

A Guide for States on Implementing Workforce Pell Grants

Sabreyna Reese, Higher Education Research Analyst

Roxanne Garza, Director of Higher Education Policy

Kyla Hurns, Higher Education Policy Analyst

Tihirah Ruffin, Higher Education Research and Data Analytics Intern

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 <u>state and metropolitan area regional price parities of the Bureau of Economic Analysis</u>

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.