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# Congressional Republicans' Proposed Budget Reconciliation Bill Imperils 4.4 Million Pell Grant Recipients

Proposed changes to Pell Grant eligibility could mean nearly two out of three recipients could lose some or all their federal grant aid and incur up to an additional total of \$7,400 for a bachelor's degree and \$3,700 for an associate degree.

AUTHOR

[Sara Partridge](#)[Building an Economy for All, Budget, College Affordability, and Student Debt, +7 More](#)

Students walk across the California State University, Los Angeles, campus on February 19, 2025. (Getty/Robert Gauthier/*Los Angeles Times*)

Last week, congressional Republicans on the House Education and Workforce Committee voted to advance the Student Success and Taxpayer Savings Plan to the House floor. This legislation, which would be voted on as a part of a budget reconciliation package, dramatically changes the higher education sector and cuts more than \$350 billion in federal investments that make higher education more accessible and affordable. The proposed legislation includes changes to student loan programs such as enacting new loan limits, ending interest subsidies for undergraduates while they are in school, and eliminating a loan program for graduate students. It also sunsets current repayment plans in favor of a new “Repayment Assistance Plan”; limits Pell Grant eligibility; introduces a new risk-sharing model for institutions; and rolls back a range of accountability regulations. Many of these changes mirror proposals introduced at the end of the 118th Congress that would increase college costs for students and borrowers and make higher education even less affordable.

### What is budget reconciliation?

Budget reconciliation is a special congressional procedure that allows for easier passage of tax and spending changes. In the Senate, reconciliation bills only require a simple majority to pass and can therefore avoid the filibuster. The 119th Congress is currently developing plans for budget reconciliation legislation that may include the deepest cuts to Medicaid in the program's history; reduced funding for nutrition assistance, or the Supplemental Nutrition Assistance Program; and increased costs of a range of expenses for typical American families—all while extending tax cuts that primarily benefit corporations and the wealthy.

## Proposed changes to the Pell Grant program

This legislation could reduce or eliminate Pell Grant funding for about two-thirds of current Pell Grant recipients. Introduced more than half a century ago, the Pell Grant program is the cornerstone of need-based federal student aid. In the 2021-22 academic year, an estimated 92 percent of Pell Grant recipients came from families with incomes below \$60,000. Changes to the Pell Grant program threaten to increase education costs for students from low-income and middle-class families—students who need more, not less, help to pay for college.

The bill would threaten Pell Grant recipients' funding by changing the definition of “full time” enrollment for the Pell Grant program from 24 to 30 credits per year, or 12 to 15 credits per semester, and eliminating Pell Grants for students enrolled less than half time, according to Section 30031(b)(3). As a result, these students would be forced to choose between enrolling in more courses and losing some or all of their Pell Grant funding. Because many postsecondary students already work and/or care for children in addition to completing their schoolwork, they may be unable to enroll in additional coursework and need to take on additional student loans to make up for their lost grant funding.

## Potential impacts on Pell Grant recipients

Only an estimated 36 percent of undergraduate Pell Grant recipients attempted 30 or more credits in one academic year—the newly proposed definition of full time—as shown in Table 1. This means that in the 2024-25 academic year, only

about 2.5 million of the 6.9 million Pell Grant recipients nationwide would have qualified as full time under the new definition. The other two-thirds, about 4.4 million students, would have their award amount prorated based on the number of credits they were enrolled in, or they would lose their Pell Grants completely due to the new half-time enrollment requirement. (see Table 2)



TABLE 1

## Nearly two-thirds of Pell Grant recipients attempt fewer than 30 credits per year and would be at risk of losing some or all of their funding

Estimated percentage of Pell Grant recipients by proposed new enrollment intensity definitions and institution type

Institution type	Less than half time (1-14 credits)	Part time (15-23 credits)	Part time, previously full time (24-29 credits)	Full time (30+ credits)
4-year	12.8%	12.0%	30.5%	44.7%
2-year or less	32.9%	20.8%	24.9%	21.4%
Total	20.0%	15.2%	28.5%	36.3%

Note: Enrollment intensity indicates how many credits or courses a student is enrolled in relative to full-time status.

Source: National Center for Education Statistics, “[Beginning Postsecondary Students \(BPS\): 2012/2017](#)” (last accessed May 2025) (retrieval code ‘wjddqk’); to calculate the number of students enrolled in postsecondary institutions annually by sector, the author used data from Integrated Postsecondary Education Data System, “[Number of students enrolled in postsecondary institutions annually, by level of institution: 2022-23](#)” (last accessed May 2025); to calculate the number of undergraduate students receiving Pell Grants by level of institution, the author used data from Integrated Postsecondary Education Data System, “[Percent of undergraduate students receiving Pell grants, by level of institution: 2022-23](#)” (last accessed May 2025).

Table: Center for American Progress

Furthermore, about 1.4 million, or 20 percent, of Pell Grant recipients would lose their Pell Grant funding entirely due to the limitation on awards for less than half-time enrollment. This would include 810,000, or about one-third, of the 2.5 million Pell Grant recipients who are currently enrolled at community colleges.

In addition, about 3 million or 44 percent of Pell Grant recipients would see reductions in their award amounts of up to \$1,480 annually. This includes about 1.1 million community college students. This change could increase the total cost for a bachelor’s degree student by up to \$7,400 and by up to \$3,700 for an associate degree student. Students may bridge this gap by taking on additional student loans, compounding the financial burden many students take on to

access postsecondary education. The appendix details how the number of students in each state would be affected by this potential change in policy.



TABLE 2

## An estimated 4.4 million students are enrolled less than full time, per new proposed enrollment definitions, in the 2024-2025 academic year

Number of Pell Grant recipients potentially affected by new limitations on Pell Grant student enrollment, by enrollment intensity and institution type

Institution type	Less than half time (1-14 credits)	Part time (15-23 credits)	Part time, previously full time (24-29 credits)	Full time (30+ credits)
4-year	562,283	526,603	1,340,721	1,967,147
2-year or less	808,557	511,546	610,464	524,147
Total	1,370,840	1,038,149	1,951,185	2,491,294

Source: Federal Student Aid, “[Pell End-of-Year Reports: Table 20A: Distribution of Federal Pell Grant Recipients and Average Grant by Grant Level and Type and Control of Institution](#)” (last accessed May 2025); National Center for Education Statistics, “[Beginning Postsecondary Students \(BPS\): 2012/2017](#)” (last accessed May 2025) (retrieval code ‘wjddqk’); Integrated Postsecondary Education Data System, “[Number of students enrolled in postsecondary institutions annually, by sector of institution: 2022-23](#)” (last accessed May 2025); Integrated Postsecondary Education Data System, “[Percent of undergraduate students receiving Pell grants, by sector of institution: 2022-23](#)” (last accessed May 2025).

Table: Center for American Progress

These proposed changes would put Pell Grant recipients in challenging circumstances by forcing them to either take on more debt or more hours of coursework. Both options would likely raise costs for many students: Enrolling in more courses would likely force some students to work fewer hours outside of school, which would strain them further financially. In a [2023 survey](#) of student basic needs from The Hope Center at Temple University, 52 percent of students reported having one job and 16 percent reported having two or more. Of employed students, 32 percent reported working 20 or more hours per week. With more than half of students working outside of school already, many may face challenges finding the time to take on more courses while sustaining themselves as they complete school. In addition, significant shares of students—23 percent in the same [survey](#)—reported being parents or primary caregivers. Today’s students have significant financial needs and familial obligations, which indicates that many may not have the time to take on additional coursework per semester.

Notably, the budget reconciliation legislation also proposes to expand Pell Grants to students enrolled in short-term programs, which are between 150 and

600 hours of instruction over 8 to 15 weeks, in Section 30032(b)(3)(A). Some students enrolled part time may opt into short-term programs and receive Pell Grant funding for those programs. The Congressional Budget Office estimated that by 2033, approximately 100,000 students each year would enroll in these short-term programs if legislation allowing students to use Pell Grants to attend them was enacted. This could offset the loss of Pell Grants for students in other programs. However, significant questions remain about these programs' quality and earnings premiums, with many studies suggesting the earnings boosts they provide are small, especially relative to associate degrees, bachelor's degrees, and even long-term certificates. Funneling students pursuing degrees part time into short-term programs may be a disservice to them and force them to forgo paths with greater earning potential.

## Conclusion

Need-based grants such as the Pell Grant expand access to postsecondary education and training and help students succeed. Unfortunately, Pell Grant funding levels have not kept pace with the rising cost of college, and its purchasing power has declined from covering more than three-quarters of the cost of attendance of a public four-year university in the mid-1970s to covering roughly one-third today. The Pell Grant should be bolstered to help cover the higher costs of a college education today and to allow students to graduate free of unaffordable student loan debt. A proposal such as the one passed by the House Education and Workforce Committee is a step in the wrong direction, as it increases the burden on students from working families who already struggle to access, afford, and complete college.

## Appendix

The table below shows the number of students who would be affected by the proposed changes to Pell Grant enrollment requirements by state. Those who are enrolled part time—but more than half time—would see reduced awards, while those who are enrolled less than half time would lose their awards entirely.

TABLE 3

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Thousands of students in every state are at risk of losing Pell Grant funding under the proposed changes

Number of students potentially affected by the new Pell Grant definition of full time and restrictions on less than half-time enrollment, by state or territory

Search in table

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State	# of students at risk of losing all Pell Grant funding	# of students at risk of reduced Pell Grant funding
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https://www.americanprogress.org/article/congressional-republicans-proposed-budget-reconciliation-bill-imperils-4-4-million-pell-grant-recipients/

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Alabama	21,721	47,375
Alaska	1,865	4,067
Arizona	28,171	61,441
Arkansas	13,384	29,191
California	195,990	427,455
Colorado	17,532	38,237
Connecticut	13,749	29,986
Delaware	3,643	7,944
District of Columbia	1,919	4,184
Florida	99,118	216,176
Georgia	56,873	124,040
<b>Total</b>	<b>1,365,653</b>	<b>2,978,489</b>

Source: Author’s calculations based on Federal Student Aid, “[Pell End-of-Year Reports: Table 22: Distribution of Federal Pell Grant Recipients by State of Legal Residence and Control of Institution Award Year 2022-2023](#)” (last accessed May 2025); National Center for Education Statistics, “[Beginning Postsecondary Students \(BPS\): 2012/2017](#)” (last accessed May 2025) (retrieval code ‘wjddqk’); Integrated Postsecondary Education Data System, “[Number of students enrolled in postsecondary institutions annually, by sector of institution: 2022-23](#)” (last accessed May 2025); Integrated Postsecondary Education Data System, “[Percent of undergraduate students receiving Pell grants, by sector of institution: 2022-23](#)” (last accessed May 2025).

Table: Center for American Progress

## Methodology

This article refers to all degree- or credential-seeking students enrolled at Title IV-eligible institutions that are two years or less, including the private nonprofit and for-profit sectors, as being in the “community college” category.

Table 1

Table 1 draws the percentage of students enrolled by credit for students at four-year institutions and institutions that are two years or less from the National Center for Education Statistics’ “[Beginning Postsecondary Students: 2012/2017 \(BPS\)](#)” dataset (retrieval code “wjddqk”). For the total for all students, this table uses data from the Integrated Postsecondary Education Data System’s “[Number](#)

of students enrolled in postsecondary institutions annually, by level of institution: 2022-23” dataset on the number of students enrolled in postsecondary institutions annually by sector and the “Percent of undergraduate students receiving Pell grants, by level of institution: 2022-23” dataset on the number of undergraduate students receiving Pell grants by level of institution, to weight the total number of Pell Grant recipients between institution types. These two sources were used to determine that 64 percent of Pell Grant recipients were enrolled in four-year institutions, while 36 percent were enrolled at institutions that were two years or less in the 2022-23 academic year, and the total for all students was then weighted according to this ratio.

## Table 2

Table 2 draws the total number of Pell Grant recipients for academic year 2024-25 (6,852,746) from the Office of Federal Student Aid’s “Aid Recipients Summary: Award Year 2024-2025 Recipient Summary.” Academic year 2024-25 recipient numbers are significantly higher than previous years because the FAFSA Simplification Act, which modified the methodology for calculating federal financial aid, went into effect. This new methodology may affect the share of recipients by enrollment intensity and institution type in this and future years.

This table uses the total number of Pell Grant recipients for academic year 2024-25 (6,852,746) and assumes they follow a similar enrollment distribution by institution level as academic year 2022-23 and the same enrollment distribution by credit as academic year 2011-12, the latest years for which this data is available. As in Table 1, the analysis assumes 64 percent of Pell Grant recipients are enrolled in four-year institutions and 36 percent are enrolled in institutions that are two years or less. It then applies the percentages of students enrolled by intensity level in the 2011-12 BPS data to these totals for each institution type.

This analysis also assumes the distribution of students by credits attempted in the 2011-12 academic year remains steady between academic year 2011-12 and academic year 2024-25. This assumption might underestimate the share of students who would be affected by these changes, as part-time enrollment increased relative to full-time enrollment between 2010 and 2020, and this trend is expected to continue through the decade.

## Degree cost calculations

The calculation of the estimated reductions in award amounts and added costs for bachelor’s and associate degrees assumes a maximum Pell Grant award amount of \$7,395, the maximum for the 2024-25 academic year. The difference is calculated between a 12 credit and 15 credit base when the maximum Pell Grant award is prorated by credit for students taking between 8 and 14 credits per semester. The calculation for the added costs for a degree program is based on the reduced Pell Grant award amount for a student enrolled in 12 credits per semester (\$1,479 annually). At this rate, it would take 10 semesters or five years to complete a bachelor’s degree, which is typically 120 credits, and 2 1/2 years to complete an associate degree, which is typically 60 credits.

## Table 3

Table 3 takes the latest data for the number of Pell Grant recipients by state from the Office of Federal Student Aid’s “Pell End-of-Year Reports: Table 22: Distribution of Federal Pell Grant Recipients by State of Legal Residence and Control of Institution Award Year 2022-2023” and the latest total number of Pell Grant recipients for academic year 2024-2025 (6,852,746) from the “Aid Recipients Summary: Award Year 2024-2025 Recipient Summary.” The analysis assumes the distribution by state remains the same from academic year 2022-23

to academic year 2024-25. It also assumes that the percentage of students enrolled by credit is consistent nationally, but exact numbers will vary with part- and full-time enrollment by state. Data from the National Center for Education Statistics on enrollment by credit did not have adequate sample sizes to determine the distribution of students by enrollment intensity in each state.

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