AMDT #27

Amendment to the Chairman's Mark

Offered by Representatives Jackson Lee, Yarmuth, Lee, Lujan Grisham, Moulton, Jeffries, Higgins, Wasserman Schultz, Boyle, Khanna, Jayapal, Carbajal, and Schakowsky

Increase Pell Grants to Make College More Affordable

1. Increase budget authority and outlays for Function 500 (Education, Training & Employment, and Social Services) by the following amounts in billions of dollars to provide larger Pell Grants to make college more affordable.

	2018	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*2027*
BA	2.800									
Outlays	0.756	2.016	0.028							

2. Adjust the aggregate levels of revenue by amounts equal to the foregoing outlay changes in paragraph 1, reflecting the reduction of tax expenditures for the top one percent of income earners, or unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the "carried interest" loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding $1 million per year.

3. Make all necessary and conforming changes to the Chairman's mark.

4. Amend the committee report to reflect the following policy assumptions:

   The resolution assumes an increase of $500 in the maximum Pell Grant award for the 2018-2019 school year. In the following years, the resolution assumes the maximum Pell Grant award will increase with inflation. Although the Pell Grant targets several groups of underserved students, it is targeted to low-income students. This amendment is a modest change and long overdue as the purchasing power of these grants has steadily eroded over the last few years. Currently, the maximum grant of $5,920 in the 2017-2018 school year will cover just 29 percent of the costs of college at a public university, compared to 79 percent of those costs shortly after Congress created the grant 40 years ago. Under current law, it remains fixed at this level for FY 2018 and beyond—with no future adjustments for inflation—and if left unchanged, students would likely have to absorb even higher costs and take on even more debt.

The resolution accommodates this necessary level of Pell Grant funding by reducing tax expenditures for the top one percent of income earners, or by reducing unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the "carried interest" loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding $1 million per year.