



**To:** U.S. Department of Education  
**From:** All4Ed  
**RE:** Workforce Pell Grants; Docket ID ED-2026-OPE-0133; RIN 1840-AD99  
**Date:** April 8, 2026

All4Ed appreciates the opportunity to comment on the proposed regulations implementing the Workforce Pell Grant program (Docket ID ED-2026-OPE-0133). All4Ed is a national education policy nonprofit that advances equitable policies and practices so all students—especially those from underserved communities—graduate from high school prepared to complete postsecondary education and achieve success in a rapidly changing world. All4Ed’s education-to-career pathways work draws on nearly 15 years of experience leading national multi-state pathways systems change initiatives across 32 states and more than 150 communities.

We submitted recommendations to the Department in August 2025 (Docket ID ED-2025-OPE-0151) and published a policy brief, *Fulfilling the Promise of Workforce Pell: Why We Need State Leadership*, in October 2025. This comment builds on those earlier contributions. We commend the Department and the AHEAD negotiated rulemaking committee for reaching consensus and for producing proposed regulations that reflect serious engagement with the complexities of implementing Workforce Pell. We are pleased that the proposed rule incorporates several provisions we and others advocated for, including alignment of key definitions with WIOA and the requirement that programs lead to stackable and portable credentials.

Our comment is organized primarily around the Department’s Directed Questions, with additional recommendations that address issues beyond those questions. A central concern runs through several of our responses: the proposed rule simultaneously requires that eligible workforce programs lead to stackable credentials that prepare completers for further education (§ 690.93(a)(3)–(4)) while also subjecting those programs to accountability metrics—completion and job placement rates (§ 690.94(a)) and value-added earnings (§ 690.95)—that may penalize programs whose completers pursue that further education. This structural contradiction, if left unresolved, risks undermining a core purpose of the statute. Our recommendations are designed to align the accountability framework with the program’s statutory stackability requirements.

## Responses to Directed Questions

### 1. Written Arrangements to Provide Educational Programs (§ 668.5(c))

**Recommendation:** Maintain the 25 percent cap on written arrangements. If the Department considers raising the cap, limit any expansion to partnerships with employers, employer consortia, labor organizations, and Registered Apprenticeship program sponsors, and exclude proprietary education and training providers that do not participate in Title IV. Require that all written arrangements for eligible workforce programs be reported to the Department and made publicly available as consumer information.

**Rationale:** The Department’s reasoning in the preamble is sound: accrediting agencies have limited experience evaluating written arrangements for short-term programs, and permitting a

greater share of instruction to be delivered by ineligible organizations without that quality assurance could expand far beyond the intent of the statute. We agree with this assessment and would add a further concern.

Proprietary institutions and organizations have historically been the dominant providers of short-term credential programs under 15 weeks in length, [offering roughly 70 percent of such programs nationally](#). For-profit institutions have a well-documented track record of generating poor student outcomes—including employment and earnings outcomes—particularly for learners who earn certificates rather than degrees. This track record is especially pronounced among learners from low-income backgrounds, who are precisely the population Workforce Pell is designed to serve.

Raising the written arrangement cap would create a pathway for ineligible for-profit providers to deliver the majority of instruction in an eligible workforce program under the accreditation umbrella of an eligible institution without the direct accountability that comes with being a Title IV-participating institution subject to the full range of federal oversight. The Department acknowledges the potential value in partnerships between eligible institutions and certain ineligible organizations, such as employers and unions. We share this view and note that the 25 percent cap already accommodates such partnerships. The question before the Department is not whether partnerships with employers and unions should be permitted because they already are. The Department must determine whether the share of instruction delivered outside the eligible institution should be expanded to a degree that effectively transfers the educational function to an entity that is not subject to Title IV accountability. We urge the Department not to do so.

If the Department ultimately considers raising the cap for specific categories of ineligible organizations, All4Ed recommends that any such expansion be limited to employers, employer consortia, labor organizations, and Registered Apprenticeship program sponsors and that it exclude proprietary education and training providers that are not themselves Title IV-participating institutions. This distinction would preserve the Department's stated interest in employer engagement while guarding against the risk that Workforce Pell becomes a vehicle for low-quality providers to access federal financial aid indirectly.

## **2. Ineligibility Due to Grant or Scholarship Assistance from Non-Federal Grants (§ 690.5)**

**Recommendation:** The Department should maintain the proposed regulatory language mirroring the statute and should not impose additional guardrails to prevent institutions from limiting non-Federal aid to just below a student's cost of attendance.

**Rationale:** The Department raises a legitimate concern about the potential for institutions to game this provision by capping non-Federal grant aid just below the student's cost of attendance. However, in practice, the students most likely to be affected by this provision are those who receive generous institutional or state grant aid. These are students whose non-Federal aid already covers most or all of their educational costs. For such students, losing Pell Grant eligibility means losing a relatively modest supplement to aid that already meets their needs.

The greater risk lies in the opposite direction. If institutions reduce non-Federal grant or scholarship aid in order to preserve a student's Pell eligibility as the proposed regulations permit under § 690.80(d), the student may receive less total aid than they would have otherwise. The non-Federal aid an institution chooses not to award is unlikely, in most cases, to be fully offset by the Pell Grant. We are therefore less concerned about institutional gaming than we are about

unintended consequences for students whose overall aid packages could shrink as institutions adjust to the new rule. We believe the regulation as proposed is sufficient and that additional enforcement mechanisms could create compliance burdens disproportionate to the risk they are designed to address.

### **3. Components Determined by Governors: Bilateral Agreements (§ 690.93(h))**

**Recommendation:** The bilateral agreement requirement is appropriate and should be maintained. The Department should require that bilateral agreements be grounded in shared labor market data and should provide guidance on the types of evidence Governors should use to establish that an eligible workforce program meets the workforce needs of both states.

**Rationale:** The Department's concern about unchecked proliferation of eligible workforce programs through distance education is well-founded. Many components of program eligibility, including alignment with high-skill, high-wage, or in-demand occupations and the employability of graduates, are inherently tied to specific state and regional labor markets. A program approved by one Governor based on that state's labor market conditions may not serve students in other states where different occupations are in demand, where wage structures differ, or where different credentials are valued by employers.

Bilateral agreements appropriately balance flexibility with accountability. They require each participating Governor to independently determine that a program meets workforce needs in their state. This is a determination that is necessarily grounded in state-specific data. Multilateral agreements, by contrast, would risk creating a lowest-common-denominator standard that does not adequately reflect the labor market conditions in every participating state.

At the same time, the Department should ensure that the bilateral agreement process is efficient enough to support legitimate cross-state demand. Many labor markets cross state lines. An employer in the District of Columbia, for example, routinely draws its workforce from Maryland and Virginia. A bilateral agreement between two such states that grounded in shared labor market data showing common demand for the same occupations is precisely the kind of arrangement this provision should facilitate. A bilateral agreement between two such states that is grounded in shared labor market data showing common demand for the same occupations is precisely the kind of arrangement this provision should facilitate. The Department should provide guidance, and where possible templates, to streamline the bilateral agreement process while maintaining the requirement that each Governor make a data-driven determination about the relevance of the program to their state's workforce needs.

### **4. Value-Added Earnings: Interim Metric (§ 690.95(a))**

**Recommendation:** The Department should compute and publicly report interim value-added earnings as early as feasible, using state wage record data or other available administrative data sources. At minimum, interim metrics should function as consumer information. Programs whose interim value-added earnings fall below the statutory threshold should be placed on notice and required to develop improvement plans.

**Rationale:** A four-year window without earnings accountability is a significant vulnerability. Programs with poor outcomes would be able to operate and collect Pell funds from the 2026–27 through 2029–30 award years without consequence under the value-added earnings metric. This is particularly concerning given the Department's own acknowledgment in the preamble that accrediting agencies have limited experience evaluating short-term programs, and given

the well-documented track record of poor outcomes in many existing short-term credential programs.

Several states already collect and report earnings data for workforce programs through their longitudinal data systems, and the Department could partner with states that have this capacity to generate interim metrics. The Department could also leverage data available through the Workforce Innovation and Opportunity Act (WIOA) performance reporting system, which already tracks employment and earnings outcomes for participants in federally funded workforce programs. We recommend the following approach:

- Compute interim value-added earnings using the best available state or federal administrative data and publish results for each eligible workforce program no later than the 2028–29 award year.
- Make interim metrics publicly available alongside program-level information to ensure that prospective students, Governors, and the public can assess whether programs are producing meaningful earnings gains.
- Require programs whose interim value-added earnings fall below the statutory threshold to develop and submit improvement plans to the Governor. While we are sensitive to the administrative burden of enforcement during the interim period, programs that produce completers earning less than 150 percent of the federal poverty line should not be permitted to continue collecting Pell funds for four years without scrutiny.

## **5. Value-Added Earnings and Job Placement Rate: Treatment of Students Continuing Education**

**Recommendation:** Exclude from the value-added earnings completer cohort any individual who is enrolled at least half-time in an eligible program at a Title IV-participating institution during the earnings measurement period. Include completers in the numerator of the job placement rate under § 690.94 if the completer is enrolled at least half-time in a postsecondary education program within 180 days of completing the eligible workforce program.

**Rationale:** This is the issue at which the structural contradiction between the proposed rule's stackability requirements and its accountability metrics is most concrete. The proposed rule requires, under § 690.93(a)(3), that programs lead to stackable and portable credentials, and under § 690.93(a)(4), that completers receive academic credit toward at least one certificate or degree program at one or more institutions of higher education. These provisions reflect a core premise of Workforce Pell: that short-term programs should not be dead ends, but on-ramps to further education.

Yet the proposed accountability metrics work against this design. A completer who stacks a Workforce Pell credential with an associate's or bachelor's degree program—exactly the outcome the stackability provisions encourage—would count against the program's job placement rate unless that student is also employed, and would depress the program's value-added earnings because enrolled students predictably earn less than those who enter the labor market full-time. This creates a perverse incentive: programs that invest in advising, articulation agreements, and transfer supports—the very activities that make stackability real rather than theoretical—risk losing eligibility by succeeding at what the regulation asks of them.

At the same time, excluding students who continue their education from the value-added earnings calculation, while necessary, is not sufficient to fully align incentives. If these students are simply removed from accountability metrics altogether, programs may have little incentive to

actively support or prioritize transitions into further education. Including such completers in the numerator of the job placement rate ensures that continued education is treated as a successful outcome, not a neutral or negative one. This approach recognizes postsecondary enrollment as a meaningful form of “placement” and reinforces the statute’s intent that short-term credentials serve as entry points into longer-term educational pathways. Without this adjustment, the accountability system risks becoming indifferent to one of the most important indicators of program quality: whether students continue their education and build toward higher-value credentials.

The Department itself acknowledges in the Directed Questions that excluding enrolled students “has long been the practice for calculating other earnings metrics by the Department, such as the 2023 Gainful Employment regulations and earnings metrics reported in the College Scorecard.” We agree, and urge the Department to apply that same established practice here. The risk of not excluding enrolled students is more damaging than the risk of potential gaming. Programs that game the exclusion by steering students into nominal postsecondary enrollment would still need to meet the stackability, completion rate, and credential quality requirements under §§ 690.92–690.94. And the Department can further mitigate gaming by limiting the exclusion to students enrolled at least half-time in eligible programs at Title IV-participating institutions—a condition that ensures the continued enrollment is genuine.

**Red-Line:**

§ 690.94

Components determined by the Secretary

(a) After the Governor determines that the program meets the requirements under 34 CFR 690.93, the Secretary evaluates documentation from an eligible institution to determine that the following requirements have been met—

(1) The program has met the conditions under 34 CFR 690.92(a) and (b) for the 12 months preceding the date on which the institution applied for eligibility for the program.

(2) The program meets placement and completion rate requirements—

(i) For the 2026-27, 2027-28, and 2028-29 award years only, as determined through a certification from the Governor, based on the Governor’s analysis using administrative data, including wage records, that the program meets the following standards—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time to completion; and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students that are employed during the second quarter after exiting the program **or enrolled at least half-time in a postsecondary education program within 180 days of completing the eligible workforce program;**

(ii) For each award year after the 2028-29 award year—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time of completion, as determined under 34 CFR 668.8 (f); and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students who are **enrolled at least half-time in a postsecondary education program within 180 days of completing the eligible workforce program or** employed in the occupation(s) for which the program prepares students (as identified through the process established under 34 CFR 690.93 (b)) or a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program, as determined through a certification from the Governor, based on the Governor's analysis using available administrative data, including wage records.

## **6. Value-Added Earnings: Process for Combining Multiple Cohorts (§ 690.95(h))**

**Recommendation:** The Department's proposal to aggregate completers from up to four award years to reach the minimum of 50 students is reasonable. However, the Department should not extend the aggregation window beyond four years and should build in safeguards against the use of longer aggregation windows to mask declining program quality.

**Rationale:** The primary purpose of aggregation is to enable the Department to compute value-added earnings for small programs without privacy suppression. This is a practical necessity. However, the longer the aggregation window, the greater the risk that earlier cohorts' earnings data will obscure more recent declines in program quality. A program that produced strong earnings in its first two years but experienced significant deterioration could continue to pass the value-added earnings test by averaging its recent poor outcomes with earlier strong ones.

A four-year aggregation window is a reasonable compromise between statistical validity and accountability. The Department should resist proposals to extend the window further. If a program cannot produce 50 completers in four award years, the Department should consider whether the program's enrollment is sufficient to generate reliable earnings data at all, and whether alternative accountability measures, such as the interim metrics we recommend elsewhere in this comment, should apply.

## **7. Value-Added Earnings: Programs Serving Out-of-State Students (§ 690.95(k))**

**Recommendation:** The Department's proposal to use national median earnings without regional price parity adjustments when more than 50 percent of students are out-of-state is appropriate in principle. However, the Department should be attentive to the gaming risk created by the inverse scenario: programs located in high-cost-of-living areas whose students are primarily in-state would benefit from an upward adjustment to the earnings threshold that may not reflect the actual economic position of their completers.

**Rationale:** Regional price parities are intended to account for geographic variation in the cost of living, and using them to adjust earnings is conceptually sound. However, the adjustment creates opportunities for gaming. A program located in a high-cost metropolitan area, such as New York City, San Francisco, or the District of Columbia, would see its completers' median earnings adjusted upward by regional price parities. This effectively lowers the earnings threshold the program must meet to pass the value-added earnings test. Yet high cost of living means that program completers in these areas also face higher costs for housing, food, transportation, and other essentials. An upward adjustment to the earnings threshold does not necessarily mean that completers in these areas are better off economically.

More concerning, a program in a high-cost area whose completers earn modest nominal wages could pass the value-added earnings test solely because of the regional price parity adjustment even though those completers are earning wages that leave them economically worse off than

they would be in a lower-cost area. This is especially problematic for distance education programs located in high-cost areas that serve students who may actually live and work in lower-cost regions. The Department should monitor this dynamic closely and consider requiring programs to report on the actual geographic distribution of their completers' employment, not just their location at the time of enrollment.

Regarding the data used to identify student location, we share the concerns of negotiators who noted that FAFSA address information may not accurately reflect where students live and work after completing the program. The Department should explore using address information from the federal agency providing earnings data, which would more closely approximate the student's location during the earnings measurement period.

## **Additional Recommendations**

### **Strengthening the Value-Added Earnings Metric**

**Recommendation:** The Department should publish, alongside the value-added earnings calculation for each eligible workforce program, contextual information that helps students, Governors, and the public assess a program's earnings outcomes relative to meaningful benchmarks. Such data should include the median wage for high school graduates in the state where the program is located and the median wage for workers in the occupation the credential is aligned to.

**Rationale:** The value-added earnings metric under § 690.95(b) compares median earnings of program completers to 150 percent of the federal poverty line. In 2025, this translated to approximately \$11.30 per hour for a full-time worker, an amount that is less than the minimum wage in 26 states. The threshold is so low that it cannot meaningfully distinguish between programs that produce strong earnings outcomes and those that leave completers worse off than they were before enrolling.

We recognize that the 150 percent of poverty threshold is statutory, and that the Department may have limited authority to raise it. However, the Department has discretion to shape how value-added earnings are communicated. Publishing contextual benchmarks alongside the formal calculation would help prospective students make informed decisions, would support Governors in exercising their certification authority more effectively, and would create public pressure on programs to produce outcomes that are meaningful—not merely above a floor that is set below the minimum wage in much of the country.

### **Strengthening the Governor's Role in Quality Assurance**

**Recommendation:** The Department should require, through the Governor's written policies under § 690.93(b), that eligible workforce programs meet at least two of the three standards for labor market alignment: high-skill, high-wage, and in-demand.

**Rationale:** Under § 690.93(a)(1), the Governor must certify that a program provides an education aligned with the requirements of high-skill, high-wage, *or* in-demand industry sectors or occupations. As we stated in our August 2025 comment, meeting just one of these three standards is insufficient to ensure program quality. High demand, standing alone, can be a marker of low-quality jobs with high turnover, which are in high demand precisely because of poor working conditions and low pay. At minimum, the Department should issue guidance strongly encouraging Governors to require alignment with at least two of the three standards

and should require that Governors' written policies and processes include documentation of which standards each program meets.

### **Defining Meaningful Stackability**

**Recommendation:** The Department should require that articulation agreements be in place with at least one public institution of higher education and that programs report the rate at which completers enroll in and complete further credentials. This data should be publicly reported as consumer information alongside value-added earnings.

**Rationale:** The proposed regulations require that program completers receive academic credit toward at least one certificate or degree program (§ 690.93(a)(4)), but do not define what constitutes meaningful stackability. The current requirement could be satisfied by an institution that creates a nominal articulation agreement with one of its own programs without any evidence that students actually progress along the pathway. [Research](#) shows that only five percent of noncredit learners go on to enroll in for-credit programs, and under five percent of the U.S. workforce holds stacked credentials. Requiring articulation with at least one public institution and tracking completer outcomes would create accountability for whether the stackability requirement is producing results or merely generating paperwork.

### **Data Infrastructure**

**Recommendation:** The Department should provide guidance and, where possible, resources to help states build the data infrastructure necessary to support the Governor's certification process and the Department's oversight functions, particularly for interim value-added earnings calculations.

**Rationale:** The proposed rule's accountability framework depends on data that many states do not currently collect. Many states lack standardized noncredit program data, and not all have the statewide longitudinal data systems needed to track wage and employment outcomes. While about three-quarters of states collect noncredit community college data at the state level, data is not always standardized. Further, basic information about noncredit programs, such as duration and field of study, can be unclear. Without investment in data capacity, the accountability provisions of the proposed rule risk being only as strong as the weakest state data system.

### **Implications for Pell Grant Lifetime Eligibility**

Several of the concerns raised in this comment converge on a consequential issue that the Department should address explicitly: the implications of Workforce Pell for students' lifetime Pell Grant eligibility.

Workforce Pell funding counts against a student's Lifetime Eligibility Used (LEU), which is capped at the equivalent of six years of aid (600 percent). Just [37% of students over the age of 25 graduate with an undergraduate certificate, associate's, or bachelor's degree within six years](#). Every semester of Pell funding a student applies to an 8- to 15-week program is aid that is no longer available for further education—including the degree programs that are far more likely to produce lasting economic gains.

For learners from low-income backgrounds, and particularly for students of color who face well-documented disparities in degree completion timelines, these are not abstract tradeoffs. They are consequential, often irreversible decisions about how to allocate a finite resource. The

Department has a responsibility to ensure that Workforce Pell programs are worthy of that investment.

This concern reinforces the urgency of our recommendations throughout this comment. Excluding students who pursue further education from the placement and earnings calculations aligns the accountability framework with the statute's stackability requirements and avoids penalizing programs that help students make the most of their limited Pell eligibility. Publishing contextual earnings benchmarks helps students make informed decisions about whether a short-term program is a good use of their finite aid. And strengthening the Governor's role in quality assurance reduces the risk that students will spend Pell eligibility on programs that do not produce meaningful returns.

The Department declined during negotiated rulemaking to require that eligible institutions inform students of their LEU before enrolling in an eligible workforce program, noting that LEU information is already available through the FAFSA Submission Summary. We urge the Department to reconsider this position. The FAFSA Submission Summary provides generic information about LEU at broad intervals. It does not provide the specific, program-level information a student needs to understand how enrolling in an eligible workforce program will affect their remaining eligibility for further education. Given the stakes involved, the Department should require eligible institutions to provide prospective Workforce Pell students with a clear disclosure of how enrollment in the program will affect their LEU and what implications this may have for future Pell Grant eligibility if they choose to pursue further education. This is a minimal burden for institutions and a meaningful protection for students.

## Conclusion

All4Ed supports the expansion of high-quality, short-term credential opportunities through Workforce Pell. We believe the proposed regulations represent a serious and constructive effort to implement a complex statute, and we commend the Department and the AHEAD Committee for reaching consensus.

However, the structural contradiction between the stackability requirements and the accountability metrics threatens to undermine a core purpose of the program. The value-added earnings metric, while statutorily grounded, sets a floor so low that it cannot protect learners and workers from programs that leave them worse off. And without adequate safeguards on written arrangements, the rule risks opening a channel for the very providers whose track records gave rise to the need for accountability in the first place.

The recommendations in this comment are designed to resolve these tensions: exclude students who pursue further education from earnings calculations and include them in job placement calculations; compute and publish interim value-added earnings; strengthen the Governor's evaluation framework; maintain safeguards on written arrangements; invest in data infrastructure; and ensure students understand how Workforce Pell affects their lifetime eligibility. Taken together, these steps would ensure that Workforce Pell becomes a vehicle for economic mobility rather than a subsidy for programs that fail to produce meaningful outcomes for learners, workers, employers, and taxpayers.

We appreciate the Department's attention to these concerns and welcome the opportunity for further dialogue. Should you require any additional information, please contact Phillip Lovell, Associate Executive Director, at [plovell@all4ed.org](mailto:plovell@all4ed.org).