



To: U.S. Department of Education
From: All4Ed
RE: Workforce Pell; ED-2025-OPE-0151-0001
Date: August 25, 2025

All4Ed appreciates the opportunity to provide recommendations to the U.S. Department of Education (Department) on the implementation of changes made to Title IV of the Higher Education Act included in Pub. L. 119-21 to inform the draft regulation the Department will propose through the negotiated rulemaking process. The following set of recommendations focuses on regulation of the new Workforce Pell Grant program that will be negotiated by the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee.

All4Ed strongly supports expanding equitable pathways into and through postsecondary education—including high-quality short-term credentials—as a means of advancing economic mobility and enabling access to high-wage, high-skill, in-demand jobs. We are supportive of Workforce Pell providing people with opportunities to quickly build their skills *if* such programs leave our nation’s short-term credential-earners better off in the labor market. We urge the Department to build a system in which short-term credentials lead to demonstrably and substantially stronger outcomes for learners and workers than they would have been without such credentials. While short-term credential programs may appear attractive for their promise of rapid workforce entry, a growing body of evidence indicates that their economic value is often limited and inconsistent. Regulations that promote program quality and accountability for education and training providers are particularly important in light of the current state of data and evidence on the education and employment outcomes of short-term credential programs. More robust federal and state data systems, and more consistent methods of collecting and analyzing outcomes data, are needed to fully understand these outcomes. However, existing research points to serious concerns:

- **Urban Institute:** A comprehensive literature review found [wide variation](#) in the earnings impact of short-term credentials across industries and credential types, raising questions about their overall labor market value.
- **Post-enrollment earnings analysis:** A study of 230 short-term certificate-granting institutions with federal data found that low-income students at more than 70 percent of institutions had earnings [below the national median level of a high school graduate](#) six years after enrollment.
- **U.S. Department of Education’s Institute of Education Sciences (2024 Pell Experimental Sites Initiative):** While expanding Pell to very short-term

occupational training programs from 2012 to 2017 improved program completion, it [did not translate into higher employment or earnings](#) in the medium or long term.

- **MDRC evaluation of Virginia’s FastForward initiative:** Over two-thirds of students completed short-term credentials, yet earning a credential [increased the probability of being employed by only 2.4 percentage points](#), and earnings gains were modest.
- **Federal Reserve Bank of Dallas:** High school diploma holders who earned short-term credentials [did not see significant wage increases](#) compared to peers without credentials, with credential value varying considerably by industry and occupation.

Absent well-crafted regulatory safeguards, there is a genuine risk that participants—particularly those from low-income backgrounds—may invest time and taxpayer dollars in programs that neither ensure job placement nor deliver long-term wage gains. We offer the following recommendations to ensure program quality and to make certain that Workforce Pell becomes a force for economic mobility—not a windfall for bad actors.

1) Provide clear definitions.

Pub. L. 119-21 establishes two mechanisms to safeguard program quality: first, Governors, in consultation with State Workforce Development Boards, must certify that Workforce Pell Grant programs meet specified quality standards; and second, the Secretary of Education must ensure that these programs demonstrate measurable outcomes. While the statute provides broad policy direction, it leaves critical terms undefined. Without precise definitions, implementation risks becoming inconsistent across states, vulnerable to political influence, and insufficiently protective of learners and workers. Clear, evidence-based definitions are necessary to ensure that Workforce Pell consistently delivers high-quality opportunities for participants rather than perpetuating low-value programs. Transparent definitions and clarity about how credentials translate to skills on the job are also [essential to employers](#) seeking to navigate the talent marketplace and build a globally competitive workforce.

Pub. L. 119-21 includes several key requirements to ensure credential quality, but does not define all of the terms used to describe these requirements. The statute requires that credentials align to *high-skill* or *high-wage* occupations or industry sectors, as defined by states pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342), or to *in-demand* occupations or industry sectors as defined in Section 3 of the Workforce Innovation and Opportunity Act (WIOA). Not all states have publicly available definitions of high-skill and high-wage, many states have different secondary and postsecondary definitions for these terms, and state definitions for them vary considerably across the board. Regulations could help to establish a “floor” for expectations regarding high-skill and high-wage that would provide greater assurance of quality across states. Relatedly, while in-demand is defined in WIOA, the “or” in Perkins that is reflected in the Pub. L. 119-21 language allows for states to calibrate to only one of these three terms,

which could flood the market with in-demand credentials that are aligned with low-paying, dead-end jobs. All4Ed recommends regulating that Workforce Pell programs meet at least two of these three terms.

Pub. L. 119-21 also requires that eligible programs offer credentials that are *stackable* and *portable*, but does not offer similar definitions of these terms. A clear definition of what constitutes a stackable credential is especially important given the potential for conflict between the statute's requirement that credentials be stackable and the requirement that eligible programs demonstrate job placement rates of at least 70 percent 180 days after completion. Some learners who complete stackable credentials and choose to immediately leverage and stack those credentials to pursue further education may choose not to pursue employment within 180 days of credential completion. However, because the quantitative outcomes on which the Secretary will evaluate programs do not include the number of completers who pursue further education, the statute incentivizes institutions to focus on job placement, which may come at the expense of stackability.

The value of a credential lies not only in its immediate labor-market return, but also in its ability to serve as a steppingstone toward further education and career advancement. Federal oversight is necessary to guarantee that learners and workers earn credentials with value across industries and geographies, and that Workforce Pell does not inadvertently fund programs that limit rather than expand opportunity. Without clear definitions, states could certify credentials of low value that trap learners and workers in low-wage jobs without pathways to upward mobility. Regulations should therefore include definitions of what constitutes a stackable and portable credential. We offer the following recommendations for definitions of these terms:

- **Stackable:** All4Ed proposes a definition that draws on the Office of Career, Technical, and Adult Education's [Program Memorandum 21-1](#), which emphasizes the importance of designing career pathways that support postsecondary degree attainment and outlines how stackable credentials can be designed to meet the needs of learners, workers, employers, and education and training providers. We therefore recommend that stackable credentials should be defined as those that: 1) are part of a sequence of degrees and industry-recognized credentials that can be accumulated over time to demonstrate an individual's expanded knowledge and competencies; 2) support advancement along a career pathway; and 3) enable the credential holder to earn family-sustaining wages.
- **Portable:** All4Ed proposes that the Department adopt the definition used by the U.S. Department of Labor with reference to postsecondary credentials in the public workforce system. Doing so will support continued alignment in the administration of workforce programs across federal agencies. [Training and Employment Notice No. 25-19](#) defines portable credentials as those that are recognized and accepted as verifying the qualifications of an individual in other settings—such as other

geographic areas across the country, other educational institutions, or other industries or businesses.

2) Adopt meaningful outcome measures.

A. Require performance indicators aligned with WIOA.

The statute lacks a mechanism for programs to report outcomes. Regulations should require Workforce Pell programs to report outcomes that are aligned with [performance indicators](#) required under the Workforce Innovation and Opportunity Act, including employment rates, median earnings, credential attainment, measurable skill gains and effectiveness in serving employers.

The statute does not establish a clear mechanism for Workforce Pell programs to report on outcomes, creating a significant risk that taxpayer dollars could flow to programs that fail to deliver meaningful returns. To ensure accountability and protect learners and workers, regulations must require Workforce Pell Grant programs to report outcomes that align with performance indicators already in use under WIOA. These include employment rates, median earnings, credential attainment, measurable skill gains, and effectiveness in serving employers.

Requiring Workforce Pell programs to report these indicators serves several critical purposes:

- **Accountability for Results:** Aligning Workforce Pell with WIOA ensures that all federally supported workforce programs are held to consistent, evidence-based standards. Without such alignment, Workforce Pell could inadvertently support programs that are ineffective or misleading, undermining both outcomes and public trust.
- **Transparency for Learners, Workers and Families:** Publicly available outcome data empower prospective learners and workers to make informed decisions. Too often, individuals, particularly those from low-income backgrounds, enroll in short-term programs without clear information on whether those programs will lead to good jobs and economic stability. Transparent reporting ensures that learners and workers know which programs offer a real return on investment.
- **Equity and Access:** Disaggregated reporting by race, income, and other characteristics is essential to ensure Workforce Pell is advancing opportunity for historically underserved populations. Without equity-focused metrics, these learners and workers could be steered disproportionately into low-value programs, perpetuating cycles of inequality.

- **Employer Relevance:** Including WIOA's measure of effectiveness in serving employers ensures that Workforce Pell programs are preparing learners and workers with skills that are recognized and rewarded in the labor market, rather than producing credentials of limited use.

By aligning Workforce Pell reporting requirements with WIOA's performance indicators, the Department can ensure consistency across workforce programs, protect learners, workers, and taxpayers from ineffective or predatory offerings, and fulfill the program's intended purpose: creating high-quality, equitable pathways to economic mobility.

B. Clarify the process and data sources for verified completion and job placement rates.

Regulations must also clarify the process and data sources to be used by the Secretary in making determinations about verified completion and job placement rates for purposes of determining program eligibility. A lack of robust federal and State data is currently a significant challenge in evaluating the outcomes of nondegree credentials and assessing the efficacy of specific programs. Relying on self-reported data from institutions is insufficient to reliably assess program quality and create the verification mechanism required in the statute. Stronger data infrastructure, including at the federal level, is needed to ensure that public dollars are supporting only effective programs that yield strong returns for learners, workers, employers, and taxpayers. Data sharing across federal agencies, from Department of Education data on program costs and completion rates to labor market information from the Department of Labor, is needed to ensure the Secretary has access to reliable data to support verification of program outcomes.

3) Ensure strong federal baselines while empowering states.

All4Ed recognizes the critical role of federal oversight in high-quality implementation of Workforce Pell, but urges the Department to ensure that regulations create a baseline for quality while preserving the ability of states to establish requirements that are aligned to their education and workforce goals and that may exceed the minimum requirements in regulations established by the Department.

Many states are already engaged in efforts to support learners' and workers' access to industry credentials. A recent [analysis](#) found that, as of November 2024, 32 states had invested over \$5.6 billion in 70 short-term credential initiatives. Concomitant with these efforts, numerous states have adopted definitions of "credentials of value" that set a higher bar than the requirements outlined in Pub. L. 119-21. For example, in its 2025 session, the Texas state legislature adopted a [definition of credentials of value](#) that requires that such credentials: 1) produce a positive ROI for the student, which is measured by earnings outcomes that are at least equal to the median earnings of high school graduates in the state **and** to a self-sufficient wage; 2) lead to earnings sufficient to recoup the cost—including the opportunity cost—of attendance at an institution of higher education (IHE); and 3) allows the Texas Higher Education Coordinating Board to designate credentials in only two of the state's

in-demand industries as credentials of value if those credentials do not meet the first and second requirements. Regulations should ensure that states that have adopted definitions with elements that exceed the thresholds established in Pub. L. 119-21 are able to apply those definitions as part of Governors' role in certifying that Workforce Pell Grant programs meet quality standards—while also holding states accountable for meeting each of the minimum standards established by the Department.

Regulations should also encourage states to adopt rigorous quality standards, including promoting programs that prepare learners and workers to pursue certificate or degree programs at more than one IHE. Pub. L. 119-21's requirement that Workforce Pell-eligible programs prepare learners and workers to pursue credentials or degrees at just one IHE—which may be the same institution that operates the Workforce Pell-eligible program—leaves open the possibility that an institution could create or align multiple low-value programs simply to satisfy the requirement in statute. This risk would be mitigated if states adopted quality standards that require applicability to credential or degree programs at multiple institutions. At least one of these institutions should be a public IHE to spread innovation across the public system, ensure portability across postsecondary systems, and safeguard learners and workers from potential harm by for-profit bad actors.

Conclusion

All4Ed appreciates the opportunity to offer recommendations for implementing the Workforce Pell Grant program in a way that expands access to postsecondary opportunities and promotes economic mobility. Achieving this goal requires:

- Clear, evidence-based definitions of key statutory terms to ensure consistency, quality, and transparency;
- Meaningful outcome measures aligned with WIOA to promote accountability, equity, and employer relevance; and
- Strong federal baselines that preserve state flexibility to go beyond minimum standards in ways that reflect local workforce needs.

At the same time, we are concerned about the Department's capacity to implement this program effectively given the abbreviated timeline for developing regulations and the significant staff reductions that have occurred this year. Building a robust regulatory framework, establishing data and reporting systems, and ensuring interagency coordination with the Department of Labor are complex undertakings that cannot be rushed without risking unintended consequences for learners, workers, institutions, and employers. In addition to adopting our policy recommendations, we urge the Department to ensure that both the timeline for implementation and the staffing resources available are sufficient to administer Workforce Pell responsibly, safeguard taxpayer dollars, and protect learners and workers from harm. Taken together, these steps are essential to ensure that Workforce Pell becomes a catalyst for economic opportunity rather than a subsidy for low-value programs that trap learners and workers in dead-end pathways.