

Workforce Pell: What It Is and How It Works

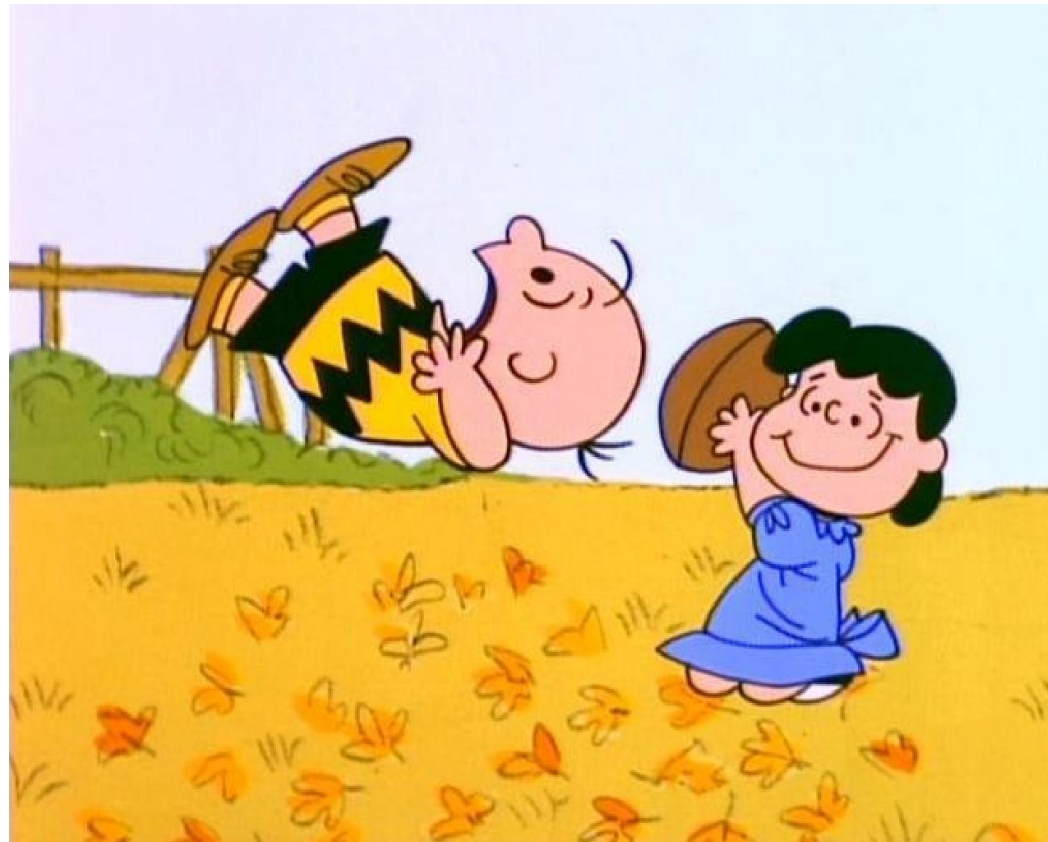
Presented by

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Workforce Pell expands Pell Grant access to short-term workforce-oriented programs

- Workforce Pell passed into law in July of 2025 under the One Big Beautiful Bill Act. Which was a partisan budget reconciliation bill.
- Not a new concept of idea – bipartisan support has existed for over a decade
- Also known as the “JOBS Act” or “short-term Pell”

Why did it take so many years to pass Workforce Pell?



Pell meets “Guardrails”

- There were a lot questions about the ROI and outcomes of these shorter-term programs – and a lack of transparent data.
- Ultimately, Members of Congress and staff wanted to ensure that this investment in Pell would lead to good outcomes for students.
- Lots of agreement on the need for additional requirements. Less agreement on what those requirements should be.



Workforce Pell: Estimated Implementation Timeline

Date / Phase	Key Milestone
July 4, 2025	Legislation Signed into Law: The Working Families Tax Cuts Act is signed, creating the Workforce Pell program.
August - December 2025	Rulemaking Process: The U.S. Department of Education holds public hearings and convenes negotiated rulemaking committees (e.g., AHEAD Committee) to draft regulations.
May 18, 2026	Final Rule Issued: The Department of Education announces the final rule for implementing the Workforce Pell Grant program.
July 1, 2026	OFFICIAL LAUNCH: The Workforce Pell Grant program officially takes effect, allowing states and institutions to begin the implementation process.
July 20, 2026	Standard Effective Date: The default date for the final regulations to take effect, with early implementation permitted from July 1.
Fall 2026 - Spring 2027 (ESTIMATED)	Early Adopter Student Funding: Students in the most advanced states may begin to receive aid and enroll in approved programs.
2027 and Beyond (ESTIMATED)	Broad Student Availability: Workforce Pell funding becomes widely available as more states establish the required infrastructure and approval processes. Some experts suggest full, seamless access could take years.

Workforce Pell vs. Traditional Pell Comparison Chart

Feature	Traditional Pell	Workforce Pell
Intended Recipients / Use of Grant	Students pursuing undergraduate degree or longer-term certificate	Students pursuing short-term credentials in high-demand fields
Program Length	Minimum 15 weeks, minimum 600 clock hours (or the equivalent of 16 semester credit hours)	8-14 weeks, 150-599 clock hours (or between 4 and 16 semester or trimester hours, or 6 and 24 quarter hours)
Student Eligibility	Income-based formula using FAFSA; student cannot have a bachelor's degree (except for some teacher training programs)	Income-based formula using FAFSA; student can have a bachelor's degree but not a graduate degree
Institutional Eligibility	Primary education and training provider must be Title IV eligible institution of higher education. May partner with a non-Title IV training provider via written agreement to provide up to 49 percent of instruction.	Primary education and training provider must be Title IV eligible institution of higher education. May partner with a non-Title IV training provider via written agreement to provide up to 25 percent of instruction. However, for related technical instruction for Registered Apprenticeship that percentage increases to 49%.
Award Amount	Maximum of \$7,395/year for AY2026-2027	Prorated based on program duration relative to full academic year

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Feature	Traditional Pell	Workforce Pell
Tuition Cap and Earnings	N/A	Tuition and fees cannot exceed value-added earnings; which is a test that assesses the cost of the program compared to actual earnings of graduates.
Program Approval Authority	U.S. Department of Education	Governor or designee and U.S. Department of Education
State Reciprocity	Most distance education programs receive multi-state reciprocity under SARA (State Authorization Reciprocity Agreement)	Distance education programs can only receive state reciprocity through bilateral agreements that ensure that the program seeking recognition aligns with the new state's list for high-wage, high-skill, or in-demand sectors and occupations, as well as other metrics such as employer alignment, stackability, and credit articulation.
Outcomes Metrics	N/A	Program must be in existence for one year prior to seeking approval and have met a 70 percent completion rate and 70 percent placement rate during that time. The program must continue to demonstrate it meets the completion and placement rate threshold to maintain eligibility, and starting in 2029-2030 placement rate must be in an occupation related to field of study.

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Feature	Traditional Pell	Workforce Pell
Student Eligibility for other Title IV Programs	No restrictions from the federal level on Pell eligible students accessing Direct Loans, Federal Work Study, or Federal Supplemental Educational Opportunity Grants. However, institutions may choose to limit borrowing.	Only eligible for Workforce Pell. Cannot access any other form of Title IV aid. However, Workforce Pell can be stacked with state aid and other non-Title-IV federal assistance, such as Individual Training Accounts under the Workforce Innovation and Opportunity Act (WIOA).
Additional Programmatic Quality Requirements	N/A	Leads to a recognized postsecondary credential that is stackable and portable to more than one employer Prepares students for high-skill, high-wage, or in-demand industry sectors or occupations Meets the hiring requirements of employers Provides credit that articulates to one or more additional certificates or degrees

Workforce Pell – What's Happening and What's next

- States must establish Workforce Pell frameworks, applications, and validate and certify that a program has met all the required metrics
- Programs are not approved in perpetuity
- Will it live up to the hype?
- July 1st implementation is more of a start than a deadline

Panel

Justin Nalley, Manager, Policy and Strategic Initiatives
Governor's Workforce Development Board, MD

Steve Voytek, Senior Policy Advisor, Foresight Law + Policy

Table Discussion

Pick TWO and be ready to share out!

- What support do institutions need to develop or scale eligible programs?
- Which Workforce Pell metrics are hardest to define or operationalize?
- How should states balance consistent standards with regional, sector, and institutional differences?
- How can Workforce Pell strengthen the broader nondegree credential ecosystem rather than create a narrow parallel process?

