

115TH CONGRESS
1ST SESSION

S. 1136

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

IN THE SENATE OF THE UNITED STATES

MAY 16, 2017

Ms. HIRONO (for herself, Mrs. MURRAY, Mr. REED, Mr. WHITEHOUSE, Ms. WARREN, and Mr. SCHATZ) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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:

8 (1) The United States needs individuals with
9 the knowledge, skills, and abilities that enable them

1 to thrive as educated citizens in society and success-
2 fully participate in an interconnected economy.

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

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

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

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

23 (6) To stabilize Federal Pell Grant funding and
24 ensure the grant will continue to serve millions of
25 students now and in the future, the program should

1 become a fully mandatory program that grows with
2 inflation.

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

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

9 (a) TABLE OF CONTENTS.—The table of contents of
10 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.

11 (b) REFERENCES.—Except as otherwise expressly
12 provided, whenever in this Act an amendment or repeal
13 is expressed in terms of an amendment to, or repeal of,
14 a section or other provision, the reference shall be consid-
15 ered to be made to a section or other provision of the
16 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

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

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

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

8 (2) in subsection (b)—

9 (A) by striking paragraphs (1), (6), and
 10 (7);

11 (B) by redesignating paragraph (8) as
 12 paragraph (7);

13 (C) by striking subparagraph (A) of para-
 14 graph (2);

15 (D) by redesignating subparagraph (B) of
 16 paragraph (2) as paragraph (2);

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

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

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

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

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

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

11 (H) by inserting after paragraph (5) the
12 following:

13 “(6) MAXIMUM FEDERAL PELL GRANT.—

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

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

23 “(i) increased by the annual adjust-
24 ment percentage for the award year for

which the amount under this subparagraph
is being determined; and

“(ii) rounded to the nearest \$5.

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

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

(3) in subsection (f)—

(A) in paragraph (1), by striking the mat-
ter preceding subparagraph (A) and inserting
the following: “After receiving an application
for a Federal Pell Grant under this subpart, the
Secretary (including any contractor of the Sec-
retary processing applications for Federal Pell
Grants under this subpart) shall, in a timely

manner, furnish to the student financial aid administrator at each institution of higher education that a student awarded a Federal Pell Grant under this subpart is attending, the expected family contribution for each such student. Each such student financial administrator shall—”; and

(B) in paragraph (3)—

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

(ii) in paragraph (3), by striking “the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and”;

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

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

(6) by adding at the end the following:

“(k) APPROPRIATION OF FUNDS.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for fiscal year 2017 and each subsequent fiscal year to provide the maximum Federal Pell Grant for which a student shall be eligible under this section during an award year.”.

1 (b) REPEAL OF SCORING REQUIREMENT.—Section
 2 406 of H. Con. Res. 95 (109th Congress) is amended—

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

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

6 **SEC. 5. RESTORING FEDERAL PELL GRANT ELIGIBILITY**
 7 **FOR BORROWER DEFENSE.**

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

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

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

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

15 “(B) EXCEPTION.—

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

22 “(ii) APPLICABLE PERIODS.—Clause
 23 (i) shall apply with respect to any Federal
 24 Pell Grant awarded to a student to attend
 25 an institution—

1 “(I) during a period—

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

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

8 “(AA) section 437(c)(1)
9 or 464(g)(1) due to the clos-
10 ing of the institution;

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

15 “(CC) section
16 432(a)(6), section 685.215
17 of title 34, Code of Federal
18 Regulations (or a successor
19 regulation), or any other
20 loan forgiveness provision or
21 regulation under this Act, as
22 a result of a determination
23 by the Secretary or a court
24 that the institution com-

1 mitted fraud or other mis-
2 conduct; or

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

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

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

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

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

16 “(u) DREAMER STUDENTS.—

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

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

22 “(B) has provided a list of each secondary
23 school that the student attended in the United
24 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 (c), 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;”.

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

“(4) INCOME PROTECTION ALLOWANCE.—The
income protection allowance is determined by the fol-
lowing table (or a successor table prescribed by the
Secretary under section 478), for academic year
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					”.

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

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

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