



## The GOP War on Students: Pell Grants under Attack in H.R. 4508

Fifty-two years ago, the Higher Education Act (HEA) was signed into law with the goal of providing students with the knowledge, skills, and abilities to grow and strengthen their economic security. The Pell Grant program (Pell) is authorized by the HEA and is the largest source of federally-funded grant aid for postsecondary education. Pell serves nearly eight million students, more than 40 percent of all students enrolled in higher education. Forty years ago, the maximum Pell Grant covered about three-fourths of the cost of attending a four-year public university. Today, **the maximum award only covers 29 percent of the cost**, causing low-income students to borrow more to complete their degree. To make up the difference, students are forced to take on more debt.

H.R. 4508 fails to improve access to and affordability of quality degrees and credentials. It would push college even further out of reach for low-income students by causing students to borrow more, pay more to borrow more, and pay more to repay their loans.

- **H.R. 4508 reduces available grant aid for students.** While H.R. 4508 reauthorizes Pell, under the GOP's "One Grant, One Loan, One Work Study" mandate, the program becomes the *only* source of federal grant aid. TEACH Grants and Federal Supplemental Educational Opportunity Grants are completely eliminated in the bill.
- **H.R. 4508 increases financial uncertainty for the most vulnerable students.** The bill would require Pell to be disbursed similar to a paycheck. It gives institutions the flexibility not only to allocate aid on a monthly or weekly basis, but also to adjust and disburse unequal award amounts across payment periods. This program change would cause unnecessary hardships for the lowest-income students who rely on Pell to support not only their institutional enrollment but also their livelihood.
- **H.R. 4508 does nothing to increase the purchasing power of Pell.** The bill expands Pell eligibility to for-profit programs devoid of federal oversight while also making it the only grant program for student aid. Despite the significant expansion of eligibility and reduction of available grant aid, the bill fails to increase Pell funding, does not increase the max award, and fails to provide inflationary adjustments for Pell.
- **H.R. 4508 disadvantages non-traditional students.** The bill authorizes a Pell bonus award only for students on track to complete 30 credit hours or the equivalency for the academic year. This "bonus" essentially creates a new maximum award for a more-than-full workload, leaving behind millions of low-income students who do not enroll full time. Data shows that while part-time students comprise 40 percent of higher education enrollment, they struggle the most with completion. A yearly bonus of merely \$300 is not enough to improve college affordability or incentivize full-time enrollment for students who cannot afford it.
- **H.R. 4508 wrongly blames students for fraud.** Despite Departmental data showing that less than 2 percent of total federal financial aid applicants are flagged for unusual or potentially fraudulent enrollment patterns, the bill's only provisions to combat fraud targets students. H.R. 4508 would prohibit any student who enrolls for three payment periods and fails to complete any credit hours from receiving future Pell awards. However, H.R. 4508 removes all meaningful consumer and taxpayer protections designed to prevent fraud committed by for-profit colleges (i.e. ITT Tech and Corinthian) and closed institutions that have defrauded students and cost taxpayers hundreds of millions of dollars.