERAL.—If a student has  
25 not been enrolled in any institution of

1 higher education for the immediately pre-  
2 ceding 2 years, any previous failure to  
3 meet the eligibility requirements of sub-  
4 section (a)(2) shall not be used in any de-  
5 termination of eligibility of such student  
6 under such subsection. Such student shall,  
7 on the date of enrollment subsequent to  
8 such 2-year period, have the student's eli-  
9 gibility for a grant, loan, or work assist-  
10 ance under this title reset and be deemed  
11 as meeting the requirements described in  
12 paragraph (2). Beginning on and after  
13 such date, the student's satisfactory aca-  
14 demic progress shall be determined in ac-  
15 cordance with paragraph (2)(E)(ii).

16 “(ii) MAXIMUM NUMBER OF  
17 RESETS.—A student shall be eligible for a  
18 reset of eligibility pursuant to this sub-  
19 paragraph not more than 2 times.

20 “(C) DUTIES OF THE SECRETARY.—The  
21 Secretary shall—

22 “(i) send, to each student who failed  
23 to meet the eligibility requirements of sub-  
24 section (a)(2) and who has not regained  
25 eligibility for a grant, loan, or work assist-



1 title to which the student still has ac-  
2 cess; and

3 “(IV) a notification that the stu-  
4 dent should ask any prospective eligi-  
5 ble institution how many of the stu-  
6 dent’s previously completed credits the  
7 student would be able to transfer; and

8 “(ii) submit an annual report to Con-  
9 gress on the outcomes of students who  
10 have received a reset of eligibility pursuant  
11 to this paragraph, including—

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

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

22 “(III) the 250 eligible institu-  
23 tions with the highest share of en-  
24 rolled students receiving grant, loan,

1 or work assistance under this title  
2 after such a reset; and

3 “(IV) the average completion  
4 rate and time to completion for stu-  
5 dents who reenroll in an eligible insti-  
6 tution after such reset, disaggregated  
7 by institution.

8 “(4) EVALUATION OF ACADEMIC PROGRESS.—

9 “(A) IN GENERAL.—An institution that  
10 determines that a student is not making satis-  
11 factory academic progress under its policy may  
12 disburse funds provided through student finan-  
13 cial assistance programs under this title (in-  
14 cluding work-study programs under subtitle C)  
15 to the student in accordance with subpara-  
16 graphs (B), (C), and (D).

17 “(B) PAYMENT PERIOD FOLLOWING NOT  
18 MAKING SATISFACTORY ACADEMIC PROGRESS.—

19 For the payment period following the payment  
20 period in which a student did not make satis-  
21 factory academic progress, the institution shall  
22 place the student on financial aid warning and  
23 disburse funds under this title to the student.

24 “(C) PAYMENT PERIOD FOLLOWING FI-  
25 NANCIAL AID WARNING.—For the payment pe-

1           riod following a payment period during which a  
2           student was on financial aid warning, the insti-  
3           tution may place the student on financial aid  
4           probation, and disburse funds under this title to  
5           the student if—

6                   “(i) the institution evaluates the stu-  
7                   dent’s progress and determines that stu-  
8                   dent did not make satisfactory academic  
9                   progress during the payment period the  
10                  student was on financial aid warning;

11                   “(ii) the student appeals the deter-  
12                   mination; and

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

18                   “(II) the institution develops an aca-  
19                   demic plan for the student that, if fol-  
20                   lowed, will ensure that the student is able  
21                   to meet the institution’s satisfactory aca-  
22                   demic progress standards by a specific  
23                   point in time.

24                   “(D) PAYMENT PERIOD FOLLOWING FI-  
25                   NANCIAL AID PROBATION.—A student on finan-

1           cial aid probation for a payment period may not  
2           receive funds under this title for the subsequent  
3           payment period unless the student makes satis-  
4           factory academic progress or the institution de-  
5           termines that the student met the requirements  
6           specified by the institution in the academic plan  
7           for the student developed under subparagraph  
8           (C)(iii)(II).

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

11                   “(i) IN GENERAL.—Subject to clause  
12           (ii), for the purpose of determining wheth-  
13           er presently enrolled students are main-  
14           taining satisfactory progress, each institu-  
15           tion of higher education that enrolls stu-  
16           dents who receive any grant, loan, or work  
17           assistance under this title shall review the  
18           progress of such students at the end of  
19           each payment period.

20                   “(ii) SHORTER PAYMENT PERIODS.—  
21           For each institution described in clause (i)  
22           that has payment periods that are shorter  
23           than on the semester system basis (such as  
24           on a quarterly or trimester system basis or  
25           by clock hour program or non-term pro-



1 specific improvements needed to meet  
2 the requirements; and

3 “(II) how to meet with the stu-  
4 dent’s academic advisor to get the  
5 academic support the student needs.

6 “(5) DETAILING REQUIREMENTS TO STU-  
7 DENTS.—Each institution of higher education that  
8 enrolls students who receive any grant, loan, or work  
9 assistance under this title shall detail the institu-  
10 tion’s requirements regarding students maintaining  
11 satisfactory academic progress—

12 “(A) to such students before the students  
13 begin classes at the institution through a de-  
14 tailed communication that may be separate  
15 from a financial aid offer; and

16 “(B) on the financial aid webpage of the  
17 website of the institution.

18 “(6) CONSUMER TESTING.—The Secretary shall  
19 conduct consumer testing to develop exemplary prac-  
20 tices and templates—

21 “(A) to support institutions of higher edu-  
22 cation in carrying out paragraph (5); and

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

1 **SEC. 9. RESTORING FEDERAL PELL GRANT ELIGIBILITY**  
2 **FOR CERTAIN STUDENTS WITH SCHOLAR-**  
3 **SHIPS.**

4 Section 401(d) (20 U.S.C. 1070a(d)) is amended by  
5 striking paragraph (6).

6 **SEC. 10. CONFORMING AMENDMENTS.**

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

8 (1) in section 401A(d)(1)(B)(i) (20 U.S.C.  
9 1070a–1(d)(1)(B)(i)), by striking “section  
10 401(b)(2)(B)” and inserting “section 401(b)(2)”;

11 (2) in section 402D(d)(1) (20 U.S.C. 1070a–  
12 14(d)(1))—

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

15 (B) by striking “described in section  
16 401(b)(4)” and inserting “as described in sec-  
17 tion 401(b)(5)”;

18 (3) in section 435(a)(5)(A)(i)(I) (20 U.S.C.  
19 1085(a)(5)(A)(i)(I)), by striking “under section  
20 401(b)(2)(A)” and inserting “under section  
21 401(b)(1)”;

22 (4) in section 481(b)(3)(A) (20 U.S.C.  
23 1088(b)(3)(A)) by striking “401(k)” and inserting  
24 “401(i)”;

25 (5) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.  
26 1161y(f)(2)(C)(ii)(I)), by striking “section

1       401(b)(2)(A)” and inserting “section 401(b)(1”;  
2       and  
3             (6) in section 419N(b)(7)(B)(i) (20 U.S.C.  
4       1070e(b)(7)(B)(i)), by striking “401(c)(1)” and in-  
5       serting “401(d)”.

6       **SEC. 11. EFFECTIVE DATE.**

7       Except as otherwise provided, this Act, and the  
8       amendments made by this Act to the Higher Education  
9       Act of 1965 (20 U.S.C. 1001 et seq.) shall take effect  
10      on July 1, 2026, and apply with respect to award year  
11      2026–2027 and each subsequent award year, as deter-  
12      mined under the Higher Education Act of 1965. The Sec-  
13      retary of Education shall have the authority to take such  
14      steps as are necessary before July 1, 2026, to provide for  
15      the orderly implementation on such date of the amend-  
16      ments to the Higher Education Act of 1965 made by this  
17      Act.