

A Guide for States on Implementing Workforce Pell Grants

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This guide is designed to support states as they prepare for the expansion of federal Pell Grant eligibility for short-term workforce training programs and to support other interested stakeholders in engaging with the implementation process.

Workforce Pell Overview

In July 2025, Congress passed [H.R. 1](#), which included an expansion of federal Pell Grants to students enrolled in short-term, career-focused postsecondary programs. This policy change is commonly referred to as “Workforce Pell” or Short-Term Pell.” While the law stipulates some basic eligibility standards, most decisions about program approval, design, and oversight are left to the states. Program eligibility and approval are determined by states and the federal government in the following ways:

Eligibility standards in federal law	Governor approval, after consultation with the state board, is based on the following	The Department of Education verifies eligibility based on the following requirements
<p>Programs must:</p> <ul style="list-style-type: none"> ✓ Have at least 150 but fewer than 600 clock hours of instruction (or the credit hour equivalent) and last a minimum of 8 weeks but less than 15 ✓ Have been operating and meeting all criteria for at least 12 months before approval ✓ Be offered by an accredited Title IV-eligible institution 	<p>Programs must:</p> <ul style="list-style-type: none"> ✓ Prepare students for high-skill, high-wage, or in-demand industry sectors or occupations, as defined by the state ✓ Align with the hiring requirements of potential employers in those sectors and occupations ✓ Lead to academic credit toward a subsequent credential or degree at one or more institutions ✓ Lead to an industry-recognized postsecondary credential that is stackable and portable across more than one employer. If the occupation only has one recognized credential, the program must lead to and provide that credential upon completion. 	<p>Programs must:</p> <ul style="list-style-type: none"> ✓ Have a verified 70% completion rate within 150% of the normal completion time for each year ✓ Have a verified job placement rate of 70% measured 180 days after program completion each year ✓ Pass a value-added earnings (VAE) test where published tuition and fees do not exceed the difference between a graduate’s median earnings and 150% of the federal poverty line, adjusted by the state and metropolitan area regional price parities of the Bureau of Economic Analysis

Workforce Pell operates within the existing federal Pell Grant program authorized under the Higher Education Act. It does not function as a separate aid program but rather as an expansion of the kinds of programs Pell Grants can support. Students gain access to the program by filling out the FAFSA. Workforce Pell is designed to help cover the cost of short-term programs for working adults seeking to upskill, people changing careers, and learners seeking faster pathways into the workforce. This change connects federal financial aid more directly to the [types of education and training many students already pursue but previously had to finance without Pell support](#).

Background and Policy Context

Workforce Pell reflects a shift in how postsecondary pathways are defined and financed at the federal level. For decades, Pell Grants supported students enrolled in longer academic programs, leaving many short-term credentials ineligible for federal grant aid.

The notable [increase in enrollment](#) in these shorter (and, by virtue, more affordable) programs may be partly due to the high cost and level of debt often needed to pursue longer postsecondary education. The expansion of Pell Grants for short-term workforce programs responds to this increased enrollment, but strong oversight is essential to maximizing the benefit of limited Pell Grant funds for students and ensuring they do not enroll in programs that do not lead to meaningful employment or economic mobility.

What We Know About Implementation

In December 2025, the [Accountability in Higher Education and Access Through Demand-driven Workforce Pell \(AHEAD\)](#) negotiated rulemaking committee [reached consensus](#) on a [draft regulation](#) that details how Workforce Pell will be implemented beginning July 1, 2026. Governors must work with their state workforce boards to develop, document, and publish a process for determining program approval. They will also have to work closely with their state higher education agency, institutions offering short-term programs, and employers, while ensuring that the necessary data infrastructure is in place to verify program requirements.

While the federal regulations are still being finalized, states are already planning how they will implement this new program. As of March, [14 states](#) have [introduced legislation](#) related to Workforce Pell, and other states have started gathering data and surveying institutions to inform their implementation. Ohio is surveying institutions for readiness and using that information for their statewide planning. [Pennsylvania](#) has created an initial occupation list that programs must align with and a secure online portal for programs to upload their required documentation. The [North Carolina Community College System](#) has created a toolkit to support implementation, including a list of short-term workforce courses and related credentials, along with preliminary state outcomes data that could be eligible for Workforce Pell.

Implications, Decisions, and Resources for States

Governors and State Workforce Boards are responsible for implementing Workforce Pell within their states, but state higher education agencies are essential for designing an effective approval and implementation system. This includes establishing a process and standards for approval and ensuring that programs have the capacity to report required data.

In creating these processes, the state should engage appropriate stakeholders and ensure transparency for students by clearly communicating which programs meet the Workforce Pell standards and the outcomes students participating in these programs have experienced.

Key Decision Points for States

Governors and state workforce boards are tasked with working together and with others in their state to design an approval process that ensures that programs meet certain standards.

States must ensure that programs:

- Align with high-skill, high-wage, or in-demand industry sectors or occupations in the state, as defined by the state
- Align with the hiring requirements of potential employers
- Lead to a recognized postsecondary credential that is stackable and portable
- Lead to academic credit toward a subsequent credential or degree at one or more eligible institutions

While the Department of Education will verify that programs have a 70% completion rate and a 70% job placement rate after the 2029-30 award year, the governor is responsible for certifying that programs meet the completion and placement rates using administrative data for the 2026-27, 2027-28, and 2028-29 award years. Additionally, federal regulations state that governors must certify that they have considered the cost of the program and the anticipated wages prior to the VAE calculations in 2030-31.

Key Questions for States

- A governor can designate a public official in the state, including someone at the state workforce or education department to make approval decisions on their behalf. Will the governor delegate this responsibility to another public official or entity?
- How will the state involve necessary stakeholders, such as the state higher education agency and employers?
- How will determinations for high-skill, high wage, or in-demand occupations be made and updated?
- How will programs submit the necessary information for approval determinations?
- Where will the state publish its list of approved programs?
- How will the state verify that credentials are stackable and portable?

- How will the state verify that noncredit programs articulate into subsequent credentials or degrees?
- Does the state have the necessary data infrastructure to collect completion rates from non-degree programs?
- Does the state collect occupation-specific data needed for job placement rates after the 2028-29 academic year?
- How will the state ensure that approved programs meet the value-added earnings requirement before VAE is officially calculated in the 2030-31 academic year?

Other State Implications

Workforce Pell creates a unique opportunity to better align education and workforce needs by necessitating cross-sector partnerships, improved data systems, and regular assessment of outcomes. States must assess their existing data collection capabilities and confirm that they will be able to verify program eligibility requirements, particularly as many states do not currently collect information on noncredit programs. States should work toward developing integrated statewide longitudinal data systems that connect education and labor market outcomes, including program costs, enrollment, completion, credit articulation, occupation-specific job placement, and wage records.

Many short-term workforce programs are currently offered as noncredit programs, but to qualify for Pell Grants, these programs will have to articulate as academic credit toward a related certificate or degree. Governors will need to collect information on transfer or articulation agreements as part of the approval process. This should prompt states to reexamine the alignment between noncredit and credit programs and how learners can move between them.

Additionally, if a state currently funds short-term workforce programs, it should consider how these programs can be integrated to more comprehensively address education and workforce needs. Given the significant variation in program costs, limited access to federal financial aid, and the substantial non-tuition expenses many students face, states should explore how federal and state funding streams can be braided to close affordability gaps, particularly for the low-income adult learners who make up a large share of short-term credential students. At the same time, states may need to continue investing in high-quality workforce programs that do not meet Workforce Pell eligibility requirements, especially when those programs align closely with local labor market needs or emerging industries. States should also treat federal Workforce Pell requirements as a baseline rather than a ceiling. States can play a critical role in establishing stronger performance standards, particularly in defining and enforcing what constitutes a “high wage” outcome.

Guide for Advocates and Community-Based Organizations

Workforce Pell expands access to federal financial aid for short-term workforce programs that prepare learners for employment and economic mobility. Strong oversight, reliable and transparent data, clear communication, and sustained collaboration can help ensure that Workforce Pell fulfills its promise of broader opportunity and lasting impact. Interested and impacted stakeholders, such as advocates, community-based organizations, and students and families, can play a crucial role in ensuring that this expanded access leads to meaningful outcomes for all students.

Advocates can engage with policymakers and inform implementation by elevating student experiences, monitoring program approval, and flagging unintended consequences. Community-based organizations can also help ensure that information about Pell-eligible short-term programs reaches learners who may not be connected to the formal education system.

How Advocates Can Act Now: A Checklist for Workforce Pell Engagement

Advocates at the state level can support implementation and adoption by engaging with decision-makers in the design and approval process and helping learners understand their options.

Early Rollout

- Reach out to your governor's office, state workforce board, and/or the higher education agency to understand the program approval process and how interested stakeholders can get involved.
- Partner with other stakeholders such as program providers, employers, college access networks, and advisers to elevate student and community perspectives and to raise questions about access, oversight, and coordination across agencies.
- Ask about opportunities to weigh in on implementation, such as submitting written comments or attending public hearings or advisory meetings on state implementation.
- Advocate for states to integrate Workforce Pell into existing higher education and workforce funding systems so that learners experience a coherent and simplified system.
- Encourage a thoughtful and careful approval of eligible programs that meet all requirements during the period between the 2026-27 and 2028-29 academic years.
- Encourage states to define [high-skill, high-wage](#) in a way that ensures learners can access good-paying jobs with opportunities for upward mobility and continued growth.
- Ask states to confirm that the necessary data infrastructure and data-sharing agreements are in place to ensure proper oversight of program outcomes.

Ongoing Oversight and Improvement

- Document early implementation challenges and share them with policymakers for corrective action.
- Track whether the state is collecting and publishing outcomes related to program participants' completion, employment, and earnings.
- Advocate for consistent and up-to-date data on completion, job placement, and earnings disaggregated by race, ethnicity, and gender.
- Advocate for resources that cover the full cost of the program for Pell-eligible students, including support for basic needs.

Building Stronger Education and Workforce Systems Over Time

- Advocate for policies that improve coordination across education, workforce, and economic development systems.
- Advocate for investments in student support services such as child care, transportation, and basic needs assistance.
- Promote accessible and publicly available data systems that connect education and workforce outcomes across programs.
- Advocate for clear pathways that inform learners on how short-term credentials can stack toward related degrees.

Advising Students on Workforce Pell

Students who otherwise meet the eligibility criteria for a Pell Grant can use their grant for a short-term workforce program, but it's important for students to be aware of all their options and how they fit into their overall goals. Advocates and help in the following ways:

- Encourage financial aid administrators, high school counselors, advisers, and college access networks to provide clear, accurate information about Workforce Pell eligibility, including which programs are eligible and how they compare to other options.
- Use trusted channels to inform students and communities about their options, including the need to fill out and submit the Free Application for Federal Student Aid (FAFSA).
- Ensure that students understand their [lifetime Pell Grant limit](#) of 12 semesters (or its equivalent), or roughly six academic years, of Pell eligibility, and that Workforce Pell will count toward that lifetime limit. If a student enrolls in a short-term program and uses their Pell funds, they will have fewer semesters of Pell eligibility if they choose to pursue a degree program in the future.

Workforce Pell for Justice-Impacted Populations

With Pell eligibility restored for incarcerated students, it's important for states to consider how Workforce Pell programs will operate in [prison education](#) settings and ensure that they are not the only option available for incarcerated learners. Due to structural barriers affecting time to completion, job placement, and earnings, combined with limited access to other financial aid, outcomes for incarcerated learners may differ. Justice-impacted populations continue to face systemic barriers after completing a program due to a lack of opportunities to develop their skills and barriers in the labor market. These barriers to access and success need to be accounted for when assessing the value of Workforce Pell for justice-impacted learners. The best policies and practices for implementing higher education in prison programs more broadly should prioritize the inclusion of student voices, ensure continuity of education through reentry, and protect against financial harm. These same considerations should be applied to Workforce Pell programs in prison.

Existing Resources on Workforce Pell

A wide range of federal and national resources already exist to support Workforce Pell implementation and advocacy. These include guidance on program eligibility, quality indicators, data reporting, and more. State leaders and advocates can build on these resources rather than developing new frameworks independently.

Resources for Advocates Seeking to Influence Implementation

1. [Maximizing Workforce Pell grants to deliver value for students and employers](#) (Arnold Ventures)
2. [Getting Workforce Pell right for young people – What we’ve learned from career technical education](#) (Advance CTE)
3. [Updated Weekly: The latest Workforce Pell resources](#) (Education Design Lab)
4. [Consensus Reached, Questions Remain: Pell Workforce Rulemaking Recap](#) (EdTrust)
5. [Implementing Workforce Pell: Why rulemaking matters — and how advocates can help](#) (National Skills Coalition)
6. [Five principles to support Black workers and learners in pathways to non-degree credentials](#) (Joint Center)
7. [Workforce Pell is moving forward: Advocates must help shape what comes next](#) (National Skills Coalition)
8. [Workforce Pell Watch](#) (Substack)
9. [Workforce Pell: What you need to know](#) (New America)

Resources for States

1. [High-skill, high-wage ... and now high-stakes](#) (New America)
2. [State legislative responses to education provisions in H.R.1 the One Big Beautiful Bill Act](#) (National Conference of State Legislatures)
3. [Workforce Pell: An overview for governors](#) (National Governors Association)
4. [Eight steps states should take to get Workforce Pell right for students and workers](#) (The Century Foundation)
5. [Building the Data Foundation for Workforce Pell](#) (Workforce Pell Data Collaborative)

Resources for Colleges and Universities

1. [Six steps community colleges can take now to prepare for Workforce Pell](#) (Education Advisory Board)
2. [Implementing Workforce Pell: Lessons from Virginia’s G3 program](#) (Community College Research Center)
3. [Workforce Pell Resources](#) (North Carolina Community College System)
4. [Workforce Pell Readiness Checklist](#) (The Online and Professional Education Association)

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