

Pell Grant Changes for 2012-13

Congress reached a deal on the fiscal year (FY) 2012 budget, which includes the nine remaining appropriations bills needed to fund the federal government for the rest of FY 2012. The bill includes award year 2012-13 funding levels for the federal student aid programs and maintains a \$5,550 maximum Pell Grant for the 2012-13 award year by cutting spending on other student aid programs and restricting eligibility.

The compromise bill includes a provision to temporarily eliminate the interest subsidy on undergraduate subsidized Stafford loans during the six-month grace period.

Provisions Affecting Pell Grant

- Maximum award remains \$5,550. The bill sets the maximum appropriated amount for 2012-13 at \$4,860, and reaffirms the amounts available for the mandatory add-on, which results in the total of \$5,550 for award year 2012-13.
- Minimum award remains 10% of maximum, but the bump-up for students whose calculated award is at least 5% of the maximum but less than 10%, has been eliminated.
- Duration of eligibility is reduced from the equivalent of 18 full-time semesters to the equivalent of 12 full-time semesters. The text that grandfathered students who received Pell prior to July 1, 2008, is removed. Thus, this reduction will affect all students beginning with the 2012-13 award year, not just those who received a Pell Grant for the first time on or after July 1, 2008.