



April 8, 2026

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U.S. Department of Education
400 Maryland Ave. SW, 5th Floor
Washington, DC 20202

RE: Comments to the Department of Education on the U.S. Department of Education's (the Department) Notice of Proposed Rulemaking (NPRM), Docket ID ED-2026-OPE-0133.

To Whom It May Concern:

Thank you for the opportunity to comment on the U.S. Department of Education's (the Department) Notice of Proposed Rulemaking (NPRM), Docket ID ED-2026-OPE-0133, related to changes to the Federal Pell Grant (Pell Grant) Program under title IV of the Higher Education Act (HEA) of 1965, as amended (the title IV, HEA programs).¹ Congress's recent legislative changes through H.R. 1 last year introduced a significant shift to federal higher education policy by extending Pell Grants to very-short-term job training programs, so implementing this change is critical to protecting students and taxpayers.²

New America's Higher Education Program is a team of researchers, writers, policy experts, and advocates dedicated to examining federal student aid policy and advancing solutions that prioritize students and families. We have broad higher education expertise, including student loan policy, accountability standards, and short-term credentials. We approach this rulemaking with a focus on ensuring students in Workforce Pell program will achieve the goal of the program, helping students gain the skills necessary to obtain a well-paying job.

In addition to our many years of work on this issue, our team is also working to provide technical assistance as states implement the requirements of this new program and colleges prepare to submit programs for approval. To date, we have worked with approximately 30 states and territories, which has greatly informed our comments.

¹<https://www.federalregister.gov/documents/2026/03/09/2026-04520/accountability-in-higher-education-and-access-through-demand-driven-workforce-pell-pell-grant>

² Pub. L. No. 119-21, *An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14*, 139 Stat. 72 (July 4, 2025), <https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf>.

We look forward to continuing to engage the Department on ways to strengthen affordability, quality, accountability, and consumer protection in the higher education system to ensure colleges and the federal student loan system serve students and borrowers well.

Sincerely,

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Overview

In H.R. 1, Congress enacted one of the most significant expansions of the federal student aid system in decades—opening up Pell Grants to very short, non-credit, non-degree job training programs. For the first time, federal grant aid will be available for programs as short as 8 weeks, including non-credit programs. This change is as consequential as two previous watershed moments in federal student aid: first, when Congress extended eligibility to for-profit institutions and non-degree programs, and second, when it allowed participation by fully online programs. Unlike those expansions, this one introduces a new kind of program into the federal aid ecosystem, one that straddles the line between workforce development and higher education.

While bearing a close resemblance to the job training programs funded through the Workforce Innovation and Opportunity Act, this new program is embedded in law governing higher education, which has distinct eligibility and accountability structures. Its implementation will be governed by existing education policy infrastructure, including Title IV of the Higher Education Act (HEA), which determines federal financial aid eligibility, institutional and programmatic accreditation requirements, and state authorization. Implementing this law will be incredibly complex due to the sheer amount of stakeholders involved and the steps they need to take.

This expansion of federal aid presents a rare and powerful opportunity to shape a new class of programs from the ground up. If implemented effectively, these programs could expand economic opportunity and accelerate pathways to good jobs. Workforce Pell could become a cornerstone of state strategies to build a high-quality workforce and drive inclusive economic growth. It offers governors and state leaders a new tool to align education and training systems with employer needs, support rapid upskilling, and strengthen the link between learning and labor market outcomes.

However, this expansion comes with substantial risks to students and taxpayers. Research from New America on the history of short-term programs receiving federal student aid shows that a key structural distinction, combined with past experiences in which similar programs produced poor outcomes for students, led policymakers to limit Title IV eligibility to programs that met certain thresholds for length, accreditation, and academic progression.³ These limits were put into place because of a long history of poor outcomes and widespread fraud and abuse, particularly, though not exclusively, among for-profit institutions.

Furthermore, research consistently shows that very short-term programs often fail to provide meaningful economic benefits for students. New America's review of the literature showed that individuals completing these programs earned no more than peers who did not pursue any postsecondary education—raising serious concerns about the return on investment, particularly

³ Wesley Whistle, *Short Memories Lead to Long-Term Consequences: Lessons from Three Decades of Short-Term Programs in Higher Education Policy* (Washington, DC: New America, January 13, 2021), <https://www.newamerica.org/insights/short-memories-lead-long-term-consequences-higher-education-policy/>.

when the programs are operated by for-profit institutions.⁴ In a separate analysis, New America documented that half of short-term certificate holders earned wages at or near the poverty level.⁵

These shortcomings are also evident in programs already eligible for federal aid. Currently, programs as short as 10 weeks (300 hours of training) can qualify for federal student loans, yet outcomes are weak. One study found that graduates of these programs earned a median wage of just \$12 an hour, below the earnings of the typical high school graduate.⁶ Another federal data analysis showed that the average certificate program receiving federal aid produced median salaries under \$25,000.⁷ The Department has tested short-term Pell Grants in programs as short as 8 weeks under its experimental site authority, and found that while these grants modestly boosted program completion, they did not improve employment or earnings outcomes.⁸

General Comments

Preserve Consensus Language to Ensure Effective and Responsible Implementation

The Department should remain as close as possible to the consensus language reached through negotiated rulemaking. Doing so is not only consistent with the spirit and intent of the Administrative Procedure Act (APA), but is also essential to ensuring a smooth, timely, and responsible implementation of Workforce Pell. Departures from consensus at this stage would introduce unnecessary uncertainty, undermine state and institutional readiness, and risk weakening critical safeguards at a moment of significant program expansion.

First, reaching consensus in negotiated rulemaking is a meaningful and important outcome given the diverse set of stakeholders—including institutions, states, consumer advocates, and policy experts—to arrive at balanced, workable solutions. When consensus is achieved, it reflects careful

⁴ Amy Laitinen, Clare McCann, and Monique O. Ositelu, *The Short-Term Credentials Landscape: What We See and What Remains Unseen* (Washington, DC: New America, May 5, 2021),

<https://www.newamerica.org/education-policy/reports/the-short-term-credentials-landscape/>.

⁵ Monique O. Ositelu, *Five Things Policymakers Should Know About Short-Term Credentials* (Washington, DC: New America, March 2, 2021),

<https://www.newamerica.org/insights/five-things-policymakers-should-know-about-short-term-credentials/>.

⁶ Stephanie Riegg Cellini and Kathryn J. Blanchard, *Quick College Credentials: Student Outcomes and Accountability Policy for Short-Term Programs* (Washington, DC: Brookings Institution, July 22, 2021), <https://www.brookings.edu/articles/quick-college-credentials-student-outcomes-and-accountability-policy-for-short-term-programs/>.

⁷ Wesley Whistle, “The Certificates That Pay—And the Many More That Don’t,” *Forbes*, February 27, 2020, <https://www.forbes.com/sites/wesleywhistle/2020/02/27/the-certificates-that-pay-and-the-many-more-th-at-dont/>.

⁸ Bill DeBaun, “New Research: Short-Term Pell Didn’t Increase Employment, Earnings,” November 22, 2024, <https://www.ncan.org/news/687790/New-Research-Short-Term-Pell-Didnt-Increase-Employment-Earnings.htm>.

compromise across competing priorities and perspectives. Straying from that consensus risks undermining the important work of the committee.

Second, states are already actively preparing to implement Workforce Pell based on the proposed regulatory framework and consensus discussions—particularly with respect to the governor's approval process. With a statutory effective date of July 1, 2026, states face an extremely compressed timeline to stand up new approval systems, define “high-skill, high-wage, or in-demand” fields, establish data-sharing agreements, and coordinate across workforce boards, higher education agencies, and governors’ offices. Through our work at New America, we are directly supporting states across the country by providing technical assistance, developing implementation toolkits, and advising on program approval processes. We have seen firsthand that states are using the proposed rules and consensus language as the foundation for these efforts. Significant deviations at this stage would force states to revisit key design decisions, creating delays, inefficiencies, and potential inconsistencies across states. In the context of an already ambitious implementation timeline, regulatory stability is critical.

Finally, adhering closely to the consensus language is essential to maintaining strong safeguards for students and taxpayers—particularly given the substantial risks associated with this expansion of Pell Grant eligibility. As discussed throughout these comments, Workforce Pell represents one of the most significant expansions of federal student aid in decades, extending eligibility to very short-term and non-credit programs that have historically produced mixed or poor outcomes. At the same time, the Pell Grant program is facing mounting fiscal pressure, including a projected shortfall that heightens the importance of ensuring funds are directed toward high-quality programs that deliver real value.⁹ Weakening or altering key provisions—particularly those related to program approval, outcomes measurement, and accountability—could increase the likelihood that federal dollars flow to low-value programs, putting both students and the long-term sustainability of the Pell program at risk.

For these reasons, we strongly urge the Department to preserve the consensus language wherever possible. Doing so will uphold the integrity of the rulemaking process, support states in meeting near-term implementation demands, and ensure that the necessary guardrails remain in place to protect students and taxpayers as Workforce Pell is launched. In the sections below, we have suggested some changes to the proposed language. We believe our suggestions are important for protecting students, taxpayers, and the Pell Grant program. And we believe these changes will not impede state implementation.

Accreditation Oversight of Workforce Pell Programs

We appreciate the Department’s discussion of accreditation in the preamble to the NPRM and the clarifications provided during negotiated rulemaking regarding how existing accreditation requirements apply to Workforce Pell programs. In particular, we agree with the Department’s

⁹ Congressional Budget Office, *Pell Grant Program: Baseline Projections* (Washington, DC: Congressional Budget Office, February 2026), <https://www.cbo.gov/system/files/2026-02/51304-2026-02-pellgrant.pdf>

position that programs must fall within an institution’s accreditation in order to be Title IV eligible, and that existing substantive change requirements under 34 C.F.R. § 602.22 apply where appropriate. We also recognize the Department’s concern that explicitly referencing these requirements in regulation could introduce confusion or suggest a different standard for Workforce Pell programs relative to other Title IV programs.

However, we remain concerned that reliance solely on existing accreditation frameworks is insufficient to ensure appropriate oversight of Workforce Pell programs—particularly non-credit programs, which have historically been left out of many accreditors’ recognition and review processes, even if it is technically considered to fall within their scope. **We urge the Department to go beyond the preamble and include clear regulatory expectations that accreditors must review Workforce Pell programs—including non-credit programs—and update their scopes of recognition accordingly.** Doing so will close a critical oversight gap, strengthen program quality, and ensure that this new expansion of Pell Grant eligibility is implemented with the rigor and accountability that students and taxpayers deserve.

While it is true that Title IV eligibility is tied to institutional accreditation, in practice, many accreditors do not systematically review short-term, non-credit workforce programs, neither through accreditation nor substantive change reviews, even when they are offered by accredited institutions. For example, the WASC Senior College and University Commission only reviews academic degree programs.¹⁰ The Middle States Commission on Higher Education reviews credit-bearing programs that lead to an academic credential.¹¹ Similarly, the Southern Association of Colleges and Schools does not require approval for programs that do not carry or receive academic credit.¹² Even where programs are required to be approved, that approval may be minimal for institutional accreditors. For the Northwest Commission on Higher Education, adding an academic program is considered a minor change and non-degree programs that do carry academic credit require only that the institution notifies the accreditor, not that it undergoes any specific review.¹³ This creates a significant gap between formal eligibility requirements and actual quality assurance.

Given that Workforce Pell represents a substantial expansion of Title IV aid into a new category of programs—including non-credit offerings that have not traditionally been subject to rigorous accreditation review—we encourage the Department to include explicit regulatory language requiring that accrediting agencies expand their scope of recognition to include these programs. If these programs are to receive federal student aid, they must be subject to meaningful, program-level quality assurance that aligns with the HEA’s standards for accreditation, including academic rigor, student outcomes, and consumer protection.

At a minimum, the Department should require that Workforce Pell programs—particularly non-credit programs—be brought within the formal scope of an institution’s accreditation and reviewed accordingly.

¹⁰ <https://wascsenior.app.box.com/s/811e5n0fihl2u9v5t4a2hfkq8xpbjau>

¹¹ <https://msche.box.com/shared/static/iq4qao1uax4kbjw0hnlqkkw9yjxth60i.pdf>

¹² <https://sacscoc.org/app/uploads/2019/08/SubstantiveChange.pdf>

¹³ <https://nwccu.app.box.com/s/bt0ktp7njlog0yelgtkfywuy8abgdgh0all>

One model the Department could follow is the framework established for Prison Education Programs (PEPs). Under the PEPs regulations, accrediting agencies must review and approve the first program offered at a correctional facility and at least the first additional program at that facility before the institution may offer additional programs without prior accreditor approval.¹⁴ This framework ensures that accreditors review initial program offerings in a new delivery environment and establish oversight before programs can expand.

The Department should adopt a similar approach for Workforce Pell programs, particularly those non-credit programs. Specifically, the Department should require accrediting agencies to review and approve at least the first three Workforce Pell programs offered by an institution—especially where those programs are non-credit or represent a new category of educational offering for the institution—before additional Workforce Pell programs can be offered without prior accreditor approval. This approach would allow accreditors to evaluate program quality, outcomes expectations, student support structures, and alignment with institutional mission before programs and other offerings scale.

This type of phased approach would also provide an appropriate on-ramp for accreditors to expand their scope and review processes to include non-credit Workforce Pell programs. Accreditors would have time to update standards, train reviewers, and develop evaluation frameworks for Workforce Pell programs, while still ensuring that these programs are subject to meaningful oversight before they expand significantly.

Requiring accreditor review of initial Workforce Pell programs is particularly important because these programs will often serve as entry points into institutions and may be used as recruitment pathways into longer-term programs. Accrediting agencies are responsible under the HEA for reviewing institutions' academic quality, program integrity, and student outcomes. If institutions are using non-credit Workforce Pell programs as part of their enrollment, recruitment, or pathway strategies, accreditors should review those programs as part of their evaluation of the institution as a whole.

Importantly, expanding accreditor oversight to include non-credit Workforce Pell programs is not simply a technical adjustment—it is essential to ensuring the integrity of the Title IV system. Accreditors serve as a key gatekeeper for federal student aid, and their role is to ensure that all educational offerings at an institution meet minimum standards of quality and value. This responsibility should extend to all programs offered by an accredited institution, particularly those that are eligible for federal funding.

Transparency

Transparency will be essential to ensure Workforce Pell fulfills its promise and doesn't repeat the mistakes of past Pell expansions. At a minimum, the Department should require public reporting of

¹⁴ See 34 C.F.R. § 668.237 and related provisions governing accreditor review and approval of prison education programs.

program approvals as it has for Prison Education Programs.¹⁵ The Department should also publish length (in both weeks and clock hours) of approved programs, costs, completion rates, job placement outcomes, and earnings measures and failures in a publicly available place, such as the website the Department is building as part of the Financial Value Transparency or Student Tuition and Transparency System so that students, families, researchers, and policymakers understand program performance and can make informed decisions. Transparency should also extend to disbursements, including institutional, private loans, and income share agreements for programs approved under this section. Program-level disbursements for programs that become eligible, published with other disbursements on the Federal Student Aid Data Center, are also important for transparency because this new eligibility could lead to a growing Pell shortfall that puts the program and future student eligibility at risk.¹⁶

Additionally, the Department should publish earnings data for programs before the three-year point for accountability. Research shows that many very-short-term program completers see an earnings gain after a year, but those gains either level off and even fade a year or two later.¹⁷ That means that if a program’s median earnings measured at one year after completion are failing or close to failing the value-added earnings requirement, it may be an indicator that the program would be at risk of losing eligibility when the value-added earnings are calculated. Furthermore, this information is generally beneficial to students considering a program. Publishing earnings outcomes at earlier intervals gives prospective students a sense of the immediate earnings they may receive upon completion. It could help institutions improve their programs if they are not meeting the earnings requirement and help inform future program design on the most appropriate point to measure earnings for these programs. Just as the statute requires disclosure when a program risks failing the earnings threshold, the Department should require the public disclosure of all program outcomes, including completion, job placement, and value-added earnings.¹⁸ Making this information transparent to the public and policymakers—and available to students at the time of enrollment—will empower students and institutions to weigh program risks, compare alternatives, and make more informed decisions.

Directed Questions

Written Arrangements To Provide Educational Programs — § 668.5(c)

We appreciate the Department raising the issue of written arrangements in both the directed question and the proposed regulatory text. We share the concerns the Department expressed during

¹⁵ <https://studentaid.gov/data-center/school/pep>

¹⁶ Jinann Bitar and Clare McCann, “Could Short-Term Pell Lead to a Pell Shortfall?” *New America*, April 2, 2020, <https://www.newamerica.org/insights/could-short-term-pell-lead-pell-shortfall/>.

¹⁷ <https://studentaid.gov/data-center/student/>; Rajeev Darolia, Chuanyi Guo, and Youngran Kim, *The Labor Market Returns to Very Short Postsecondary Certificates*, IZA Discussion Paper No. 16081 (Bonn, Germany: Institute of Labor Economics [IZA], April 2023; rev. May 2025).

¹⁸ (20 U.S. Code § 1087d).

negotiated rulemaking and in the NPRM regarding quality assurance and oversight, and we urge the Department to significantly limit—and ideally prohibit—the use of written arrangements for Workforce Pell programs.

Before answering the question of what percentage of a program should be permissible to be outsourced, we wanted to address a few issues from the NPRM generally.

First, the NPRM states that the statute is silent on written arrangements in the context of Workforce Pell. However, we do not believe the statute is silent on this issue. The statute requires that an eligible workforce program be “offered by an eligible institution.” This language suggests that the institution itself must offer the program, not merely serve as a pass-through entity for Title IV funds while another unaccredited entity delivers a portion of the education or training. Allowing extensive outsourcing through written arrangements would undermine this statutory requirement by allowing programs to be effectively offered by third-party providers rather than by the eligible institution itself.

We also want to address comments referenced in the NPRM suggesting that institutions may need written arrangements in order to provide access to specialized equipment, such as heavy equipment. Access to equipment or training facilities is not the same as outsourcing educational programs through written arrangements. Institutions routinely partner with employers, training centers, hospitals, and other entities to provide access to facilities, equipment, clinical experiences, or work-based learning without outsourcing program delivery through written arrangements under § 668.5(c). **So while this argument may be compelling, we do not believe it supports outsourcing the instruction of a program.** The Department should make clear that the need to use specialized equipment or facilities does not justify outsourcing Workforce Pell programs.

Now, to the specific question in the NPRM. Both during negotiated rulemaking and in the NPRM, the Department repeatedly emphasized concerns about the need to ensure quality across all Title IV programs. The Department has previously acknowledged that both institutions and accrediting agencies have trouble accurately accounting for the percentage of a program offered by an unaccredited entity.¹⁹ We agree with those concerns voiced by the Department and believe that allowing extensive outsourcing through written arrangements would run counter to that goal and in excess of statute. Workforce Pell programs are already short in duration, often non-credit, and in many cases not currently subject to any accreditor review. Introducing unvetted, unaccredited third-party providers into program delivery further complicates oversight and weakens accountability structures. Oversight of written arrangements is already challenging, but especially in the context of these very-short-term programs. If the Department is concerned about ensuring quality across all programs—and we agree that it should be—then limiting outsourcing is a necessary component of maintaining program integrity.

¹⁹ U.S. Department of Education, Office of Federal Student Aid, *Written Arrangements Between Title IV-Eligible Institutions and Ineligible Third-Party Entities Providing a Portion of an Academic Program*, Dear Colleague Letter GEN-22-07 (June 16, 2022), <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-06-16/written-arrangements-between-title-iv-eligible-institutions-and-ineligible-third-party-entities-providing-portion-academic-program>.

In the paragraphs below, we outline several reasons why the Department should not permit outsourcing of these programs.

1. **Accreditor oversight of these types of programs is limited and, in many cases, insufficient.** As discussed above, non-credit programs often fall outside the scope of accrediting agencies' routine review. When combined with written arrangements—especially those involving unaccredited third-party providers—this creates a situation where large portions of a Title IV-eligible program may not be meaningfully reviewed for quality, outcomes, or compliance with federal requirements. This undermines the fundamental role of accreditation as a gatekeeper for federal student aid.
2. **Data released by the Department in response to negotiators' requests during rulemaking indicate that institutions are dramatically underreporting written arrangements, with arrangements reported at only 36 institutions of higher education.** This raises serious concerns about transparency and compliance with existing regulations. If current reporting requirements are not being followed, expanding the use of written arrangements in the context of Workforce Pell would likely exacerbate these issues, making it even more difficult for the Department, accreditors, and the public to understand who is actually delivering these programs and under what conditions.
3. **Permitting outsourcing would increase the risk that unaccredited or low-quality providers gain access—directly or indirectly—to federal Pell Grant funding.** Workforce Pell programs, by design, are short in duration and can be rapidly created or modified. This makes them particularly susceptible to abuse if third-party providers are able to operate behind accredited institutions without being subject to equivalent oversight. As mentioned previously, the Department has said that past experience with similar arrangements has shown that such structures can lead to poor outcomes, misaligned incentives, and, in some cases, fraud and abuse.²⁰

These risks are especially concerning given the large projected shortfall of the Pell Grant program. Allowing outsourcing through written arrangements would increase the likelihood that funds flow to programs that have not been adequately vetted, putting additional strain on the program while failing to improve student outcomes.

Finally, the nature of Workforce Pell programs themselves makes outsourcing particularly problematic. These programs are short, intensive, and often serve students with limited time and resources. Dividing responsibility for program delivery between an accredited institution and a third-party provider creates confusion around accountability and leaves students with little recourse if something goes wrong. Institutions receiving Title IV funds should retain full responsibility for the design, delivery, and outcomes of Workforce Pell programs.

²⁰ U.S. Department of Education, Office of Federal Student Aid, *Written Arrangements Between Title IV-Eligible Institutions and Ineligible Third-Party Entities Providing a Portion of an Academic Program*, Dear Colleague Letter GEN-22-07 (June 16, 2022), <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-06-16/written-arrangements-between-title-iv-eligible-institutions-and-ineligible-third-party-entities-providing-portion-academic-program>

For these reasons, **we believe the appropriate outsourcing percentage for Workforce Pell programs should be zero.** Institutions that receive Title IV funds should be responsible for delivering Workforce Pell programs themselves and for ensuring program quality, student outcomes, and compliance with federal requirements. We reiterate the point made earlier in these comments that this is a massive expansion of Federal Student Aid, and along with the Pell shortfall and the history of problems with these types of programs accessing Title IV funds, we encourage the Department to approach this issue with caution. **If the Department decides to allow outsourcing in Workforce Pell programs, it should require that accreditors approve all written arrangements for these programs, no matter the percentage of a program provided by an ineligible institution or entity.** Beyond these particular regulations, the Department should issue additional guidance to institutions on reporting written arrangements and work with accrediting agencies to cross-reference their records with institutions that have not reported such arrangements since accreditors must review arrangements above 25 percent of a program.

We recognize, however, that Registered Apprenticeship programs also present a unique case and that the Department has already provided certain flexibilities and exceptions for these programs in recognition of their structure and strong employer involvement. We would support a narrowly tailored exception for Registered Apprenticeship programs to the prohibition on written arrangements. Even in that case, outsourcing should be limited and clearly defined, and the eligible institution should retain primary responsibility for the program. Any exception should be limited and should not allow a substantial portion of the program to be outsourced. As a general principle, if such an exception exists, outsourcing should remain a minority portion of the program and should not approach levels that would effectively allow third-party providers to operate Workforce Pell programs under the institution's Title IV eligibility.

Overall, limiting outsourcing through written arrangements will help ensure that Workforce Pell programs are truly offered by eligible institutions, maintain stronger quality assurance, protect students and taxpayers, and align with the Department's stated goal of ensuring quality across all Title IV programs. Absent such safeguards, allowing outsourcing would undermine the integrity of Workforce Pell, expose students to unnecessary risk, and weaken accountability at a time when strong oversight is most needed.

Components Determined by Governors — § 690.93 (related to bilateral agreements)

We appreciate the Department's inclusion of consensus language related to bilateral agreements and believe it reflects an appropriate and carefully negotiated balance between expanding access and safeguarding students and taxpayers. We encourage the Department to maintain this approach in the final regulations.

We also agree with the Department that direct governor approval of a program is distinct from state authorization and that state authorization reciprocity agreements should not be considered sufficient to meet the statutory requirement for governor approval. State authorization and state

authorization reciprocity agreements, such as those overseen by NC-SARA, are designed to determine whether an institution is legally permitted to operate in a state, not whether a specific program meets workforce demand, outcomes expectations, or other Workforce Pell eligibility criteria. The Workforce Pell statute assigns governors a specific program-level approval role tied to state labor market conditions and workforce priorities. Allowing reciprocity agreements to substitute for direct governor approval would run counter to the statutory requirements for both Workforce Pell and state authorization, and could allow programs to operate in states without meaningful review of whether those programs align with the state’s workforce needs or economic conditions.

Maintaining the distinction between state authorization and governor approval is therefore essential to ensuring that Workforce Pell programs are aligned with state labor markets and workforce strategies, as Congress intended. Governors’ determinations should be program-specific and grounded in state workforce and economic data, not automatically satisfied through institutional authorization or reciprocity agreements.

As structured, the consensus language appropriately limits the circumstances under which states can enter into bilateral agreements for Workforce Pell program approval, while still allowing flexibility for states to collaborate where necessary. This balance is critical. Workforce Pell is designed to expand access to short-term, workforce-aligned training, but it does so by introducing a new category of programs into the Title IV system—many of which are short in duration, non-credit, and historically subject to uneven oversight.

Prior research underscores the risks of loosening guardrails too far in this context. Expanding short-term Pell eligibility—particularly in ways that allow programs to scale quickly across state lines—can “open the floodgates to predatory actors,” especially where oversight is fragmented or unclear.²¹ At the same time, even well-intentioned programs raise concerns about quality and value, as evidence shows that many very short-term programs produce weak earnings and employment outcomes.²² These risks are compounded when programs can be delivered across jurisdictions without clear lines of accountability.

Bilateral agreements, if not carefully constrained, could create precisely these conditions. Allowing states to rely on approvals from other states without sufficient standards or shared accountability mechanisms risks a “race to the bottom,” where programs seek approval in states with the weakest oversight and then operate more broadly. This is particularly concerning given the role that governors play in determining whether programs meet key statutory requirements, including alignment with high-skill, high-wage, or in-demand occupations. Those determinations are

²¹ Wesley Whistle, “Online Short-Term Pell Could Open the Floodgates to Predatory Actors,” December 14, 2022, <https://www.newamerica.org/insights/online-short-term-pell-could-open-the-floodgates-to-predatory-actors/>.

²² Wesley Whistle, “Online Short-Term Pell Raises Concerns Further About Quality and Value,” *New America*, December 14, 2022, <https://www.newamerica.org/insights/online-short-term-pell-raises-concerns-further-about-quality-and-value/>.

inherently tied to state-specific labor markets and economic conditions and should not be easily transferable across states without careful review.

The consensus language appropriately recognizes these risks by maintaining a structure that allows for collaboration while preserving state responsibility and accountability. It ensures that states remain meaningfully engaged in approving programs that serve their residents and labor markets, rather than outsourcing those determinations wholesale.

We urge the Department to retain the consensus language on bilateral agreements and require approval for each individual program. Doing so will preserve an appropriate balance between flexibility and accountability, prevent the erosion of state oversight, and help ensure that Workforce Pell programs are aligned with real labor market demand and deliver meaningful outcomes for students.

Value-Added Earnings: Interim Value-Added Earnings Metric — § 690.95(a)

We support establishing an interim value-added earnings (VAE) metric and believe it is a necessary and appropriate component of Workforce Pell implementation. Given the statutory requirement that earnings be measured three years after completion, an interim metric is essential to ensure that programs are demonstrating early signs of value before substantial federal funds are disbursed and before students invest their limited Pell eligibility in programs that may ultimately fail to deliver.

Without an interim measure, Workforce Pell programs could enroll multiple cohorts of students and draw down significant federal funding for several years before the Department has sufficient data to assess whether they meet the statutory earnings threshold. This creates a clear risk to both students and taxpayers. Students could exhaust Pell eligibility on programs that do not improve their economic outcomes, and federal funds could be directed toward programs that are later determined to be ineligible.

Evidence suggests that early earnings data—while imperfect—can provide important signals about program quality and trajectory. An interim VAE metric, if designed thoughtfully, can serve as an early warning system to identify programs that are unlikely to meet the statutory three-year threshold. This allows the Department, states, and institutions to take corrective action sooner, whether by improving program design, strengthening employer connections, or, where necessary, discontinuing programs that are not delivering minimum value.

At the same time, the interim metric should be constructed carefully to balance early accountability with recognition of the limitations of short-term earnings data. The Department should consider using multiple years of early earnings data, where available, and should account for factors such as industry-specific wage progression and regional labor market conditions. Transparency will also be critical: interim earnings data should be made publicly available so that students, policymakers, and researchers can assess program performance and make informed decisions.

Importantly, the interim VAE metric complements—rather than replaces—the statutory three-year measure. It provides a necessary bridge between program launch and full accountability, helping to ensure that Workforce Pell programs are on track to deliver meaningful economic benefits to students.

Given the scale of this policy change and the risks associated with expanding Pell eligibility to very short-term programs, we believe an interim earnings metric is not only justified but essential. We commend the Department for proposing this approach and encourage it to adopt a strong and transparent interim VAE framework that prioritizes early detection of low-value programs and protects both students and taxpayers.

Value-Added Earnings: Exclusion of Certain Students in the Completer Cohort — § 690.95(a)

We support the Department’s proposal to exclude certain students from the completer cohort for purposes of calculating value-added earnings, particularly those who continue their education and training after completing a Workforce Pell program.

The statutory framework itself makes clear that Congress anticipated—and intended—this progression. Workforce Pell programs are required to articulate into a recognized postsecondary credential or degree, reflecting a clear expectation that these programs serve as on-ramps into further education rather than terminal endpoints for all students. In this context, including students who immediately continue their education in the earnings calculation would not accurately reflect program value, as their near-term earnings are likely to be suppressed while they are enrolled in additional education or training.

Excluding these students is also consistent with how outcomes are measured in other federal data systems and accountability frameworks. Across higher education and workforce policy, it is standard practice to distinguish between individuals who enter the labor market and those who continue their education when assessing employment and earnings outcomes. Including continuing students in earnings measures would distort results and create misleading signals about program performance, particularly for programs designed to stack into longer-term credentials.

At the same time, we recognize the potential risk that institutions could attempt to game this exclusion by encouraging students to enroll in additional programs primarily to avoid being counted in the earnings metric. However, this risk is mitigated by the broader accountability framework established under H.R. 1. Students who continue their education will be captured in the accountability measures applied to the subsequent program in which they enroll, including the earnings thresholds that apply across programs. As a result, institutions cannot avoid accountability simply by shifting students into additional programs; those students’ outcomes will still be evaluated within the system.

To further mitigate potential gaming, the Department should establish clear and consistent definitions of what constitutes continued enrollment, including appropriate timeframes and

documentation requirements, and should monitor patterns of student progression across programs. Transparency in reporting continuation rates alongside earnings outcomes would also help identify unusual patterns that may warrant further review.

Overall, excluding students who continue their education from the value-added earnings calculation aligns with congressional intent, reflects established practice in measuring postsecondary outcomes, and ensures that the metric more accurately captures the economic value of Workforce Pell programs for students who enter the labor market.

Value-Added Earnings: Process for Combining Multiple Cohorts — § 690.95(h)

We encourage the Department to align the process for combining multiple cohorts for the value-added earnings (VAE) metric as closely as possible with the cohort aggregation approaches used in other federal accountability frameworks, including the consensus language reached that covers Gainful Employment programs and the new accountability provisions established under H.R. 1. During negotiated rulemaking, the Department repeatedly stated that one of its goals was to harmonize accountability and reporting frameworks across programs to reduce administrative burden, improve consistency, and make outcomes easier for students and policymakers to understand. Aligning cohort aggregation rules across accountability systems would advance that goal.

At the same time, the Department should be careful not to combine too many cohorts over too long a period of time. The purpose of the value-added earnings metric is to measure whether programs are providing economic value to students. If cohorts are aggregated over many years, the metric may no longer reflect the quality of the program as it currently exists. Short-term workforce programs can change quickly in response to employer demand, curriculum updates, instructional delivery changes, or institutional capacity. Combining too many years of cohorts could allow programs that have recently declined in quality to remain eligible based on older, stronger outcomes, or conversely penalize programs that have recently improved but are still being measured based on older cohorts.

We therefore recommend that the Department adopt a cohort aggregation approach similar to other accountability frameworks—combining cohorts only when necessary to reach minimum cohort sizes, using a limited number of years, and ensuring that the combined cohort still reflects relatively recent program performance. The Department should prioritize accountability that is both statistically reliable and timely enough to reflect current program quality.

In short, the Department should harmonize cohort aggregation rules with existing accountability systems while ensuring that the VAE metric remains a meaningful and timely measure of program quality.

Related to this directed question, some have expressed concerns that in instances when, after pooling cohorts, the cohort size is too small for the VAE calculation to be made, those programs

would lose eligibility.²³ Our understanding from the negotiations and the Department's proposed text is that, when the VAE calculation can not be done due to insufficient cohort size, those programs maintain eligibility, just as the Gainful Employment rule operated. **We believe that is the Department's intent, but urge the Department to explicitly state that in regulations like in the Gainful Employment rule.**

Value-Added Earnings: Programs Serving Out-Of-State Students (§ 690.95(k))

We support the Department's proposed approach for handling programs that serve out-of-state students in the value-added earnings (VAE) calculation and believe it represents a fair and reasonable way to address this issue.

The primary challenge with out-of-state students is not measuring earnings, since the Department will rely on federal earnings data, but rather determining the appropriate earnings threshold against which those earnings should be compared. Because the value-added earnings metric incorporates regional price parity and poverty thresholds tied to geographic location, the Department must determine which location should be used when students enroll in a program in one state but work in another after completion.

We believe the Department's proposed approach appropriately balances administrative feasibility, fairness, and accountability. It provides a consistent method for setting the earnings threshold while avoiding overly complex calculations that would be difficult for institutions, states, and the Department to administer.

We also encourage the Department to continue aligning the treatment of out-of-state students with existing accountability and earnings measurement frameworks to the greatest extent possible. During negotiated rulemaking, the Department emphasized the importance of harmonizing accountability and reporting systems across programs, and maintaining consistency with existing frameworks such as Gainful Employment, Financial Value Transparency, and other earnings-based accountability measures will reduce administrative burden and improve clarity for institutions and states.

Overall, we believe the Department's proposed method for addressing out-of-state students in the value-added earnings calculation is reasonable, consistent with the Department's broader goal of harmonizing accountability systems across programs, and maintains meaningful accountability while recognizing the practical challenges associated with geographic earnings thresholds.

However, this issue raises an important question around the calculation of job placement rates for students attending in person. If students reside out of state after completion, the Department may have their earnings information since it is derived from federal data, but the governors may lack the ability to calculate the job placement rate for those students. We urge the

²³ <https://www.ccdaily.com/2026/04/the-workforce-pell-bar-most-programs-wont-clear-isnt-earnings/>

Department to make clear in the regulations that, if governors are unable to identify the job placement of out-of-state students, those students are **not** excluded from the calculation. The Department should also require data-sharing agreements with the states from which institutions enroll student in case those students return to that state. This would be in alignment with the data-sharing provisions related to the bilateral agreements for distance education programs.

Regulatory Provisions

Student Eligibility — § 668.32(c)

We are concerned with the proposed approach to student eligibility as it relates to bachelor's degree holders and urge the Department to align Workforce Pell with longstanding Pell Grant policy by excluding individuals who have already earned a bachelor's degree.

Under current law and regulation, Pell Grants are targeted toward students who have not yet completed a bachelor's degree, with only narrow exceptions for certain postbaccalaureate programs. This targeting reflects the program's core purpose: expanding access to postsecondary education for individuals who have not yet attained a degree. Extending eligibility to bachelor's degree holders represents a significant departure from this principle and risks diluting the program's focus—particularly at a time when the Pell Grant program faces a projected shortfall and resources must be carefully targeted to those with the greatest need.

Allowing bachelor's degree holders to access Workforce Pell also raises serious concerns about the integrity of program-level accountability measures. As research has shown, individuals who already hold a bachelor's degree are likely to have higher baseline earnings due to the well-documented “sheepskin effect.”²⁴ Including these individuals in Workforce Pell programs risks artificially inflating earnings outcomes, making programs appear to deliver stronger returns than they actually do for students without prior degrees. This undermines the value-added earnings metric and weakens the Department's ability to identify low-performing programs.

This approach is also inconsistent with how the Department treats other short-term programs eligible for Title IV aid. For example, under 34 C.F.R. § 668.8(d)(3)(iv), short-term programs eligible for federal loans must admit students who have not completed the equivalent of an associate degree. Aligning Workforce Pell with this framework would promote consistency across Title IV programs and reduce opportunities for gaming.

If the Department is unwilling to make this change, we strongly encourage it to adopt additional safeguards to mitigate the risks described above. At a minimum, the Department should require institutions to disaggregate outcomes data by prior educational attainment, including separate reporting for bachelor's degree holders and non-bachelor's degree holders. The Department should also disaggregate outcomes data in the same way. Additionally, the Department should require institutions to report the percentage of students in a program who hold a bachelor's degree as a

²⁴ <https://www.peer-center.org/research/comments-obbba-workforce-pell>

transparency metric. This would allow policymakers, students, and the public to assess whether programs are delivering real value to the intended population.

In addition, the Department should establish clear thresholds to prevent programs from disproportionately enrolling individuals with prior degrees. For example, if 50 percent or more of program participants hold a bachelor's degree, the program should be classified as a graduate-level certificate and deemed ineligible for Workforce Pell. The Department could further strengthen this approach by limiting eligibility to students who have not earned an associate or bachelor's degree, ensuring that Workforce Pell funds are directed toward those most in need of access to postsecondary education and training.

Eligible Workforce Program—Requirements for Approval by the Secretary — § 690.92(e)

We appreciate the Department's efforts to clearly outline the requirements that programs must meet to be approved as eligible Workforce Pell programs. However, we urge the Department to provide additional clarity that the statutory performance thresholds—specifically the 70 percent completion rate and 70 percent job placement rate—must be satisfied not only on an ongoing basis, but also as part of the initial approval process.

As written in the proposed rule, the regulatory text could be interpreted to require verification of these thresholds only after programs have already been approved and begun receiving Title IV funds. This would create a significant gap in oversight, allowing programs to enroll students and draw down Pell funding without first demonstrating that they meet the minimum performance standards established in statute. Given the well-documented risks associated with short-term programs, it is critical that these guardrails apply at the front end of program approval, not solely as an ex post accountability measure.

Requiring upfront demonstration of completion and job placement outcomes is consistent with the broader structure of Workforce Pell, which is designed to ensure that only programs with a reasonable likelihood of delivering value to students are eligible for federal funding. Without this requirement, the Department risks approving programs that will ultimately fail to meet statutory thresholds, leaving students with limited returns and consuming scarce Pell resources—particularly concerning in light of the projected Pell Grant shortfall.

In addition, we encourage the Department to more explicitly connect the governor's role in program approval with the value-added earnings requirement. While the statute assigns the Secretary responsibility for determining whether programs meet this requirement based on three-year earnings data, governors are tasked with making initial determinations about program eligibility, including alignment with in-demand occupations. As part of this process, governors should be expected to use available data—particularly published tuition and fees and existing earnings data from similar programs or prior cohorts—to assess whether a program is reasonably likely to meet the value-added earnings threshold once sufficient data become available.

This forward-looking assessment is essential to preventing the approval of programs that are unlikely to deliver sufficient economic returns to students. Governors are well-positioned to incorporate state longitudinal data systems, unemployment insurance wage records, and other administrative data into these determinations. Requiring or strongly encouraging this type of analysis would strengthen the integrity of the approval process and better align state and federal responsibilities.

Taken together, these clarifications would ensure that Workforce Pell programs are subject to meaningful upfront vetting, rather than relying solely on retrospective accountability. We therefore recommend that the Department revise § 690.92(e) to clearly require that programs demonstrate compliance with the 70 percent completion and job placement thresholds at the time of initial approval, and to encourage or require governors to use available cost and earnings data to assess whether programs are likely to meet the value-added earnings requirement. These steps are critical to protecting students, safeguarding taxpayer dollars, and ensuring that Workforce Pell fulfills its intended purpose.

Credit Articulation Requirement and Job Placement Rate Requirement — § 690.93-94

We strongly support the statutory requirement that Workforce Pell programs articulate into for-credit certificate or degree programs, as this provision is essential to ensuring that Workforce Pell functions as a true pathway into further education and economic mobility rather than as a stand-alone credential program.

To strengthen this requirement, the Department should provide additional clarity on what it means for Workforce Pell programs to articulate into for-credit programs. **Specifically, the Department should clarify that credits awarded for Workforce Pell programs must apply toward the core program requirements of the related certificate or degree program, not simply count as elective credits.** Allowing institutions to award only elective credit would undermine the intent of the law by creating the appearance of transferability without actually advancing students toward completion of a credential.

The risks associated with inadequate credit transfer are well documented. A 2017 Government Accountability Office report found that students lost an average of 43 percent of their credits when transferring between institutions, often because credits were accepted only as electives rather than applied toward program requirements.²⁵ These lost credits increased both the cost and time to degree and disproportionately affected low-income and nontraditional students—the same populations most likely to enroll in Workforce Pell programs. If Workforce Pell programs are not fully integrated into the requirements of subsequent certificate or degree programs, students will

²⁵ U.S. Government Accountability Office, *Higher Education: Students Need More Information to Help Reduce Challenges in Transferring College Credits*, GAO-17-574 (Washington, DC: U.S. Government Accountability Office, August 2017), <https://www.gao.gov/products/gao-17-574>.

face similar setbacks, including duplicative coursework, additional tuition costs, increased consumption of Pell eligibility, and longer time to completion.

To protect students, the Department should improve the language requiring that Workforce Pell programs demonstrate—through written articulation agreements or credit crosswalks—that all coursework or competencies completed in a Workforce Pell program apply directly to the requirements of a related for-credit certificate or degree program. **Specifically, these agreements should identify the specific program or programs into which the Workforce Pell program articulates, rather than allowing broad or unspecified articulation statements.** Requiring specificity would improve transparency for students, who should clearly understand what credential they can pursue next and how their prior coursework will apply, and would also allow states and the Department to verify that articulation pathways are real and functioning.

This recommendation is consistent with language in the NPRM indicating that states use administrative data to verify whether Workforce Pell programs actually articulate into longer-term programs. If articulation agreements clearly identify the specific programs into which students can continue, states can use longitudinal data systems and enrollment records to verify whether students who complete Workforce Pell programs are enrolling in those articulated programs and continuing their education as intended. This strengthens accountability and ensures that articulation requirements are meaningful rather than purely administrative.

Job Placement Calculation

Relatedly, the Department should also clarify the interaction between the credit articulation requirement and the job placement rate requirement. This issue came up during negotiated rulemaking, with the Department stating that students getting a job was the goal, but that is not accurate. The law clearly requires these programs to articulate into credit for students, so the rules should reflect that. The Workforce Pell framework enacted by Congress is designed so that programs *either* lead directly to employment *or* serve as a pathway into further education and training. And the goal of the Pell program is to help low- and moderate-income students achieve a college degree.

Students who continue their education in articulated programs are achieving one of the intended outcomes of Workforce Pell and should not be treated as failing to obtain employment for purposes of the job placement rate. Including these students in the job placement calculation would artificially lower placement rates and create a disincentive for institutions to encourage students to continue their education. In the worst case, programs could be incentivized to discourage students from enrolling in longer-term programs in order to protect their job placement rates.

Like with the value-added earnings calculation, we urge the Department to exclude the students who complete a Workforce Pell program and enroll in one of the articulated programs identified in the written articulation agreement from the job placement rate calculation. **But these students should *only* be excluded if the Department adopts our recommendation that the specific**

programs are included in the written agreements around credit articulation *and* students enroll in these specified programs and receive credit from their Workforce Pell program.

We believe this approach balances both the goals of the accountability framework and the needs of students to continue their education and training, should they choose to pursue that route. Excluding students who enroll in articulated programs from the job placement rate would better align the accountability framework with the pathway-oriented design of Workforce Pell and ensure that programs are not penalized for successfully moving students into further education and training. This approach would support stackable credentials, promote continued educational attainment, and reinforce the role of Workforce Pell as an entry point into longer-term education and career pathways rather than a terminal credential. This is also in line with the fact that the time spent in Workforce Pell programs counts towards students' lifetime Pell eligibility.

Pell Lifetime Eligibility Used (LEU) Disclosures – § 690.6(a) and (f)

We appreciate the Department's efforts to harmonize Pell Grant regulations with other accountability and transparency provisions throughout this rulemaking. However, we are concerned that the Department declined to require disclosure of Pell Lifetime Eligibility Used (LEU) in all relevant contexts, while agreeing to include such disclosures in accountability warning notifications.

During negotiated rulemaking, the Department repeatedly emphasized its goal of harmonizing regulations across programs and ensuring consistent information is provided to students when they are making enrollment decisions. Requiring LEU disclosure in accountability warnings but not in other Workforce Pell-related disclosures is inconsistent with that stated goal and may leave students without critical information about how enrollment in a short-term program will affect their remaining Pell eligibility.

For Workforce Pell programs in particular, LEU disclosure is especially important because these programs are short in duration and may serve as entry points into longer-term education. Students may enroll in a Workforce Pell program without realizing that doing so will consume Pell eligibility that could otherwise be used toward a certificate or degree program. This is particularly concerning for low-income students with limited Pell eligibility remaining.

Requiring LEU disclosure in all relevant Pell communications would harmonize Pell regulations across programs, ensure students have consistent and transparent information, and support informed decision-making. We therefore encourage the Department to require disclosure of Pell Lifetime Eligibility Used in the contexts addressed in § 690.6(a) and (f), consistent with the Department's stated goal of regulatory harmonization.

Governor Consideration of Earnings and Value-Added Earnings Likelihood — § 690.93

We appreciate the Department's inclusion of language requiring governors to consider program cost and anticipated wages as part of the approval process. However, we believe the proposed regulatory text should be strengthened to more explicitly require governors to assess whether programs are likely to meet the value-added earnings (VAE) requirement.

As written, the proposed language requires only “a certification that the Governor takes into consideration the cost of the program and the anticipated wages of the industry or occupation.” While this is an important step, it does not go far enough to ensure that programs approved for Workforce Pell are likely to meet the statutory requirement that their value-added earnings exceed tuition and fees.

We recommend that the Department revise this provision to **explicitly require governors to evaluate whether programs are reasonably expected to pass the value-added earnings test under § 690.95**. This would better align the governor approval process with the broader accountability framework established in statute, which is fundamentally centered on earnings outcomes. As the Department has recognized, Workforce Pell represents a major expansion of federal aid tied directly to economic returns, and ensuring programs deliver strong earnings outcomes is central to the program's design.

Strengthening this provision would ensure that governors are not merely acknowledging cost and wage information, but are actively using that information—along with available administrative data—to assess whether programs are likely to meet the VAE threshold once measured. This is particularly important given that the VAE metric is calculated three years after completion, meaning that without strong upfront screening, programs could enroll multiple cohorts of students and draw down federal funds before ultimately failing the requirement. Requiring governors to assess the likelihood of a program passing is the most responsible way to protect students and taxpayer dollars from programs that are not likely to pass this metric.

We therefore recommend revising this provision to require that governors certify not only that they have considered program cost and anticipated wages, but that they have determined—based on available administrative data—that the program is reasonably likely to meet the value-added earnings requirement under § 690.95. This would strengthen the integrity of the approval process, better align state and federal accountability, and help ensure that Workforce Pell funds are directed toward programs that deliver meaningful economic value to students.

Program Participation Agreements and Annual Certification — § 690.93(e) and (f)

The proposed regulations reference Program Participation Agreements (PPAs) in the context of Workforce Pell programs. We recommend that institutions be required, as part of their PPA, to

certify annually that Workforce Pell programs continue to meet completion, placement, and other statutory requirements.

Because Workforce Pell programs are short in duration and outcomes may change quickly based on labor market conditions or program design, annual certification would provide an additional safeguard to ensure that institutions are actively monitoring program performance and compliance with statutory requirements. Annual certification would also align Workforce Pell oversight with other Title IV program integrity requirements and reinforce institutional accountability for program outcomes.

Documentation of Governor’s Approval — § 690.93(d)

We urge you to strike references to the Secretary of Labor from proposed paragraph (d) of § 690.93 to be consistent with the statute authorizing Workforce Pell. OBBB assigns implementation of Workforce Pell exclusively to the Secretary of Education. Subtitle D of Title VIII, the statutory text authorizing the program, does not contain a single reference to the Secretary of Labor or the U.S. Department of Labor. Despite those omissions, proposed paragraph (d) of § 690.93 inexplicably assigns the Secretary of Labor a co-administrative role with the Secretary of Education in soliciting and reviewing the Governor’s approval and certification of eligible workforce programs. In addition to being inconsistent with the statute, establishing the Secretary of Labor as co-administrator of the program would make an already exceptionally complex process convoluted and more confusing for Governors. The Secretary of Education is welcome to consult privately with the Secretary of Labor on all matters she deems appropriate. Delegating her responsibilities to the Secretary of Labor, however, would violate the law.

Registered Apprenticeships: Components Determined by Governors — § 690.93(g)

We support the inclusion of § 690.93(g) in the proposed rule to treat a program that serves as a related technical instruction component of a Registered Apprenticeship program (RAP) as automatically meeting the requirements of providing an education aligned with high-skill, high-wage, or in-demand industry sectors or occupations, and meeting the hiring needs of employers. The engagement of employers in RAPs makes clear that RAPs are, by definition, in-demand and meet employer hiring needs.

Value-Added Earnings: Treatment of Differential Tuition and Student-Level Calculations — § 690.95

We appreciate the Department’s efforts to operationalize the value-added earnings (VAE) metric and agree with the importance of tying program eligibility to whether earnings exceed the published tuition and fees of the program. However, we believe there is additional clarity needed for instances where institutions have different tuition rates. In practice, many institutions—particularly public institutions—do not have a single, uniform tuition rate. Instead, they may charge different

published tuition and fee amounts based on residency or location, such as in-state versus out-of-state tuition, or in-state in-district versus in-state out-of-district rates at community colleges. Given that, we encourage the Department to provide additional clarity on how the VAE calculation will function in practice in cases where institutions charge differential tuition rates.

It is our understanding that the VAE metric is calculated at the student level, comparing individual earnings outcomes to the tuition and fees associated with the program. In these cases, to operationalize this calculation, institutions will need to report tuition and fee amounts that correspond to the rate applicable to each student in the completer cohort. This suggests that, as part of the reporting process, institutions would need to include information on each student's applicable published tuition and fee rate they are charged. This is distinct from the net price students may pay after grant aid or other assistance and should be clearly distinguished in the Department's guidance and reporting requirements.

We encourage the Department to more explicitly describe these reporting expectations in the final regulation or subregulatory guidance. Clear direction will be critical to ensure consistent implementation across institutions and to avoid confusion about how tuition and fees should be matched to student-level earnings in the VAE calculation.

In addition, the Department should clarify how the VAE threshold operates in the context of differential tuition. For example, when institutions have multiple tuition rates for the same program, it is not clear how the "limit" on tuition is applied for purposes of determining whether a program passes the VAE requirement. If the metric is applied at the student level, then different students within the same program could be evaluated against different tuition thresholds depending on their residency status. The Department should make clear whether and how institutions may adjust tuition levels to meet the VAE requirement and how compliance will be assessed when multiple published tuition rates exist.

Providing clarity on these issues is essential to ensure that the VAE metric is applied consistently, transparently, and in a way that accurately reflects program costs and student outcomes. It will also help institutions understand how to structure pricing and reporting practices in compliance with the statute, while maintaining the integrity of the accountability framework.