

115TH CONGRESS  
1ST SESSION

# H. R. 2451

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

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## IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2017

Mrs. DAVIS of California (for herself, Mr. SCOTT of Virginia, Mr. RICHMOND, Ms. JUDY CHU of California, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Ms. ROYBAL-ALLARD, Mr. KILMER, and Mr. DANNY K. DAVIS of Illinois) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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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”.

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 to 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) To stabilize Federal Pell Grant funding and  
 2           ensure the grant will continue to serve millions of  
 3           students now and in the future, the program should  
 4           become a fully mandatory program that grows with  
 5           inflation.

6           (7) Protecting surplus funds, restoring prior eli-  
 7           gibility cuts, and expanding access to underserved  
 8           students will give millions of students and families  
 9           the critical student aid support they need and de-  
 10          serve.

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

12          (a) TABLE OF CONTENTS.—The table of contents of  
 13 this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Findings.
- Sec. 3. Table of contents; references.
- Sec. 4. Funding Federal Pell Grants through mandatory funding.
- Sec. 5. Restoring Federal Pell Grant eligibility for borrower defense.
- Sec. 6. Federal Pell Grant eligibility for DREAMer students.
- Sec. 7. Repeal of suspension of eligibility under the Higher Education Act of 1965 for grants, loans, and work assistance for drug-related offenses.
- Sec. 8. Extending Federal Pell Grant eligibility of certain short-term programs.
- Sec. 9. Providing Federal Pell grants for Iraq and Afghanistan veteran's dependents.
- Sec. 10. Increasing support for working students by 35 percent.
- Sec. 11. Increasing the Federal Pell Grant auto-zero threshold.
- Sec. 12. Raising the total semesters of Federal Pell Grant eligibility.
- Sec. 13. Conforming amendments.
- Sec. 14. Effective date.

14          (b) REFERENCES.—Except as otherwise expressly  
 15 provided, whenever in this Act an amendment or repeal  
 16 is expressed in terms of an amendment to, or repeal of,  
 17 a section or other provision, the reference shall be consid-

1 ered to be made to a section or other provision of the  
2 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

3 **SEC. 4. FUNDING FEDERAL PELL GRANTS THROUGH MAN-**  
4 **DATORY FUNDING.**

5 (a) MANDATORY FUNDING; REINSTATING ELIGI-  
6 BILITY FOR INCARCERATED INDIVIDUALS.—Section 401  
7 (20 U.S.C. 1070a) is amended—

8 (1) in subsection (a)(1), by striking “through  
9 fiscal year 2017”;

10 (2) in subsection (b)—

11 (A) by striking paragraphs (1), (6), and  
12 (7);

13 (B) by redesignating paragraph (8) as  
14 paragraph (7);

15 (C) by striking subparagraph (A) of para-  
16 graph (2);

17 (D) by redesignating subparagraph (B) of  
18 paragraph (2) as paragraph (2);

19 (E) by inserting before paragraph (2) (as  
20 redesignated by subparagraph (D)) the fol-  
21 lowing:

22 “(1) AMOUNT.—The amount of the Federal Pell  
23 Grant for a student eligible under this subpart shall be—

24 “(A) the maximum Federal Pell Grant de-  
25 scribed in paragraph (6); less

1           “(B) the amount equal to the amount deter-  
2           mined to be the expected family contribution with  
3           respect to such student for such year.”;

4           (F) in paragraph (4), by striking “max-  
5           imum amount of a Federal Pell Grant award  
6           determined under paragraph (2)(A)” and in-  
7           serting “maximum Federal Pell Grant described  
8           in paragraph (6)”;

9           (G) in paragraph (5), by striking “max-  
10          imum amount of a Federal Pell Grant award  
11          determined under paragraph (2)(A)” and in-  
12          serting “maximum amount of a Federal Pell  
13          Grant award described in paragraph (6)”;

14          (H) by inserting after paragraph (5) the  
15          following:

16          “(6) MAXIMUM FEDERAL PELL GRANT.—

17                 “(A) AWARD YEAR 2018–2019.—For award  
18                 year 2018–2019, the maximum Federal Pell  
19                 Grant shall be \$6,420.

20                 “(B) SUBSEQUENT AWARD YEARS.—For  
21                 award year 2019–2020 and each subsequent  
22                 award year, the maximum Federal Pell Grant  
23                 shall be equal to the total maximum Federal  
24                 Pell Grant for the preceding award year under  
25                 this paragraph—

1           “(i) increased by the annual adjust-  
2           ment percentage for the award year for  
3           which the amount under this subparagraph  
4           is being determined; and

5           “(ii) rounded to the nearest \$5.

6           “(C) DEFINITION OF ANNUAL ADJUST-  
7           MENT PERCENTAGE.—In this paragraph, the  
8           term ‘annual adjustment percentage,’ as applied  
9           to an award year, is equal to the estimated per-  
10          centage increase in the Consumer Price Index  
11          (as determined by the Secretary, using the defi-  
12          nition in section 478(f)) for the most recent cal-  
13          endar year ending prior to the beginning of that  
14          award year.”; and

15          (I) in paragraph (7), as redesignated by  
16          subparagraph (B), by striking “may exceed”  
17          and all that follows through the period and in-  
18          serting “may exceed the maximum Federal Pell  
19          Grant available for an award year.”;

20          (3) in subsection (f)—

21          (A) in paragraph (1), by striking the mat-  
22          ter preceding subparagraph (A) and inserting  
23          the following: “After receiving an application  
24          for a Federal Pell Grant under this subpart, the  
25          Secretary (including any contractor of the Sec-

1           retary processing applications for Federal Pell  
2           Grants under this subpart) shall, in a timely  
3           manner, furnish to the student financial aid ad-  
4           ministrators at each institution of higher edu-  
5           cation that a student awarded a Federal Pell  
6           Grant under this subpart is attending, the ex-  
7           pected family contribution for each such stu-  
8           dent. Each such student financial administrator  
9           shall—”; and

10                   (B) in paragraph (3)—

11                           (i) by striking “after academic year  
12                           1986–1987”; and

13                           (ii) in paragraph (3), by striking “the  
14                           Committee on Appropriations of the Sen-  
15                           ate, the Committee on Appropriations of  
16                           the House of Representatives, and”;

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

18           (5) by redesignating subsections (i) and (j) as  
19           subsections (g) and (h), respectively; and

20           (6) by adding at the end the following:

21           “(k) APPROPRIATION OF FUNDS.—There are author-  
22           ized to be appropriated, and there are appropriated, out  
23           of any money in the Treasury not otherwise appropriated,  
24           such sums as may be necessary for fiscal year 2017 and  
25           each subsequent fiscal year to provide the maximum Fed-

1 eral Pell Grant for which a student shall be eligible under  
2 this section during an award year.”.

3 (b) REPEAL OF SCORING REQUIREMENT.—Section  
4 406 of H. Con. Res. 95 (109th Congress) is amended—

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

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

8 **SEC. 5. RESTORING FEDERAL PELL GRANT ELIGIBILITY**  
9 **FOR BORROWER DEFENSE.**

10 Section 401(c)(5) (20 U.S.C. 1070a(c)(5)) is amend-  
11 ed—

12 (1) by striking “(5) The period” and inserting  
13 the following: “(5) MAXIMUM PERIOD.—

14 “(A) IN GENERAL.—Except as provided in  
15 subparagraph (B), the period”; and

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

17 “(B) EXCEPTION.—

18 “(i) IN GENERAL.—Any Federal Pell  
19 Grant that a student received during a pe-  
20 riod described in subclause (I) or (II) of  
21 clause (ii) shall not count towards the stu-  
22 dent’s duration limits under this para-  
23 graph.

24 “(ii) APPLICABLE PERIODS.—Clause  
25 (i) shall apply with respect to any Federal

1 Pell Grant awarded to a student to attend  
2 an institution—

3 “(I) during a period—

4 “(aa) for which the student  
5 received a loan under this title;  
6 and

7 “(bb) for which the loan de-  
8 scribed in item (aa) is forgiven  
9 under—

10 “(AA) section 437(e)(1)  
11 or 464(g)(1) due to the clos-  
12 ing of the institution;

13 “(BB) section 455(h)  
14 due to the student’s success-  
15 ful assertion of a defense to  
16 repayment of the loan; or

17 “(CC) section  
18 432(a)(6), section 685.215  
19 of title 34, Code of Federal  
20 Regulations (or a successor  
21 regulation), or any other  
22 loan forgiveness provision or  
23 regulation under this Act, as  
24 a result of a determination  
25 by the Secretary or a court

1                                   that the institution com-  
 2                                   mitted fraud or other mis-  
 3                                   conduct; or

4                                   “(II) during a period for which  
 5                                   the student did not receive a loan  
 6                                   under this title but for which, if the  
 7                                   student had received such a loan, the  
 8                                   student would have qualified for loan  
 9                                   forgiveness under subclause (I)(bb).”.

10 **SEC. 6. FEDERAL PELL GRANT ELIGIBILITY FOR DREAMER**  
 11 **STUDENTS.**

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

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

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

17                   “(u) DREAMER STUDENTS.—

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

20                                   “(A) was younger than 16 years of age on  
 21                                   the date on which the individual initially en-  
 22                                   tered the United States;

23                                   “(B) has provided a list of each secondary  
 24                                   school that the student attended in the United  
 25                                   States; and

1           “(C)(i) has earned a high school diploma,  
2           the recognized equivalent of such diploma from  
3           a secondary school, or a high school equivalency  
4           diploma in the United States or is scheduled to  
5           complete the requirements for such a diploma  
6           or equivalent before the next academic year be-  
7           gins;

8           “(ii) has acquired a degree from an institu-  
9           tion of higher education or has completed not  
10          less than 2 years in a program for a bacca-  
11          laureate degree or higher degree at an institu-  
12          tion of higher education in the United States  
13          and has made satisfactory academic progress,  
14          as defined in subsection (e), during such time  
15          period;

16          “(iii) at any time was eligible for a grant  
17          of deferred action under—

18                 “(I) the June 15, 2012, memorandum  
19                 from the Secretary of Homeland Security  
20                 entitled ‘Exercising Prosecutorial Discre-  
21                 tion with Respect to Individuals Who  
22                 Came to the United States as Children’; or

23                 “(II) the November 20, 2014, memo-  
24                 randum from the Secretary of Homeland  
25                 Security entitled ‘Exercising Prosecutorial

1 Discretion with Respect to Individuals  
2 Who Came to the United States as Chil-  
3 dren and with Respect to Certain Individ-  
4 uals Who Are the Parents of U.S. Citizens  
5 or Permanent Residents’; or

6 “(iv) has served in the uniformed services,  
7 as defined in section 101 of title 10, United  
8 States Code, for not less than 4 years and, if  
9 discharged, received an honorable discharge.

10 “(2) HARDSHIP EXCEPTION.—The Secretary  
11 shall issue regulations that direct when the Depart-  
12 ment shall waive the requirement of subparagraph  
13 (A) or (B), or both, of paragraph (1) for an indi-  
14 vidual to qualify as a Dreamer student under such  
15 paragraph, if the individual—

16 “(A) demonstrates compelling cir-  
17 cumstances for the inability to satisfy the re-  
18 quirement of such subparagraph (A) or (B), or  
19 both; and

20 “(B) satisfies the requirement of para-  
21 graph (1)(C).”.

1 **SEC. 7. REPEAL OF SUSPENSION OF ELIGIBILITY UNDER**  
2 **THE HIGHER EDUCATION ACT OF 1965 FOR**  
3 **GRANTS, LOANS, AND WORK ASSISTANCE FOR**  
4 **DRUG-RELATED OFFENSES.**

5 (a) REPEAL.—Subsection (r) of section 484 (20  
6 U.S.C. 1091(r)) is repealed.

7 (b) REVISION OF FAFSA FORM.—Section 483 of the  
8 Higher Education Act of 1965 (20 U.S.C. 1090) is  
9 amended by adding at the end the following:

10 “(i) CONVICTIONS.—The Secretary shall not include  
11 any question about the conviction of an applicant for the  
12 possession or sale of illegal drugs on the FAFSA (or any  
13 other form developed under subsection (a)).”.

14 (c) CONFORMING AMENDMENTS.—The Act (20  
15 U.S.C. 1001 et seq.) is amended—

16 (1) in section 428(b)(3) (20 U.S.C.  
17 1078(b)(3))—

18 (A) in subparagraph (C), by striking  
19 “485(l)” and inserting “485(k)”; and

20 (B) in subparagraph (D), by striking  
21 “485(l)” and inserting “485(k)”;

22 (2) in section 435(d)(5) (20 U.S.C.  
23 1085(d)(5))—

24 (A) in subparagraph (E), by striking  
25 “485(l)” and inserting “485(k)”; and

1 (B) in subparagraph (F), by striking  
2 “485(l)” and inserting “485(k)”;

3 (3) in section 484 (20 U.S.C. 1091), as amend-  
4 ed by section 6, by redesignating subsections (s),(t),  
5 and (u) as subsections (r), (s), and (t), respectively;

6 (4) in section 485 (20 U.S.C. 1092)—

7 (A) by striking subsection (k); and

8 (B) by redesignating subsections (l) and  
9 (m) as subsections (k) and (l), respectively; and

10 (5) in section 487(e)(2)(B)(ii)(IV) (20 U.S.C.  
11 1094(e)(2)(B)(ii)(IV)), by striking “(l) of section  
12 485” and inserting “(k) of section 485”.

13 **SEC. 8. EXTENDING FEDERAL PELL GRANT ELIGIBILITY OF**  
14 **CERTAIN SHORT-TERM PROGRAMS.**

15 (a) IN GENERAL.—Section 401 (20 U.S.C. 1070a),  
16 as amended by section 4, is further amended by inserting  
17 after subsection (h) the following:

18 “(i) JOB TRAINING FEDERAL PELL GRANT PRO-  
19 GRAM.—

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

21 “(A) ELIGIBLE CAREER PATHWAY PRO-  
22 GRAM.—The term ‘eligible career pathway pro-  
23 gram’ means a program that—

24 “(i) meets the requirements of section  
25 484(d)(2);

1           “(ii) is a program of training services  
2 listed under section 122(d) of the Work-  
3 force Innovation and Opportunity Act (29  
4 U.S.C. 3152(d)); and

5           “(iii) is part of a career pathway, as  
6 defined in section 3 of such Act (29 U.S.C.  
7 3102).

8           “(B) JOB TRAINING PROGRAM.—The term  
9 ‘job training program’ means a career and tech-  
10 nical education program at an institution of  
11 higher education that—

12           “(i) provides not less than 150, and  
13 not more than 600, clock hours of instruc-  
14 tional time over a period of not less than  
15 8, and not more than 15, weeks;

16           “(ii) provides training aligned with  
17 the requirements of employers in the State  
18 or local area, which may include in-demand  
19 industry sectors or occupations, as defined  
20 in section 3 of the Workforce Innovation  
21 and Opportunity Act (29 U.S.C. 3102), in  
22 the State or local area (as defined in such  
23 section);

24           “(iii) is a program of training serv-  
25 ices, and provided through an eligible pro-

1 vider of training services, listed under sec-  
2 tion 122(d) of such Act (29 U.S.C.  
3 3152(d));

4 “(iv) provides a student, upon comple-  
5 tion of the program, with a recognized  
6 postsecondary credential, as defined in sec-  
7 tion 3 of such Act, that is recognized by  
8 employers in the relevant industry, includ-  
9 ing credentials recognized by industry or  
10 sector partnerships in the State or local  
11 area where the industry is located;

12 “(v) has been determined, by the in-  
13 stitution of higher education, to provide  
14 academic content, an amount of instruc-  
15 tional time, and a recognized postsec-  
16 ondary credential that are sufficient to—

17 “(I) meet the hiring requirements  
18 of potential employers; and

19 “(II) satisfy any applicable edu-  
20 cational prerequisite requirement for  
21 professional licensure or certification,  
22 so that the student who completes the  
23 program and seeks employment quali-  
24 fies to take any licensure or certifi-  
25 cation examination needed to practice

1 or find employment in an occupation  
2 that the program prepares students to  
3 enter;

4 “(vi) may include integrated or basic  
5 skills courses; and

6 “(vii) may be offered as part of an eli-  
7 gible career pathway program.

8 “(2) IN GENERAL.—For the award year begin-  
9 ning on July 1, 2018, and each subsequent award  
10 year, the Secretary shall carry out a program  
11 through which the Secretary shall award job training  
12 Federal Pell Grants to students in job training pro-  
13 grams. Each job training Federal Pell Grant award-  
14 ed under this subsection shall have the same terms  
15 and conditions, and be awarded in the same manner,  
16 as a Federal Pell Grant awarded under subsection  
17 (a), except as follows:

18 “(A) A student who is eligible to receive a  
19 job training Federal Pell Grant under this sub-  
20 section is a student who—

21 “(i) has not yet attained a bacca-  
22 laurate degree or postbaccalaureate de-  
23 gree;

24 “(ii) attends an institution of higher  
25 education;

1 “(iii) is enrolled, or accepted for en-  
2 rollment, in a job training program at such  
3 institution of higher education; and

4 “(iv) meets all other eligibility re-  
5 quirements for a Federal Pell Grant (ex-  
6 cept with respect to the type of program of  
7 study, as provided in clause (iii)).

8 “(B) The amount of a job training Federal  
9 Pell Grant for an eligible student shall be deter-  
10 mined under subsection (b)(1), except that—

11 “(i) the maximum Federal Pell Grant  
12 awarded under this subsection for an  
13 award year shall be 50 percent of the max-  
14 imum Federal Pell Grant awarded under  
15 subsection (b)(5) applicable to that award  
16 year; and

17 “(ii) subsection (b)(4) shall not apply.

18 “(3) INCLUSION IN TOTAL ELIGIBILITY PE-  
19 RIOD.—Any period during which a student receives  
20 a job training Federal Pell Grant under this sub-  
21 section shall be included in calculating the student’s  
22 period of eligibility for Federal Pell Grants under  
23 subsection (c), and any regulations under such sub-  
24 section regarding students who are enrolled in an  
25 undergraduate program on less than a full-time

1 basis shall similarly apply to students who are en-  
2 rolled in a job training program at an eligible insti-  
3 tution on less than a full-time basis.”.

4 (b) ADDITIONAL SAFEGUARDS.—Section 496(a)(4)  
5 (20 U.S.C. 1099b(a)(4)) is amended—

6 (1) in subparagraph (A), by striking “and”  
7 after the semicolon;

8 (2) in subparagraph (B)(ii), by inserting “and”  
9 after the semicolon; and

10 (3) by adding at the end the following:

11 “(C) if such agency or association has or  
12 seeks to include within its scope of recognition  
13 the evaluation of the quality of institutions of  
14 higher education participating in the job train-  
15 ing Federal Pell Grant program under section  
16 401(i), such agency or association shall, in ad-  
17 dition to meeting the other requirements of this  
18 subpart, demonstrate to the Secretary that,  
19 with respect to such job training programs—

20 “(i) the agency or association’s stand-  
21 ards include a process for determining  
22 whether the program provides training  
23 aligned with the requirements of employers  
24 in the State or local area served by the  
25 program; and

1           “(ii) the agency or association re-  
2           quires a demonstration that the program—

3                   “(I) has identified each recog-  
4                   nized postsecondary credential offered  
5                   and the corresponding industry or sec-  
6                   tor partnership that actively recog-  
7                   nizes each credential in the relevant  
8                   industry in the State or local area  
9                   where the industry is located; and

10                   “(II) provides the academic con-  
11                   tent and amount of instructional time  
12                   that is sufficient to—

13                           “(aa) meet the hiring re-  
14                           quirements of potential employ-  
15                           ers; and

16                           “(bb) satisfy any applicable  
17                           educational prerequisites for pro-  
18                           fessional licensure or certification  
19                           requirements so that the student  
20                           who completes the program and  
21                           seeks employment qualifies to  
22                           take any licensure or certification  
23                           examination that is needed to  
24                           practice or find employment in

1 an occupation that the program  
2 prepares students to enter;”.

3 **SEC. 9. PROVIDING FEDERAL PELL GRANTS FOR IRAQ AND**  
4 **AFGHANISTAN VETERAN’S DEPENDENTS.**

5 (a) AMENDMENTS.—Part A of title IV (20 U.S.C.  
6 1070a et seq.) is amended—

7 (1) in section 401, as amended by section 8, by  
8 inserting after subsection (i) the following:

9 “(j) SCHOLARSHIPS FOR VETERAN’S DEPEND-  
10 ENTS.—

11 “(1) DEFINITION OF ELIGIBLE VETERAN’S DE-  
12 PENDENT.—In this subsection, the term ‘eligible vet-  
13 eran’s dependent’ means a dependent or an inde-  
14 pendent student—

15 “(A) whose parent or guardian was a  
16 member of the Armed Forces of the United  
17 States and died as a result of performing mili-  
18 tary service in Iraq or Afghanistan after Sep-  
19 tember 11, 2001; and

20 “(B) who, at the time of the parent or  
21 guardian’s death, was—

22 “(i) less than 24 years of age; or

23 “(ii) enrolled at an institution of high-  
24 er education on a part-time or full-time  
25 basis.

1           “(2) GRANTS.—

2                   “(A) IN GENERAL.—The Secretary shall  
3           award a Federal Pell Grant, as modified in ac-  
4           cordance with the requirements of this sub-  
5           section, to each eligible veteran’s dependent to  
6           assist in paying the eligible veteran’s depend-  
7           ent’s cost of attendance at an institution of  
8           higher education.

9                   “(B) DESIGNATION.—Federal Pell Grants  
10           made under this subsection may be known as  
11           ‘Iraq and Afghanistan Service Grants’.

12                   “(3) PREVENTION OF DOUBLE BENEFITS.—No  
13           eligible veteran’s dependent may receive a grant  
14           under both this subsection and subsection (a).

15                   “(4) TERMS AND CONDITIONS.—The Secretary  
16           shall award Iraq and Afghanistan Service Grants  
17           under this subsection in the same manner and with  
18           the same terms and conditions, including the length  
19           of the period of eligibility, as the Secretary awards  
20           Federal Pell Grants under subsection (a), except  
21           that—

22                   “(A) the award rules and determination of  
23           need applicable to the calculation of Federal  
24           Pell Grants under subsection (a) shall not apply  
25           to Iraq and Afghanistan Service Grants;

1           “(B) the provisions of paragraph (1)(B)  
2           and (3) of subsection (b), and subsection (f),  
3           shall not apply;

4           “(C) the maximum period determined  
5           under subsection (c)(5) shall be determined by  
6           including all Iraq and Afghanistan Service  
7           Grants received by the eligible veteran’s de-  
8           pendent, including such Grants received under  
9           subpart 10 before the effective date of this sub-  
10          section; and

11          “(D) an Iraq and Afghanistan Service  
12          Grant to an eligible veteran’s dependent for any  
13          award year shall equal the maximum Federal  
14          Pell Grant available under subsection (b)(5) for  
15          that award year, except that an Iraq and Af-  
16          ghanistan Service Grant—

17                 “(i) shall not exceed the cost of at-  
18                 tendance of the eligible veteran’s depend-  
19                 ent for that award year; and

20                 “(ii) shall be adjusted to reflect the  
21                 attendance by the eligible veteran’s de-  
22                 pendent on a less than full-time basis in  
23                 the same manner as such adjustments are  
24                 made for a Federal Pell Grant under sub-  
25                 section (a).

1           “(5) ESTIMATED FINANCIAL ASSISTANCE.—For  
2 purposes of determinations of need under part F, an  
3 Iraq and Afghanistan Service Grant shall not be  
4 treated as estimated financial assistance as de-  
5 scribed in sections 471(3) and 480(j).”; and

6           (2) by striking subpart 10 of part A (20 U.S.C.  
7 1070h).

8           (b) EFFECTIVE DATE; TRANSITION.—

9           (1) EFFECTIVE DATE.—The amendments made  
10 by this section shall take effect with respect to the  
11 award year immediately following the date of enact-  
12 ment of this Act.

13           (2) TRANSITION.—The Secretary shall take  
14 such steps as are necessary to transition from the  
15 Iraq and Afghanistan Service Grants program under  
16 subpart 10 of part A of title IV of the Higher Edu-  
17 cation Act of 1965 (20 U.S.C. 1070h), as in effect  
18 on the day before the effective date of this section,  
19 and the Iraq and Afghanistan Service Grants pro-  
20 gram under section 401(j) of the Higher Education  
21 Act of 1965 (20 U.S.C. 1070a(j)), as amended by  
22 this section.

1 **SEC. 10. INCREASING SUPPORT FOR WORKING STUDENTS**  
2 **BY 35 PERCENT.**

3 (a) **DEPENDENT STUDENTS.**—Section 475(g)(2)(D)  
4 (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as fol-  
5 lows:

6 “(D) an income protection allowance (or a  
7 successor amount prescribed by the Secretary  
8 under section 478) of \$9,010 for academic year  
9 2018–2019;”.

10 (b) **INDEPENDENT STUDENTS WITHOUT DEPEND-**  
11 **ENTS OTHER THAN A SPOUSE.**—Section 476(b)(1)(A)(iv)  
12 (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as  
13 follows:

14 “(iv) an income protection allowance  
15 (or a successor amount prescribed by the  
16 Secretary under section 478)—

17 “(I) for single or separated stu-  
18 dents, or married students where both  
19 are enrolled pursuant to subsection  
20 (a)(2), of \$14,010 for academic year  
21 2018–2019; and

22 “(II) for married students where  
23 one is enrolled pursuant to subsection  
24 (a)(2), of \$22,460 for academic year  
25 2018–2019;”.

1 (c) INDEPENDENT STUDENTS WITH DEPENDENTS  
 2 OTHER THAN A SPOUSE.—Section 477(b)(4) (20 U.S.C.  
 3 1087qq(b)(4)) is amended to read as follows:

4 “(4) INCOME PROTECTION ALLOWANCE.—The  
 5 income protection allowance is determined by the fol-  
 6 lowing table (or a successor table prescribed by the  
 7 Secretary under section 478), for academic year  
 8 2018–2019:

“Income Protection Allowance						
Family Size  (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$35,470	\$29,410				\$6,030
3	44,170	38,130	\$32,070			
4	54,540	45,490	42,450	\$36,370		
5	64,360	58,280	52,240	46,190	\$40,160	
6	75,260	69,210	63,190	57,090	51,070	
For each additional add:	8,500					”.

9 (d) UPDATED TABLES AND AMOUNTS.—Section  
 10 478(b) (20 U.S.C. 1087rr(b)) is amended—

11 (1) in paragraph (1), by striking subparagraphs  
 12 (A) and (B) and inserting the following:

13 “(A) IN GENERAL.—For each academic  
 14 year after academic year 2018–2019, the Sec-  
 15 retary shall publish in the Federal Register a  
 16 revised table of income protection allowances  
 17 for the purpose of sections 475(c)(4) and  
 18 477(b)(4), subject to subparagraphs (B) and  
 19 (C).

1           “(B) TABLE FOR INDEPENDENT STU-  
2           DENTS.—For each academic year after aca-  
3           demic year 2018–2019, the Secretary shall de-  
4           velop the revised table of income protection al-  
5           lowances by increasing each of the dollar  
6           amounts contained in the table of income pro-  
7           tection allowances under section 477(b)(4) by a  
8           percentage equal to the estimated percentage  
9           increase in the Consumer Price Index (as deter-  
10          mined by the Secretary for the most recent cal-  
11          endar year ending prior to the beginning of the  
12          academic year for which the determination is  
13          being made), and rounding the result to the  
14          nearest \$10.”; and

15          (2) in paragraph (2), by striking “shall be de-  
16          veloped” and all that follows through the period at  
17          the end and inserting “shall be developed for each  
18          academic year after academic year 2018–2019, by  
19          increasing each of the dollar amounts contained in  
20          such section for academic year 2018–2019 by a per-  
21          centage equal to the estimated percentage increase  
22          in the Consumer Price Index (as determined by the  
23          Secretary for the most recent calendar year ending  
24          prior to the beginning of the academic year for

1 which the determination is being made), and round-  
2 ing the result to the nearest \$10.”.

3 **SEC. 11. INCREASING THE FEDERAL PELL GRANT AUTO-**  
4 **ZERO THRESHOLD.**

5 Section 479(c) (20 U.S.C. 1087ss(c)) is amended—

6 (1) in paragraph (1)(B), by striking “\$23,000”  
7 and inserting “\$34,000”;

8 (2) in paragraph (2)(B), by striking “\$23,000”  
9 and inserting “\$34,000”; and

10 (3) in the matter following paragraph (2)(B),  
11 by striking “adjusted according to increases in the  
12 Consumer Price Index, as defined in section 478(f)”  
13 and inserting “annually increased by the estimated  
14 percentage change in the Consumer Price Index, as  
15 defined in section 478(f), for the most recent cal-  
16 endar year ending prior to the beginning of an  
17 award year, and rounded to the nearest \$1,000”.

18 **SEC. 12. RAISING THE TOTAL SEMESTERS OF FEDERAL**  
19 **PELL GRANT ELIGIBILITY.**

20 Section 401(c)(5)(A) (20 U.S.C. 1070a(c)(5)(A)), as  
21 amended by section 5, is further amended by striking  
22 “12” each place the term appears and inserting “14”.

23 **SEC. 13. CONFORMING AMENDMENTS.**

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

1 (1) in section 401A(d)(1)(B)(i) (20 U.S.C.  
2 1070a-1(d)(1)(B)(i)), by striking “section  
3 401(b)(2)(B)” and inserting “section 401(b)(2)”;

4 (2) in section 402D(d)(1) (20 U.S.C. 1070a-  
5 14(d)(1)), by striking “section 401(b)(2)(A)” and  
6 inserting “section 401(b)(1)”;

7 (3) in section 420R(d)(2) (20 U.S.C.  
8 1070h(d)(2)), by striking “subsection (b)(1), the  
9 matter following subsection (b)(2)(A)(v),”;

10 (4) in section 435(a)(5)(A)(i)(I) (20 U.S.C.  
11 1085(a)(5)(A)(i)(I)), by striking “under section  
12 401(b)(2)(A)” and inserting “, as appropriate,  
13 under section 401(b)(2)(A) (as in effect on the day  
14 before the effective date of the Pell Grant Preserva-  
15 tion and Expansion Act) or section 401(b)(1)”;

16 (5) in section 483(e)(3)(A)(ii) (20 U.S.C.  
17 1090(e)(3)(A)(ii)), by striking “section  
18 401(b)(2)(A)” and inserting “section 401(b)(1)”;

19 (6) in section 485E(b)(1)(A) (20 U.S.C.  
20 1092f(b)(1)(A)), by striking “section 401(b)(2)(A)”  
21 and inserting “section 401(b)(1)”;

22 (7) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.  
23 1161y(f)(2)(C)(ii)(I)), by striking “section  
24 401(b)(2)(A)” and inserting “section 401(b)(1)”.

1 **SEC. 14. EFFECTIVE DATE.**

2       Except as otherwise provided, this Act, and the  
3 amendments made by this Act, shall take effect beginning  
4 on July 1, 2018, and shall apply to grant and award deter-  
5 minations made under title IV of the Higher Education  
6 Act of 1965 (20 U.S.C. 1001 et seq.) beginning with the  
7 2018–2019 award year.

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