



Legislative Changes to Federal Methodology and the Pell Grant Program, 2006–2021

Note: The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 made significant changes to the Higher Education Act, including Federal Methodology and the Federal Pell Grant program, effective July 1, 2023. Those changes can be found on the [Legislative Changes to Federal Methodology and the Pell Grant Program, 2021+ chart](#).

EFFECTIVE DATE	LEGISLATION	HEA CITATION	CHANGE	COMMENT
7/1/2021	Consolidated Appropriations Act, 2021	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2021–22 Award Year at \$5,435. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$6,495.	HEA section 401(b)(7)(C)(iii) provides for an automatic mandatory increase to the appropriated Federal Pell Grant maximum award for 2021–22 of \$1,060, resulting in a 2021–22 maximum award of \$6,495.
7/1/2020	Further Consolidated Appropriations Act, 2020	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2020–21 Award Year at \$5,285. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$6,345.	HEA section 401(b)(7)(C)(iii) provides for an automatic mandatory increase to the appropriated Federal Pell Grant maximum award for 2020–21 of \$1,060, resulting in a 2020–21 maximum award of \$6,345.

7/1/2019	Consolidated Appropriations Act, 2019	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2019–20 Award Year at \$5,135. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$6,195.	HEA section 401(b)(7)(C)(iii) provides for an automatic mandatory increase to the appropriated Federal Pell Grant maximum award for 2019–20 of \$1,060, resulting in a 2019–20 maximum award of \$6,195.
7/1/2018	Consolidated Appropriations Act, 2018	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2018–19 Award Year at \$5,035. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$6,095.	HEA section 401(b)(7)(C)(iii) provides for an automatic mandatory increase to the appropriated Federal Pell Grant maximum award for 2018–19 of \$1,060, resulting in a 2018–19 maximum award of \$6,095.
7/1/2017	Consolidated Appropriations Act, 2017	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2017–18 Award Year at \$4,860. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$5,920.	HEA section 401(b)(7)(C)(ii) provides for a mandatory increase to the appropriated maximum award through 2017-18, equal to the total maximum Federal Pell Grant for the preceding award year, increased by a specified annual adjustment percentage based on the CPI, reduced by the greater of \$4,860 or the appropriated maximum grant for the preceding award year, rounded to the nearest \$5.

7/1/2016	Consolidated Appropriations Act, 2016	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2016–17 Award Year at \$4,860. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$5,815.	HEA section 401(b)(7)(C)(ii) provides for a mandatory increase to the appropriated maximum award through 2017-18, equal to the total maximum Federal Pell Grant for the preceding award year, increased by a specified annual adjustment percentage based on the CPI, reduced by the greater of \$4,860 or the appropriated maximum grant for the preceding award year, rounded to the nearest \$5.
7/1/2015	Consolidated and Further Continuing Appropriations Act of 2015	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2015-16 Award Year at \$4,860. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$5,775.	HEA section 401(b)(7)(C)(ii) provides for a mandatory increase to the appropriated maximum award through 2017-18, equal to the total maximum Federal Pell Grant for the preceding award year, increased by a specified annual adjustment percentage based on the CPI, reduced by the greater of \$4,860 or the appropriated maximum grant for the preceding award year, rounded to the nearest \$5.
7/1/2014	Consolidated Appropriations Act of 2014	401(b)(7)(A)(iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2014–15 Award Year at \$4,860. With the mandatory increase based on the Consumer Price Index (CPI), the maximum award is \$5,730.	HEA section 401(b)(7)(C)(ii) provides for a mandatory increase to the appropriated maximum award through 2017-18, equal to the total maximum Federal Pell Grant for the preceding award year, increased by a specified annual adjustment percentage based on the CPI, reduced by the greater of \$4,860 or the appropriated maximum grant for the preceding award year, rounded to the nearest \$5.
7/1/12	Budget Control Act of 2011	401(b)(7)(A)(iv)	Provides an additional \$10 billion in mandatory funds for Pell in FY 2012 and \$7 billion for FY 2013.	A portion of the \$10 billion was savings from the elimination of the Stafford Loan subsidy for graduate students.
7/1/12	Consolidated	479(c)	Reduces the income threshold for an automatic	

	Appropriations Act of 2012		zero expected family contribution (EFC) from \$30,000 to \$23,000.	
7/1/12	Consolidated Appropriations Act of 2012	401(b)(7)(A) (iv)	Includes funds to establish the maximum Federal Pell Grant award for the 2012–13 Award Year at \$4,860.	HEA section 401(b)(7) provides for an automatic mandatory increase to the appropriated Federal Pell Grant maximum award for 2012–13 of \$690, resulting in a 2012–13 maximum award of \$5,550.
7/1/12	Consolidated Appropriations Act of 2012	401(b)(4)	Establishes the minimum Federal Pell Grant award for a student at ten percent of the maximum award amount for the award year and eliminates the provision that permitted a student who would be eligible to receive a Federal Pell Grant of between five and ten percent of the award year’s maximum award to receive an award of ten percent of the maximum award.	Students will not receive a Federal Pell Grant if they are not eligible for at least ten percent of the maximum award for the academic year. This change in the calculation of the minimum award amount results in 4995 being the maximum EFC enabling a student to be eligible to receive a 2012–13 Federal Pell Grant.
7/1/12	Consolidated Appropriations Act of 2012	401(c)(5)	Reduces the duration of a student’s eligibility to receive a Federal Pell Grant from 18 semesters (or its equivalent) to 12 semesters (or its equivalent).	Applies to all Federal Pell Grant eligible students effective with the 2012–13 award year (i.e., no “grandfathering”). The calculation of the duration of a student’s eligibility will include all years of the student’s receipt of Federal Pell Grant funding. This change in the duration of students’ Federal Pell Grant eligibility is not limited only to students who received their first Federal Pell Grant on or after the 2008–09 award year, as the HEA previously provided when the duration of eligibility was 18 semesters.
7/1/10	HEOA	480(e)	Added income earned from work under a cooperative education program to the definition of excludable income.	
7/1/10	HCERA	401(b)	Pell Grant maximums in future years changed to reflect an appropriated base with a mandatory add-on. From 2014–15 through 2017–18, increases	

			to the mandatory add-on based on estimated changes to the consumer price index (CPI).	
7/1/10	HCERA	401(b)(4)	Revises the minimum Pell Grant from 10 percent of appropriated maximum to 10 percent of total maximum (appropriation + mandatory add-on).	
7/1/10	HCERA	401(b)(6)	Continues to allow the Pell Grant to be exceeded for study abroad but caps the grant at the total maximum (appropriation + mandatory add-on) rather than the appropriated maximum.	
7/1/09	CCRAA	401(a), (b)	<p>Extends the authority for Federal Pell Grant funding through fiscal year 2017, and appropriates mandatory funding for fiscal years 2008 through 2017.</p> <p>Requires that the mandatory funds be used to increase the maximum Federal Pell Grant award, as established in the annual appropriations act, by the following amounts:</p> <ul style="list-style-type: none"> ● \$490 for the 2008–09 and 2009–10 award years ● \$690 for the 2010–11 and 2011–12 award years ● \$1,090 for the 2012–13 award year 	The annual amount that would be added to the maximum Pell Grant each award year from mandatory funds as described above may be increased or decreased. If the mandatory funds provided are insufficient to fund the specified increase, the amount would be reduced. If, however, the mandatory funds provided are more than are required, the amount would be increased.
7/1/09	CCRAA	479(b), (c)	<p>Increased time frame for receipt of a federal means-tested benefit from 12 to 24 months as an alternative eligibility criterion for simplified needs test (SNT) and automatic zero EFC designation.</p> <p>Added dislocated worker status of one of the parents of a dependent student or an independent student or his or her spouse as an alternative eligibility criterion for SNT and automatic zero EFC designation.</p>	<p>Receipt of federal means-tested benefit is an alternative to the tax-filing criterion; family income requirements still apply.</p> <p>Definition of dislocated worker is found in Workforce Investment Act.</p>

			Increased the adjusted gross income threshold in the base year to \$30,000 or less for the student to qualify for an automatic zero EFC. Also requires the Secretary to update this amount annually based on increases in the Consumer Price Index.	
7/1/09	CCRAA	475(g)(2)(D) 476(b)(1)(A)(iv) 477(b)(4) 478(b)	Specifies scheduled increases in the IPA for dependent students, independent students without dependents other than a spouse and independent students with dependents other than a spouse. After the 2012–13 award year, the dollar amounts of the student IPAs will increase by a percentage equal to the Consumer Price Index.	The CCRAA did not make any changes to the IPA for parents of dependent students, but provides that the table of IPAs for parents of dependent students be updated based on the percentage increase in the Consumer Price Index for award years after 2008–09.
7/1/09	CCRAA	480(a)(b),(d)-(f)	Changes to definitions of terms used in FM: <ul style="list-style-type: none"> • Total income: doesn't include distributions from qualified education benefits that aren't taxable • Untaxed income: doesn't include welfare, earned income credit, credit for federal tax on special fuels, foreign income exclusion, untaxed Social Security benefits, and additional child tax credits • Excludable income: includes combat pay • Independent student: includes students who were orphans, in foster care, or ward of the court at any time when age 13 or older, students who are/were emancipated minors or in legal guardianship, unaccompanied youths who are homeless or at risk of homelessness and are self-supporting • Assets: Qualified education benefits are reported as an asset of the parent of a dependent student regardless of whether the owner of the account is the student or parent. If the student is independent, the student's or 	

			student's spouse's qualified education benefit is reported as an asset.	
7/1/09	HEOA	401(b)(2)(A)	Increases the authorized maximums for an academic year under the Federal Pell Grant Program as follows: <ul style="list-style-type: none"> • \$6,000 for the 2009–10 award year; • \$6,400 for the 2010–11 award year; • \$6,800 for the 2011–12 award year; • \$7,200 for the 2012–13 award year; • \$7,600 for the 2013–14 award year; and • \$8,000 for the 2014–15 award year. 	
7/1/09	HEOA	401(b)(4)	Eliminated the \$400 minimum award and instead sets a new minimum award at 10 percent of the maximum appropriated award. Students who are eligible for an award equal to or greater than five percent but less than 10 percent of the maximum award will receive an award amount of 10 percent of the maximum award appropriated each year.	
7/1/09	HEOA	401(b)(5)(A)	Authorized year-round Pell Grant.	
7/1/09	HEOA	401(b)(7)	A student who is subject to an involuntary civil commitment after completing a period of incarceration for a forcible or non forcible sexual offense is ineligible to receive a Federal Pell Grant.	
7/1/09	HEOA	401(b)(8)(D) and (F)	Clarifies the treatment of mandatory funds for 2008–09 through the 2017–18 award years, which are added to the maximum award set in the annual appropriations act that appropriates the discretionary funds for the program. Mandatory funds that are appropriated for a fiscal year become available as of October 1 of that fiscal year and remain available through September 30 of the	

			following fiscal year.	
7/1/09	HEOA	401(f)(4)	Provides maximum Federal Pell Grant eligibility for a student whose parent or guardian was a member of the Armed Forces and died as a result of performing military service in Iraq or Afghanistan after 9/11/2001, provided that the child was under 24 years old or was enrolled in college at the time of the parent or guardian's death. These students will be considered to be eligible for the maximum Federal Pell Grant award for the period during which the student is otherwise eligible to receive a Federal Pell Grant.	Students who are eligible for any amount of Pell receive the maximum award. Students who are not eligible for Pell receive the equivalent amount of the maximum award as an Iraq and Afghanistan Service Grant.
7/1/09	ARRA	401(b)(9)(A)	Increased maximum Pell award by \$500.	
8/14/08	HEOA	401(c)(5)	Limits the period of time that a student may receive a Federal Pell Grant to 18 semesters or the equivalent as determined by regulation. The regulations are to provide fractional equivalents for terms in which a student is enrolled less than full-time. As a result, a student is eligible to receive up to nine Federal Pell Grant Scheduled Awards.	This provision applies to students who receive a Federal Pell Grant for the first time on or after July 1, 2008.
7/1/07	HERA	475(g)(2)(D) and (h)	Dependent students: Income Protection Allowance: changed from \$2,200 (which was the base year 1999 amount used in the 2000–01 EFC calculation) to \$3,000. Contribution from Assets: The assessment rate is reduced from 35 percent to 20 percent.	Because the base year amount is indexed annually for inflation, the IPA would have been \$2,640 for 2007–08 absent this increase to \$3,000. The new base year for the annual inflationary update is 2006. The \$3,000 IPA will be indexed for inflation annually beginning with the 2008–09 award year.
7/1/07	HERA	476(b)(1)(A)(iv)	Independent students without dependents other than a spouse: Income Protection Allowance: The statutory IPA for a single student, and for a married student whose	Because the base year amount is indexed annually for inflation, the IPA would have been \$6,010 for 2007–08 absent this increase to \$6,050. The new base year for the annual inflationary update is 2006. The \$6,050 IPA

			<p>spouse is also enrolled in postsecondary education, is changed from \$5,000 to \$6,050.</p> <p>For a married student whose spouse is not enrolled in postsecondary education, the IPA is changed from \$8,000 to \$9,700.</p> <p>Contribution from Assets: The assessment rate is reduced from 35 percent to 20 percent.</p>	<p>will be indexed for inflation annually beginning with the 2008-09 award year.</p> <p>Because the base year amount is indexed annually for inflation, the IPA would have been \$9,620 for 2007-08 absent this increase to \$9,700. The new base year for the annual inflationary update is 2006. The \$9,700 IPA will be indexed for inflation annually beginning with the 2008-09 award year.</p>
7/1/07	HERA	466(c)(4) and 478(b)	<p>Independent students with dependents other than a spouse:</p> <p>Income Protection Allowance: for the 2007-08 award year only, and only for independent students with dependents other than a spouse, the values for the income protection allowances will be increased by 5 percent.</p> <p>Contribution from Assets: The assessment rate is reduced from 12 percent to 7 percent.</p>	<p>The values for the income protection allowances are increased each year in consideration of general price inflation, and this practice will continue. The Secretary's estimate for inflation for the 2007-08 award year is 2.8 percent.</p>
7/1/07	HERA	480(f) and (j)	<p>Qualified education benefits (QEBs) are reported as assets of the parent if the parent is the owner (never reported as asset of the student).</p>	<p>QEBs include Coverdells, prepaid tuition plans offered by states, 529 college savings plans, and 529 prepaid tuition plans.</p>
7/1/07	Revised Continuing Appropriations Resolution of 2007		<p>Increased maximum Pell award by \$260, to \$4,310.</p>	
7/1/07	CCRAA	401(b)(3)(A)	<p>Eliminated tuition sensitivity provision that adjusted downward the scheduled award amount for Federal Pell Grant recipients at low-cost institutions, such as community colleges.</p>	<p>Effective retroactively</p>

7/1/06	HERA	480(f)(2)	Excludes the net value of a family-owned and controlled small business (or any part of such a small business) with not more than 100 full-time or full-time equivalent employees from the definition of assets used in the need analysis formulas.	
7/1/06	HERA	480(d)	Individuals who are currently serving on active duty in the U.S. Armed Forces for purposes other than training have been added to the list of individuals who are considered to be independent students.	
7/1/06	HERA	479	<p>Added receipt of a federal means-tested benefit during the base year as an alternative eligibility criterion for simplified needs test (SNT) and automatic zero EFC designation.</p> <p>For dependent students, only the dependent student's parent has to meet the tax filing criterion in order to qualify for SNT or automatic zero EFC.</p> <p>Increased the adjusted gross income threshold in the base year to \$20,000 or less for the student to qualify for an automatic zero EFC.</p>	<p>Receipt of federal means-tested benefit is an alternative to the tax-filing criterion; family income requirements still apply.</p> <p>Previously, the threshold was indexed to the maximum amount of adjusted gross income used to qualify for the Federal earned income credit.</p>