

Promoting Employment and Lifelong Learning (PELL) Act

Section by Section Summary

Section 1. Short Title. *Promoting Employment and Lifelong Learning (PELL) Act*

Section 2. Program Eligibility for Workforce Pell Grants.

Amends the *Higher Education Act* to add short-term programs, those of at least 150 clock hours of instruction, but not more than 600 clock hours of instruction (or an equivalent number of credit hours), offered during a minimum of eight weeks, but not more than 15 weeks, to the list of eligible programs.

In addition, an accreditation agency or association recognized by the Department of Education (ED) must determine programs' eligibility based on several criteria. Eligible programs must: provide education aligned with the requirements of in-demand industry sectors or occupations; meet the hiring requirements of potential employers in those sectors or occupations; have been offering instruction for not less than one year before an accreditor determines eligibility; have a completion rate of 70 percent, within 150 percent of normal time of completion, and job placement rate of at least 70 percent.

Expected Return

ED will also determine that a program is an eligible program only if it is expected to provide a positive return on investment for students and taxpayers. A program that is expected to provide a positive return on investment for students and taxpayers is one with published tuition and fees that do not exceed the value-added earnings boost the credential provides in the labor market, which is calculated as the difference between the median earnings of students receiving federal financial aid and 150 percent of the federal poverty line (FPL) for a single individual. This aligns with the "earnings floor" used to assess the extent of student loan borrowers' ability to make their monthly payments under an income-driven repayment plan. Value-added earnings are measured three years after program completion and adjusted for geographic wage differences using the Bureau of Economic Analysis's Regional Price Parity Index. This ensures that the price of the credential is aligned with economic value such that the typical graduate is able to recoup their investment within three years.

Example

A program is eligible for Workforce Pell if its expected return is greater than or equal to a value of 1:

$$\text{Expected Return} = \text{Value-Added Earnings} / \text{Published Tuition and Fees}$$

Where:

- Three-year Median Earnings: \$33,000
- 150% FPL = \$21,870
- Published Tuition and Fees: \$10,000

$$\text{Value-added earnings: } \$33,000 - \$21,870 = \$11,130$$

$$\textit{Expected Return} = \$11,130 / \$10,000 = 1.11 = \text{PASS}$$

New Providers

For programs that have not been a Title IV participant previously, ED may consider the program an eligible program for the purposes of Workforce Pell Grants for a provisional eligibility period of no more than three years. In order to receive this status, the program must provide ED with alternate earnings data that is statistically rigorous, accurate, comparable, and representative of the students who complete the program. If ED determines the earnings data is inaccurate, the program must return any funds received during the provisional eligibility period.

Appeals Process

ED must establish an appeals process to permit eligible programs to submit alternate earnings data to comply with the requirements, but the data must be statistically rigorous, accurate, comparable, and representative of students who receive a Workforce Pell Grant and complete the eligible programs.

Section 3. Data Collection and Dissemination Related to Workforce Pell.

ED will annually collect and verify each program's completion rate, job placement rate 180 days after completion, published tuition and fees, earnings, the length of the program, the number of students enrolled in the program, the percentage of individuals who have completed, and, three years after completion, the percentage of individuals whose median earnings exceed 150 percent of the FPL. ED will make this information publicly available on the College Scorecard; however, if the disclosure of any of the data is prohibited under state or federal privacy laws or regulations, the Department must take steps necessary to make publicly available the data in accordance with those laws and regulations.

Section 4. Workforce Pell Grants.

Authorizes ED to award Workforce Pell Grants beginning on July 1, 2024, for the 2024-2025 award year. The grants will have the same terms and conditions and will be awarded in the same manner as other Pell Grants. Defines that a student eligible for a Workforce Pell Grant must be enrolled in an eligible Workforce Pell Grant program, may not have received a graduate degree, and must otherwise meet the eligibility criteria to receive a Pell Grant.

A student may still be eligible for the Workforce Pell Grant even if the student is eligible for a Pell Grant equal to or less than the amount of the minimum Pell Grant because they are enrolled in a short-term program that is less than an academic year (in hours of instruction or weeks of duration). No eligible student may receive both a Workforce Pell Grant and a separate Federal Pell Grant in the same enrollment period.

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

If an accreditation agency or association has or wants to include within its scope of recognition the evaluation of the quality of Workforce Pell Grant programs, then the accreditation agency or association must demonstrate to ED that the agency's or association's standards include a process

for determining if the institution has the capability to effectively offer an eligible program. The institution must meet the requirements established in the bill and provide academic content, an amount of instructional time, and competences to satisfy any applicable educational requirements to guarantee that a student who completes the program is qualified to work in the sectors or occupations that the program prepared the student to enter.

Requires the National Advisory Committee of Institutional Quality and Integrity (NACIQI) to hold additional meetings through 2025 in order to evaluate the expanded scopes of accreditation agencies or associations that seek to evaluate eligible programs under the Workforce Pell Grant program.

During the initial five years following enactment of the bill, a qualified accrediting agency or association which seeks to expand its scope of recognition to evaluate eligible programs for Workforce Pell Grants must notify ED of its intent to be a recognized accrediting agency or association to receive interim accreditation authority. The entity must also submit documentation to ED that the agency or association 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. NACIQI will review each accrediting agency or association with interim authority or those who seek full authority to receive approval for a change in scope at the next available NACIQI meeting.

Section 6. Orderly Implementation of Workforce Pell Grant Program.

Allows the Secretary to implement parts of the bill as necessary to for orderly implementation.