

Bipartisan Workforce Pell Act

Section by Section Summary

Section 1. Short Title. *Bipartisan Workforce Pell Act*

Section 2. Workforce Pell Grants.

This section authorizes the Department of Education (ED) to award Workforce Pell Grants beginning on July 1, 2025, for the 2025-2026 award year. An eligible student for a Workforce Pell Grant must be enrolled in an eligible workforce program, may not have attained a postgraduate degree, and must otherwise meet the eligibility criteria to receive a Pell Grant.

The grant will have the same terms and conditions and will be awarded in the same manner as other Pell Grants. This includes allowing certain students to receive a Workforce Pell Grant less than the minimum Pell Grant since the grant will be prorated by the program's length. No eligible student may receive both a Workforce Pell Grant and a regular Pell Grant in the same enrollment period. Workforce Pell Grants will count towards a student's lifetime eligibility for the regular Pell Grant.

Section 3. Program Eligibility for Workforce Pell Grants.

This section adds eligible workforce programs, of at least 150 clock hours of instruction (or an equivalent number of credit hours), but less than 600 clock hours of instruction, offered during a minimum of eight weeks, but less than 15 weeks, to the list of eligible programs for the purposes of Title IV. A Workforce Pell Grant program may not be a correspondence course.

In order to be an eligible program, a state workforce board authorized under WIOA must first determine if a program provides education aligned with high-skill, high-wage, or in-demand industry sectors or occupations, meets the hiring requirements of potential in-demand industry or sector employers, and satisfies any applicable educational prerequisite requirement for professional licensure or certification in the state or states in which the program is offered, as applicable.

A recognized accreditor must then determine if the program:

- leads to a recognized postsecondary credential that provides academic credit that is stackable towards one or more certificate or degree programs. Programs that prepare students for occupations where there is only one recognized postsecondary credential do not have to be stackable.
- leads to a recognized postsecondary credential that is portable across more than one employer.
- makes public on the institution website information on the recognized postsecondary credential provided by the program, including any third-party endorsements of the credential, the occupations the credential prepares a student for, the competencies achieved to earn the credential.
- provides a written disclosure to and confirmation of receipt of the disclosure from prospective students.

- ensures students will have access to transcripts for the completed coursework without a fee.
- has been offering instruction for not less than one year before an accreditor determines eligibility.

ED will then determine if a program:

- has a verified completion rate of 70 percent, within 150 percent of normal time of completion.
- has a verified job placement rate of at least 70 percent, measured 180 days after completion.
- provides a positive return on investment for students and taxpayers by which the total amount of tuition and fees charged to a Workforce Pell Grant recipient will not exceed the value-added earnings of the recipient one year after he or she completes the program.
 - the value-added earnings metric is calculated as the difference between the median earnings of such students receiving federal financial aid who completed the program and 150 percent of the federal poverty line (FPL) for a single individual, adjusted for the geographic location of the institution offering the program.
 - *Example:* A program is eligible for Workforce Pell Grants if the value-added earnings are greater than or equal to the tuition and fees charged to Pell Grant recipients.

$$\text{Value-Added Earnings} \geq \text{Tuition and Fees}$$

Where:

- Median Earnings measured one year after students complete: \$33,870
- 150 percent FPL = \$21,870
- Tuition and Fees: \$10,000

Value-added earnings (\$33,870 - \$21,870 = \$12,000) > Tuition and Fees (\$10,000) = **PASS**

- for at least two of the three most recent award years, the median earnings of Workforce Pell Grant recipients must not be less than the median earnings of a high school graduate in the state in which the program is located.

ED must establish a process allowing programs to submit alternate data for the purpose of gaining initial provisional eligibility and appealing ED data determinations for eligible programs. Programs must submit other local, state, or federal administrative data sources to comply with the program eligibility requirements. If ED determines that such alternative earnings data is inaccurate, the program must return any Workforce Pell Grant funds received during the provisional eligibility period. In the case of determining program eligibility of small programs, ED must aggregate up to four years of additional data for a program to obtain data for a sufficient number of students to maintain student privacy. If this is insufficient to maintain student privacy, ED must aggregate data for students in similar programs. For purposes of publishing the required outcomes data for small programs, ED must aggregate data by the same methods for program eligibility, but if these methods are still insufficient to maintain student

privacy, or data is not available or cannot be aggregated, data must be aggregated at the institution level.

If a program meets the requirements of this section, ED must grant eligibility no more than 120 days after ED receives the program's application. After being an eligible workforce program for three years, an institution must use common, linked, open, and interoperable data formats when posting the required information on the institution's website.

Section 4. Data Collection and Dissemination Related to Workforce Pell Grants.

This section requires ED to use current administrative data maintained by ED, matched with the Internal Revenue Service income data, to implement the data collection requirements and all necessary calculations required by the bill. ED is required to annually collect, verify, and make publicly available on the College Scorecard data related to each Workforce Pell Grant program, except when disclosure of any of the data is prohibited under state or federal privacy laws or regulations. In those cases, ED must make publicly available the data in accordance with those laws and regulations.

Section 5. Accreditation Agency Determination of Eligibility Requirements for the Workforce Pell Grants Program.

If a recognized accreditor has or seeks to include within its scope of recognition the evaluation of Workforce Pell Grant programs, then the accreditor must demonstrate to ED that its standards include a process for determining if an institution has the capability to effectively offer a Workforce Pell Grant program and requires that programs satisfy the bill's requirements.

The bill provides an efficient process for prospective accreditors seeking to only evaluate Workforce Pell Grant programs to receive initial recognition by ED. ED is also required to provide technical assistance to any prospective accreditor seeking initial recognition.

During the initial five years following enactment of the bill, a recognized accreditor that seeks to expand its scope of recognition to evaluate Workforce Pell Grant programs must notify ED of its intent to receive interim accreditation authority. The accreditor must also submit documentation to ED that the agency has standards and a process in place for determining if an institution has the capability to meet the requirements to be an eligible Workforce Pell Grant program.

This section requires ED to direct the National Advisory Committee on Institutional Quality and Integrity to hold additional meetings through 2030 to evaluate the recognition of prospective accreditors and the additions to scope for recognized accreditors.

Section 6. Rule of Construction.

Nothing in this bill should be construed to impose or increase an occupational licensing or certification requirement on programs participating in Title IV.

Section 7. Agreements with Applicable Educational Institutions

This section provides mandatory savings for the complete cost of the bill. It prohibits an applicable educational institution, that is subject to an excise tax on investment income of private institutions, from awarding a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford loan, or a Federal Direct Plus Loan to any eligible student. Applicable educational institutions also must not

award a Federal Direct Plus Loan to a parent of a Pell Grant recipient. As a condition of receiving funding under the Federal Supplemental Educational Opportunity Grant program, an applicable educational institution must cover the cost of attendance for Pell Grant recipients at the institution, but institutional aid and other outside grants and scholarships may help cover this cost. An institution must also maintain or increase Pell Grant enrollment each subsequent award year.

Section 8. Authorization of Appropriations.

In addition to funds made available for Workforce Pell Grants, this section authorizes \$40 million for fiscal year 2025 and \$30 million for four additional fiscal years for ED to implement the bill.