NCAIWPA

WORKFORCE PELL

THE COMPLETE GUIDE

AMERICA'S NEW FEDERAL GATEWAY TO
SHORT-TERM WORKFORCE TRAINING

THIRD EDITION
August 2026

UPDATED TO THE TWO FINAL RULES
Workforce Pell Grants, 91 FR 29254 | effective July 20, 2026
STATS and Earnings Accountability, 91 FR 40136 | effective July 1, 2027
Supersedes the Second Edition, which described a proposed rule.

NON COGUNT

WRITTEN BY
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FROM INSIDE THE NEGOTIATED RULEMAKING PROCESS

NATIONAL COUNCIL FOR AI WORKFORCE PROGRAM ACCREDITATION
A Publication of Fruition Charitable Arts Foundation and Services

Workforce Pell: The Complete Guide

Federal requirements, implementation, accountability — and the questions the published framework has not yet answered. “Complete” describes the scope of topics covered, not the resolution of every unsettled question; nine that are not are set out in Appendix C.

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This edition is conformed to two final rules, both of which have been published and neither of which the previous edition could describe. The first is *Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants*, 91 FR 29254 (May 19, 2026), Docket ID ED–2026–OPE–0133, RIN 1840–AD99, effective July 20, 2026. The second is *Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability*, 91 FR 40136 (July 1, 2026), Docket ID ED–2026–OPE–0100, RIN 1840–AE06, effective July 1, 2027.

The Second Edition (March 2026) was written against the notice of proposed rulemaking at 91 FR 11378 and is superseded. Readers holding the Second Edition should replace it. A list of the substantive changes identified during this revision, including errors that were ours rather than the rulemaking's, begins on page 5.

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Publisher-interest disclosure. NCAIWPA is a grant-funded organization building a specialized programmatic accreditor for AI workforce training programs and seeking federal recognition under 34 CFR part 602. Until that recognition is granted, NCAIWPA accreditation cannot make a program eligible for Title IV or Workforce Pell. **This guide is written to the regulations, and it recommends no accreditor — including its own publisher.** No institution needs specialized or AI-specific accreditation to qualify a program for Workforce Pell: subpart H imposes no separate programmatic accreditation requirement, and an institution's existing Title IV accreditation coverage, where it encompasses the program, is what the framework relies on. Chapter 5 works through that coverage question. Where the book reaches a question on which its publisher has an interest, it says so at the passage. Chapter 13 and Appendix C set out that interest in full.

Free in electronic form; a paid print and e-book edition is also available. The free electronic edition is maintained as the current edition between print releases, and nothing in the paid edition is withheld from it. Check the edition date above, and the sources in Appendix D, before acting on anything here. Any proceeds will be applied to this work, under the terms of the federal award. This edition was drafted with AI assistance under human direction — Appendix D sets out what that meant, and what was and was not machine-checked.

Found an error? Write to the address in Appendix D. Corrections are published and attributed.

Dedication

For our family — the foundation beneath the foundation.
This work exists because you believed in it first.

For every student who has been told that a short-term program
doesn't count. It counts now.

For the institutions doing this work in communities that the traditional system forgot — the community colleges, the technical schools, the workforce programs running on belief before funding arrived.

And for *Gulielmi Lillii, astrologi peritissimi*
(1602–1681) — my ancestor.

Whose family lost everything, and who walked to London
with nothing but an education and a letter of introduction.

Who became the foremost voice in his field
and wrote the knowledge down in English
so it would not stay locked behind Latin and privilege.

Who understood that reading the signs
is only useful if you act on what they say.

The stars are aligned. The work begins.

What Changed in This Edition

And what the previous editions got wrong.

The Second Edition described a proposed rule. Between its publication in March 2026 and this one, the Department of Education published two final rules, and the framework this guide describes stopped being a proposal and became a final, legally effective regulatory framework. (The statute itself became law in July 2025; what changed in 2026 was the rules implementing it.) Most of what the Second Edition said survived that transition intact. Some of it did not. These pages list the substantive changes identified during revision, so that a reader who owns the earlier edition can see exactly what moved rather than having to compare the two side by side.

Many of these corrections are not rule changes at all. They are places where the earlier editions described the law incorrectly. They are marked **[our error]** and they are listed first, in full rather than in summary. Eleven of the twenty-eight entries below are ours — the last two found in the final reviews before this edition went to press. Printing them is not a claim of infallibility. It is what makes the revision history auditable, which is the only kind of accuracy claim a guide to a framework this new can honestly make.

A note on fairness, because the question deserves one: each item is graded against the proposed rule of March 9, 2026 — the text the Second Edition's own cover stated it reflected. The First Edition was written in February 2026 from the December sessions as they streamed: dozens of hours of negotiated rulemaking watched on video, transcribed and translated by hand, before usable regulatory text was circulating — which is both where this guide came from and where several of these errors entered, in the gap between what is said in a hearing room and what is printed in a rule. The March update that produced the Second Edition was targeted rather than line-by-line, so some of what follows is February text that survived a partial revision. The December 12, 2025 consensus draft has since been produced from the committee's own materials and re-examined line by line. On every item where it could have changed the grading, the consensus text reads the same as the proposed and final rules. The classifications stand at all three layers.

Corrections to our own errors

1. **[our error] Who calculates completion and placement rates.** Both earlier editions said that institutions calculate their own rates and that a non-federal auditor attests to them annually. That was wrong in both editions. Under § 690.94(a)(2) each rate is determined through a certification from the Governor, based on the Governor's analysis, and the Department expressly declined to require auditor attestation of State-calculated rates. One boundary, which entry 28 below develops: this describes the position through 2028–29 and the placement rate permanently. See Chapter 7.
2. **[our error] Where the regulations live.** The Second Edition's preface said the guide translates “34 CFR Part 668 Subpart S.” Workforce Pell is codified at 34 CFR part 690, subpart H, §§ 690.90–690.97. The error now matters more than it did, because subpart S of part 668 has since come to mean something else entirely. The STATS rule revised subpart S in full (“Revise subpart S to read as follows”) and re-titled it Earnings Accountability, and revised subpart Q in the same way. See the Preface and Chapter 9.

3. **[our error] The lifetime Pell disclosure.** Chapter 11 of the Second Edition called the lifetime Pell eligibility warning "a new mandatory disclosure requirement." It is not one, and Chapter 3 of the same edition correctly said so. The book contradicted itself, and the incorrect statement was the one placed in an action-item list. See Chapters 3 and 11.
4. **[our error] Credit acceptance is not a credit-hour-only requirement.** The Second Edition presented credit transferability as applying to credit-hour programs. Section 690.93(a)(4) draws no such distinction. What the Governor must find, and on what evidence, is a genuinely contested question — the preamble contains a sentence that pulls against the regulatory text — and Chapter 2 now sets out both rather than resolving it silently.
5. **[our error] The poverty figure was a year out.** The Second Edition said 150 percent of the 2025 poverty guidelines for a single individual was "approximately $22,590." That is the 2024 figure. Both of its worked earnings examples were built on it. See Chapter 8, which also explains why no single year's figure is the right one to memorize.
6. **[our error] The five-year institutional bar was misquoted.** The Second Edition said it reaches institutions whose Title IV participation was "limited, suspended, or terminated." Section 690.92(g) says "any suspension, emergency action, or termination." A limitation is not a trigger; an emergency action is. Verified against all three layers: the December 12, 2025 consensus draft, the proposed rule, and the final rule each read "any suspension, emergency action, or termination." The guide's wording tracked the older Title IV limitation-suspension-termination formula, which appears in none of them. See Chapters 2 and 10.
7. **[our error] Loss-of-eligibility timing was stated backwards.** The Second Edition said a failing program becomes ineligible at the *beginning* of the payment period after the Secretary's determination. Section 690.96(b) says the *end* of the payment period that begins after it, and bars any determination while the matter is under appeal. Verified against all three layers: the December 12, 2025 consensus draft, the proposed rule, and the final rule each say the same. See Chapter 10.
8. **[our error] Several citations did not exist or pointed elsewhere.** The Second Edition cited the cost-consideration certification as "§ 690.93(a)(9)" (it is (d)(9)), and its Chapter 6 table cited "34 CFR 690.93A" and "34 CFR 690.92 A&B," neither of which is a real citation. Appendix A gave "668.8F" for 34 CFR 668.8(f), listed § 690.96 as covering reinstatement (which is § 690.97), and attributed the statute to the "One Big Beautiful Bill Act." See Chapters 4 and 6 and Appendix A.
9. **[our error] Correspondence was described as mail-based instruction.** Both earlier editions glossed the § 690.92(c)(1) exclusion as reaching programs delivered by mail. Under 34 CFR 600.2 the instructional materials in a correspondence course may be provided by mail *or by electronic transmission*; what makes a course correspondence is that the interaction is limited, is not regular and substantive, and is primarily initiated by the student. The consequence of the error runs the wrong way for an institution: a self-paced online program with no scheduled instructor engagement can be a correspondence course, and therefore ineligible, even though nothing about it involves the post. See Chapter 2.
10. **[our error] The cost of attendance cap was explained without the annualization step.** Both earlier editions said that if a program charges $1,500 in tuition and the calculated Pell award is $2,464, "the student receives only $1,500." That treats the short program's own tuition as the student's Pell cost of attendance. For Pell, every cost component is valued for a full-time student for a full academic year, and a shorter program's costs must be prorated up to a full year before the resulting figure caps the Scheduled Award. Under the two methods the *FSA Handbook* permits, the same $1,500 tuition-only program yields $1,300 or $1,500 — so the printed answer matched one method and not the other, by coincidence. In the ordinary case, where a student's budget includes housing, food and the rest, the proration changes nothing and the calculated award stands. See Chapter 3.

11. **[our error] The Preface's map of the book contradicted its own Table of Contents.** The Second Edition's "How to Use This Guide" assigned Chapters 1–4 to Part I, 5–8 to Part II, 9–12 to Part III and 13–14 to Part IV. Its Table of Contents, two pages earlier, said otherwise and was right.

What the final Workforce Pell rule changed

12. **The rule is in force.** Effective July 20, 2026, with two provisions carrying a published face date of May 19, 2026 — FSA directs operational application from July 1, 2026 (GENERAL-26-32) — and early implementation permitted from July 1, 2026.
13. **The cohort minimum for value-added earnings fell from 50 completers to 30**, and the aggregation sequence was shortened from four steps to three (§ 690.95(h)).
14. **Students enrolled elsewhere are excluded from the earnings measure** and, deliberately, not from the placement measure (new § 690.95(l)).
15. **The 25 percent written-arrangement cap has a Registered Apprenticeship exception** permitting more than 25 and less than 50 percent (new § 668.5(c)(3)(ii)(D)).
16. **The remedial-coursework prohibition reaches clock-hour programs.** The proposal had limited it to credit-hour programs; the final rule struck that limit (§ 668.20(g)).
17. **The Governor's certification is now a published form** — OMB 1845-0189 — and it is mandatory. It replaces the table printed in the Second Edition.
18. **What to call the statute.** The enacted measure is Public Law 119-21 and carries no act-wide short title. The Department's final rules refer to it as the Working Families Tax Cuts Act, a label the Department adopted between the proposal and the final rule and that this edition follows.

CORRECTIONS IN THIS REVISED PRINTING, DISTINCT FROM EVERYTHING ABOVE

Everything in this section so far compares the Third Edition with the Second. The list below is narrower: it records what changed *within* the Third Edition, after the first files went to reviewers on August 17, 2026. It is here so a reader holding an earlier file can tell which differences are edition changes and which are corrections to this edition.

- **The placement measure is a statutory conflict, not a paperwork one.** Earlier files described the certification form as diverging from the regulation. The form tracks the statute (20 U.S.C. 1088(b)(3)(A)(iv)(III)); the regulation appears to depart from both. Chapters 4, 11, 12, Appendix D.
- **The one-year requirement has three limbs, not two.** The statutory limb at 20 U.S.C. 1088(b)(3)(A)(iv)(I) was missing. On the catalog-only program this edition then overshot in the other direction: "offered" is undefined, so such a program is now treated as high risk requiring written confirmation, not as settled either way. Chapters 1, 4, 6.
- **Section 690.11 prohibits concurrent Pell *payment*, not concurrent enrollment**, and the § 690.95(l) earnings exclusion attaches to the measurement year, not the training period. Chapter 2.
- **Formula 3 and the clock-to-credit conversion** were added, then corrected: calculate enrollment intensity under § 690.63(d) and § 668.2, not on the flat 12-credit denominator in the Department's illustration. Chapter 3.
- **The statute's non-Federal aid test is framed on "any period,"** where § 690.5 uses the award year. Newly disclosed. Chapter 3, Appendix A.
- **Certification and State alignment are two questions, not one.** Earlier files told readers to certify to one of the three CIP–SOC crosswalk occupations. Section 690.93(d)(3) asks for the occupation the program prepares students to enter and does not confine that to crosswalk pairings; whether the State then treats the program as aligned is decided separately, by its own occupation-or-sector methodology and by § 690.93(g). Chapter 4.
- **Three ceilings, one exception.** A new box separates the SAI ineligibility threshold, the cost of attendance cap, and § 690.5; only the first carries the Special Rule exception. Chapter 3.
- **Smaller repairs:** the § 690.63(f) two-disbursement rule is conditional and scoped; Pell LEU restoration is limited to the governed award year; the Pell-only rule is traced to its source; the § 668.404(d) matching floor is read with § 668.602(b); and the clock-hour versus credit-hour comparison is now like-for-like.

Each of these came from outside review. The reviewers are not named because none was engaged as a named expert; Appendix D says so plainly and explains why that is a weaker thing than naming one.

What this edition adds

19. **The Pell-only rule.** Section 690.90 provides that a student enrolled in an eligible workforce program is eligible for the Pell Grant "and no other title IV, HEA program." No Direct Loans, no FSEOG, no Work-Study. No previous edition said this, and it changes how a program should be priced and how a student should be advised. See Chapters 1 and 3.
20. **The liability provision.** Section 690.96(c)(2) requires the Secretary to assess and collect from the institution a liability for Pell disbursed in the award year the program's published value-added earnings figure governs —

that year, not the earlier year measured. It reaches *both* ways a program can fail § 690.95, because § 690.96(c) is keyed to failure “under § 690.95” without limitation. On the *price* branch the liability arises where the institution charged above a positive published figure and disbursed anyway, and on that branch the regulation supplies a cure through timely compliance with the tuition condition. How voluntary discontinuance interacts with the separate two-year bar is a different question, and Chapter 10 takes it up. On the *zero-or-negative* branch there is no such cure: § 690.95(e) makes the program ineligible whatever it charges, so Pell disbursed in the governed year carries the liability even at a price of zero. The Department described both branches together (91 FR 29309). No previous edition mentioned any of it. See Chapters 8 and 10.

21. **A rewritten Chapter 9**, replacing a description of a negotiated framework with the STATS final rule as adopted — including the removal of a rural earnings adjustment that Congress did not enact and the Department did not adopt.
22. **The institution's appeal rights** against a Governor's determination (§ 690.93(b)(3)), which no earlier edition mentioned.
23. **A discrepancy we cannot resolve** between the Governor's certification form and the regulation on how the placement rate is measured. It is set out in Chapter 4 rather than smoothed over.
24. **The zero-or-negative branch of the earnings test.** Section 690.95(e) makes a program with calculated value-added earnings of zero or a negative value ineligible outright. That is a different failure from charging above a positive figure, and the cure is different: no price reduction alone appears capable of restoring eligibility, and the § 690.97(c) reinstatement route has nothing to attach to *until a recalculated figure turns positive*. This guide reads that as a route back rather than a permanent bar; the regulation does not characterize it either way in terms. Open question 3, Appendix C. Earlier drafts of this edition described only the price branch. See Chapters 8 and 10.
25. **What federal recognition of a programmatic accreditor does and does not do.** Several passages in earlier drafts of this edition implied more than the law supports. Recognition does not by itself make a program at an already-accredited institution Title IV eligible; nothing in 34 CFR part 690 subpart H conditions Workforce Pell on programmatic accreditation; and the hard criterion for a new agency is the Federal link at 34 CFR 602.10, not the quality of its standards. Chapters 5 and 13 now say so, against the publisher's interest, and Chapter 5 adds the one configuration in which a specialized accreditor *is* the Title IV gate — the freestanding, single-purpose institution.
26. **The word “bottleneck” is retired, and whose word it was is disclosed.** NCAIWPA coined the phrase in its own rulemaking comment; the Department printed it as the commenter's term, considered the request behind it, and made no change (91 FR 29275). Both earlier editions used it as their own vocabulary. It points at the agencies rather than at the structure, and what the book actually describes is a question of accreditation coverage and capacity — scopes of recognition drawn before short noncredit AI programs needed them, meeting a funding stream that opened in 2026. Chapter 13 states the provenance and the correction before making the argument again.
27. **How this edition was produced, stated on the copyright page.** This edition was drafted with AI assistance under human direction. Earlier editions carried no production note at all. Appendix D now sets out what was machine-drafted, what was machine-checked, what “independent review” does and does not mean here, and what no system verified.
28. **Who calculates the completion rate, and when.** Through 2028–29 the Governor determines both rates. After 2028–29 the completion rate is determined under 34 CFR 668.8(f), which is an institutional calculation. Chapter 7 now carries that boundary through to the denominator discussion, and flags an open question about whether the § 668.8(e)(2) accountant attestation travels with the cross-reference.

About the Author

Jade Foster serves as the Director of AI Accreditation for the National Council for AI Workforce Program Accreditation (NCAIWPA), a federally funded initiative to establish a specialized national programmatic accreditor for artificial intelligence workforce training programs. She served as the Alternate Negotiator for nascent accreditation organizations and third-party quality-assurance organizations on the U.S. Department of Education's Accreditation, Innovation, and Modernization (AIM) Negotiated Rulemaking Committee — a separate 2026 rulemaking on accreditation, not the AHEAD committee that produced the rules this guide describes. The seat is defined by the Department as “nascent accreditation organizations not currently recognized by the Secretary under 34 CFR part 602, and third-party organizations that measure outcome-based quality assurance standards for postsecondary education that are aligned with established industry standards.” She filed NCAIWPA's public comment on the Workforce Pell proposed rule in March 2026, addressing seven provisions.

Jade holds a Master of Public Administration with a specialization in Project Management and Public-Private Partnerships from Argosy University, a Bachelor of Social Work and a minor in Justice Studies from Arizona State University. She is a graduate of South Mountain Community College in the Maricopa County Community College District, where her education was funded through federal Pell Grants, the same program whose expansion this guide explains.

Her path to higher education policy was shaped by early experiences navigating systems designed to expand access and opportunity. Bused to a new school across Seattle in the mid-1980s, she was tested, placed in the top percentile, and identified for the Horizon gifted program. It was a path that would never have opened without that transfer. That experience - what happens when the right system reaches the right student - drives her work today.

In addition to her work with NCAIWPA, Jade serves as Creative Director of the Fruition Charitable Arts Foundation and Services, the project's lead organization. She works with AI daily. The practical view of these tools that runs through this guide comes from using them rather than from writing about them.

Looking Ahead

NCAIWPA's federal recognition application will be submitted to the Secretary under 34 CFR 602.31 as the evidentiary record allows; Department staff analyzes it, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) reviews it at a public meeting and recommends, and the senior Department official decides. This guide will continue to be updated as the regulatory framework evolves, and the Department has committed to releasing further guidance on eligible workforce programs to the community as necessary (91 FR 29277). A fourth edition should be expected.

About NCAIWPA

The National Council for AI Workforce Program Accreditation (NCAIWPA) is building a specialized programmatic accreditor for artificial intelligence workforce training programs. Funded by a $1 million grant from the U.S. Department of Education's Fund for the Improvement of Postsecondary Education (FIPSE) Special Projects Program, NCAIWPA is being built on a 50/50 employer-academic governance model, under which employers will hold equal voting authority over the standards against which programs are judged.

> **WHERE NCAIWPA ACTUALLY STANDS, AS OF AUGUST 2026**
>
> A book that describes an organization should say where that organization is in its build. NCAIWPA is in year one of a four-year federal award, and this is what year one looks like. **The Advisory Council is seated** — every member has executed a member agreement and a conflict-of-interest disclosure, the Council held its first meeting on July 16, 2026, and its membership continues to grow. Standards drafting, reviewer recruitment, and pilot testing run on the grant's published schedule.
>
> **The bottom line for a reader of this book: NCAIWPA is building toward recognition and cannot make any program eligible for anything today.** The federal requirements described here apply to every institution on their own terms.

NCAIWPA exists because AI workforce training arrived faster than any quality-assurance system was built to follow. Programmatic accreditation grows up around a field once the field has settled — nursing, engineering, business, law — and AI workforce training has not had time to be settled around. So, on a review of the Department's published database of recognized accrediting agencies and their scopes conducted for this edition, NCAIWPA found no recognized agency holding a scope of recognition naming AI workforce training. The search covered both institutional and programmatic agencies and looked for AI-specific language rather than broader technology or information-technology scopes; Appendix C carries it as a claim to re-check. That is a question of timing and of how scopes are granted, not of anyone's diligence. *NCAIWPA's assessment, and an interested party's:* what that leaves is a gap in quality signals specific to AI curricula — on top of the institutional accreditation, State approval, and federal outcomes measures that already apply to these programs and that this guide describes at length.

One sentence in the STATS final rule is worth noting, though it was written for a different purpose. Rejecting a request to exempt programs at accredited institutions from the new earnings test, the Department observed that Congress directed it to evaluate programs using graduates' earnings, “which accrediting agencies do not often evaluate.” That names an outcomes gap in passing. It is not an endorsement of specialized accreditation, and in the Workforce Pell rule the Department was asked directly to acknowledge a role for specialized programmatic accreditors and declined to make any change (91 FR

29275). NCAIWPA's grant addresses the adjacent specialization gap; the reader should weigh the Department's own answer alongside our description of the problem.

Workforce Pell's statutory launch date was July 1, 2026, and the Department announced the first federally approved eligible workforce program on August 4, 2026 (see Chapter 12). Short-term training programs between 150 and 599 clock hours are now eligible for federal Pell Grant funding if the Governor certifies the program, the Secretary approves it, it has met the length conditions for twelve months, and — from the first award year the test governs, which for the 2026–27 launch cohort is **2030–31**, not now — its published price stays at or below its value-added earnings. And, as for every Title IV program, it must sit within the accreditation that supports the institution's eligibility (one narrow State-agency exception is described in Chapter 5). NCAIWPA is built to bring AI-specific review capacity to that last requirement. Federal recognition would establish NCAIWPA as a federally recognized accrediting agency within the scope the Department grants. What that recognition supplies for a given institution depends on the scope granted and on the accreditation the institution already holds; Chapters 5 and 13 work it through.

A NOTE ON INDEPENDENCE

NCAIWPA makes this guide freely available in electronic form, under a Creative Commons license, because the field needs it. The guide is written to the regulations and recommends no accreditor. Where it describes NCAIWPA's own model, it says so plainly and separates that description from its description of the law.

Table of Contents

HOW THE PARTS FIT TOGETHER

Part I introduces the program: where it came from, what counts as an eligible workforce program, and how a Pell award is actually calculated.

Part II covers the three approval gates this guide uses to organize program-level eligibility for Workforce Pell funds — Governor approval, accreditation coverage, and Secretary approval. This guide calls them gates and takes them in that order, but only one sequence is fixed by regulation: the Governor's determination must precede the Secretary's evaluation. Accreditation coverage must exist; the rules do not make it a second chronological step, and for most institutions it is already in place.

Part III covers what happens after the money starts: completion and placement rates, the value-added earnings tuition cap, the separate earnings-accountability regime created by the STATS rule, and how eligibility is lost and regained.

Part IV addresses what all of this means for institutions, for states, for the accreditation system, and for the AI workforce.

Preface

Before the first edition of this publication, we could find no free, comprehensive, book-length treatment of the Workforce Pell regulatory framework. Understanding it meant watching dozens of hours of negotiated rulemaking proceedings on YouTube, parsing hundreds of pages of Federal Register notices, paying for association briefings, or waiting for information to filter through institutional compliance offices. That complexity should not be a barrier to access.

This guide translates 34 CFR part 690, subpart H — §§ 690.90 through 690.97 — and its surrounding regulatory architecture into language that program directors, institutional leaders, state workforce agencies, and accreditors can actually use. Every chapter traces regulatory text to its source, explains the policy rationale behind each requirement, and identifies the practical implications for implementation.

A note on timing. The two previous editions described a framework whose implementing regulations were not yet final — Public Law 119-21 itself became law on July 4, 2025. The first, in February 2026, was written from the December 2025 negotiating sessions as they streamed, before usable regulatory text was circulating. The second, in March 2026, was written against the notice of proposed rulemaking published on March 9, 2026. This edition is the first written against final rules rather than proposals. The Workforce Pell final rule was published on May 19, 2026 and took effect on July 20, 2026, with two provisions carrying a published face date of May 19 (operationally July 1, 2026 per GENERAL-26-32) and early implementation permitted from July 1. **This edition distinguishes rules currently in force from rules published but not yet effective, from operational guidance, and from unresolved interpretive questions** — and says which is which at each point. It is a point-in-time implementation guide, current through August 18, 2026, not a permanently current statement of law. One instruction for the reader of a later year: statements in this edition about what has and has not yet happened — approvals, guidance, corrections, NCAIWPA's own status — describe the record as of mid-August 2026. Assume the record has moved, and check the current sources in Appendix D.

There are now two regimes, not one, and this edition keeps them distinct because conflating them is the mistake we encounter most often in the field. The Workforce Pell rule governs whether a short-term program may receive Pell Grants at all. The STATS and Earnings Accountability rule, published on July 1, 2026 and effective July 1, 2027, establishes the successor to the debt-to-earnings and gainful employment frameworks with an earnings premium measure that applies far more broadly. The two rules amend different parts of the Code of Federal Regulations, run on different clocks, and carry different consequences. The Department has said plainly that eligible workforce programs are subject to both. Chapters 7 and 8 cover the first regime; Chapter 9 covers the second.

Where this edition corrects something the earlier editions said, it says so. Those corrections are listed at the front of the book rather than buried in the text, and eleven of them are errors that were ours. The regulatory structure is complex by necessity — it must balance access, accountability, institutional flexibility, and fiscal responsibility across a diverse landscape of short-term training programs. But complexity is not the same as inaccessibility, and it is no excuse for getting it wrong. The goal of this guide is to make the Workforce Pell regulatory framework understandable to the people who will implement it, and to be correct while doing so.

How to Use This Guide

Part I (Chapters 1–3) introduces the Workforce Pell program — its legislative origin in the Working Families Tax Cuts Act, the definition of an eligible workforce program, and how a Pell award is calculated for one.

Part II (Chapters 4–6) covers the three approval gates a program must satisfy to access Workforce Pell funding, in this guide's working order: Governor approval, accreditation coverage, and Secretary approval. The regulations fix only the first-to-third sequence — § 690.94(a) has the Secretary act "[a]fter the Governor determines" — while accreditation coverage must be in place but is not prescribed as the middle step. These chapters are the ones program directors and compliance officers will use most.

Part III (Chapters 7–10) covers accountability: the completion and placement standards, the value-added earnings tuition cap, the separate STATS earnings-accountability regime, and the mechanics of losing and regaining eligibility. These chapters translate the most technically complex portions of the framework into practical guidance.

Part IV (Chapters 11–14) addresses the strategic implications — what institutions and states should do now, the accreditation coverage and capacity question that could limit Workforce Pell's reach, and the broader AI workforce opportunity that makes this program so consequential.

Each chapter can be read independently, though the regulatory framework is interconnected and readers will benefit from understanding the full architecture. Cross-references are provided throughout to help readers navigate between related provisions. Where a passage has changed materially since the Second Edition, a marked note says so.

THE SOURCE-AUTHORITY ORDER THIS GUIDE USES WHEN PUBLISHED MATERIALS DIFFER

This guide applies the following order throughout, and says so here because the framework is new enough that implementation documents are arriving faster than the law behind them. **It is an analytical tool for reading conflicting sources, not a statement of administrative law: putting the statute on the first rung does not decide whether a regulation is valid, which is a question for the Department or a court.**

1. **The statute.** The Higher Education Act as amended, and for Workforce Pell § 83002 of Public Law 119-21. Nothing below can contradict it.
2. **The codified regulation** — 34 CFR, promulgated through notice and comment. Binding, and generally controlling unless superseded, stayed, vacated, or displaced by controlling law.
3. **The preamble** to a final rule in the *Federal Register*. Not binding. It may help interpret ambiguous regulatory text; it cannot override text that is clear.
4. **Sub-regulatory guidance** — OMB-approved forms, Dear Colleague Letters, Electronic Announcements, the *FSA Handbook*, technical references. Not binding law, but operationally consequential, because it is what the Department's systems and program reviewers run on.
5. **A State's published process** under § 690.93(b). Controlling for programs in that State to the extent the regulation delegates the matter to the State — and only to that extent.
6. **This guide, and NCAIWPA's analysis.** Neither. Where this book reasons rather than reports, it says so.

Where an implementation document appears inconsistent with the regulation, this guide identifies the inconsistency rather than treating the implementation document as an amendment to the regulation. And where a *regulation* appears inconsistent with the *statute*, it says that too. Chapter 4's treatment of the placement measure is the clearest instance of the second kind: the certification form tracks the statute, and the regulation appears to depart from both.

One thing the ladder does not tell you. A regulation outranks a form, but nobody wants to be the test case that proves it. When the two conflict the practical course is not to pick the higher rung and proceed — it is to ask the Department in writing and to keep the ability to comply with both.

That is the dual-compliance approach — this guide's operating method, not a rule that appears anywhere in the CFR — and the guide applies it consistently. Where the statute, the codified regulation, a mandatory form, or Department guidance point different ways, the instruction is the same three steps, and the book flags each divergence with a *Compliance status* strip so you can find it: **(1) build the record both readings need**, at the granularity the stricter one requires; **(2) operate the source the Department will administer**, which is ordinarily the codified regulation or the form its systems run on; and **(3) put the question in writing** to the contacts in Appendix D and keep the answer. Doing all three costs recordkeeping. Doing only the second costs a finding if the divergence resolves the other way, and the record cannot be rebuilt afterward. The four divergences this edition identifies — the placement measure, the non-Federal aid period, the Formula 3 denominator, and noncredit credit acceptance — are each worked through on that pattern, and Appendix C tables all nine open questions in one place.

How to tell which rung you are on. Where this guide reports, it quotes and cites. Where it reasons, it says so — *this guide reads*, *the better reading*, *treat*, *assume*. **The working rule: if a sentence tells you what to do and carries no citation, it is this guide's operational judgment, not law.** And where the ground is soft the book says so before the passage rather than after: a strip marked **Compliance status — unresolved** heads each of the eight tabled places where the statute, regulation, form, or Department guidance do not line up, and points to its row in Appendix C, which sets out each in one shape. **Compliance status — interpretive** marks where the Department has stated a position the codified text does not squarely settle; **Institutional interest** and **NCAIWPA model** declare an interest. Everything else is presented according to the published framework and the hierarchy above, with the working rule governing which sentences are this guide's own.

Jade Foster

Director of AI Accreditation, NCAIWPA

Huntsville, Alabama August 2026

PART I

THE PROGRAM

CHAPTER 1

What Is Workforce Pell?

> *The statute, the launch, the money — and the one restriction that shapes everything else about how these programs must be built.*

ONE FRAMING POINT, STATED ONCE. Workforce Pell is not an AI program. Section 83002 is occupation-neutral and says nothing about artificial intelligence. AI is the principal application examined by this guide because of NCAIWPA's mission; the federal eligibility framework described here applies across every qualifying occupation and sector, and an institution in any field can use this book.

The Workforce Pell Grant is a new eligibility pathway within the Federal Pell Grant Program, created by amending the Pell statute rather than by building a separate grant, and it extends eligibility to short-term postsecondary workforce training programs. It creates a nationwide statutory Pell pathway for eligible postsecondary workforce programs as short as 150 clock hours and eight weeks, and the enacted provision contains no scheduled sunset. Two narrower routes preceded it and should be named: the Department's limited experimental sites (2012–2017), which reached programs as short as eight weeks; and a standing but very narrow regulatory route at 34 CFR 668.8(d)(2), under which an undergraduate program of at least 300 clock hours and 10 weeks could already be an eligible program — but only if it admitted as regular students *only* persons who had completed the equivalent of an associate degree, a restriction that excluded most of the learners Workforce Pell is built for. Workforce Pell was authorized by section 83002 of Public Law 119-21 — subsection (a) establishes the Workforce Pell Grant Program and (b) its eligibility requirements — signed into law on July 4, 2025. The enacted law carries no act-wide short title; the Department's final rules call it the **Working Families Tax Cuts Act (WFTCA)**, and this guide follows them. The statutory launch date was July 1, 2026, with early implementation authorized from that date; the final rule carries a July 20, 2026 effective date (Chapter 1). It substantially expands Pell Grant eligibility since the program's creation in 1972.

CHANGED IN THIS EDITION

Earlier editions called the statute the “One Big Beautiful Bill Act.” The Department of Education changed the name it uses between the proposed and final rules and explained why: “In the NPRM, we referenced the WFTCA as the ‘One Big Beautiful Bill’; however, for clarity and consistency in this final rule, we will instead use WFTCA” (91 FR 29254). This guide follows the final rule. Note that other Department materials, including some Federal Student Aid electronic announcements published after the final rule, still refer to the same legislation as the One Big Beautiful Bill Act. Both names point at the same enacted measure; nothing turns on which one a document uses.

Before Workforce Pell, a short *nondegree* occupational program generally had to reach at least 600 clock hours over at least 15 weeks to be Pell-eligible — or qualify on a narrower pathway at 300 clock hours over at least 10 weeks, at institutions admitting only students who have completed the equivalent of an associate degree (34 CFR 668.8). Those thresholds govern that route; degree programs reach eligibility by other provisions and are not all subject to a clock-hour minimum. Together the nondegree thresholds effectively excluded the vast majority of short-term workforce training programs — precisely the kinds of programs that employers increasingly rely on to develop their talent pipelines in fast-moving fields like artificial intelligence, cybersecurity, healthcare technology, and advanced manufacturing.

Workforce Pell changes this by creating a new eligibility pathway for programs of at least 150 but less than 600 clock hours (or at least 4 but less than 16 semester credit hours, or at least 6 but less than 24 quarter credit hours) that are of at least 8 but less than 15 weeks of instruction. Since programs are measured in whole clock hours, the practical maximum is 599 hours; since instruction is counted in whole weeks, the practical maximum is 14. Throughout this guide, we use “150–599 clock hours” as shorthand for the statutory language “at least 150 clock hours but less than 600 clock hours.” These programs must meet a comprehensive set of quality and accountability requirements — Governor approval, accreditation, and completion and placement rate thresholds — before their students can receive Pell funding. A fourth requirement, the value-added earnings tuition test, does not first operate until the **2030–31** award year (Chapter 8).

Pell-Only Within Title IV

Before anything else about this program is understood, one restriction should be. A student enrolled in an eligible workforce program may receive a Federal Pell Grant and no other form of title IV student aid. Not a Direct Loan. Not a Federal Supplemental Educational Opportunity Grant. Not Federal Work-Study. The opening section of subpart H, § 690.90, says so.

> “This subpart establishes regulations that apply to eligible institutions that offer eligible workforce programs. An eligible student enrolled in an eligible workforce program is only eligible for Federal financial assistance under the Federal Pell Grant Program and no other title IV, HEA program. Unless provided in this subpart, eligible students and eligible institutions that offer Pell Grants to students enrolled in eligible workforce programs are subject to the same regulations and procedures that otherwise apply to title IV, HEA program participants.”
>
> *34 CFR § 690.90 (91 FR 29334)*

Where this rule comes from, because it matters. *The sentence above is the Department's, not Congress's. Nothing in HEA § 401(k), the subsection that creates Workforce Pell, excludes these students from Direct Loans, FSEOG or Work-Study; its only exclusion is § 401(k)(4), which bars a student receiving a Workforce Pell Grant and a regular Pell Grant concurrently. The exclusion instead rests on how Congress wrote the eligible-program definition — this guide's reading of the Department's apparent basis for it, since Congress did not state the prohibition in those terms. Compare the three: 20 U.S.C. 1088(b)(1) opens “For purposes of this subchapter,” and (b)(2) “for purposes of part B of this subchapter,” but* ***(b)(3) opens “A program is an eligible program for purposes of the Workforce Pell Grant program”*** *— a definition expressly confined to one program. This guide's legal interpretation, and the lowest rung of the hierarchy in the Preface: a program that qualifies only under (b)(3) is therefore not an eligible program for the others, and § 690.90 states the result. The practical effect is the same and every institution must plan around it. But a reader should know it rests on the regulation and on that structure rather than on an express statutory prohibition.* ***What it does not leave open is dual funding, and the final-rule preamble says so directly.*** *A commenter asked that § 690.90 be given language providing that a student in an eligible workforce program “may also be eligible to borrow under the William D. Ford Direct Loan Program if the workforce program simultaneously meets the criteria applied to an eligible short-term educational program under 34 CFR 668.8(d)–(g).” The Department declined. Allowing* *programs of 300 to 599 clock hours "to qualify for both the Pell Grant and Direct Loan programs would run counter to the intent of the statutory provisions," it wrote, and it "reject[ed] the commenter's suggestion to add language to the regulation that would permit an eligible workforce program to qualify for Direct Loan eligibility if it meets the requirements under § 668.8(d)-(g)" (91 FR 29278–79). This guide's reading of what follows from that, rather than a sentence the Department has written:* ***the question is not whether a program could satisfy two frameworks on paper. It is which one the institution offers it under.*** *A program offered as an eligible workforce program is Pell-only for the students enrolled in it, whatever else it might have qualified as; the separate § 668.8(d)–(g) route remains available to an institution that offers the program under that route instead, and Chapter 2 works through the choice.*

NEW IN THIS EDITION

Neither previous edition stated the Pell-only rule. It is not a detail. It means the bar attaches to *this program*: for a student enrolled in it under this pathway, the Pell award is the whole of the title IV aid behind it. **Pell-only means title IV-only, not federal-funds-only** — veterans' education benefits and WIOA resources sit outside § 690.90. *That is a statement about the reach of § 690.90 and nothing more. Veterans' education benefits carry their own certification and duplication rules under title 38, which this guide does not address and which Workforce Pell does not displace; an institution enrolling a student with both should put the question to its certifying official before it certifies anything.* That is a hard ceiling on the *title IV aid available through this pathway*, not a limit on what an institution may charge — an institution can price above it, and the gap is then met by the student, an employer, a State or institutional source, a scholarship, or a private lender, or it is not met at all. **What an institution should not do is design around the restriction.** Splitting one course of study into two shorter credentials so that a student can draw two awards, or enrolling a student in a second short program alongside the first, can create a § 690.11 problem *if the arrangement produces concurrent Pell payments* — the paragraph bars the concurrent payment, not the enrolment itself; into the question of what the Governor certified and the Secretary approved, which was a program, not a module; and, if the arrangement is described to students as producing aid it cannot produce, into the substantial-misrepresentation provisions at 34 CFR part 668, subpart F. This guide has seen no Department statement on the practice. It reads the exposure as real enough that the design should be discussed with counsel before it is offered, not after. It also means that a consequence framed in terms of Direct Loan eligibility — which is exactly how the STATS rule frames its program-level sanction — lands differently on an eligible workforce program than on any other kind. Chapter 9 works that through.

Practically, this restriction interacts with the award calculation in Chapter 3 to produce a narrow funding envelope. A 300-hour program running ten weeks generates a Pell award of **$2,465** for a student at maximum eligibility — Formula 4, two 150-hour payment periods, a 900-clock-hour and 26-week academic year, the 2026–27 maximum of $7,395, and a prorated Pell cost of attendance that does not cap the award below that maximum. Chapter 3 works it through. The FAFSA is the central input to that calculation rather than the whole of it — the award remains subject to every other applicable Title IV eligibility requirement — and a working adult's income may reduce that figure substantially, in some cases to zero. That is not a remote case in this population: a working adult upskilling mid-career is exactly the student whose income can carry the SAI past the point where any Pell is payable. Run the estimate before you build the recruitment message, not after a student has enrolled expecting an award that will not arrive. That figure is the ceiling of the title IV aid available. Program pricing that assumes a student can close a gap with a subsidized loan is pricing that assumes a loan the student cannot take out.

Why Congress Acted

First, what Congress actually did. Section 83002 of Public Law 119-21 is occupation-neutral. It says nothing about artificial intelligence. The rationale on the face of the statute and in the Department's rulemaking is a broad one: short-term training that prepares students for high-skill, high-wage, or in-demand occupations, whatever those occupations turn out to be, and whichever State identifies them. Everything that follows in this section about AI is NCAIWPA's reading of where the need is sharpest — an application of the statute, not the purpose Congress recorded. Readers who care about other occupations should find this framework equally usable, and this guide's regulatory chapters are written to be.

The impetus for Workforce Pell, broadly stated, is a continuing need for shorter, work-compatible pathways that complement traditional higher education rather than replace it — degree programs do work these cannot, and the reverse is true as well. Business adoption of AI is climbing on the one measure Census has taken twice, and is high on the measure it has taken once. In the Bureau's Business Trends and Outlook Survey, the share of businesses using AI in producing goods or services rose from 3.7% in September 2023 to 5.4% by February 2024, and by the collection running December 2025 through May 2026 the share using AI in any business function stood between **17% and 20%**, with 20–23% expecting to use AI within six months. Do not difference those last figures against the first two. Census broadened the core question between the two collections, from AI used in producing goods or services to AI used in any business function, so the 2025–26 readings rest on a wider definition than the 2023–24 ones. What each collection supports internally is sound; the through-line from 3.7% to 20% is not one measurement (see Chapter 14). Within the earlier window, where the comparison does hold, hiring did not track adoption. The survey's first AI supplement covered December 2023 to February 2024 — the same months as the 5.4% reading — and in it just 2.0% of AI-using businesses reported hiring new staff trained in AI; the common moves were training existing staff and building new workflows, and half made no organizational change at all. NCAIWPA reads that gap as suggesting that access to affordable training that fits around a job may matter more than employer appetite does; the survey does not itself identify the cause, and the reading is ours. Many of the workers who need that training cannot afford to stop working for two or four years to earn a degree. Short-term programs offer a solution — but without financial aid, they remain inaccessible to the low-income learners who would benefit most. *None of the adoption evidence in this passage is a Workforce Pell eligibility criterion. It is context for why the pathway matters, and Chapter 14 sets out its limits.*

The Pell Grant is the federal government's primary tool for making postsecondary education accessible to low-income Americans. For the 2026–27 award year the maximum Pell Grant is $7,395 and the minimum is $740, unchanged from 2025–26. Extending Pell to short-term programs means an AI credential that meets the statutory and regulatory criteria can now be funded at 150 clock hours. That matters a great deal for short AI credentials. It is not a judgment Congress recorded: the statute does not single out AI training, and nothing in it or in the final rule weighs a 150-hour certificate against a semester of college. The comparison is ours.

The Regulatory Framework, and How It Got Here

Because the statute left significant implementation details to the Department of Education, the Department convened the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) negotiated rulemaking committee. Over five days of intensive negotiation — December 8 through 12, 2025 — representatives from thirteen constituencies — among them students, veterans, employers, legal aid organizations, public and private education agencies, accrediting agencies, and taxpayer advocates, with the Department itself at the table — debated, revised, and ultimately reached consensus on the Workforce Pell regulations. A second session, January 5 through 9, 2026, addressed earnings accountability. The Department has recorded that the committee “reached consensus agreement on the entirety of the regulatory text that was included in the Notice of Proposed Rulemaking” (91 FR 29257).

Two final rules followed, and they are separate instruments that this guide keeps separate throughout.

Rule	Citation	Amends	Status
Workforce Pell Grants (the subject of Chapters 1–8, 10)	91 FR 29254 May 19, 2026 ED–2026–OPE–0133 RIN 1840–AD99 federalregister.gov/d/2026-10013	34 CFR parts 600, 668, 690	**In force.** Effective July 20, 2026; amendatory instructions 10 and 13 effective May 19, 2026; early implementation permitted from July 1, 2026.
STATS and Earnings Accountability (the subject of Chapter 9)	91 FR 40136 July 1, 2026 ED–2026–OPE–0100 RIN 1840–AE06 federalregister.gov/d/2026-13286	34 CFR parts 600, 668, 685 *(not part 690)*	**Published, not yet effective.** Effective July 1, 2027; instructions 13 and 14 effective August 31, 2026.

EFFECTIVE DATES, PRECISELY

Four dates carry different work, and conflating any two of them produces a wrong answer. Take them separately before reading the detail below.

Date	What it is
May 19, 2026	The *Federal Register* issue date of the final rule, 91 FR 29254. The rule is cited to that issue; a different date appearing in a secondary reference is ordinarily the pre-publication or print date, not the issue date
July 1, 2026	The statutory launch of Workforce Pell, the first date institutions could apply, and the operational date for § 690.5 and § 690.80(d) per GENERAL-26-32
July 1–20, 2026	The early-implementation window the Secretary opened under HEA section 482(c)
July 20, 2026	The general effective date the final rule states for itself

The Workforce Pell rule states: “This rule is effective July 20, 2026, except for amendatory instructions 10 and 13, which are effective May 19, 2026” (91 FR 29254 — published face date; operational date July 1, 2026 per GENERAL-26-32, below). Instruction 10 added § 690.5 and instruction 13 added § 690.80(d), both concerning Pell ineligibility when non-federal grant aid meets or exceeds cost of attendance. Neither is limited to workforce programs. On the face of the rule they took effect on the day of publication — but do not operate them that way. In Electronic Announcement GENERAL-26-32 the Department stated that “[t]he Federal Register incorrectly assumed this was intended to be an effective date of May 19, 2026,” that a technical correction was planned, and that the provisions “including changes to 34 CFR 690.5 and 34 CFR 690.80(d), are effective for award years beginning on or after July 1, 2026” — including any crossover payment period an institution assigns to the 2026–27 award year. The announcement reaches *both* sections. No correction has been located as this edition goes to press, so the operational date is the one FSA gave. **Save the announcement.** Until the technical correction issues, GENERAL-26-32 is the whole of the institution's documented basis for operating § 690.5 and § 690.80(d) from July 1 rather than from the face date of the rule; archive it in the audit file against the award year, and note the date retrieved. See Chapter 3 and Appendix C.

Separately, the Secretary invoked HEA section 482(c) to permit “early implementation of all regulations pertaining to eligible workforce programs beginning July 1, 2026,” and stated that she “will assume that any institution that selects to participate in Workforce Pell through a qualifying program on the ECAR between July 1, 2026, and July 20, 2026 has elected to implement the provisions early” (91 FR 29257). (The ECAR — Eligibility and Certification Approval Report — is the Department's record of each institution's approved programs; see Chapters 5, 6, and 11.) The statutory launch date for eligible workforce programs is July 1, 2026, and the Department has confirmed that institutions could begin applying for approval on that date.

Workforce Pell at a Glance

> **THE BOTTOM LINE**
>
> Workforce Pell creates a new federal funding stream for short-term workforce training programs. It is not a blank check. Programs must clear what this guide calls the three gates — the guide's organizational framework, not a term the regulation uses: Governor approval, accreditation coverage, and Secretary approval — and then maintain ongoing accountability through completion rates, placement rates, and earnings outcomes. The programs built to succeed are those designed for quality from the start. The programs that fail will lose eligibility, their institutions may be barred from offering similar programs for two years, and the institution may be assessed a liability for Pell already disbursed.

Parameter	Requirement
Program length	At least 150 but less than 600 clock hours; OR at least 4 but less than 16 semester or trimester hours; OR at least 6 but less than 24 quarter hours (§ 690.92(b))
Instruction duration	A minimum of 8 weeks, but less than 15 weeks of instruction (§ 690.92(a)). Calendar duration may be longer.
Level	Undergraduate only. Holding a bachelor's degree is not itself a disqualification here; students enrolled in or accepted to a graduate program, or holding a graduate credential, do not (§ 668.32(c)(2)(i)(B), § 690.6(f))
Title IV aid available	**Pell Grant only.** No Direct Loans, FSEOG, or Work-Study (§ 690.90)
Launch date	July 1, 2026 (statutory mandate). On August 4, 2026 the Department announced its approval of the first federally approved eligible workforce program (Chapter 11)
Pell award range (2026–27)	Annual Scheduled Award of $740 minimum – $7,395 maximum, then prorated by program length (the prorated award can fall well below $740) — Formula 4 for clock-hour and nonterm credit-hour programs, Formula 3 for term-based programs (91 FR 29277; see Chapter 3)
Completion rate required	70% within 150% of normal time to completion (§ 690.94(a)(2))
Placement rate required	70% employed in the second quarter after exiting the program — measured on exiters during the transition period, and on completers, occupation-specific, under the permanent standard after the 2028–29 award year (§ 690.94(a)(2))

Parameter	Requirement
Earnings requirement	**Beginning with the 2030–31 award year**, published tuition and fees may not exceed the program's calculated value-added earnings (§ 690.95). It does not operate before then — Chapter 8
Governor approval	Required. The State certifies labor market alignment on a mandatory federal form (OMB 1845-0189)
Accreditation	Required. The program must be accredited or fall within the institution's scope of accreditation. *This does not mean every Workforce Pell program must obtain separate programmatic accreditation; see Chapter 5*
Three separate 12-month requirements	Three limbs: the statute requires the program to have been *offered* for not less than 1 year before the Secretary determines (20 U.S.C. 1088(b)(3)(A)(iv)(I)); the institution shows the length conditions were met for the 12 months preceding its application (§ 690.94(a)(1)); and the Governor certifies that all four § 690.93(a) determinations were met across a 12-month period of its own (§ 690.93(d)(4)). All three cover twelve months; the two regulatory clocks are anchored to different dates, and the statutory one runs to the Secretary's determination. See Chapter 6.
Second accountability regime	**Beginning July 1, 2027**, eligible workforce programs also fall within the STATS earnings-accountability framework and the § 668.16(t) administrative capability standard — subject to the scope and interpretive questions set out in Chapter 9

Pathway	Program hours / credits	Instruction duration
Clock hour programs	At least 150 but less than 600 clock hours	At least 8 but less than 15 weeks of instruction
Semester / trimester credit hour programs	At least 4 but less than 16 semester or trimester hours	At least 8 but less than 15 weeks of instruction
Quarter credit hour programs	At least 6 but less than 24 quarter hours	At least 8 but less than 15 weeks of instruction

INSTRUCTION WEEKS VS. CALENDAR DURATION

The week requirement counts weeks *of instructional time*, and the count is not what most readers assume. Under 34 CFR 668.3(b), a week of instructional time is any period of seven consecutive days in which at least one day of regularly scheduled instruction or examination occurs. A single class meeting makes the whole week count. So a program that meets one evening a week for twenty weeks has

twenty weeks of instructional time and fails the less-than-15-week ceiling — no matter how few hours it delivers.

THE FLEXIBILITY IS NON-SEQUENTIAL WEEKS, NOT THIN ONES

What the rule permits is *gaps*. The Department: “the HEA, as amended by the WFTCA, does not require a program to run for a sequential time, therefore, it is acceptable for an eligible workforce program to have non-sequential weeks of instructional time… For example, non-sequential weeks of coursework that occur over a year but only include 14 weeks of instructional time (as defined under 34 CFR 668.3(b)) applicable to the student's Pell Grant eligibility is acceptable” (91 FR 29284, repeated at 29287).

Read the two together and the design rule is simple: a program may stretch across a calendar year, but only fourteen of those weeks may contain instruction. Weeks in which nothing is scheduled do not count. *A design point for hybrid and asynchronous programs, and this guide's reading rather than a stated rule: the regulation counts a week containing a day of regularly scheduled instruction or examination, and does not say whether a required graded activity in an otherwise empty week — an open quiz window, a due discussion post — makes that week instructional. Treat it as an instructional week unless the Department or your State says otherwise; the cost of being wrong is the program's eligibility, not a recalculated award. Build the off-weeks genuinely empty and keep the schedule that shows it.* **One control worth putting in place.** The trigger in § 668.3(b) is *regularly scheduled* instruction or examination, so a student's own late submission in an otherwise empty week is not what the paragraph describes — but a make-up examination the institution schedules into that week is. Lock the learning-management system during scheduled off-weeks. It costs nothing, it keeps the activity record matching the published schedule, and on a fourteen-week program two weeks reclassified is the difference between an eligible program and one that never was. Weeks containing regularly scheduled instruction or examination do — in full.

Do not expect relief at the edges. The Department stated that it “does not have the discretion to expand either the lower or upper bounds of these ranges” and declined recommendations to extend the program length limits (91 FR 29284). It allowed only for the individual student who takes slightly longer through illness or other circumstance — and warned that if most students exceed 14 weeks of instructional time, “the program is not less than 15 weeks of instructional time, and the school's program length must be adjusted.”

Negotiators representing students, veterans, and state workforce agencies pressed for accommodation of working adults who cannot attend full-time, and the non-sequential allowance is the answer the Department gave. It is a real accommodation — a program can run two weeks a month for seven months. It is not permission to thin a program across a longer calendar.

WHY THIS MATTERS FOR AI PROGRAMS

Many AI workforce training programs — bootcamps, intensive certificate programs, employer-sponsored upskilling courses — are structured as noncredit clock hour programs. Under Workforce Pell, these programs can qualify. But there are two catches, and the second is new to this edition. The first is that the institution's accreditor must include noncredit programs in its scope of accreditation. The second is that § 690.93(a)(4) requires the Governor to determine that the program prepares students to pursue a certificate or degree and that academic credit for it will be accepted, with no exception for noncredit programs. Chapter 2 sets this out.

The Department acknowledged during negotiation that not all accreditors currently review noncredit programs. That leaves a coverage question for programs of this kind — the question NCAIWPA was formed to help answer, so its publisher has an interest in it. Chapters 5 and 13 set it out, and disclose it.

CHAPTER 2

Eligible Programs Defined

What qualifies, what is excluded, and the credit-acceptance requirement that the previous edition got wrong.

The definition of an eligible workforce program under 34 CFR 690.92 is the foundation upon which the entire Workforce Pell framework rests. Every other requirement — Governor approval, completion rates, earnings tests — applies only to programs that first meet this definition. Understanding what qualifies, and what does not, is essential for any institution considering Workforce Pell participation.

> "An educational program is an eligible workforce program if the Secretary determines it is an undergraduate program that meets the requirements under 34 CFR 668.8 and—
>
> (a) Requires a minimum of 8 weeks, but less than 15 weeks of instruction;
>
> (b)(1) Is at least 150 clock hours but less than 600 clock hours; (2) At least 4 but less than 16 semester or trimester hours; or (3) At least 6 but less than 24 quarter hours;
>
> (c) Is not offered using— (1) Correspondence courses, as defined under 34 CFR 600.2; (2) Coursework that takes place as part of a study abroad program; or (3) Credit or clock hour equivalencies that are part of a direct assessment program under 34 CFR 668.10.
>
> (d) Is approved by the Governor through a process as described in § 690.93;
>
> (e) Meets the requirements established by the Secretary as described in § 690.94;
>
> (f) Complies with the annual value-added earnings requirements as described in § 690.95; and
>
> (g) Is offered by an institution that, during the five years preceding the date of the determination, has not been subject to any suspension, emergency action, or termination of programs under this title."
>
> *34 CFR § 690.92 (91 FR 29335), quoted in full*

Clock Hour vs. Credit Hour: A Critical Distinction

The distinction between clock hour and credit hour programs has profound implications for Workforce Pell, particularly for the kinds of AI bootcamp and intensive training programs that NCAIWPA is designed to accredit.

Clock hour programs measure student progress by time spent in instruction. These programs are historically associated with occupational training — cosmetology, barbering, massage therapy, truck driving, flight training. They can be noncredit, meaning students receive a certificate of completion or industry credential rather than academic credit. This is critical because many emerging AI workforce programs are structured as noncredit clock hour programs.

Credit hour programs measure student progress by academic credit. Under the Workforce Pell regulations, credit hour programs must lead to academic credit at the institution.

The Department confirmed in the final rule that neither the statute nor the regulations prevent a noncredit clock hour program from qualifying as an eligible workforce program (91 FR 29276).

What Is Excluded

The regulations explicitly exclude several categories of program from Workforce Pell eligibility:

- **Correspondence courses.** Programs delivered primarily through correspondence are ineligible under § 690.92(c)(1). Do not read "correspondence" as meaning "by mail." Under 34 CFR 600.2 the instructional materials may be provided *by mail or by electronic transmission*; what makes a course correspondence is the **interaction** — it is limited, it is not regular and substantive, and it is primarily initiated by the student. A self-paced online course with no scheduled instructor engagement can therefore be a correspondence course even though nothing about it involves the post. Distance education under the same section is the opposite case: regular and substantive interaction, initiated by the instructor. The distinction is one of teaching, not of technology, and it decides eligibility. *Corrected in this edition:* both earlier editions described correspondence as mail-based instruction.
- **Study abroad.** Coursework that takes place as part of a study abroad program is excluded (§ 690.92(c)(2)).
- **Direct assessment.** Credit or clock hour equivalencies that are part of a direct assessment program under 34 CFR 668.10 are excluded (§ 690.92(c)(3)). Read the exclusion no wider than it is written: it reaches direct assessment programs under § 668.10, not competency-based education generally. A competency-based program delivered in credit or clock hours is not excluded by this paragraph.
- **Graduate-level enrollment and credentials.** Only undergraduate students qualify. Under § 668.32(c)(2)(i)(B)(2), the student must not be "enrolled or accepted for enrollment in a program of study that leads to a graduate credential" and must not have "attained a graduate credential."
- **Institutions with recent adverse actions.** Under § 690.92(g), a program is not eligible if it is offered by an institution that, during the preceding five years, has been subject to any suspension, emergency action, or termination of programs under Title IV.

CORRECTED IN THIS EDITION

The Second Edition described the five-year institutional bar as reaching institutions whose Title IV participation had been "limited, suspended, or terminated." The regulation does not say "limited." It says "any suspension, emergency action, or termination." A limitation is not a trigger; an emergency action is. The difference matters to any institution assessing its own compliance history, and the corrected list appears above and in Chapter 10.

Importantly, students who hold a bachelor's degree remain eligible for Workforce Pell. The exclusion applies only to students currently enrolled in or accepted to graduate-level programs, or who have attained a graduate credential. Section 690.6(f) makes the point directly: "Notwithstanding paragraph (a) of this section, an otherwise eligible student enrolled in an eligible workforce program as defined under 34 CFR 690.92 may receive a Federal Pell Grant" — overriding the ordinary rule that Pell eligibility ends with a first baccalaureate.

Remedial Coursework: Now Excluded in Every Program Type

Section 668.20(g) prohibits an institution from taking into account “any noncredit, remedial or reduced credit remedial course, including a course in English as a second language, for a student enrolled in an eligible workforce program.” This means institutions cannot pad program length by including remedial prerequisites that do not count toward the workforce credential. If a student needs remedial preparation, it must be offered separately and cannot be funded through the student's Workforce Pell award.

> **CHANGED IN THIS EDITION**
>
> The proposed rule limited this prohibition to programs “offered in credit hours.” The final rule struck that limit. The Department explained: “Nothing in Section 401 (d)(2) differentiates between credit or clock-hour programs. We do not believe the statute allows the Department to limit the prohibition on remedial coursework to only credit-hour programs” (91 FR 29276). Clock-hour programs are now covered. The Department added, in the preamble rather than in the codified text, that “an institution cannot include in its calculation of a student's eligibility for Pell Grant funds any coursework not required for completion of the program.” **Read the two at their own widths.** The codified prohibition at § 668.20(g) reaches noncredit, remedial and reduced-credit remedial coursework, including English as a second language. The preamble sentence is broader than that, and it is an explanation rather than regulatory text.

The Credit-Acceptance Requirement Applies to Every Program

This is the provision most likely to surprise an institution that read the previous edition, and it is the correction in this book that matters most to noncredit providers.

> “(a) … the Governor … approves the program to be offered to students in that State by determining that the program— …
>
> (4) Prepares students to pursue one or more certificate or degree programs at one or more eligible institutions (which may include the eligible institution providing the program), including by ensuring—
>
> (i) That a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the program that will be accepted toward meeting such certificate or degree program requirements; and
>
> (ii) The academic credit described in paragraph (i) will be acceptable toward meeting such certificate or degree program requirements.”
>
> *34 CFR § 690.93(a)(4) (91 FR 29335)*

OUR ERROR, CORRECTED

The Second Edition introduced credit transferability with the words "For credit hour programs," and its design guidance repeated the limitation. Section 690.93(a)(4) contains no such limitation, and neither does the implementing provision at § 690.93(b)(1)(iv), which requires each State to maintain "a written policy for institutions to establish that an eligible workforce program will ensure the award of academic credit towards a certificate or degree program … and that such credit will be accepted at one or more eligible institutions through written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements."

And the requirement does not begin in the regulation. It is statutory: 20 U.S.C. 1088(b)(3)(A)(iii)(IV) requires that the program prepare students to pursue a certificate or degree program "including by ensuring — (aa) that a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the Workforce Pell program that will be accepted toward meeting such certificate or degree program requirements; and (bb) the acceptability of such credit." **Congress drew no noncredit exception either.** So the preamble sentence below is not pulling against a regulation the Department could reinterpret at will; it is pulling against the statute the regulation implements. Read against that text, the more conservative reading is that a noncredit clock-hour AI certificate should have a documented route by which its completers receive academic credit somewhere. On that reading the credit need not already transfer as a matter of routine, but there is a written arrangement under which it will be accepted. *The Department's preamble points the other way, and until the Department reconciles the two this guide cannot tell you which reading a reviewer will apply.* For a community college that both offers the certificate and grants the associate degree, this can be satisfied internally. For a freestanding provider, the conservative reading would require a partner institution and a written arrangement, unless the Department or the applicable State process establishes another way of satisfying the requirement. **The case worth naming is the one the sources leave open.** A freestanding noncredit provider that cannot secure an articulation arrangement, and whose State approves the program on the strength of the preamble sentence, is operating on the lowest-ranked of the four sources against a statute and a regulation that carry no noncredit exception. This guide cannot tell you the program is ineligible — the Department has not said that. It can tell you the position is unhedged: a program review that reads § 690.93(a)(4) on its own text would find nothing to satisfy it, and State approval would not answer the federal question. Get the State's evidence requirement in writing, and put the federal question to the Department before you enrol.

The preamble pulls the other way, and this guide reports that rather than smoothing it over. Answering a question about articulation, the Department wrote: "These regulations do not require an institution to perform noncredit to credit articulation for every eligible workforce program" (91 FR 29276). That sentence is difficult to reconcile with 20 U.S.C. 1088(b)(3)(A)(iii)(IV), § 690.93(a)(4) and § 690.93(b)(1)(iv) as written, and NCAIWPA cannot reconcile it. Note the direction of the ladder: of the four sources, the preamble ranks lowest and it is the only one suggesting an exception. What can be said with confidence is narrower than the Second Edition's framing was wide: the credit-acceptance requirement is *not* a credit-hour-only requirement, which is what the Second Edition implied, and the Governor is the one who decides how it is satisfied under a written State policy. An institution with a noncredit program should ask its State, in writing, what evidence that State's published policy requires, and should not assume the answer is "none." **And note the limit of that answer.** The Governor decides how the determination is evidenced under § 690.93(b); the Governor does not hold, and no State holds, any authority to waive the underlying federal requirement at 20 U.S.C. 1088(b)(3)(A)(iii)(IV) and § 690.93(a)(4). A State that asks for nothing has not removed the requirement — it has left the institution to satisfy it without a State-defined safe harbour, and a program review looks at the federal text. Build the evidence in the box below whatever your State asks for.

WHAT CREDIT ACCEPTANCE CAN LOOK LIKE, IN ASCENDING ORDER OF EFFORT

Because the Governor decides how § 690.93(a)(4) is satisfied under a published State policy, the question is not “what does the federal rule require” but “what will my State accept as evidence.” This guide has not seen a State policy that prescribes a form of agreement, so what follows is *this guide's operational assessment* of the arrangements most likely to satisfy one, ordered from least to most burdensome. Ask your State which tier it wants before building any of them.

1. **Internal acceptance, documented.** Where the same institution offers the certificate and grants the degree, a catalog provision or registrar policy stating that the program's credit is accepted toward a named certificate or degree. The Department confirmed during negotiation that one institution can be both provider and acceptor. *Lowest burden, and available to most community colleges.*
2. **A standing articulation agreement** with one or more degree-granting partners, naming the program, the credit awarded, and the credential it applies toward. This is the ordinary instrument for a freestanding provider.
3. **A consortium or statewide transfer framework** the institution already participates in, where the program can be added to an existing crosswalk rather than negotiated one partner at a time.

Two cautions. First, an agreement signed only to clear a compliance gate, with no student who could realistically use it, is worse than useless — the negotiators' concern was dead-end credentials, and a paper articulation that no student can walk through does not answer it. Second, this guide does not supply contract language, and should not: an articulation agreement allocates obligations between two institutions and belongs with counsel who can see both sets of facts. What is offered here is the shape of the evidence, not the instrument.

During the negotiation, negotiators from multiple constituencies emphasized the importance of ensuring that Workforce Pell credits are not “dead-end” credentials — that students can stack short-term credentials into longer credentials over time. The Department agreed that the same institution can serve as both the provider and the accepting institution, meaning a community college that offers a 200-hour AI certificate can accept those credits toward its own associate degree program.

Stackable and Portable Credentials — With an Alternative

Under § 690.93(a)(3), the Governor must determine that the program either leads to a recognized postsecondary credential “that is stackable and portable across more than one employer,” or, in the alternative, that with respect to students enrolled in the program it “(A) Prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and (B) Provides such students with such a credential upon completion of the program.”

The Second Edition described only the first branch. The second branch matters for occupations governed by a single licensing credential, where portability across employers is not a meaningful concept. A “recognized postsecondary credential” is defined at § 690.91 as “[a] credential consisting of an industry-recognized certificate or certification, a certificate of completion of a Registered Apprenticeship under 29

CFR part 29, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree."

Registered Apprenticeships: Two Requirements Deemed Met

Programs that provide the *related instruction* component of a Registered Apprenticeship program under 29 CFR part 29 receive special treatment.

> "A program that serves as a related instruction component of a Registered Apprenticeship Program meets the requirements of paragraph (a)(1) and (a)(2) of this section."
>
> *34 CFR § 690.93(g) (91 FR 29336)*

CORRECTED IN THIS EDITION

Two changes. First, the operative term is **"related instruction,"** not "related technical instruction" — the Department adopted the term used in 29 CFR part 29 (91 FR 29294). Second, and more substantively, the provision deems *both* § 690.93(a)(1), the high-skill / high-wage / in-demand alignment requirement, *and* § 690.93(a)(2), the employer hiring requirements, to be met. The Second Edition mentioned only the first. Note that (a)(3) and (a)(4) — the credential and credit-acceptance requirements — are *not* deemed met and must still be established.

This provision streamlines the approval process for a significant category of workforce programs, because the regulation deems those two determinations satisfied for related instruction of a Registered Apprenticeship (§ 690.93(g)), the Department having adopted the term used in 29 CFR part 29 (91 FR 29294). It is also the pathway that receives the enlarged written-arrangement allowance discussed in Chapter 5.

The Concurrent Pell-Payment Prohibition

Section 690.11 was revised in full by the final rule and now reads:

> "(a) A student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.
>
> (b) A student is not entitled to concurrently receive a Federal Pell Grant for enrollment in an eligible workforce program and any other educational program at the same or a different institution, including another eligible workforce program."
>
> *34 CFR § 690.11 (91 FR 29334)*

A student cannot receive a Workforce Pell Grant while simultaneously receiving a regular Pell Grant for a degree program, at the same or another institution. A student enrolled in a degree program who wants a short-term AI certificate must choose which one receives Pell for a given enrollment period, and institutions must be able to verify that no student draws Pell for two programs at once. For working adults pursuing a degree alongside short-term credentials, that is a real planning constraint.

Read the section by its title, which this edition earlier did not. Section 690.11 is “Concurrent Federal Pell Grant payments,” and what it prohibits is concurrent *payment* — not concurrent enrollment. Nothing in it stops a student being enrolled in a degree program and an eligible workforce program at the same time. What the student cannot do is draw Pell for both at once; they must choose which enrollment Pell pays for during the overlap. An institution that reads this as an enrollment bar will turn away students the rule does not exclude.

And do not attach the earnings exclusion to the wrong period. Section 690.95(l) excludes a student from the value-added earnings calculation only where the student is enrolled in another educational program “during the calendar year for which the Secretary obtains earnings information.” That is the measurement year, several years downstream — not the training period. Concurrent enrollment while the student is taking the workforce program does not by itself trigger the later exclusion. Chapter 8 sets out the measurement calendar.

CHAPTER 3

How Pell Awards Are Calculated

Formula 4 for clock hours and Formula 3 for credit hours, two payment periods, four worked examples — and why the number the formula produces is the whole title IV package for this program.

Understanding how Workforce Pell awards are calculated is essential for institutions preparing to offer eligible programs. The calculation method differs significantly from how Pell awards are determined for traditional degree programs, and the resulting award amounts — while meaningful for short-term programs — are substantially smaller than what students in longer programs receive.

The Calculation Method: Formula 4

Workforce Pell awards for clock hour and non-term credit-hour programs use what the Department calls Formula 4 — the same formula historically used for clock hour programs in the traditional Pell system. The Department has since confirmed the point in the 2026–27 *Federal Student Aid Handbook*, Volume 7, Chapter 4, which walks a 450 clock-hour eligible workforce program through Formula 4 as a worked example. A term-based eligible workforce program instead uses Formula 3; the Department stated in the final rule's preamble that institutions “will be required to use Pell Grant formula 3 for term-based programs and Pell Grant formula 4 for nonterm credit-hour and clock-hour programs” (91 FR 29277). Formulas 1 and 2 are both unavailable, for different reasons. Formula 1 requires an academic calendar of at least 30 weeks of instructional time, which a program capped below fifteen cannot reach. Formula 2 is barred by structure rather than by length — it exists precisely *for* programs of fewer than 30 weeks, but it requires standard terms: two semesters or trimesters from fall through spring, or three quarters, with full-time defined as at least twelve credit hours in each term. Formula 5 is barred for a different reason: it “pertains to correspondence programs and workforce programs are prohibited from containing any correspondence courses.” Formula 4, which governs nonterm credit-hour and clock-hour programs, prorates the annual Pell award based on two comparisons:

- **Hours comparison:** clock hours in the payment period divided by clock hours in the academic year (minimum 900 hours)
- **Weeks comparison:** weeks of instruction in the payment period divided by weeks in the academic year (26 weeks for a clock-hour program)

The formula uses the **lesser** of these two fractions, multiplied by the student's annual Pell eligibility. The effect is that awards track both the intensity and the duration of the program. The 900-hour and 26-week figures are the academic-year definition for a *clock-hour* program at 34 CFR 668.3(a) and HEA section 481(a)(2); they are not specific to Workforce Pell, which is precisely why short-term programs generate small fractions of a full award. A credit-hour program has a different academic year: 30 weeks of instructional time, with 24 semester or trimester hours or 36 quarter hours. (The separate definition of a *week of instructional time* — any seven consecutive days containing at least one day of instruction — is at 34 CFR 668.3(b), and Chapter 1 explains why it governs program design.)

Payment Period Structure

Payment periods come from 34 CFR 668.4, not from anything specific to Workforce Pell. For a clock-hour or non-term program that is one academic year or shorter — which describes most eligible workforce programs — § 668.4(c) divides the program into two payment periods. The first payment period runs until the student *successfully completes* half the clock hours *and* half the weeks of instructional time in the program; the second covers the remainder. The word *successfully* matters: the second disbursement is earned by completed progress, not by elapsed calendar time, and a student who is attending but not completing hours does not reach it. This structure is a protection against premature disbursement — it ensures students have made meaningful progress before receiving the second installment.

> **TWO QUALIFICATIONS ON THAT GATE, AND THE FIRST ONE IS WORTH MONEY**
>
> **Excused absences count, if you have a policy.** Under § 668.4(e) an institution with a written excused-absence policy may count excused clock hours toward completion of a payment period — hours that were scheduled, were missed, and do not have to be made up for the student to receive the credential. The *FSA Handbook* works the example: a student who has attended 430 of 450 hours when classmates have reached 450 “could be paid the next disbursement” if the missed hours are excused. The allowance is capped at the lesser of the accrediting agency's policy, the State licensing agency's policy, or **10 percent of the clock hours in the payment period**.
>
> On these programs that cap is small and the stakes are not. A 300-hour program has 150-hour payment periods, so the allowance is fifteen hours — one or two missed sessions — standing between a student and half the award, $1,232.50 in Example 3 below. An institution without a written policy has no allowance to give. Write one, and keep the dated attendance record that makes it usable: an excused hour claimed on recollection is an hour a reviewer can disallow, and the disallowance falls on the disbursement it unlocked.
>
> **And re-entry within 180 days returns the student to the same payment period** (§ 668.4(f)), rather than starting a new one — which on a short program is a bigger operational item than one sentence suggests. The paragraph does two things. The student “remains in that same payment period,” so hours completed before the withdrawal still count toward that period's hour requirement and the student resumes rather than restarts. And the student “is eligible to receive any title IV, HEA program funds for which he or she was eligible prior to withdrawal, *including funds that were returned by the institution or student* under the provisions of § 668.22” — so a return of title IV calculation performed at withdrawal is undone on re-entry inside the window: the paragraph makes the student eligible again for those funds, which the institution must then disburse under the ordinary rules. Three things follow for an aid office running an 8-to-14-week program: track completed clock hours at the student level, not just at the cohort level; **run the return calculation when you determine the student withdrew, and do not hold it back to see whether the student comes back**; and be able to restore or reschedule a returned disbursement if the student re-enters inside the window. **Re-entry does not postpone the return calculation.** The § 668.22 obligation runs from the date the institution determines the student withdrew, whether or not the student may come back inside the window. Re-entry *reverses* a completed calculation; it does not defer the duty to perform one. Beyond 180 days the student starts a new payment period and the hours do not carry.

A term-based eligible workforce program uses its terms as payment periods under Formula 3. And even where a program sits within a single term, the award cannot always arrive all at once: under § 690.63(f) a single Pell disbursement may not exceed 50 percent of the annual award, and the Department has said that where this would occur “an institution would be required to make at least two disbursements” (91 FR 29277).

Worked Examples

The following examples illustrate how Workforce Pell awards are calculated for programs at different points on the eligibility spectrum, using 2026–27 Pell parameters (maximum $7,395, minimum $740) and assuming a student at maximum Pell eligibility. A student with a lower Pell eligibility receives the same fraction of a smaller Scheduled Award — and the FAFSA is the central input to that determination rather than the whole of it, the award remaining subject to every other applicable Title IV eligibility requirement. A working adult's income may reduce the award substantially, in some cases to zero, and no award exists until a FAFSA is filed. Every dollar figure in this chapter should be read with that caveat attached.

WHAT EVERY EXAMPLE BELOW ASSUMES

All worked examples in this chapter assume the institution defines its academic year at the regulatory *minimums* — 900 clock hours and 26 weeks of instructional time (§ 668.3(a)). Those are floors, not the definition every institution uses. Formula 4 divides by the institution's *own* defined academic year, so an institution that defines a longer one produces a smaller fraction and a smaller award from the identical program. Before applying any number here, confirm the academic year your institution has actually defined for the program. The Department's own Handbook example is built on the same minimum-based assumption.

One more thing about these examples, since this guide is published by an AI-focused organization. The arithmetic below is occupation-neutral, because the statute is: a certified nursing assistant course, a welding program, a commercial driving course and an AI certificate of the same length and structure produce the same award. The Department's first federally approved eligible workforce program, announced August 4, 2026, was an emergency medical technician program. Read the length, the weeks and the academic year; the occupation changes nothing in the calculation. And if a program is still being designed, an even clock-hour count avoids the half-hour payment period discussed at Example 2 altogether: 598 hours divides cleanly and stays inside the ceiling.

They also assume a cost of attendance large enough that the § 690.63 award is not cut down by the cost-of-attendance ceiling. It often is: where an institution charges low tuition and builds a tuition-only budget, the prorated cost of attendance can sit below the figure the length fraction produces, and the smaller of the two governs. Read every figure below as the length calculation, not the final award.

One convention in the tables below. Each fraction is displayed rounded to four decimal places, while every dollar figure is computed from the unrounded fraction — which is how an aid system does it. So the printed numbers will not always multiply cleanly: 150 ÷ 900 displays as 0.1667, but the award is $7,395 × 1/6 = $1,232.50, not $7,395 × 0.1667 = $1,232.75. If you are checking this work, carry the full fraction.

Example 1: Minimum-length program (150 hours / 8 weeks)

Component	Calculation	Result
Hours per payment period	150 ÷ 2	75 hours
Weeks per payment period	8 ÷ 2	4 weeks
Hours fraction	75 ÷ 900	0.0833
Weeks fraction	4 ÷ 26	0.1538
Lesser fraction	min(0.0833, 0.1538)	0.0833
Pell per payment period (max eligible)	$7,395 × 0.0833	$616.25
Total Pell award (2 payment periods)	$616.25 × 2	**$1,232.50**

Example 2: Maximum-length program (599 hours / 14 weeks)

Component	Calculation	Result
Hours per payment period	599 ÷ 2	299.5 hours — see the note below the table
Weeks per payment period	14 ÷ 2	7 weeks
Hours fraction	299.5 ÷ 900	0.3328
Weeks fraction	7 ÷ 26	0.2692
Lesser fraction	min(0.3328, 0.2692)	0.2692
Pell per payment period (max eligible)	$7,395 × 0.2692	$1,990.96
Total Pell award (2 payment periods)	$1,990.96 × 2	**$3,981.92**

A note on that half-hour, corrected in this edition. *Dividing 599 by two produces 299.5, and that figure is not a rounding artifact to be tidied away.* ***The Department's own published calculation example defines two payment periods of "299.5 clock hours and 7 weeks each" for a 599-hour, 14-week program and carries 299.5 through the arithmetic****, reaching the same $1,990.96 per payment period shown above. Keep 299.5 in the calculation. The operational question is separate: § 668.4(c) sets the boundary by completion, so the second payment period begins when the student has successfully completed at least half the clock hours and half the weeks, determined from the student's own progress record. If your system records only whole hours and cannot represent that threshold, confirm the treatment with Federal Student Aid rather than redefining the payment period at 300 hours — no published guidance authorizes that, and the Department's example points the other way. Test how your student-information and packaging systems represent that threshold before you enrol anyone: a system that can only trigger on a whole hour* *will either hold a disbursement the student has earned or release one the student has not. 299.5 is a payment-period threshold set by the regulation; how an institution's systems represent it is an implementation question, and it must not be solved by silently rounding the legal threshold. The First and Second Editions carried this calculation without comment; the whole-hour note was added in this edition, and it was wrong.*

Example 3: Mid-range AI certificate (300 hours / 10 weeks)

Component	Calculation	Result
Hours per payment period	300 ÷ 2	150 hours
Weeks per payment period	10 ÷ 2	5 weeks
Hours fraction	150 ÷ 900	0.1667
Weeks fraction	5 ÷ 26	0.1923
Lesser fraction	min(0.1667, 0.1923)	0.1667
Pell per payment period (max eligible)	$7,395 × 0.1667	$1,232.50
Total Pell award (2 payment periods)	$1,232.50 × 2	**$2,465.00**

These are payment calculations run against a full Scheduled Award; where a student's prorated Pell cost of attendance caps the Scheduled Award below the maximum, the same fractions apply to the smaller figure — see the cost of attendance note later in this chapter. The fractions above are rounded to four decimal places for display. An aid office running the same programs through its systems should expect cent-level differences and should follow the Federal Student Aid Handbook, Volume 7 rounding rules rather than these tables.

CREDIT-HOUR PROGRAMS: FORMULA 3 AND COMPOUNDING PRORATION

Everything above assumes a clock-hour program. An eligible workforce program may also be measured in credit hours (Chapter 2), and for those the arithmetic is a different exercise with a very different answer. **New in this edition.** Both earlier editions, and this one before its final review, covered Formula 4 and left this case to a passing mention. It is the largest implementation gap this guide has carried, because the number it produces is nowhere near what a clock-hour intuition predicts — and because, as the second box below sets out, the Department's own older illustration produces a different number from the one its regulations require.

Two things happen to a short credit-hour program that do not happen to a clock-hour one. **First, the credits may not count as the institution assigned them.** Under § 668.8(k) a program must convert clock hours to credit hours for title IV purposes where the program does not lead to a degree and its courses do not all transfer into a single degree program at the institution. **Read the exception too.** A certificate whose credits transfer in full into the institution's own associate degree is outside the conversion; converting anyway understates the award. Where it does apply, the conversion is arithmetic on instructional hours and can yield fewer title IV credits than the transcript shows. **Second, a nonstandard-term**

program uses Formula 3, not Formula 4, and Formula 3 prorates the Scheduled Award by weeks in the term over weeks in the academic year, after enrollment intensity has already been applied. The two reductions compound.

THE DEPARTMENT'S OWN WORKED EXAMPLE, REPRODUCED

This is the Department's published illustration, not this guide's construction. A student with an SAI of 2,000 is Pell-eligible for **$5,395** ($7,395 − $2,000) and enrolls in a **10-semester-credit-hour program with non-standard terms requiring 10 weeks of instruction**. The institution's academic year is **24 semester credit hours and 30 weeks**. A clock-to-credit conversion is required because, in the Department's words, “under 34 CFR 668.8(k), the program does not lead to a degree, and all of its courses do not transfer into a single degree program at the institution.”

Class	Hours of classroom instruction	Credits assigned by school	Converted
Payment period 1 — 6 weeks			
A	30	2	30 ÷ 30 = 1
B	30	2	30 ÷ 30 = 1
C	30	2	30 ÷ 30 = 1
Totals	**90**	**6**	**3**
Payment period 2 — 4 weeks			
D	30	2	30 ÷ 30 = 1
E	30	2	30 ÷ 30 = 1
Totals	**60**	**4**	**2**
Program totals	**150**	**10**	**5**

Ten credits on the transcript, five for title IV. Quote the converted figure when describing what federal aid will cover, not the institution's own count. Coverage advertised on the larger number is a claim about federal aid the federal calculation will not support, and 34 CFR part 668, subpart F reaches the difference.

Read the last row before anything else. The institution assigned 10 credits. For title IV the program is **5**. Everything downstream runs on the 5.

Enrollment intensity is taken against a 12-credit full-time standard and applied to the Scheduled Award; then, because the payment periods are not standard terms, the disbursement is calculated under **Formula 3**, which prorates by weeks — *(award × weeks in the term) ÷ total weeks in the academic year*.

Payment period	Intensity applied to the Scheduled Award	Formula 3	Disbursement
1 — 6 weeks, 3 converted credits	(3 ÷ 12) × $5,395 = $1,348.75	($1,348.75 × 6) ÷ 30	**$269.75**
2 — 4 weeks, 2 converted credits	(2 ÷ 12) × $5,395 = $899.17	($899.17 × 4) ÷ 30	**$119.89**
Total			**$389.64**

$389.64 against a $5,395 Scheduled Award. Three ordinary rules compounded: the conversion halved the credits, enrollment intensity measured those credits against a full-time standard, and Formula 3 prorated by weeks against a 30-week academic year. **But $389.64 is not the figure to carry away** — the next box explains why the regulations produce a different one, and it is the one to calculate on.

U.S. Department of Education, *Calculation of Federal Pell Grant — Eligible Workforce Program*, Example 3, at ed.gov. Figures reproduced as published. Conversion authority: 34 CFR 668.8(k) and (l). Formula 3: *FSA Handbook*, Volume 7, Chapter 4

A CONFLICT BETWEEN THE DEPARTMENT'S EARLIER ILLUSTRATION AND THE CODIFIED FORMULA 3 METHODOLOGY — AND IT MOVES THE MONEY

The example above measures enrollment intensity against a **flat 12-credit** full-time standard, because that is what the Department's illustration does. That appears inconsistent with the codified definition of a full-time student.

34 CFR 668.2 defines full-time, for a credit-hour program using *nonstandard* terms, as the number of credits determined by “[d]ividing the number of weeks of instructional time in the term by the number of weeks of instructional time in the program's academic year” and “[m]ultiplying the fraction … by the number of credit hours in the program's academic year.” On this example's own facts that is (6 ÷ 30) × 24 = 4.8 for the first payment period and (4 ÷ 30) × 24 = 3.2 for the second — rounded up, 5 and 4, not 12 and 12. The difference is not small:

Measure	Following the Department's illustration	Following § 668.2 and the Handbook method
Payment period 1 full-time denominator	12 credits	(6 ÷ 30) × 24 = 4.8, rounded up to 5
Payment period 1 intensity	3 ÷ 12 = 25%	3 ÷ 5 = 60%
Payment period 1 — Scheduled Award × intensity	$5,395 × 25% = $1,348.75	$5,395 × 60% = $3,237.00
Payment period 1 — × weeks fraction (6 ÷ 30)	$1,348.75 × 0.2	$3,237.00 × 0.2
Payment period 1 disbursement	$269.75	$647.40
Payment period 2 full-time denominator	12 credits	(4 ÷ 30) × 24 = 3.2, rounded up to 4
Payment period 2 intensity	2 ÷ 12 = 16.67%	2 ÷ 4 = 50%
Payment period 2 — Scheduled Award × intensity	$5,395 × 16.67% = $899.17	$5,395 × 50% = $2,697.50
Payment period 2 — × weeks fraction (4 ÷ 30)	$899.17 × 0.1333	$2,697.50 × 0.1333
Payment period 2 disbursement	$119.89	$359.67
Total	**$389.64**	**$1,007.07**

Two and a half times the award, on the same facts. **The codified text and the current *Handbook* both produce the right-hand column.** Two sources point there and one points away:

- **34 CFR 668.2** — codified, and prescribes the prorated denominator in terms.
- **The 2026–27 *FSA Handbook*, Volume 7, Chapter 4** — the current Handbook for the current award year, which states the same method as a formula, “[Weeks in nonstandard term ÷ weeks in academic year (at least 30)] x Credit-hours in academic year,” and adds the rounding rule this table applies: “If the program's coursework is offered in whole credits, the resulting number is rounded up to the next whole number (e.g., 3.3 is rounded up to 4).”
- **The Department's calculation illustration** — holds the denominator at 12. It is the only source this guide has found doing so, and it predates the 2026–27 Handbook.

The two week-based operations are not an unnoticed accident, and an earlier printing of this edition wrongly described them as one. Section 690.63(d) prescribes both, in sequence, in the same paragraph: first divide the weeks of instructional time in the term by the weeks in the program's academic year and multiply that fraction by the credit hours in the academic year “to determine the number of hours required to be enrolled to be considered a full-time student”; then determine the annual award from that enrollment status; then multiply the annual award by the same weeks-in-term over weeks-in-academic-year fraction. Applying the week fraction at both steps is the codified design of Formula 3, not a drafting collision, and the 2026–27 *Handbook* applies both operations in its own nonstandard-term worked examples. An earlier printing of this edition called this an unaddressed puzzle. It is addressed, and it is addressed in the regulation.

This guide's calculation under the codified methodology is $1,007.07. Section 690.63(d), § 668.2 and the current Handbook all point the same way. The flat 12-credit denominator in the Department's older illustration is inconsistent with them. The Department has not withdrawn it, so this guide does not say it has been withdrawn; what it says is narrower and enough: do not rely on the illustration where it conflicts with the codified methodology and the current *Handbook*. **Read that for exactly what it is. $1,007.07 is this guide's calculation under the cited codified provisions and the 2026–27 *Handbook*. It is not a Department-issued correction, and the Department's illustration remains published and produces $389.64 on the same facts. The caution that follows is part of the conclusion rather than a footnote to it.**

One practical caution, which is about the illustration rather than about the law. It is still published, it is specific to *this exact program type*, and it is what a reviewer may have in hand. If anyone calculates your award at the illustration's figure, point to § 690.63(d) and ask Federal Student Aid to confirm in writing. **And if your own systems disagree with your arithmetic, stop.** Test your packaging software's nonstandard-term logic before you enrol anyone, because third-party systems are often built from published illustrations rather than from the regulation. Where COD rejects or flags a disbursement calculated on the prorated denominator, do not force the entry and do not quietly fall back to the illustration's figure — get the written answer first. A calculation that is right on the regulation and wrong in the system is still an unreconciled record. Appendix D lists the inconsistency in its register of published materials that do not agree with the regulations.

A COMPARISON THIS EDITION GOT WRONG, AND THE CORRECTED VERSION

An earlier printing set this example against the 300-hour clock-hour program in Example 3 and called them “the same instruction,” concluding that credit-hour delivery is the poorer-funded structure. **That comparison was not like-for-like and the conclusion does not survive fixing it.** The Department's credit-hour example contains **150 hours of classroom instruction**, not 300. Setting it against a 300-clock-hour program doubles the supervised hours on one side of the scale.

Compare equal instruction instead. At the same \$5,395 Scheduled Award, a 150-clock-hour, ten-week program under Formula 4 pays \$5,395 × 150 ÷ 900 = **\$899.17**. The credit-hour route, calculated correctly, pays **\$1,007.07**. On equal classroom hours the credit-hour structure delivers roughly **\$108 more**, not dramatically less.

There is a further reason the two cannot simply be equated: a credit hour may reflect required work outside class, while a clock hour measures supervised instruction. Two programs with the same number of hours on paper are not necessarily the same amount of teaching.

What survives is the instruction to model it, not a conclusion about which wins. The numbers move sharply with the conversion, the academic year definition, the term structure and the student's SAI. Run both structures for your own program before choosing one.

What to do with this. Before designing a short program in credit hours rather than clock hours, run the § 668.8(k) conversion first and calculate the award from the converted figure. Do not price the program, model its revenue, or tell a student what Pell will cover until that number exists. The conversion is the step that moves the number most, and it is invisible on a transcript — ten institutional credits became five title IV credits in the Department's example, and everything downstream ran on the five. Where a program could properly be structured either way, run both calculations before choosing; the box above shows why the intuitive answer is not reliable. Chapter 2 sets out the eligibility consequences of the same choice; this is the money side of it.

WHICH FORMULA, AND THE ANSWER IS SHORT

An eligible workforce program does not use Formula 1, Formula 2, or Formula 5 under the Workforce Pell framework. The final-rule preamble says so directly: under §§ 668.4 and 690.63 there are "specific limitations that prevent Pell Grant formulas 1, 2 and 5 from being used with workforce programs due to length and coursework restrictions. For example, an eligible workforce program cannot use Pell Grant formula 1, *even if it contains a standard term*, since Pell Grant formula 1 requires a program to consist of at least 30 instructional weeks in duration. Similarly, Pell Grant formula 2 cannot be utilized since that formula would require two standard terms to exist within an eligible workforce program which cannot occur due to program length restrictions." Formula 5 is for correspondence study, which these programs may not contain.

That leaves exactly two, and the split is by structure, not by unit of measure:

- **Formula 3** — every *term-based* eligible workforce program, including one containing a standard term.
- **Formula 4** — every *non-term* program, whether it is measured in credit hours or in clock hours. Examples 1 to 3 above are the clock-hour case; a non-term credit-hour program uses the same formula.

Standard versus nonstandard term structure does not change which formula applies. It changes how enrollment intensity is determined. For a nonstandard term that denominator is prorated by the term's share of the academic year under § 690.63(d) and § 668.2, as the box above works through.

One more constraint, and read its limits. Section 690.63(f) provides that "[a] single disbursement may not exceed 50 percent of any award determined under paragraphs (d) and (g)(2) of this section," and that where a payment period calculation under those paragraphs would require more than 50 percent of the annual award, "the institution must make at least two disbursements to the student in that payment period." Two limits follow. It is **conditional** — it bites only where the calculation would exceed 50 percent, not on every program. And it is **scoped**: by its terms it reaches awards determined under paragraphs (d) and (g)(2), so it does not reach a Formula 4 award under paragraph (e). Appendix A carries the provision with that limitation noted. The Department invoked it for single-term workforce programs at 91 FR 29277.

91 FR 29254, responding to a comment asking that eligible workforce programs be allowed to operate under Formula 1 or 2

Two cautions on the worked example. It is the Department's, and it is one example — your academic year definition, term structure, credit assignment and the student's SAI all move the result.

Two patterns are worth noticing. First, the hours fraction governs in Examples 1 and 3 while the weeks fraction governs in Example 2, which means program designers cannot assume that adding hours always adds award. Second, in the clock-hour Formula 4 examples the award tops out below $4,000, and the Formula 3 example lands lower still. Workforce Pell is meaningful money for a short program. It is not a substitute for a full-year award.

PELL IS THE ONLY TITLE IV PROGRAM AVAILABLE THROUGH THIS PATHWAY

Because § 690.90 makes a student enrolled in an eligible workforce program eligible for the Pell Grant and no other title IV program, the totals in these tables are not a foundation on which other title IV aid is stacked. There is no Direct Loan behind them, no FSEOG, no Work-Study. Whatever a program charges above the calculated award must come from the student, an employer, a state or philanthropic source, or a private lender. **How that gap is described is itself a compliance question.** A payment plan, an income-share agreement or a private loan offered alongside a Workforce Pell program must not be presented in language that suggests federal loan eligibility, federal backing, or any relationship to title IV, because there is none. The substantial-misrepresentation provisions at 34 CFR part 668, subpart F reach statements about the nature of a program's financial charges and about the availability of financial assistance, and institutional funds collected against a Pell-only program still sit inside the cash-management rules at 34 CFR part 668, subpart K. Say plainly what the product is and who is lending.

For the 300-hour program in Example 3, a maximum-eligible student brings $2,465 — provided the student's prorated Pell cost of attendance does not cap the Scheduled Award below the maximum, which is the ordinary case but not the universal one (see the cost of attendance note later in this chapter). Price that program at $2,400 and such a student is covered. Price it at $6,000 and a low-income student is $3,535 short with no title IV instrument available to close the gap. Chapter 8 adds the second constraint: published tuition cannot exceed the program's value-added earnings, on pain of losing eligibility and being assessed a liability for Pell already disbursed. Pricing decisions made without both constraints in view are the clearest avoidable risk in this program.

Two boundaries worth knowing. Section 690.90 bars other *title IV* aid, not every federal resource: VA education benefits and WIOA training funds sit outside title IV, each with its own rules on coordinating with Pell. And the bar attaches to *this program* — a student may be enrolled in a degree program at the same time, where § 690.11 prohibits concurrent Pell *payment* rather than concurrent enrollment (Chapter 2). These tables show the ceiling for the workforce program itself.

Lifetime Pell Eligibility Impact

Every Workforce Pell dollar received ordinarily counts against the student's lifetime Pell eligibility — as of this edition the equivalent of approximately 12 full-time semesters, or 600% of a scheduled annual award. **Put a number on it before a student enrols.** At 2026–27 parameters, a 150-hour payment period at $1,232.50 records **16.67% LEU**; the 300-hour program at $2,465 records **33.33%**; a maximum-length 599-hour program at $3,981.92 records **53.85%**. The arithmetic is one line: *LEU percentage = award received ÷ annual Scheduled Award × 100*, and the lifetime limit is 600% of that Scheduled Award. Read those against the 600% ceiling, not against 100%: they are roughly **2.8%, 5.6% and 9.0% of a student's lifetime eligibility**. That is a real cost and a containable one — the confusion to avoid is reading “33% LEU” as a third of the student's federal aid life, which it is not. **One exception, stated by the Department and easy to miss.** Where a program becomes ineligible because its value-added earnings are zero or negative, or because its tuition and fees exceed its published value-added earnings, the institution bears the resulting Pell liability — and the Department said the student should not also bear the cost: “The Department agrees that students should not be penalized for institutional noncompliance or for value-added earnings-based determinations that occur after students have already received aid in good faith. Consistent with this principle, students would have their Pell LEU restored" (91 FR 29309). That is a preamble statement rather than codified text, and the mechanism for restoring it is not described; a student in that position should raise it with the institution and, if necessary, with the Department. During the rulemaking, several commenters asked that institutions or the Department be required to inform each student enrolling in an eligible workforce program about their Lifetime Eligibility Used (LEU).

The Department considered this proposal and declined to implement it as a regulation, for two reasons it stated in the final rule. First, the Department already provides Pell LEU information to all students through comments on the FAFSA Submission Summary, so "a disclosure specific to eligible workforce programs is not necessary." Second, the Department was "concerned that a disclosure such as this could be perceived as a warning to students not to enroll or continue in their program rather than solely an indication of the years of Pell Grants they have remaining" (91 FR 29279).

> **OUR ERROR, CORRECTED**
>
> Chapter 11 of the Second Edition described the lifetime Pell warning as "a new mandatory disclosure requirement that must be operationalized before the first disbursement." It is not a requirement, and Chapter 3 of that same edition said so correctly. The book contradicted itself, and the incorrect statement was the one placed in an action-item list where a reader was most likely to act on it. There is no Workforce Pell lifetime-eligibility disclosure requirement. See Chapter 11 for what this edition recommends instead.
>
> One qualification, looking forward: a related disclosure *does* become mandatory in a different circumstance. Under § 668.605(c)(4), an institution that must issue a STATS student warning has to include, for a Pell-eligible student, "a description of the student's remaining lifetime eligibility for Pell Grant funds and an explanation that all Pell Grant funds received for enrollment in the program count against the student's future lifetime eligibility." That obligation attaches to a failing earnings-premium result, not to Workforce Pell participation. See Chapter 9.

The underlying concern is genuine: a student who uses Pell funding for a short-term training program today may need that eligibility for a degree program later. For a student who already holds a bachelor's degree, the tradeoff is narrower: Pell is not available for graduate study, and ordinary Pell eligibility ends at the first baccalaureate with one long-standing exception — postbaccalaureate teacher certification under § 690.6(c) — so remaining lifetime eligibility can be used only for eligible workforce programs (§ 690.6(f); see Chapter 2) or such a teacher-certification program. Institutions have an ethical obligation to ensure students understand this tradeoff. This guide recommends the disclosure as good practice — a recommendation, not a requirement; the one circumstance in which a version of it becomes mandatory is the § 668.605(c)(4) warning described in the box above.

IMPORTANT: THE PELL COST OF ATTENDANCE IS ANNUALIZED BEFORE IT CAPS ANYTHING

A Pell award cannot exceed the student's cost of attendance. The statute is flat about it: "No Federal Pell Grant under this subpart shall exceed the cost of attendance" (HEA § 401(b)(3), 20 U.S.C. 1070a(b)(3)). What that does *not* mean is that you compare the award against what a short program charges. For Pell, every cost component is valued *for a full-time student for a full academic year*, and the costs of a program shorter than an academic year must first be prorated up to a full year. That prorated figure caps the Scheduled Award. The payment formula then prorates the Scheduled Award back down across the program's payment periods. Two prorations, in opposite directions, and they are not inverses of each other.

The *FSA Handbook* permits two methods (Volume 7, Chapter 3). The first multiplies the whole cost of attendance by the *lesser* of the two academic-year-to-program fractions, one for hours and one for weeks. The second prorates hours-driven costs — tuition and fees, books and supplies, loan fees — by the hours fraction, and weeks-driven costs — housing and food, transportation, dependent care, and the rest — by the weeks fraction. The institution chooses *the method* — not the result, and not student by student. Select one, write it into your Title IV policies and procedures before enrolling students, and apply it consistently across the program. Applying different proration methods selectively within the same program, or switching mid-year to improve an outcome, is the kind of thing that surfaces in a program review as an administrative capability question under § 668.16.

Take Example 3's 300-hour, ten-week program against a 900-hour, 26-week academic year. Two assumptions hold the illustration together, and both matter: the student would otherwise qualify for the maximum Scheduled Award, and the student's cost of attendance is tuition and nothing else. The second is artificial, and that is the point of the exercise. Change either and the figures change.

Tuition	Method	Prorated Pell COA	Scheduled Award	Total Pell for the program
$1,500	Whole COA × 2.6	$3,900	$3,900	**$1,300**
$1,500	Costs prorated separately (× 3.0 on tuition)	$4,500	$4,500	**$1,500**
$2,400	Whole COA × 2.6	$6,240	$6,240	**$2,080**
$2,400	Costs prorated separately (× 3.0 on tuition)	$7,200	$7,200	**$2,400**

Notice which fraction does the work at each step. Annualization takes the *weeks* fraction here, because 26 ÷ 10 is smaller than 900 ÷ 300. Formula 4 takes the *hours* fraction, because 300 ÷ 900 is smaller than 10 ÷ 26. Two independently conservative choices, pulling on different measures, so they do not cancel. On a tuition-only budget the first method leaves Pell covering about 87 percent of tuition and the second covers all of it. **In this tuition-only illustration, the permitted proration method can decide whether the student has a gap.** We have not found that stated in the Department's published material, and it is worth knowing which method your own budgets use.

WHY THIS USUALLY CHANGES NOTHING, AND WHEN IT DOES

The Department's own note, in the same chapter, and the sentence that follows it: “Note that prorating the COA usually does not affect the amount of Pell Grant the student receives. **However, you're required to report the full-time, full-year Pell budget when reporting disbursements to the Common Origination and Disbursement System (COD).**” Read both halves. A realistic budget for a full-time ten-week program — housing and food, books, supplies, transportation — prorates to well above the $7,395 maximum; the Scheduled Award is then the maximum, and the tables earlier in this chapter give the award without adjustment.

Two calculations, neither optional. The COA annualization that sets the Scheduled Award ceiling and the payment formula's program-length proration are separate operations, and neither is skipped because the Scheduled Award already sits below the cost of attendance. The figure reported to COD on every disbursement is the full-time, full-year prorated budget, not what the program charges. An office that reports the program's own charges where the COD field calls for the full-time, full-year prorated budget is putting an incorrect figure on the record, and it is a figure that surfaces in reconciliation and in a program review. The field is populated on every disbursement, so the figure has to exist for every student.

Two circumstances make it change the money as well: a student charged and budgeted for little beyond tuition, and an institution that has set a lean cost-of-attendance budget for its short programs. Ask your financial aid office for the actual prorated Pell cost of attendance rather than assuming the ceiling binds.

OUR ERROR, CORRECTED

Both earlier editions carried this passage: “If a program charges $1,500 in tuition and the calculated Pell award is $2,464, the student receives only $1,500.” That treated the program's own tuition as the student's Pell cost of attendance, which skips the annualization step entirely. The stated answer happens to match one of the two permitted methods and not the other. It was wrong in the First Edition and wrong in the Second, and it was found in the last review before this edition went to press. See entry 10 at the front of this book.

TERM-BASED CREDIT HOUR PROGRAMS: ENROLLMENT INTENSITY

For *term-based* credit hour programs, the Pell calculation requires an enrollment intensity determination — the student's course load compared to full-time enrollment at the institution. The qualifier matters: a nonterm credit-hour program does not work this way. Clock-hour and nonterm credit-hour programs use Formula 4, which bases the annual award on the full-time Scheduled Award even when attendance is less than full-time. Two different senses of “full-time” are in play here and the *FSA Handbook* uses both. For Pell *enrollment-intensity* purposes it treats clock-hour and nonterm students as full-time, which is why Formula 4 begins with the full-time Scheduled Award. Separately, it defines a full-time clock-hour *workload* as at least 24 clock hours per calendar week — a Workforce Pell schedule can fall below that — and attendance below half-time restricts the cost-of-attendance components that may be used. The award calculation and the workload definition answer different questions; do not read one as settling the other. This distinction matters for program design: a 4-credit-hour program where students are enrolled less than half-time may result in a significantly smaller Pell award than the same content delivered as a clock hour program.

Pell Ineligibility When Other Aid Meets Cost of Attendance

Two provisions added by the Workforce Pell rule are not limited to workforce programs, and they deserve attention from every financial aid office, not only those running short-term programs. **Operate them from July 1, 2026, not May 19.** The published rule text carries a May 19, 2026 effective date, but in Electronic Announcement GENERAL-26-32 the Department stated that "[t]he Federal Register incorrectly assumed this was intended to be an effective date of May 19, 2026," and directed that the Pell-ineligibility provisions, "including changes to 34 CFR 690.5 and 34 CFR 690.80(d), are effective for award years beginning on or after July 1, 2026" — and apply "to any crossover payment period that an institution assigns to the 2026–27 Award Year." Both sections are named. The promised technical correction has not been located as this edition goes to press, so an aid office should follow the announcement and keep it on file. See Appendix C.

> "(a) A student shall not be eligible for a Federal Pell Grant for an award year during which the student receives grant or scholarship assistance from non-Federal sources, including States, eligible institutions, or private sources, in an amount that equals or exceeds the student's cost of attendance for the award year.
>
> (b) Grant or scholarship assistance from non-Federal sources does not include sources that are excluded under Section 480(i) of the Higher Education Act of 1965, as amended."
>
> *34 CFR § 690.5, added with a published face date of May 19, 2026 (91 FR 29334); FSA directs operational application from July 1, 2026, including crossover periods assigned to 2026–27 (GENERAL-26-32)*

A STATUTE-REGULATION WORDING DIFFERENCE THIS GUIDE HAD NOT FLAGGED

> **COMPLIANCE STATUS — UNRESOLVED.** The statute measures the non-Federal aid test over "any period"; the regulation runs it over the award year. Open question 8, Appendix C.

The regulation is framed on the *award year*. The statute is not. HEA § 401(d)(6), 20 U.S.C. 1070a(d)(6), provides that a student "shall not be eligible for a Federal Pell Grant under subsection (b) **during any period** for which the student receives grant aid from non-Federal sources … in an amount that equals or exceeds the student's cost of attendance **for such period**." Section 690.5 implements that as a test run over the award year and the cost of attendance for the award year.

"Any period" is not obviously the same unit as an award year, and a period can be shorter — a payment period, a term. On a short program those are not academic distinctions: sponsorship concentrated in one payment period could reach cost of attendance for that period without reaching it for the year. **Operate § 690.5 and FSA's direction**, which is what the Department will administer. But the difference is unreconciled, this guide flags comparable differences elsewhere and should have flagged this one, and an institution with a concentrated sponsorship arrangement should ask the Department in writing which unit governs. **Meanwhile run the comparison at both levels and keep the workpaper** — against the payment period and against the award year. That is this guide's conservative operational recommendation rather than a federal requirement, and the reason is practical: a payment-period figure cannot be reconstructed afterward, and an award-year-only record answers only one of the two questions an auditor might ask.

The exclusions in HEA section 480(i) govern which non-federal assistance is disregarded for this purpose; institutions should work from the statutory list rather than from any summary of it, including this one.

THREE CEILINGS, AND THE ONE EXCEPTION THAT EXISTS

Three separate rules cut down a Pell award, and they are easy to run together. The **SAI threshold**: a student is ineligible for an academic year in which the Student Aid Index "equals or exceeds twice the amount of the total maximum Federal Pell Grant" (HEA § 401(b)(1)(F), 20 U.S.C. 1070a(b)(1)(F), effective July 1, 2026 — $14,790 against the 2026–27 maximum). The **cost of attendance cap**: no Pell award may exceed the student's prorated Pell cost of attendance (§ 401(b)(3), discussed earlier in this chapter). And **§ 690.5**, above.

Only the first has an exception. A student qualifying under the *Special Rule* for dependents of certain deceased servicemembers and public safety officers is eligible for the total maximum Pell Grant whatever the SAI; the Department states that "this prohibition does not apply" to them (Dear Colleague Letter, January 30, 2026), and the *FSA Handbook* repeats it at Volume 7, Chapter 2. Nothing carries that exception across to the other two. Section 690.5 contains no such exception, and § 401(c)(6) awards Special Rule grants "in the same manner and with the same terms and conditions" as any other. So a Special Rule student in an eligible workforce program starts at the maximum Scheduled Award, then is prorated, capped, and tested like everyone else.

INSTITUTIONAL ACTION REQUIRED: § 690.80(D)

Under § 690.80(d), which carries the same May 19, 2026 face date and the same July 1, 2026 operational date under GENERAL-26-32, if an institution becomes aware — before the final disbursement of a student's Pell Grant for an award year — that the student has received or will receive non-Federal grant or scholarship assistance that equals or exceeds the student's cost of attendance, the institution must either:

- Reduce the non-Federal grant or scholarship assistance until it no longer equals or exceeds the student's cost of attendance; **or**
- Return all of the Federal Pell Grant funds that the student received for that award year pursuant to § 690.79 and cancel any future disbursements of such funds for that award year.

This enforcement mechanism means institutions must actively monitor non-Federal aid alongside Pell awards throughout the disbursement cycle — not just at the point of initial packaging. For workforce programs, be precise about what the threshold measures, because it is easy to get backwards: the test compares *total* non-Federal grant and scholarship aid against the student's *total* annualized cost of attendance — housing, food, books, supplies, transportation and the rest, not tuition. A low published tuition does not by itself bring a student near the line, and the Department said partial employer tuition assistance does not eliminate Pell eligibility on its own. The risk case is an aid package in which non-Federal sources together approach the whole cost-of-attendance figure. That is harder to cross than it looks.

SIX QUESTIONS STUDENTS ASK

I already have a bachelor's degree — am I eligible? Yes, unless you are enrolled in or accepted to a program leading to a graduate credential, or hold one (Chapter 2).

How much Pell will I get? The worked examples above show the *maximum*; your actual award is set by your FAFSA, and income from full-time work may reduce it substantially, in some cases to zero. File the FAFSA and ask the financial aid office before you count on any figure.

What do I pay out of pocket? The program's published price minus your actual Pell award — and there is no federal loan, work-study, or FSEOG behind it (§ 690.90). Whatever the award does not cover comes from you, an employer, or a state or private source.

Can I receive Pell for this while also receiving Pell for my degree program? No. You may be enrolled in both, but Pell cannot be paid for both at once — § 690.11 bars concurrent *payment*, not concurrent enrollment (Chapter 2).

How do I find out whether a particular program is approved? Ask the institution's financial aid office one question: is this program on the institution's Eligibility and Certification Approval Report? Approval is not self-executing and it is not something a school can grant itself — the Governor certifies the program, the Department approves it, and it must appear on that report before a single Pell dollar can be disbursed for it (Chapter 6). As this edition goes to press there is no public federal list of approved eligible workforce programs, so the aid office is the answer and a program's own advertising is not. If the answer is “not yet,” ask when — and ask what you would owe in the meantime.

Does this use up my future Pell? Ordinarily, yes. Workforce Pell disbursements count toward the 600 percent lifetime-eligibility limit. One narrow exception: if the Department assesses your institution a liability under § 690.96(c)(2) for Pell you received in good faith during the governed award year, the Department stated in the final-rule preamble that the associated LEU “would be restored” — though the published rule does not specify the restoration mechanism (91 FR 29309). That is tied to the award year the liability covers, not to every dollar you ever received from a program that later failed. Ask your aid office if it happens to you. And if you already hold a bachelor's degree, your remaining eligibility can be used for an eligible workforce program (§ 690.6(f), added by this rule) or a qualifying postbaccalaureate teacher certification program (§ 690.6(c)).

PART II

THE THREE GATES

“Gate” is this guide's organizational term. The regulation does not use it, and does not number these requirements.

NUMBERED IN WORKING ORDER, NOT IN TIME ORDER

Only one sequence is fixed by regulation: the Governor's determination must precede the Secretary's evaluation. Accreditation coverage must *exist*, and where an accreditor requires a separate approval that approval must come before the Department's — but nothing prescribes accreditation as the second step. Read Gate 2 as a condition to satisfy, not a stage to reach.

The Screen

Ten questions before Chapter 4

Every answer is developed somewhere in this book; this page is the only place they sit together. A no is the chapter to read first, not a disqualification.

1. **Length.** Is the program at least 150 and fewer than 600 clock hours — or at least 4 and fewer than 16 semester or trimester hours, or at least 6 and fewer than 24 quarter hours? § 690.92(b). *Chapters 1–2.*
2. **Weeks of instruction.** At least 8 and fewer than 15? Count weeks containing regularly scheduled instruction or examination, not calendar span: under 34 CFR 668.3(b) one class meeting makes the whole week count, so one evening a week for twenty weeks fails. § 690.92(a). *Chapter 1.*
3. **Level and delivery.** An undergraduate program — the opening words of § 690.92, with the student side at § 668.32(c)(2)(i)(B) and § 690.6(f) — and clear of § 690.92(c)'s three exclusions: correspondence, study abroad, and equivalencies inside a § 668.10 direct assessment program. Read that last one no wider than it is written. *Chapters 1–2.*
4. **The five-year institutional bar.** In the five years preceding the determination, has your institution been subject to *any* suspension, emergency action, or termination under title IV? A yes disqualifies every program you offer. A limitation is not a trigger. § 690.92(g). *Chapters 2 and 10.*
5. **Twelve months, three times.** Has the program been *offered* for at least a year (20 U.S.C. 1088(b)(3)(A)(iv)(I))? Can you show the length conditions were met for the twelve months before you apply (§ 690.94(a)(1))? And can the Governor certify all four § 690.93(a) determinations across a twelve-month period of the Governor's own (§ 690.93(d)(4))? Three clocks, three anchors. *Chapter 6.*
6. **Your State's process.** Has your State published one at all? Participation is voluntary, and a State that has not built the process cannot approve anything. Ask for the published list, the three written policies, the timeline, and the appeal procedure. § 690.93(b). *Chapters 4, 11 and 12.*
7. **The occupation.** Does the program align with a high-skill, high-wage, or in-demand industry sector or occupation your State has identified, under the State's published methodology? The certification travels by code, not by name: a six-digit CIP code and the SOC code or codes the program prepares students for. §§ 690.93(a)(1), (d)(2)–(3). *Chapter 4.*
8. **Credit acceptance, including for a noncredit program.** Is there a documented route by which academic credit for this program will be accepted toward a certificate or degree? The text of § 690.93(a)(4) draws no noncredit exception; a preamble sentence pulls the other way, and Chapter 2 sets out both. Either way, your State's published policy decides what evidence it wants. This is the item most often missing. *Chapter 2.*
9. **Accreditation coverage.** Does your institutional accreditor's scope reach a program of this type — noncredit, this short? Ask in writing and keep the answer. *Chapter 5.*
10. **Price.** Can a student whose only title IV aid is a prorated Pell award actually pay your published price? There is no Direct Loan, no FSEOG, and no Work-Study behind this program (§ 690.90). And from the first value-added earnings calculation, published tuition and fees may not exceed that figure (§ 690.95). *Chapters 3 and 8.*

TWO THINGS THAT ARE NOT QUESTIONS

Clearing all ten does not fund the program. The Governor's certification on OMB 1845-0189 has to go into E-App and the program has to appear on your ECAR before a dollar of Pell is disbursed (Chapter 6) — and your financial aid office has to set the eligible workforce program indicator (Chapter 11, item 6). Neither happens on its own.

CHAPTER 4

Gate 1 – Governor Approval

What the State must build, what the Governor must certify on a mandatory federal form, the appeal an institution is entitled to — and one discrepancy this guide cannot resolve.

Before a Workforce Pell program can receive a single dollar of federal funding, it must satisfy three sets of approval and eligibility conditions, which this guide organizes as three gates. The first — and in many ways the most novel — is Governor approval. Under 34 CFR 690.93, the Governor of the state where the institution is located must certify that the program meets a set of workforce alignment requirements. A program-level State gate of this kind is a novel feature in the Pell Grant program, and reflects Congress's intent to tie short-term training directly to labor market needs.

WHO COUNTS AS THE GOVERNOR

Section 690.91 defines “Governor” as “(1) The chief executive of a State or outlying area as defined under Section 3 of the Workforce Innovation and Opportunity Act (Public Law 113–128); or (2) If an institution is located on Tribal lands, the Tribal government.”

Neither previous edition noted the second branch. For a tribal college or any institution located on Tribal lands, the approving authority is the Tribal government, not the State. **Throughout this guide, “the Governor” is shorthand for the approving authority defined at § 690.91 — which, for an institution on Tribal lands, means the Tribal government.** This is a material simplification for those institutions and a distinct process for them to build.

What the Governor Must Determine

Section 690.93(a) sets four determinations the Governor must make, after consultation with the State workforce development board, before approving a program. All four must be satisfied; § 690.93(c) provides that “The Governor shall not approve a program until it meets all the requirements of paragraph (a) of this section, as determined through the process established under paragraph (b) of this section.”

Provision	The determination	What it means in practice
§ 690.93(a)(1)	The program “provides an education aligned with the requirements of high-skill, high-wage … or in-demand industry sectors or occupations”	“High-wage” is as identified by the State under section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342). Alignment is established through the State's published methodology; where that methodology publishes an occupation list, the question is whether the code appears on it or whether the State provides a documented justification route.

Provision	The determination	What it means in practice
§ 690.93(a)(2)	The program "meets the hiring requirements of potential employers" in those sectors or occupations	The State must have a written policy for testing this, incorporating direct employer input. This is the provision an employer-validated curriculum is built to satisfy.
§ 690.93(a)(3)	The program leads to a recognized postsecondary credential that is "stackable and portable across more than one employer" — *or* prepares students for an occupation with only one recognized credential and awards that credential	Two alternative routes. See Chapter 2.
§ 690.93(a)(4)	The program "prepares students to pursue one or more certificate or degree programs" and academic credit for it will be accepted toward those requirements	Applies to every program including noncredit clock-hour programs. Requires evidence of credit acceptance under the State's published process; a written arrangement is the ordinary form that evidence takes. See Chapter 2.

One shortcut is built into the four. Under § 690.93(g), a program that "serves as a related instruction component of a Registered Apprenticeship Program meets the requirements of paragraph (a)(1) and (a)(2) of this section" — the alignment and employer-hiring determinations are deemed satisfied, leaving the Governor only (a)(3) and (a)(4) to determine. See Chapter 2.

The Process the State Must Build

Section 690.93(b) requires each Governor to establish, after consultation with the State board, a publicly available process for institutions to request a determination. That process must include four things, and institutions should read them as a checklist of what they are entitled to see before they apply.

1. **Published criteria (§ 690.93(b)(1)),** including the State's methodology for determining which occupations and sectors are high-skill, high-wage, or in-demand, and *where that list is published*. The regulation requires that this review "shall be done not less than every two years concurrent with development and modification of the State Plan under Section 102(c) of the Workforce Innovation and Opportunity Act." The State must also publish written policies on employer hiring requirements, on stackability and portability (including "a process for employer validation"), and on credit acceptance.
2. **The information an institution must submit (§ 690.93(b)(2)),** including "the information necessary for the Governor to make the appropriate job placement calculations using administrative data, such as wage records."
3. **The timeline, and an appeal (§ 690.93(b)(3)).** The process must set out the consultation and determination timeline "and the process for an institution to appeal that determination," and that process

"shall include clear, transparent and timely procedures that are applied consistently and equitably at all eligible institutions."

4. **An attestation that the State board has been consulted (§ 690.93(b)(4)).**

> **NEW IN THIS EDITION**
>
> No previous edition told institutions that they have a right of appeal against a Governor's determination. They do. Section 690.93(b)(3) requires every State process to contain one. An institution that is denied should ask for the appeal procedure in writing and should expect the State to have published it. The "clear, transparent and timely … consistently and equitably" language — adopted on Day 4 of the negotiation at the proposal of proprietary institution representatives and strongly supported by veteran representatives — was designed to prevent states from applying different standards to different institutional sectors, and it now sits directly alongside the appeal requirement.

The Certification Form

The Second Edition presented the Governor's certification as an eleven-row table of elements assembled from the proposed regulatory text. That table is superseded. The Department has issued an actual form.

> **STATE WORKFORCE PELL PROGRAM CERTIFICATION — OMB 1845-0189**
>
> Announced in Electronic Announcement GENERAL-26-44 on July 1, 2026 and carrying an expiration date of July 31, 2029. (A reader checking the rule rather than the form will not find this number there: the Paperwork Reduction Act section of the Workforce Pell rule assigns the collections associated with the rule OMB Control Number 1845–0188, and the burden tables carry them as "1845–NEW" (91 FR 29330). The published form itself bears 1845-0189, and that is the number an institution will see and should cite.) The Department's information collection notice originally described it as an optional form; a correction published June 18, 2026 changed that to **mandatory**.
>
> **How it moves:** the Governor or, as the form provides, a designee completes it, listing each eligible workforce program and transmits it to the institution; **the institution uploads it into E-App**, the Department's electronic application for approval to participate in the Title IV programs. The institution retains the signed original under normal record-retention rules. As of this edition, the Department has not published a submission deadline.

The form has two sections. **Section A** collects institution information (name, OPE ID, address) and then, for each program, a row containing: program name; CIP code; SOC code; the date the program met eligibility requirements; the completion rate percentage; the job placement rate percentage; and a yes/no governor certification of eligibility.

Section B contains the Governor's determination and signature. The determination affirmations track § 690.93(a) and (d): that the approval process requirements are publicly available; that the State board was consulted; alignment with high-skill, high-wage, or in-demand sectors and occupations; employer hiring-requirement compatibility; credential stackability and portability, or the sole-credential alternative; and credit transferability toward a certificate or degree program. The commitments include providing completion and placement data annually, making documentation available on request, notifying the Department within 15 calendar days of revoking approval, cost-to-wage consideration, and reassessment before the agreement expires. Section B.2 is the signature block, and it carries liability language citing the False Claims Act (31 U.S.C. 3729), the debarment regulations, and 18 U.S.C. 1001.

Three fields carry instructions that are not obvious from the regulation and that institutions should read carefully.

Field	The form's instruction, verbatim
Date Program Met Eligibility Req.	“This date must include at least 12 months immediately preceding the date the governor certifies the program meets the requirements …” (the sentence continues with citations to the regulations and a cross-reference within the form)
Completion Rate	“The program completion rate must be at least 70 percent, within 150 percent of the normal time for student completion.”
Job Placement Rate	“The program job placement rate must be at least 70 percent, **measured 180 days after student's completion**.”

Section B.1 also carries a note fixing the reporting horizon: the commitment to provide both rates annually “will apply until the end of the 2028-29 award year, after which the governor would only be certifying placement rates.”

THE COMPLETION RATE: ONE NUMBER, AND NO PUBLISHED METHOD

COMPLIANCE STATUS — UNRESOLVED. How the transition completion rate is built. The rule sets the standard and presupposes a denominator it never defines. Open question 7, Appendix C.

Section A asks for the completion rate as a single percentage, and the instruction restates the standard — "at least 70 percent, within 150 percent of the normal time for student completion." Neither the form nor the regulation says how to build the number.

That a denominator exists is not in doubt. Section 690.94(e) removes a student who dies, experiences the onset of a medical condition preventing employment, is ordered to uniformed service for more than thirty days, or becomes incarcerated from "the numerator or denominator of completion or placement rates." Something is being divided. The rule never says by what.

Four things are missing, and each of them changes the answer:

- **The cohort.** Which students enter the denominator, and in which award year they are counted. Enrollees? Students who reached a census date? Students who began a payment period?
- **"Normal time to completion."** The phrase is not defined anywhere in part 690. Section 668.8(f), which takes the calculation over after 2028–29, speaks instead of the program's *published length*.
- **Documentation for the § 690.94(e) exclusions.** The Department left this open on purpose: Governors "will also have latitude in determining how to document the incarceration exclusion."
- **The annual submission itself.** Section 690.94(b)(1) requires the completer list and "the information necessary for the Governor to verify the job placement rate." Placement only. The undertaking to provide completion rates annually is created by Section B.1 of this form, not by the CFR.

The split was deliberate. In moving the administrative-data clause so that it sat under the placement standard alone, the Department explained that wage records "will serve that purpose … rather than the completion rate," and offered one sentence about where the completion number comes from instead: "Completion information is housed at the institution and in State datasets" (91 FR 29301). The paperwork burden the Department priced for States — twenty hours per State per year — is for verifying placement.

What follows for an institution. Through 2028–29 the *Governor* determines and certifies the completion rate, based on the Governor's own analysis (§ 690.94(a)(2)(i)); Chapter 7 sets out who does what. The institution supplies the underlying data. What the gap above means for you is that the State's method is not specified by the regulation, so it lives in your State's published process under § 690.93(b) if it lives anywhere. Ask the State in writing for its cohort definition, its "normal time" convention, and its exclusion documentation *before* your first submission rather than after it, and retain student-level records in a form that can be re-cut under whatever methodology the State publishes. Appendix D sets this out as open question 7.

A DISCREPANCY THIS GUIDE CANNOT RESOLVE

> **COMPLIANCE STATUS — UNRESOLVED.** The statute and the mandatory certification form say one thing; the regulation says another, on two dimensions at once. Commenters raised it during rulemaking; the final rule did not resolve it. Open question 1, Appendix C.

Corrected in this edition — and the correction makes this discrepancy larger, not smaller. Earlier in this edition's drafting it was described as a conflict between the regulation and the certification form, with the form as the outlier. That was wrong, and it understated the problem. The form is not freelancing — **it tracks the statute.** Before the detail, the standing:

Source	When placement is measured	Who is counted
Statute — 20 U.S.C. 1088(b)(3)(A)(iv)(III), § 83002 of Public Law 119-21	180 days after **completion**	Completers
Certification form — OMB 1845-0189	180 days after **completion**	Completers
Regulation — § 690.94(a)(2)(i)(B)	Second calendar **quarter after exit**	Exiters

Two of the three agree; the one that differs is the regulation, which supplies the operative regulatory measure. The statute is rung one of the ladder in the Preface; nothing below it can contradict it. The regulation differs on *two* dimensions at once, the population and the window. Unresolved.

- **Status** — commenters raised the statutory conflict during rulemaking. The Department's response did not reconcile the regulation with the statutory text. It defended the departure on operational grounds and wrote “Changes: None.” Nothing has reconciled it since.
- **What follows from that.** This is not a form misdescribing a rule. The regulation appears inconsistent with the statute it implements, with the form following the statute. Neither an institution nor a Governor can safely ignore either measure.

The regulation — § 690.94(a)(2)(i)(B) — requires “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*, using administrative data, including wage records.”

The form requires a job placement rate of at least 70 percent “measured *180 days after student's completion*” — which is the statutory phrase, near enough verbatim.

WHAT THE DEPARTMENT SAID WHEN IT WAS TOLD THIS CONFLICTS WITH THE STATUTE

Commenters made exactly this objection. The preamble records it: “Several commenters pointed out that the job placement rate is calculated based on all program exiters rather than completers. Commenters asserted this contradicts the authorizing statute, which states that a program must have a ‘verified job placement rate of at least 70 percent, measured 180 days after completion.’”

The Department did not answer that the statute says otherwise. It answered with a reason for departing: States already report the WIOA exit-based indicator, so the data exist and the program

> can start on time. In its own words, quoting its NPRM preamble, “Congress provided that this program should go into effect beginning on July 1, 2026, and the Department is making this accommodation to ensure that the program can be operational beginning on that effective date and while the states transition to using completion data. **Without a temporary change here, the program would be functionally ineffective and non-operable** … the Department proposes to align directly with the WIOA indicator.” Then: “We have not changed our opinion on this issue. Changes: None.”
>
> Read that carefully, because it is the Department describing its own regulation as a *temporary accommodation* adopted for feasibility. It is a candid answer and a practical one. It is not a textual defense, and the book's hierarchy puts the statute above the regulation.
>
> A second statutory objection went the same way. Commenters said the post-2028–29 requirement that placement count only employment in the occupation the program prepares students for “is contrary to the statute, which lacks such a requirement.” The Department reasoned from the statute's high-skill, high-wage and value-added earnings provisions that Congress must have expected related employment. Changes: None.
>
> 91 FR 29295–96

These are two different measures, and the count is two against one. The regulation counts *exiters*; the statute and the form both say *completion*. The regulation uses a calendar quarter — the second full quarter following the quarter of exit, which is the standard Workforce Innovation and Opportunity Act measurement point — while the statute and the form state a fixed 180-day count. Depending on when in a quarter a student exits, the second quarter after exit begins somewhere between roughly 90 and 180 days out and runs for three months. A single date at 180 days is not the same population and not the same window.

So which governs? This guide does not know, and it will not guess. What can be said is that the conventional answer — *follow the regulation, it is the binding one* — is weaker here than it looks, because the instrument the regulation departs from is not a form but an Act of Congress. An agency's rule that exceeds its statute is the classic candidate for later correction, whether by the agency or by a court, and the Department has already been told so on the record and declined to change it. At the same time, § 690.94(a)(2)(i)(B) is what is codified today, it is what the Department will administer, and no institution or Governor gets to disregard a published regulation on the strength of its own reading of the statute.

Which is why this guide's reading is that you should not choose. Build the pipeline to produce the *regulatory* measure — employment in the second quarter after exit, from administrative wage records — because that is the measure presently stated in the codified regulation, and therefore the one most clearly exposed to regulatory review. And build it to produce the *statutory* measure as well, because that is what the law says and what the mandatory form asks the Governor to certify. A State that can produce only one of them has bet on an outcome that has not happened yet. The advice this guide gives, to institutions and States alike, is three-part. Ask the Department for written guidance, and ask in writing. Ask your State which measure it is calculating, in writing, and keep the answer. And until the Department speaks, **capture data granular enough to produce both measures**: quarterly wage-record matching supports the regulatory measure, and day-level completion *and* exit dates support the form's. Note what a date does and does not do. It fixes day 180; it does not establish employment on or around that day, and quarterly wage records cannot resolve a single day. So record the employment data source and the observation window used around day 180 alongside the dates, and document how each numerator and denominator was produced — a certified percentage that cannot be reproduced afterward is a finding waiting to happen. Collecting all of it costs almost nothing at the point of collection and is expensive to reconstruct afterward. Chapters 11 and 12 carry the same instruction for institutions and for States.

The Certification Elements in the Regulation

For completeness, § 690.93(d) sets out the ten elements the Secretary accepts as documentation of the Governor's approval. Institutions comparing the form against the regulation will find the form implements these.

Cite	Element
(d)(1)	The name of the program
(d)(2)	The 6-digit Classification of Instructional Programs (CIP) code of the program
(d)(3)	The Standard Occupational Classification (SOC) code(s) for which the program prepares individuals for employment
(d)(4)	A signed statement that the program was approved by the Governor and that it currently meets, and has met for the 12 months immediately preceding the certification, the requirements in paragraph (a)
(d)(5)	The date the eligible workforce program was approved
(d)(6)	If applicable, a certification that the State determined the program meets alternative completion and placement standards under § 690.94(a)(2)(i)
(d)(7)	An agreement to make documentation of the State's process available to the Secretary of Education and Secretary of Labor on request
(d)(8)	An agreement to inform ED, DOL, and the institution within 15 calendar days of a final decision to withdraw approval
(d)(9)	A certification that the Governor takes into consideration the cost of the program and the anticipated wages of the industry or occupation prior to the initial value-added earnings determination under § 690.95
(d)(10)	Such other information as the Secretary of Education or Secretary of Labor may require

TWO OF THOSE TEN ELEMENTS ARE CODES, AND FOR AN AI PROGRAM NEITHER ONE SAYS AI

Elements (d)(2) and (d)(3) are a six-digit CIP code and one or more SOC codes. They are not filing metadata. The six-digit CIP code is what pools a program's completers for the value-added earnings calculation under § 690.95(j); the *four*-digit CIP family plus identical SOC codes is what makes a later program “substantially similar” under the two-year bar at § 690.97(a). A program is certified, measured, and barred by its codes. Get them right at Gate 1.

There is a long-standing code for artificial intelligence, and its definition predates today's machine-learning vocabulary. The 2020 Classification of Instructional Programs carries **11.0102, “Artificial Intelligence.”** Its official NCES definition is a program “that focuses on the symbolic inference, representation, and simulation by computers and software of human learning and reasoning processes and capabilities, and the computer modeling of human motor control and motion,” including instruction in “computing theory, cybernetics, human factors, natural language processing.” It does not mention machine learning. Searching every CIP 2020 title and every SOC 2018 detailed occupation title, we found the words *machine learning* in none of them.

On the occupation side there is no AI code at all. The Federal CIP–SOC crosswalk maps 11.0102 to exactly four occupations: **15-1221** Computer and Information Research Scientists, **15-1252** Software Developers, **15-2051** Data Scientists, and **25-1021** Computer Science Teachers, Postsecondary. The last is not a placement target for a 300-hour certificate, which leaves three. O*NET carries “Artificial Intelligence Specialist” and “Machine Learning Scientist” as *job titles linked to existing occupations* rather than as standalone codes. Between them the two titles point at five occupation entries — and one of those, 15-1299 Computer Occupations, All Other, is not linked to 11.0102 by the CIP–SOC crosswalk at all. Job titles are search aids. A Governor certifies a code.

What to do with that at Gate 1. Do not search your State's in-demand list for the word AI. *What follows are practical candidates, not federally prescribed Workforce Pell codes.* Start with 15-1252, 15-2051 and 15-1221, the most plausible CIP–SOC crosswalk occupations for CIP 11.0102 — then certify the SOC code or codes the program actually prepares students for. The code you certify to is the occupation the permanent placement standard measures against — softened, but not removed, by that standard's allowance for a *comparable* high-skill, high-wage, or in-demand occupation (Chapter 7).

Certification and alignment are two questions, not one. The absence of the word AI is no barrier to the first: § 690.93(d)(3) asks for the occupation the program prepares students to enter, and while the certification form asks for a SOC code, nothing in § 690.93 requires it to be one of the crosswalk pairings set out above. **Practical caution, which is about scrutiny rather than about the rule.** Most State methodologies are built on SOC codes drawn from the CIP–SOC crosswalk, so a certification that departs from it is the one a program reviewer is most likely to ask about. Departing is permitted; departing without a documented basis for the occupation the program actually prepares students to enter is what creates the exposure. Write that basis down before you certify. The second question — whether your State treats the program as aligned — is answered by that State's own occupation or sector methodology, and the absence from its list of every defensible target SOC code, including those three likely crosswalk codes, is a serious obstacle where that process turns on occupation-list alignment. It is not automatically fatal, and two things in the regulation are easy to miss here. **First, § 690.93(a)(1) is disjunctive.** It asks for alignment with high-skill, high-wage or in-demand industry *sectors* **or** occupations, so a State may align a program to a sector it has identified even where no matching occupation code sits on its list. **Second, Registered Apprenticeship related instruction bypasses the question entirely:** § 690.93(g) deems both (a)(1) and (a)(2) met for a program serving as the related instruction component of a Registered Apprenticeship.

Which State you are in therefore decides a great deal. The § 690.93(a) table earlier in this chapter says an occupation must appear on the published list or be justified against it — and States differ on whether their process entertains the second, and in how explicitly they operationalize sector alignment. Ask yours which it does. Where a State requires occupation-list alignment and entertains no justification against it, the practical route is to seek a change through the State's required review process rather than to recode the program. Note the limit of that route: § 690.93(b)(1)(i) requires the *review* at least every two years, but it does not require the State to revise anything the review examines.

First find the right list. Section 690.93(b)(1)(i) requires a State's process to say "where the list of such occupations and sectors will be made publicly available." It does not require a new list. So a State may *designate* one it already publishes or *build* a Workforce Pell list of its own, and States are doing both: Texas built a separate Appendix B; Alabama designated its existing in-demand occupations list. A State's general high-demand list is its Workforce Pell list only if the Governor's published process says so. Do not assume, in either direction.

STATE SNAPSHOT — VERIFIED AUGUST 17, 2026. The examples below are dated implementation snapshots, not current legal requirements. State lists, methodologies, and approval processes can change without any federal regulatory amendment. Check the current edition for every State you plan to serve.

What the published lists actually carry. Three States with published Workforce Pell occupation lists, as each stood when this edition went to press: Pennsylvania's 2026–27 determination document revised July 2026, Maryland's GWDB Policy Issuance 2026-01 of July 10, 2026, and the Texas Higher Education Coordinating Board's 2026–2027 guidelines. Each State must review its methodology and its occupation and sector determinations at least every two years under § 690.93(b)(1)(i), and some update them more often. Check the current edition rather than this table.

SOC	Occupation	Pennsylvania 19 occupations	Maryland 274 rows	Texas 25 occupations
15-1252	Software Developers	no	**yes**	no
15-2051	Data Scientists	no	**yes**	no
15-1221	Computer and Information Research Scientists	no	no	no
15-1232	Computer User Support Specialists	**yes**	no	**yes**

These lists reflect different State labor-market priorities, built under each State's own § 690.93(b)(1)(i) methodology from its own Perkins and WIOA analysis, and they therefore overlap only partially. That is the regulation working as designed — each State is answering a question about its own economy — and it has a direct consequence for program planning. **None of the three carries 15-1221**, Computer and Information Research Scientists. Two of the three carry none of the crosswalk codes for CIP 11.0102: Pennsylvania's list includes one computer occupation, help-desk support, and Texas's includes two, network support and help-desk support. Pennsylvania's is not on Maryland's. **A program certifiable in one State may lack a qualifying occupation-list code in the next** — though sector alignment, an available State justification process, or the Registered Apprenticeship exception may still provide an approval route there. So check the current list of every State you plan to serve rather than inferring from a neighbor's.

> Maryland's list is the broadest of the three and shows what a wider one looks like: 274 SOC rows, sixteen of them computer and mathematical occupations. It also carries two things worth asking your own State about — a Governor's Strategic Designation for an occupation "strategically critical to the State's economy" with published rationale, and a Local Area Variation on a documented letter from a local workforce board chair. Those are petition routes, not automatic coverage, and they are the answer to a list that does not carry your code. Maryland also requires employer evidence on top of the occupation test: a Registered Apprenticeship related-instruction component, or a sector-partnership or local board endorsement, or letters from three or more Maryland employers confirming recent or intended hiring.
>
> Check your own State, check which list its process designates, and check both again after each revision.
>
> One relief. The Department has said the Governor "is not required to determine if the program meets time or clock- or credit-hour thresholds, or to investigate issues related to the program's CIP or SOC code because those areas will be reviewed by the Secretary" (91 FR 29293). The codes still have to be right. They are checked at Gate 3, not Gate 1.
>
> *Sources: CIP 11.0102 and its definition, NCES, Classification of Instructional Programs, 2020 edition. Crosswalk mappings, NCES, CIP 2020–SOC 2018 Crosswalk data file. Alternate titles, O*NET-SOC 2019. State lists: Pennsylvania, PA Workforce Pell 2026–27 Program Determination for Governor's Approval (revised July 2026), Table 2; Maryland, Workforce Pell Program Determination Policy, GWDB Policy Issuance 2026-01 (July 10, 2026), Appendix D; Texas Higher Education Coordinating Board, Workforce Pell Grant Program Guidelines 2026–2027, Appendix B. Alabama, State of Alabama Federal Workforce Pell Grant Program Application and Approval Process (June 30, 2026). All retrieved August 17, 2026.*

> **CITATION CORRECTED**
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> The Second Edition cited the cost-consideration certification as "§ 690.93(a)(9)." It is **§ 690.93(d)(9)**. Paragraph (a) has only four subparagraphs. (Readers checking the Federal Register will find that (d)(9) is printed there as "value-*adding* earnings" rather than "value-added"; that appears to be a typographical error in the published text.)

The cost-consideration certification creates an opportunity for early cost scrutiny, and the distinction between an opportunity and a standard matters. The regulation requires the Governor to *consider* program cost against anticipated wages; it prescribes no price-to-wage ratio, sets no threshold, and does not direct a Governor to deny a program on cost grounds. What it does is put the question in front of a State official at approval rather than leaving it to the Department's first earnings calculation, which the Department's regulatory impact analysis says "will first be computed for the 2030–31 award year." That is a gap of several years, and how much scrutiny fills it is a matter of each State's published policy rather than of federal law. Programs whose tuition looks disproportionate to expected wage outcomes should nevertheless expect questions at approval, and should prepare an answer.

Approval Expiration and Recertification

A Governor's approval is not permanent. Under § 690.93(e) it "expires at the expiration of the institution's program participation agreement under 34 CFR 668.13." Before that expiration, § 690.93(f) requires the Governor to provide, through a process determined by the Secretary, a certification of continued approval for each eligible workforce program the institution offers. This links the Workforce Pell approval cycle to the Department's existing institutional eligibility recertification process, which typically occurs every five to six years.

Every PPA recertification cycle creates a corresponding Governor certification-of-continued-approval requirement for each of the institution's Workforce Pell programs. That is the periodic revalidation point. It is *not* a shield against action in between: § 690.96(a)(1) expressly contemplates that a Governor may act to withdraw approval, and § 690.93(d)(8) requires the Governor to agree to give notice within 15 calendar days of doing so. An institution should plan on the basis that approval can be withdrawn at any time, subject to the State's own published procedures and the appeal required by § 690.93(b)(3).

The Governor's Withdrawal Power

Section 690.96(a) names two events: the Governor “acts to withdraw approval” or “fails to reapprove” the program, and the section as a whole is framed around a program that “fails to meet the requirements … under § 690.93.” The regulation does not supply an open-ended withdrawal power, and this guide should not describe one. What it does not do is prescribe the State's own procedure, which § 690.93(b) leaves to a publicly available State process — so the practical grounds a Governor may act on are a question for your State's published policy, read against § 690.93. When a Governor does decide to withdraw, the Governor must notify the Department of Education, the Department of Labor, and the institution within 15 calendar days of the final decision. Under § 690.96(a), the program becomes ineligible “at the end of the payment period that begins following the date” the Governor acts to withdraw approval or fails to reapprove — so, on the natural student-by-student reading of payment periods, the provision appears to preserve Pell through the payment period in which the withdrawal falls and the one following it. Confirm the precise cutoff with Federal Student Aid before relying on it. Chapter 10 works through the timing — including why the cutoff date should be confirmed with the Department before it is relied on — and what the provision does not cover: an institution that voluntarily discontinues a program should not assume an equivalent runway attaches to its own decision.

Bilateral Agreements for Cross-State Programs

Section 690.93(h) permits the Governors of two States to enter into a published bilateral agreement “regarding the enrollment of students located in one of those States into some or all of the programs located in the other State.” The provision is written in terms of where the student is located, not in terms of delivery mode, so it is not confined to distance education — though distance education is the case the Department discussed and the case most institutions will meet.

SETTLED SINCE THE SECOND EDITION

The Second Edition flagged bilateral agreements as the subject of a directed question in the proposed rule and warned that the final rule might modify the framework. It did not. The provision survived the comment period intact. The Department also confirmed that “Programs approved in one State do not automatically receive reciprocal recognition in partner States and may only receive such recognition if a bilateral agreement also exists between Governors of each State.” Asked to publish a searchable federal registry of such programs, the Department did not establish a federal publication requirement — noting that it will not hold information about these programs before an institution applies — while stating that it “will consider publishing a list of eligible workforce programs.” Read that as no obligation and no promise, rather than as a decision against publication. In the meantime § 690.93(h) already requires Governors to publish bilateral agreements publicly, which is where to look.

The agreement must satisfy three conditions. The Governor in the state where the *student* is located must, in consultation with the State board, include the relevant occupation or sector on that state's published list. The Governor in the state where the *institution* is located must have determined that the program meets § 690.93(a). And the agreement must include data-sharing provisions among the states for completion and placement rate calculations.

For programs with national reach, this is directly relevant: a community college in Alabama offering an online AI certificate to a student in Georgia would need Alabama's Governor, who approved the program, and Georgia's Governor to have a bilateral agreement in place, and Georgia's published Workforce Pell list would need to include the relevant occupation or sector. The Department declined to postpone this requirement, noting it lacks authority to do so given the statutory July 1, 2026 effective date.

HOW NC-SARA AND § 690.93(H) FIT TOGETHER

NC-SARA does valuable work, and institutions should keep doing it: it remains the framework through which an institution obtains authorization to offer distance education across State lines, and nothing in the Workforce Pell rule disturbs that. What it does not do is supply the separate, program-specific determination § 690.93(h) requires.

Commenters asked the Department to permit multilateral agreements, to rely on NC-SARA in the meantime, or to build a national reciprocity model itself. It did not adopt any of the three, and its reasons go to the statute. **Summarizing rather than quoting the Department's discussion here** — a reader who wants its exact words will find them at 91 FR 29261–62 — the Department's position is that § 690.93(h) requires *each* receiving Governor to make a determination specific to a program and to that State's own regional labor market, and that a multilateral instrument, however well run, does not by its nature oblige each State to make that determination. On the third request it quoted the statute against itself: it “generally cannot develop and manage a model like NC-SARA; because nothing in the WFTCA would permit such a framework and would therefore be an overreach of the Department's authority.”

None of that is a judgment on NC-SARA's work in the field it was built for. It is a statement about what a 2026 statute requires of a structure designed years before that statute existed.

Read that before assuming existing state-authorization infrastructure carries any of this. Whatever reciprocity arrangements an institution already participates in, a published Governor-to-Governor bilateral agreement under § 690.93(h) is the Workforce Pell-specific interstate mechanism the rule expressly provides for this situation, and the published agreement has to exist before a student located in the other State can be paid. A separate one is needed for each such State. Chapter 11, item 10 sets out how to start. Existing SARA relationships and data pipes may be useful *plumbing* for the data-sharing condition once an agreement exists; they are not the agreement, and they do not substitute for the receiving Governor's own determination. One encouraging note from the same passage: “Nothing in this rule prohibits State Governors from entering into bilateral agreements with numerous other States.” The constraint is the instrument, not the count.

CHAPTER 5

Gate 2 – Accreditation Coverage

A condition that must be satisfied, not a prescribed chronological step. Separate programmatic accreditation is not automatically required.

> *A coverage requirement, the routes available when an institution's current accreditation does not reach the program, and a new federal rule that will print the programmatic accreditor's name next to the program's earnings.*

INSTITUTIONAL INTEREST — DECLARED. NCAIWPA, which publishes this guide, has a direct institutional interest in the accreditation-capacity question this chapter describes. **The requirements set out in this chapter apply to every institution**, and the routes in it are the ones the regulation supplies. **Specialized programmatic accreditation is not a federal requirement for Workforce Pell eligibility: an institution's existing Title IV accreditation coverage, where it encompasses the program, is enough: subpart H requires no separate programmatic accreditation merely because a program is an eligible workforce program.**

The second gate is accreditation. An institution cannot participate in Title IV at all unless it is accredited or preaccredited by a nationally recognized agency — that is what makes it an eligible institution under 34 CFR 600.4, 600.5, and 600.6 — and the Department administers program eligibility on the footing that a program must fall within the scope of that accreditation. One narrow exception exists: a public postsecondary vocational institution may instead be approved by a State agency that the Secretary recognizes for that purpose under 34 CFR part 603, in lieu of accreditation — a route the STATS certification language expressly preserves. For every other institution, this is not a new requirement specific to Workforce Pell; it is a foundational requirement of the entire federal student aid system. But Workforce Pell makes it newly urgent for a category of programs that has historically existed outside the accreditation framework.

The Accreditation Requirement

The Department of Education considers an eligible institution to be the sum of all its eligible programs. An eligible institution must confirm that the workforce program is included within the grant of accreditation that supports its Title IV eligibility — ordinarily its primary recognized accreditor's. Programmatic accreditation may add program-level quality assurance, but it is not automatically a substitute for coverage by the primary accreditor or for Department approval. The effect depends on the agency's recognized scope, the institution's structure, and Department approval; the Department's own list of recognized programmatic agencies notes, for many of them, that their accreditation does not establish Title IV eligibility.

For an institution relying on institutional accreditation rather than the part 603 State-agency route described above, the question that matters is coverage: either the program sits inside a grant of accreditation that supports Title IV eligibility, or it is not eligible for Workforce Pell. An institution intending to rely on a programmatic agency as its eligibility pathway should obtain written confirmation from its primary accreditor and from Federal Student Aid before doing so.

The limit the Department placed on the same requirement. In the passage that states the coverage rule, the Department also declined to make it a per-program approval: it “does not require the accrediting agency to approve each eligible workforce program individually, and an accrediting agency recognized by the Department may establish its own internal processes regarding the approval of eligible workforce programs, which must follow its established review procedures for substantive changes set forth in § 602.22” (91 FR 29275). Where an agency does require a separate approval, that approval “may come before or after approval by the Governor (but must be provided prior to Department approval).” So for a college whose grant of accreditation already reaches the program, there may be no second accreditation step at all — a point that cuts against this guide's own framing later in the chapter, and belongs here for that reason. The Department also declined a commenter's request to require accreditors to review workforce programs: “We believe that an accrediting agency is equipped to establish its own internal processes” (91 FR 29275).

From July 1, 2027, the answer becomes a matter of federal record — see the box later in this chapter, and Chapter 9.

A related certification. Section 668.604 deserves a precise reading. The per-program certification in § 668.604(c) is made for each *Direct Loan-eligible* program on the institution's Eligibility and Certification Approval Report, and a student in an eligible workforce program cannot borrow a Direct Loan at all — § 690.90, discussed in Chapter 1. But the requirement does not stop there. Section 668.604(a) requires the institution to certify in its program participation agreement that *each* of its currently eligible GE programs and eligible non-GE programs on the ECAR meets the requirements of paragraph (c), including the accreditation-coverage requirement in (c)(2) — and the Department's preamble describes the certification in exactly those unified terms (91 FR 40178). And a short-term certificate program is a GE program under the definition the STATS rule carries forward; the Department's preamble states that GE programs “include nondegree programs at any type of institution” (91 FR 40138). The certification therefore reaches an eligible workforce program through the program participation agreement, even though the loan-keyed mechanism in (c) does not.

One textual note that runs the other way. Section 668.604(c)(2) is disjunctive: the program must be “approved by *a* recognized accrediting agency” *or* “otherwise included in the institution's accreditation by *its* recognized accrediting agency.” The first limb is indefinite, and read literally a recognized programmatic agency's approval satisfies it. We record that because it cuts in NCAIWPA's favor and leaving it out would be the more comfortable choice. It should not be relied on. Section 668.604(c) is a Direct Loan certification, not a source of institutional eligibility under 34 CFR part 600; the reading has not been tested; and no institution should act on it without written confirmation from Federal Student Aid.

COMPLIANCE STATUS — UNRESOLVED. NOT AN ELIGIBILITY PATHWAY. Whether a programmatic agency's approval can satisfy § 668.604(c)(2). **Do not treat the paragraph above as a route to eligibility; it is a textual possibility this guide records against its publisher's comfort, not a compliance route.** This is the question on which this guide's publisher has the clearest interest, which is a reason to trust it least. Open question 6, Appendix C.

Types of Accreditation

Understanding the distinction between institutional and programmatic accreditation is essential for navigating the Workforce Pell landscape.

Type	What it covers	Examples	Workforce Pell relevance
Institutional	The entire institution	HLC, SACSCOC, NECHE, MSCHE, NWCCU, WSCUC, ACCJC	If the institutional accreditor includes noncredit programs in its scope, Workforce Pell programs may be covered
Programmatic / specialized	Specific programs within an institution	Supplemental only: ABET (engineering), ACBSP (business) — neither is recognized by the Secretary; CCNE (nursing), which is recognized but whose Title IV note says its accreditation “does not enable the entities it accredits to establish eligibility to participate in Title IV programs.” Gatekeeping in stated circumstances: ACEN, ABHES, and the Council on Accreditation of Nurse Anesthesia Educational Programs	Adds program-level quality assurance. Supplies the coverage that supports Title IV eligibility only where the agency is itself the institution's Title IV accreditor — in practice, a freestanding single-purpose institution (see Option 4). Otherwise supplemental. Read the Department's per-agency Title IV note, not the agency's reputation. The three gatekeeping examples above illustrate the mechanism and nothing more — each is limited by its own scope language to freestanding institutions or to entities outside an institutionally accredited institution, and all three are health-care agencies. None of them is a route for an AI program. What an AI program takes from them is the shape of the question to ask about any agency: what does the Department's note say this accreditation can establish, and for whom
Institutional, career and distance focused	The entire institution, where the institution's mission is occupational or distance education	ACCSC, COE, DEAC	Often already cover clock hour programs; may be best positioned for Workforce Pell

THE NONCREDIT PROBLEM

Here is where the requirement becomes complicated. Many short-term workforce programs — particularly in technology fields like AI — are structured as noncredit programs. Many such programs historically operated outside Title IV, and therefore outside the accreditation coverage that Title IV requires. That was a practical fact rather than an absolute rule — longer clock-hour programs could qualify, and a narrow route at 34 CFR 668.8(d)(2) reached some shorter ones (Chapter 1). Workforce Pell changes the calculation for the whole category.

During the December negotiation, the Department explicitly acknowledged that not all accreditors currently review noncredit programs. The accrediting-agency negotiator at the table, Michale McComis, Ed.D. of ACCSC, said that ACCSC has mechanisms for approving clock hour programs but that this is not universal. (Transcribed by NCAIWPA from the Department's public December 2025 session webcast; as of this edition the Department has not published an official transcript of the exchange.) As of this edition, institutional accreditors differ in whether their internal review procedures reach noncredit programs; no federal source counts them.

This means that a community college with a perfectly designed 300-hour AI certificate program — one that meets every Workforce Pell length requirement, has strong placement outcomes, and has Governor approval — may still be unable to offer the program under Workforce Pell if its institutional accreditor's own scope of review does not reach noncredit programs and it declines to extend it — or, less often, if the agency's federally recognized scope does not reach the program type at all.

Written Arrangements: The 25% Rule, and Its New Exception

Under 34 CFR 668.5, an eligible institution may contract with an ineligible entity — such as a private training company, employer, or technology vendor — to provide up to 25% of an eligible workforce program. The eligible institution must provide at least 75% of the program itself.

This provision is relevant for AI workforce programs that partner with technology companies for specialized content delivery. A community college could contract with an AI technology firm to deliver specialized lab exercises or capstone projects, as long as the college delivers at least 75% of the program content.

CHANGED IN THIS EDITION

The Second Edition flagged the 25 percent threshold as the subject of a directed question and noted the final rule might adjust it. The Department kept 25 percent as the general cap but opened one pathway that the proposed rule had barred outright.

> “(ii) (A) The ineligible institution or organization provides more than 25 percent but less than 50 percent of the educational program, in accordance with 34 CFR 602.22(a)(1)(ii)(J);
>
> (B) The eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation;
>
> (C) The eligible institution's accrediting agency or, if the institution is a public postsecondary vocational educational institution, the State agency listed in the Federal Register in accordance with 34 CFR part 603 has specifically determined that the institution's arrangement meets the agency's standards for executing a written arrangement with an ineligible institution or organization; and
>
> (D) If the educational program is an eligible workforce program, it serves as a related instruction component of a Registered Apprenticeship program, as defined in 29 CFR part 29.2.”
>
> *34 CFR § 668.5(c)(3)(ii), as amended (91 FR 29333)*

Read together, these conditions are cumulative. An ineligible provider may deliver more than 25 and less than 50 percent of an eligible workforce program only where there is no common ownership, the accreditor has specifically approved the arrangement against its own standards, and the program is the related instruction component of a Registered Apprenticeship. Outside that pathway, 25 percent remains the ceiling. The Department explained that the new paragraph (D) “would allow an ineligible institution or organization … to offer more than 25 percent, but less than 50 percent of an eligible workforce program, if the program qualifies as a related instruction component for a Registered Apprenticeship” (91 FR 29260).

Note the second-order consequence, and note its limit. Condition (C) makes the gatekeeper for the enlarged arrangement *the eligible institution's* accrediting agency — the one whose accreditation supports the institution's Title IV eligibility — or, for a public postsecondary vocational institution, its part 603 State agency. The mechanism runs through 34 CFR 602.22(a)(1)(ii)(J), and § 602.22(a)(1) opens “If the agency accredits institutions.” A programmatic agency accrediting programs inside an institution that another agency accredits has no role under condition (C). That includes NCAIWPA. An agency that wanted one would have to be the institution's own accrediting agency, which is a different thing from accrediting its programs.

The Coverage Question

Three different things get called “scope,” and confusing them is expensive. An agency's *scope of recognition* is federal: under 34 CFR 602.3 it is defined by the certificate and degree levels, the institution and program types, preaccreditation, and distance or correspondence education for which the Secretary recognizes the agency. An institution's *grant of accreditation* is what that agency has actually extended to that institution and the programs within it. An agency's *scope of review* is its own internal business: which programs it examines, and under what procedure. Only the first is changed by a proceeding at the Department. The other two are settled between an institution and its accreditor.

Ask the coverage question in that order. First, is the program already inside the grant of accreditation that supports the institution's Title IV eligibility? If it is, there may be nothing to solve; the Department does not require a separate approval for each program. Second, if it is not, follow the agency's own program-approval or substantive-change procedures under § 602.22. Most questions of this kind are resolved here. Third, and only if the agency's *federally recognized* scope genuinely does not reach this type of certificate, institution, or program, is a federal expansion of scope in issue at all. Skipping to the third question is the common and costly error: it treats a conversation with your accreditor as a proceeding at the Department.

How widespread the gap is, this guide does not know. A commenter on the proposed rule told the Department that “many institutional accreditors do not currently include noncredit programs in their scope of review,” creating what the commenter called an “accreditation bottleneck” (91 FR 29275). The Department did not adopt that as a finding, and no federal source establishes the number. Treat it as the question to put to your own agency in writing, not as a premise to plan around. Where coverage is in fact missing, there are three routes and one supplement:

- **Option 1:** Ask their existing institutional accreditor whether its scope already reaches noncredit short-term programs, and if not, whether it intends to seek an expansion. Start with the question rather than the assumption; several agencies are actively considering this, and an institution that asks early is useful to an agency planning its own timeline. Most of the time the answer will not involve the Department at all — it will be the agency's own program-approval or substantive-change procedure. Where the agency's *federally recognized* scope genuinely does not reach the program type, the agency must apply to the Secretary for an expansion of scope under 34 CFR 602.32(j), satisfying §§ 602.12(b) and 602.31(b); and any proposed change to its policies or standards that might alter its scope must be submitted under § 602.27(a)(3). That is a deliberate process with its own review calendar. Ask your agency which of the three it is doing, and for its expected timeline rather than working from a general estimate.
- **Option 2:** Seek programmatic accreditation from a specialized accreditor that covers their program type. For AI workforce programs, this project identified no such recognized specialized accreditor as of August 18, 2026 — a dated search result, not a census (which is precisely why NCAIWPA was created). Treat this as a supplement rather than a substitute unless the primary accreditor and the Department confirm otherwise in writing: programmatic recognition does not automatically supply the coverage that supports Title IV eligibility.
- **Option 3:** Structure the program as a credit-bearing program rather than a noncredit program, so it falls within the existing scope of the institutional accreditor. This may require curriculum redesign and faculty qualification adjustments.
- **Option 4, for a provider that holds no accreditation at all:** Be accredited as a *freestanding, single-purpose institution* by a specialized agency whose recognized scope covers institutions of that type. This is the one configuration in which a specialized accreditor is the Title IV gate rather than a supplement, and it is how several specialized agencies serve freestanding law schools, freestanding theological schools and seminaries, freestanding nurse anesthesia institutions, and similar single-purpose institutions today. The Department's published list marks the difference agency by agency:

for most recognized programmatic agencies it states that “accreditation by this agency does not enable the entities it accredits to establish eligibility to participate in Title IV programs,” while for the gatekeeping ones it names a narrow category that may use it — usually freestanding institutions of the named type, and in the nurse anesthesia case hospital-based programs as well. The Department's clearest general statement of the route is in the 2025–26 *FSA Handbook*, Volume 2, Chapter 1 — Volume 2 of the 2026–27 edition had not been published as this edition went to press: “If a school offers only programs of a singular nature, the school's primary accreditor may be an agency that accredits only those specific educational programs.” Note where that sentence lives. It is subregulatory guidance, not a regulation, and it should be described that way — the statute requires accreditation by a nationally recognized agency without specifying that the agency be an institutional one, and the Handbook explains how the Department administers that. No recognized agency offers this for AI workforce programs as of this edition. *This guide's operational assessment:* Options 1 and 3 are the most straightforward routes for a program inside an already-accredited college. For a provider that holds no accreditation, the ordinary route is not this one at all: it is to seek accreditation from a recognized *institutional* accreditor whose scope covers institutions of its type — the career- and distance-focused agencies in the table above, ACCSC, COE and DEAC, exist for exactly that population and already reach clock-hour programs. Option 4 is the additional route that opens where a *specialized* agency's recognized scope expressly carries Title IV gatekeeping for freestanding institutions of that kind. Option 2 is a supplement rather than a route.

Each option follows an established review or program-design process with its own calendar. Workforce Pell launched in July 2026, so an institution that needs accreditation coverage for noncredit AI programs should begin early and confirm the expected timeline with the relevant agency rather than working from a general estimate.

WHY THIS GATE IS ABOUT TO BECOME VISIBLE

Accreditation has never been a private matter — it is the hinge of federal eligibility, and the Department publishes which agencies it recognizes. What changes on July 1, 2027 is that programmatic accreditation status becomes an explicit federal reporting and public-disclosure data element, program by program. Section 668.406(a)(1)(ii) will require an institution to report to the Department, for every gainful employment and eligible non-GE program, “Whether the program is programmatically accredited and, if so, the name of the accrediting agency.” Section 668.43(d)(1)(i)(H) then puts that on the Department's public program information website, alongside the program's median earnings, median loan debt, and earnings premium measure.

An accreditor's name is therefore set to appear next to its accredited programs' earnings outcomes on a federal website. One qualifier belongs on that sentence: § 668.43(d)(1)(i) requires the site to include the listed items “to the extent reasonably available,” so publication of any single field is not unconditional. For accreditors this is worth knowing about early, because a field that has not previously been published program by program is about to be. Chapter 9 covers the rule that creates it.

NCAIWPA'S INTENDED ROLE, STATED PLAINLY

This coverage question is what NCAIWPA was created to help answer, alongside the agencies already doing this work rather than in place of them. As a specialized programmatic accreditor for AI workforce training programs, NCAIWPA is designed to provide program-level accreditation for short-term AI programs, including noncredit clock hour programs between 150 and 599 hours.

NCAIWPA's federal recognition petition will specifically request a scope of recognition that includes noncredit AI workforce programs. Once federally recognized, NCAIWPA would provide a specialized quality-assurance pathway for AI programs; whether that recognition also supplies the accreditation coverage a given institution needs for Title IV purposes depends on the recognized scope granted, the institution's structure, and Department approval.

Does the pending AIM rulemaking change any of this? On the coverage question, no. The Accreditation, Innovation, and Modernization consensus reached May 21, 2026 leaves the four agency categories at § 602.14(a) unchanged, leaves § 602.16(c) unchanged (a programmatic agency states its standards “in terms of the type and level of the program rather than … the institution”), leaves the § 602.16(e) exemption unchanged, and leaves the definition of scope of recognition unchanged, including the Secretary's power to limit an agency's scope for title IV purposes. What AIM would change is § 602.10 — the federal link, and only for agencies seeking *initial* recognition, which would be allowed to show that an institution or program is “likely to rely” on the accreditation within two years rather than that it already does. That makes it easier for a new agency to be recognized. It does not change what recognition accomplishes. And as of this edition no notice of proposed rulemaking implementing the AIM consensus had been published. **Status as of August 18, 2026: negotiated consensus on proposed regulatory text, not a final rule and not law.** Read every sentence in this passage against that status.

Readers should also know what the hard part of recognition is, because it is not the standards. Under 34 CFR 602.10 an agency must demonstrate a link to a Federal program. Paragraph (a) — accreditation that is a required element in enabling at least one institution to establish HEA eligibility — opens “If the agency accredits institutions of higher education,” and is therefore unavailable to an agency that accredits only programs inside institutions another agency accredits. That leaves paragraph (b): at least one entity enabled to establish eligibility for a *non-HEA* Federal program. And nothing in 34 CFR part 690 subpart H conditions Workforce Pell eligibility on programmatic accreditation, so Workforce Pell cannot supply either link. Judge NCAIWPA's recognition prospects against § 602.10, not against the quality of its standards.

In the interim, NCAIWPA is building a **pilot quality-review process** — not accreditation, which it cannot confer — intended to give institutional accreditors, Governors, and employers a documented external review of a program against published standards.

CHAPTER 6

Gate 3 – Secretary Approval and the 12-Month Rule

Where the 12-month requirement actually lives, how the lookback works, and the operational steps that are easy to miss.

The third and final gate is approval by the Secretary of Education. Under the statute, the Secretary's approval happens after the Governor's approval — this sequence is mandatory, and § 690.94(a) states it directly: “After the Governor determines that the program meets the requirements under § 690.93, the Secretary evaluates documentation from an eligible institution to determine that the following requirements have been met—”. The institution submits documentation to the Secretary demonstrating that the program meets several conditions, most importantly the 12-month operating requirement.

The 12-Month Requirement

> “(a) After the Governor determines that the program meets the requirements under § 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.”
>
> *34 CFR § 690.94(a)(1) (91 FR 29336)*

CITATION CORRECTED

The Second Edition located the one-year existence requirement loosely in Chapter 6 and cited "34 CFR 690.92 A&B" and "34 CFR 690.93A" in its documentation table. Neither is a real citation. **Corrected again in this printing:** an earlier printing of this edition then said the requirement "lives in two places and only two." It lives in **three**, and the one that was missing is the highest. The three do not say the same thing, and they do not run to the same date.

Source	What must be true for the period	Period ends on
20 U.S.C. 1088(b)(3)(A)(iv)(I) the statute	"the program has been offered by the eligible institution for not less than 1 year" — the program's *existence*, not a set of conditions	The date **the Secretary makes the determination** under clause (iv)
§ 690.94(a)(1) the institution's limb	The program has met the § 690.92(a) and (b) conditions — the *weeks* and *hours* parameters	The date **the institution applied** for eligibility
§ 690.93(d)(4) the Governor's limb	The program "currently meets, and has met for the 12 months immediately preceding the certification," the § 690.93(a) requirements — the four workforce-alignment determinations	The date **the Governor certifies**

Three different subjects and three different endpoints, running in the order the gates run: Governor certification, then institutional application, then the Secretary's determination. **All three must be satisfied; none of them substitutes for another.** Which one binds you depends on where you are in the sequence. The *Governor's* clock is tested first, so for a program only just reaching a year it is the one that arrives soonest. The *statutory* clock is tested last and asks the broadest question — whether the program was *offered* at all, not merely whether it satisfied the length parameters — so it is the one a program with a thin or interrupted history is most likely to fail. **These are three separate legal conditions; satisfying one does not establish satisfaction of the others.** Build separate evidence for each, because none of them proves another: program-offering history for the statutory requirement; length-and-duration records for § 690.94(a)(1); and evidence that the four § 690.93(a) determinations were satisfied throughout the Governor's twelve-month lookback. Showing that a program ran for a year does not show that it met the workforce-alignment determinations while it ran. Note also what § 690.94(a)(1) does and does not reach: it looks only to § 690.92(a) and (b). It does not require that the program have been accredited, or Governor-approved, for those 12 months. The statute's "offered" is not defined in subpart H, which matters at the margin. The Department's example settles that *periodic* delivery counts, so an intermittent year is not the problem; what is unsettled is how few offerings suffice. If your program ran only once in its first year, get the State's written position before relying on it.

Flexibility vs. Traditional Standards

The Workforce Pell 12-month requirement uses a different, and in some respects a less rigid, test than the traditional 34 CFR 668.8 standard for program existence (§ 668.8(e)(1)(iv)), which asks whether essentially the same program has been provided continuously for a year. The Workforce Pell standard is different, and it has three limbs. The *statutory* limb is the broadest: 20 U.S.C. 1088(b)(3)(A)(iv)(I) asks whether the program "has been offered by the eligible institution for not less than 1 year" before the Secretary determines. The *institution's* limb reaches only length: § 690.94(a)(1) asks whether the program met the § 690.92(a) and (b) conditions for the preceding 12 months. The *Governor's* limb reaches the substance: § 690.93(d)(4) certifies that the program currently meets, and has met for the preceding 12 months, the four determinations in § 690.93(a). No limb freezes the curriculum. Modifications are permitted — the program need not have been exactly the same for the entire year — so long as, as the Department put it, "the modifications do not cause the program to no longer meet the standards in § 690.93(a)" (91 FR 29293), and the length conditions held throughout.

This flexibility was intentional. The Department recognized that many short-term programs — particularly in fast-evolving fields like AI — undergo regular updates to their curriculum, instructional methods, and content. Requiring programs to be frozen in amber for 12 months would be counterproductive. As long as the program has remained within the 150–599 hour and 8-to-less-than-15 week parameters, it satisfies the Secretary's limb of the 12-month rule. The Governor's limb still applies: § 690.93(d)(4) certifies that all four § 690.93(a) determinations were met throughout the prior 12 months, and routine curricular updates are permissible only while core competencies, objectives, and structure remain consistent with the approval. Substantive changes may require notification, resubmission, or a new State determination. A curriculum rewritten twice in a year is not automatically safe.

Three One-Year Tests: Governor, Institution, and Secretary

Entity	Documents	Authority and time reference
Governor	A signed statement that the program was approved and that it currently meets, and has met for the 12 months immediately preceding the certification, the § 690.93(a) requirements	§ 690.93(d)(4) — 12 months before the Governor's certification date
Institution	Documentation that the program has met the length conditions in § 690.92(a) and (b)	§ 690.94(a)(1) — 12 months before the institution's application to the Secretary
Secretary by statute	Determines that the program "has been offered by the eligible institution for not less than 1 year"	20 U.S.C. 1088(b)(3)(A)(iv)(I) — 1 year before the Secretary's determination, the latest of the three dates

This split was adopted after negotiators pointed out that institutions would find it difficult to provide evidence of meeting state approval requirements without getting that evidence from the Governor. By assigning each party the documentation it is best positioned to provide, the Department streamlined the process. **The two *regulatory* clocks** — the statutory one, above, is the third — are anchored to different dates, the Governor's certification date and the institution's application date, which will usually be close together but are not the same date.

What "operating" within the parameters requires is answered in part by the preamble, and the answer is generous: "the program is not required to continuously enroll students for the entire 12 months, but for any periodic program offerings during the last 12 months of the program's existence, the program must have met the requirements under § 690.93(a)" (91 FR 29293). The Department works an example: an 8-week welding program offered only twice in the year can be certified in January of the next year "because the program has been in existence for a year." The example confirms that periodic rather than continuous offerings may qualify; whether a single prior cohort is sufficient is not answered, and an institution should obtain the State's written position before relying on it. **The catalog-only program is the hardest case, and this edition has now overshot it in both directions.** An earlier printing called it genuinely open, which understated the problem; the printing after that called the question closed, which overstated the answer. Here is what can actually be said. The statute requires that the program "has been *offered* by the eligible institution for not less than 1 year" (20 U.S.C. 1088(b)(3)(A)(iv)(I)), and a program that has sat in a catalog without ever being delivered is difficult to describe as having been offered. But **"offered" is not defined in the statute or in subpart H**, and the Department's welding example shows that two offerings suffice without establishing that two, or any enrollment at all, is the floor. So: treat a catalog-only program as **high risk, and do not submit one without written confirmation** from the State and, if you can get it, from the Department. That is a stronger warning than "unsettled" and a weaker claim than "ineligible," and it is where the text leaves it. An institution planning a new program should ask its State, in advance, what evidence of 12-month operation the Governor's certification will require.

THE CRITICAL LOOKBACK PROVISION

This is one of the most important provisions in the entire Workforce Pell framework, and it was the subject of extensive discussion during the December negotiation.

The regulations let the Governor determine when a program first met the regulatory requirements — even if that date is before July 1, 2026. This means a program that has been operating in its current form since July 2025 could be certified by the Governor as having met requirements for 12 months and become eligible for Workforce Pell on or near the July 2026 launch date.

The Department explained the reasoning: Governors cannot approve programs until they know what the regulatory requirements are, which means approval cannot happen until the final regulations are published. But many existing programs already meet the substantive requirements. The lookback provision prevents these programs from having to wait an additional year after the regulations are finalized.

Read the limit of it. The lookback is evidence for the Governor's determination and the Secretary's. It does not make the program federally eligible for any period before the Secretary's determination, and it does not authorize Pell for a period in which the program was not an eligible workforce program. What it shortens is the wait, not the eligibility date.

The Department's Dave Musser stated directly: “We want to acknowledge that governors won't be able to approve these programs until they are fully apprised of what these regulatory requirements are. So that's why we're giving them the ability to look back in time.” (Transcribed by NCAIWPA from the Department's public December 2025 session webcast; as of this edition the Department has not published an official transcript of the exchange.)

One limit worth stating inside this box: the lookback shortens nothing for a program that does not yet exist. It rewards programs already operating within the parameters; a program created today still waits out its own 12 months.

TIMELINE REALITY CHECK, RESTATED FOR THE LAW AS IT NOW STANDS

For a program to be eligible for Workforce Pell, all of the following must be true:

1. The program has met the § 690.92(a) and (b) length conditions for the preceding 12 months (§ 690.94(a)(1)) — and separately, has been *offered* for at least one year (20 U.S.C. 1088(b)(3)(A)(iv)(I)). Two different tests; see Chapter 6.
2. The Governor has certified the program on OMB Form 1845-0189, including a "Date Program Met Eligibility Req." that includes at least the 12 months immediately preceding certification — which is where the lookback is exercised in practice.
3. The institution has uploaded the Governor's certification into E-App and submitted its documentation to the Secretary.
4. The program is, in the Department's words, "formally accredited and included within its grant of accreditation" (91 FR 29274–75; the sentence spans the column break).
5. The institution has a valid Program Participation Agreement.

Institutions could begin applying for approval on July 1, 2026. A program created after mid-2026 will reach its 12-month mark, and therefore its earliest possible eligibility, roughly a year after it starts operating — plus the time the State and the Department take to act. (The only observed benchmark as this edition goes to press: the first approval in the country came about five weeks after the application window opened. See Chapter 12.)

The Operational Steps

Neither previous edition described what an institution actually does. The first three steps below have since been made concrete by the Department, and all three are easy to miss; the fourth hands off to the ordinary machinery.

1. THE PROGRAM MUST BE ADDED TO THE ECAR THROUGH E-APP

The Workforce Pell rule amended 34 CFR 600.10(c)(1)(iv) to add eligible workforce programs to the list of programs for which an institution must obtain Department approval. The Governor's completed certification form is transmitted by the State to the institution, and **the institution uploads it into E-App**. The institution keeps the signed original under its ordinary record-retention obligations. The Secretary's early-implementation election is itself keyed to the ECAR: the Department said it would assume that an institution placing a qualifying program on the ECAR between July 1 and July 20, 2026 had elected early implementation.

2. THERE IS NO SEPARATE OPT-IN, BUT THERE IS AN APPROVAL

Institutions do not need to separately opt into the Workforce Pell program in their Program Participation Agreement. There is no additional application layer beyond the Governor certification and the documentation described above. But this should not be mistaken for automatic eligibility: the program must be approved and on the ECAR before Pell can be disbursed for it.

3. THE FINANCIAL AID OFFICE MUST SET THE STUDENT INDICATOR

This is an easy step to miss. Under the Department's 2026–27 *Federal Student Aid Handbook*, Volume 7, Chapter 1, **students cannot self-identify as enrolled in an eligible workforce program on the FAFSA.** The financial aid administrator must determine eligibility and set the “Enrolled in Eligible Workforce Program” indicator in the FAFSA Partner Portal. It is not set-and-forget: if the student ceases to be enrolled in the program the institution must correct the field to “No,” and if an accepted student never enrolls it should be returned to blank. The corrected transaction goes to every school listed on the student's FAFSA, so a stale “Yes” travels.

Be precise about what omission costs, because it is not identical for every student. The indicator is what makes a *bachelor's-degree holder* Pell-eligible at all in a workforce program — the exception described in Chapter 2 runs through it — so for that student, a missing indicator is decisive and the aid does not exist until the corrected transaction processes. For students whose Pell eligibility does not depend on the exception, initial eligibility is otherwise calculated under existing practice, and downstream COD processing uses warning edits rather than a universal hard stop. The operational answer is the same either way: set the indicator, and do not build a disbursement plan that assumes someone else will catch it. But an institution auditing its own file should know which students are actually exposed.

4. FROM HERE, THE ORDINARY PELL MACHINERY TAKES OVER

Once the program is on the ECAR and the indicator is set, what remains is the aid office's normal work: award packaging under the formulas and payment periods in Chapter 3, then origination, disbursement, return of Title IV funds, and the rest of the general framework this guide deliberately does not cover — see “What this guide does not tell you” in Appendix D and the *Federal Student Aid Handbook*. One obligation from that framework deserves naming here because it is new and easy to miss: the § 690.5 and § 690.80(d) monitoring of non-Federal grant aid against cost of attendance, covered in Chapter 3.

PART III

ACCOUNTABILITY

CHAPTER 7

Completion and Placement Standards

> *Seventy percent and seventy percent — and the correction that matters most in this book: through 2028–29, the institution does not calculate either of these rates.*

These two standards are not only an annual test. Section 690.94(a)(2) puts them in front of the program at the start as well: before approving a program the Secretary evaluates documentation to determine that it “meets placement and completion rate requirements,” so the 70 percent thresholds operate as an entry gate and then again for each award year afterward. A program without prior Workforce Pell enrollment must still supply the performance record the Governor requires for initial certification. Be careful about what the regulation does *not* say: the twelve-month condition at § 690.94(a)(1) attaches to the § 690.92(a) and (b) program conditions, not to the completion and placement rates, and no measurement period for those initial rates is expressly prescribed (Chapter 6). Once approved and enrolling Workforce Pell students, it stays in that accountability cycle continuously. The most immediate accountability measures are completion rates and placement rates — two metrics that determine whether the program continues to be eligible for Workforce Pell funding.

Both thresholds are 70 percent. Completion is measured within 150 percent of the normal time to completion; placement is measured in the second calendar quarter after the student leaves. That is the shape of the standard, and it is the easy part. The rest of this chapter is the detail underneath it — which students are counted, who runs the calculation, from whose data, and what changes at the end of the 2028–29 award year, when placement narrows to students who *complete* and are employed in the occupation the program prepares them for — or a comparable high-skill, high-wage, or in-demand one — and the completion rate moves to a different formula. The earlier editions of this guide got the calculator wrong, and the correction is below.

Who Does What

Party	Obligation	Authority
The institution	For each award year after approval, submit to the Governor a list of students who completed the program during the award year, and the information necessary for the Governor to verify the job placement rate. Separately, report published tuition and fees through a process determined by the Secretary.	§ 690.94(b)(1) and (b)(2)

Party	Obligation	Authority
The Governor	Through the 2028–29 award year, determine and certify *both* rates, based on the Governor's own analysis; for placement, using administrative data including wage records. Thereafter, certify the *placement* rate only — the permanent completion standard is determined under 34 CFR 668.8(f).	§ 690.94(a)(2)(i) and (ii)
The Secretary	Evaluate the documentation, oversee the State-calculated rates, and determine failure. Separately, confirm annually that published tuition and fees do not exceed value-added earnings.	§ 690.94(a), (d)
A non-federal auditor	*No role in the § 690.94 rates through 2028–29.* The Department declined to require attestation of State-calculated rates. Whether the § 668.8(e)(2) accountant attestation reaches the *permanent* completion rate through the § 668.8(f) cross-reference is unresolved — see the correction that follows.	91 FR 29301; §§ 668.8(e)(2), (f)

OUR ERROR, CORRECTED — THE MOST CONSEQUENTIAL CORRECTION IN THIS EDITION

Both earlier editions of this guide contained the following sentence: "Institutions calculate their own completion and placement rates, and a non-federal auditor attests annually to the accuracy of those calculations." That was wrong. It was wrong in the First Edition and it was wrong in the Second, and it was not a rule change that made it wrong — it was never right.

Under § 690.94(a)(2), each rate is determined "through a certification from the Governor, based on the Governor's analysis." The Department expressly considered and rejected an auditor attestation requirement: "The Department disagrees with the commenter that regulatory requirements for auditor attestation of State-calculated completion and placement rates are necessary. The Department expects to perform oversight of State-calculated completion and placement rates to improve the likelihood that such rates are being calculated in accordance with the law and regulations" (91 FR 29301).

An institution that budgeted for an annual attestation engagement on the strength of the earlier editions should stop — for the transition period. An institution that built its compliance plan around calculating and certifying its own rates should rebuild it around supplying accurate completer data to its Governor, because through 2028–29 that is where the calculation happens and where an error will originate.

One thing this guide cannot resolve, and will not pretend to. After 2028–29 the completion rate is determined under 34 CFR 668.8(f), which the institution calculates. Section 668.8 also contains, at (e)(2), a requirement that an institution "substantiate the calculation of its completion and placement rates" through an attestation engagement by the certified public accountant who prepares its § 668.23 audit. Section 690.94(a)(2)(ii)(A) cross-references paragraph *(f)* only — the arithmetic — and the (e)(2) attestation attaches by its own terms to the eligibility test in (e)(1), which serves the Direct Loan pathway at (d)(3) that a Pell-only workforce program does not use. This guide's tentative reading is therefore that § 690.94 borrows the formula without the attestation. But the Department has not said so, the cross-reference is to a paragraph inside a section that carries an attestation requirement, and an institution planning past 2028–29 should ask the Department rather than assume. This guide flags the question; it does not answer it.

> **COMPLIANCE STATUS — UNRESOLVED.** Whether the § 690.94 cross-reference carries the § 668.8(e)(2) attestation along with the § 668.8(f) formula. The Department has not said. Open question 2, Appendix C.

One boundary on the correction, which the table below sets out: this describes the position through the 2028–29 award year, and it describes the placement rate permanently. Under the permanent standard at § 690.94(a)(2)(ii)(A), the completion rate is “as determined under 34 CFR 668.8 (f)” and the Governor's certification clause sits in subparagraph (B), attaching to placement alone. Thereafter the Governor certifies placement only — which is also what the Governor's certification form says.

The Two-Phase Structure

One of the most pragmatic decisions in the December negotiation was the creation of a two-phase accountability structure that recognizes the reality that state data systems may not be ready for the full requirements on day one. This phased approach gives states time to build capacity while still maintaining meaningful accountability from the start.

	Transition period (2026–27, 2027–28, 2028–29 only)	Permanent standards (each award year after 2028–29)
Completion rate	At least 70 percent, within 150 percent of the normal time to completion	At least 70 percent, within 150 percent of the normal time of completion, as determined under 34 CFR 668.8(f)
Placement rate	At least 70 percent, calculated as the percentage of students *employed during the second quarter after exiting the program*, using administrative data, including wage records	At least 70 percent, calculated as the percentage of students employed *in the occupation(s) for which the program prepares students* (as identified through the § 690.93(b) process) or a comparable high-skill, high-wage, or in-demand occupation, *during the second quarter after successfully completing the program*
Determined by	*Both* rates: certification from the Governor, based on the Governor's analysis	*Completion:* as determined under 34 CFR 668.8(f) — the Governor's certification clause does not attach to it. *Placement:* certification from the Governor, based on the Governor's analysis using available administrative data, including wage records

	Transition period (2026–27, 2027–28, 2028–29 only)	Permanent standards (each award year after 2028–29)
Population measured for placement	*Exiters* — students who left the program, whether or not they completed	*Completers* — students who successfully completed
Specificity	Employment in any position during Q2	Employment in the specific occupation or a comparable one

CORRECTED IN THIS EDITION

The Second Edition's version of this table showed “Governor certification using administrative data including wage records” against *both* completion and placement. The final rule moved that phrase. The Department made a technical amendment “by removing the phrase ‘using administrative data, including wage records’ and placing it under subparagraph (B) so that it applies specifically to job placement since wage records will serve that purpose … rather than the completion rate. **Completion information is housed at the institution and in State datasets**” (91 FR 29301). Wage records supply administrative evidence of employment. They do not establish completion, and the rule no longer implies that they do. In practical terms: the completion rate traces back to the institution's own records, so the institution's data quality is the binding constraint on that number.

The Second Edition described placement in exit-based terms throughout — including for the permanent standard, which the final rule measures on *completers*. For the transition standard, exit-based is right, consistent with WIOA; and the shift from exiters to completers at the end of the 2028–29 award year is one of the least-noticed and most favorable changes in the framework — a program's placement denominator gets smaller.

UNDERSTANDING Q2: THE MEASUREMENT WINDOW

Both the transition and permanent standards measure placement during the second calendar quarter (Q2) after the student exits or completes. This means the actual calendar quarter — not a fixed number of days. For example, a student who exits in mid-February would be measured during July through September, the second full calendar quarter after the exit quarter. As a practical matter the window opens somewhere between three and six months after exit and closes three months later, depending on when within a quarter the student exits. The logic is that Q2 gives graduates enough time to complete a job search while still being close enough to program completion to meaningfully attribute employment to the training.

The Q2 window aligns with existing Department of Labor measurement standards used in Workforce Innovation and Opportunity Act programs, creating consistency across federal workforce program accountability. For institutions, this means one data pipeline can serve both obligations. See the discrepancy note in Chapter 4 regarding how the Governor's certification form describes this measure.

COHORT DETERMINATION: WHO GETS COUNTED

The rates are not limited to Title IV recipients — if a program enrolls 30 students and only 10 receive Workforce Pell, non-recipients are not excluded on that ground. But "all enrolled students" is not a complete denominator rule, because the governing population changes by period and by measure:

- **Transition completion (through 2028–29):** follow the State's published method and confirm its denominator. The Department expressly declined to adopt a commenter's proposed all-enrollees formula.
- **Transition placement:** students who *exit*, not current enrollees, subject to the applicable exclusions.
- **Permanent completion (after 2028–29):** the § 668.8(f) formula, which starts from regular students and then subtracts, among others, students who received a 100 percent refund and those still enrolled at award-year end.
- **Permanent placement:** students who *successfully complete*.

The four § 690.94(e) exclusions described below operate *in addition to* those base population rules. Through the 2028–29 award year both rates are determined through the Governor's analysis, so confirm in writing the exact denominator your State is applying (see Chapter 11, item 7). After 2028–29 that holds for placement only. The permanent completion rate is determined under 34 CFR 668.8(f), and 668.8(f) is an institutional calculation — five arithmetic steps the institution runs on its own enrollment records. Build the capacity to run it before you need it.

Placement and Completion Rate Exclusions

Section 690.94(e) excludes a student from both the numerator and denominator of completion or placement rates in exactly four circumstances. The student is excluded if the student:

- Dies;
- Experiences the onset of a medical condition that prevents employment;
- Is ordered to service in the uniformed services, including service performed under Title 10 or Title 32 of the United States Code, for a period of more than 30 days; or
- Becomes incarcerated.

These exclusions recognize circumstances entirely outside the control of both the institution and the student. They operate *in addition to* the base population rules set out above — they subtract from whichever denominator the applicable period and measure supply, and they do not convert that denominator into "all enrolled students."

Notably, enrollment in a subsequent educational program is not an acceptable exception to the placement requirement. A graduate who immediately enrolls in a longer program rather than entering the workforce is not counted as "placed." That is consistent with the Department's treatment of these programs as a route to employment rather than to further study, though the regulation does not expressly give continued education as the reason. The Department declined to add a continued-education exclusion here even though it added a parallel exclusion to the *earnings* measure at § 690.95(l). That asymmetry is deliberate, and Chapter 8 explains its consequence with precision: continued enrollment does not remove a graduate from the placement denominator, and it does not by itself make them unplaced — a completer who enrolls elsewhere *and is employed* during the applicable second quarter counts as placed. What continued enrollment does is leave an unemployed continuing student in the denominator, and it removes the student from its earnings calculation.

The Secretary's Waiver Authority

Section 690.94(c) gives the Secretary authority to waive some or all of the completion-rate submission and Governor placement-certification requirements in two distinct circumstances. The Second Edition described only the second.

- **§ 690.94(c)(1):** where “the Secretary determines that completion or placement rates will be calculated under a separate process established by the Secretary.” This is a standing authority for the Department to build its own calculation pipeline and take the work off the States entirely. It is not tied to the transition period.
- **§ 690.94(c)(2):** where, for the permanent occupation-specific placement certification, “the Secretary determines that the Governor is making progress towards making such certification but needs an additional award year” using the transition standard. This is the extension provision — a runway for states still building occupation-level data capacity.

WHY TWO PHASES?

The transition period exists because of a practical reality: when the rule was negotiated, most states did not have data systems capable of tracking whether a graduate is employed specifically in the occupation their program trained them for. State unemployment insurance wage records can tell you whether someone is employed and how much they earn, but they typically use industry codes (NAICS), not occupation codes (SOC). Determining whether a graduate of an AI training program is working as an AI specialist versus working at a coffee shop requires a more granular data infrastructure than most states possessed when the rule was written.

By starting with a more flexible “employed during Q2” standard and then transitioning to the occupation-specific standard, the Department gave states a runway to build that infrastructure — and kept the § 690.94(c)(2) extension in reserve for states that need longer.

GEOGRAPHIC AND RURAL CONSIDERATIONS

During the negotiation, multiple constituencies raised concerns about how placement rates would be measured in rural areas with limited labor markets. A graduate of an AI training program in rural Oklahoma may face a very different job market than one in San Francisco or Austin. The committee discussed whether geographic adjustments should be built into the placement requirement, and the Department acknowledged these concerns.

The final rule does not include a geographic adjustment for placement rates. It *does* include one in the value-added earnings calculation — the Bureau of Economic Analysis regional price parity adjustment at § 690.95(b)(1), discussed in Chapter 8. Readers of the Second Edition should note that no comparable adjustment survived into the STATS earnings-accountability rule; see the correction in Chapter 9.

CHAPTER 8

Value-Added Earnings and the Tuition Cap

A price ceiling set by your graduates' earnings, a drop from 50 to 30 in the minimum cohort size used for the Secretary's earnings calculation — and a liability provision no previous edition mentioned.

The third pillar of Workforce Pell accountability is the value-added earnings requirement under 34 CFR 690.95. This requirement operates as an economic test: a program's published tuition and fees must not exceed the program's “value-added earnings” figure.

WHEN THIS TEST ACTUALLY STARTS — 2030–31

The value-added earnings test does not govern tuition and fees until 2030–31, and an institution planning around it should know that before reading the rest. Other requirements in this chapter, and the completion and placement standards in Chapter 7, apply well before then. The Department's regulatory impact analysis states that eligible workforce programs must pass the value-added earnings test annually “(which will first be computed for the 2030–31 award year).” The negotiating history explains why: the Department originally proposed measuring earnings in 2029–30, non-Federal negotiators argued that would not always leave three full years between completion and measurement, proposed 2030–31 instead, and “the Department agreed with the negotiators' recommendation.” Keep the three dates distinct: **the first award year governed by the test is 2030–31, using the applicable 2026–27 completer cohort, from a figure published during 2029–30.** Cohort year, publication year, and governed award year are three different things, and Appendix C's timeline sets them side by side.

Two consequences. Programs launching now have several years of pricing latitude before a published figure governs anything — and the completion and placement standards in Chapter 7, which bite far sooner, are the nearer risk. And the § 690.96(c)(2) liability cannot reach backward into those years: “institutions will not incur liability for Pell Grant funds disbursed in award years preceding the initial publication of a program's value-added earnings” (91 FR 29308). Plan for 2030–31; do not price as though the test were live.

Read the name carefully, because it promises more than the formula delivers: the measure does *not* calculate any individual's earnings gain and does not compare completers against people who did not enroll. It subtracts 150 percent of the applicable poverty guideline from the adjusted median earnings of the program's Pell-funded working completers. What it tests is whether a program's price exceeds that remainder — not whether the program caused the earnings. The arithmetic below is the whole of it.

How Value-Added Earnings Are Calculated

> "(b) An eligible workforce program's value-added earnings are determined by calculating the difference between—
>
> (1) The median earnings of such students during the earnings measurement period as defined in 34 CFR 690.91, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such programs; and
>
> (2) 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Service Block Grant Act (42 U.S.C. 9902(2)) for such tax year."
>
> *34 CFR § 690.95(b) (91 FR 29336–29337)*

The benchmark is not a comparison group of non-completers. It is a fixed federal poverty threshold. Two definitions at § 690.91 govern which students and which year:

- **Cohort period:** "The award year that ends three full award years prior to the beginning of the award year for which value-added earnings are being determined." There is a three-year lag built into the measure.
- **Earnings measurement period:** "The first full tax year following the award year in which the student completed the eligible workforce program."

Under § 690.95(a), the students counted are those "who are working, received a Pell Grant for enrollment in the program, and completed the program during the cohort period." Three filters, not one: working, Pell-funded, and a completer.

GET THE POVERTY FIGURE RIGHT — THE SECOND EDITION DID NOT

The Second Edition stated that "150% of the 2025 Federal Poverty Guidelines for a single individual is approximately $22,590." That is the **2024** figure. The guideline for a single person in the 48 contiguous states and DC was $15,060 for 2024, giving $22,590 at 150 percent. The 2025 guideline was $15,650, giving **$23,475**. The 2026 guideline is $15,960, giving **$23,940**. Both worked examples in the Second Edition were built on the wrong year's number and understated the deduction by $885.

The figures above are for the 48 contiguous states and the District of Columbia. HHS publishes separate, higher guidelines for Alaska and Hawaii — for 2026, 150 percent of the one-person guideline is $29,925 in Alaska and $27,540 in Hawaii. Every worked example in this chapter uses the contiguous-states figure; institutions in Alaska and Hawaii should substitute their own.

More importantly, no single figure is the right one to memorize. Section 690.95(b)(2) applies 150 percent of the poverty line "for such tax year" — the tax year of the earnings measurement period, which because of the cohort-period lag will be several years behind the award year in which the determination is published. An institution modeling its tuition ceiling must use the guideline for the tax year in which its cohort's earnings were measured, not the current year's.

HHS poverty guideline year (1 person, 48 states + DC)	Guideline	150 percent — the § 690.95(b)(2) deduction
2024	$15,060	$22,590
2025	$15,650	$23,475
2026	$15,960	$23,940

Worked through with the 2026 figure: if a program's completers have adjusted median earnings of $32,000, the value-added earnings are $32,000 − $23,940 (the 2026 contiguous-states figure) = **$8,060**, and the program's published tuition and fees cannot exceed that amount. Under the 2024 figure the same program would have had $9,410 of headroom. The choice of year is worth $1,350 of tuition, which is why it has to be the right year.

The Cohort Aggregation Process

CHANGED IN THIS EDITION

The Second Edition said: “If a program has fewer than 50 completers in a single cohort period, the Department combines the initial cohort period with up to three prior award years (four years total).” The threshold is now **30**, and the sequence is three steps rather than four. The Department lowered it “from 50 to 30” expressly to align with the STATS rulemaking, “which will allow the Department to use the same cohort aggregation process across both regulations, thereby forming consistent cohorts” (91 FR 29266). It rejected proposals to add a fifth year, and to aggregate at the four-digit or two-digit CIP level.

The Second Edition's worked illustration — “a program graduating 3–4 students per year may need to aggregate four years of completers (12–16 students)” — no longer describes a program that can be measured at all. Twelve to sixteen completers never reaches 30 on its own. Unless the program is pooled to 30 with other programs sharing its six-digit CIP code under § 690.95(j), it receives no value-added earnings calculation at all.

Step	Cohort assembled	If it reaches 30 students
§ 690.95(h)(1)	The cohort period alone	The Secretary sends the list to the Federal agency with earnings data
§ 690.95(h)(2)	Cohort period + the first prior award year	Sent
§ 690.95(h)(3)	Cohort period + first, *second and third* prior award years (added together in one step)	Sent
§ 690.95(h)(4)	Still fewer than 30 across all four award years	**The Secretary does not calculate value-added earnings for the program for that award year**

Before that list is finalized, § 690.95(g) gives the institution a correction right: the Secretary compiles the list of Pell-funded completers from data the institution reported, provides the list to the institution, and allows the institution to correct the underlying reported information "no later than 60 days after the date the Secretary provides the list." That 60-day window is the opportunity § 690.95(g)(1)(ii) specifies for correcting the list before the earnings data are matched. The Department declined to add a reconsideration route for the value-added earnings figure, and said why: it is "providing institutions 60 days to make corrections to the completers list under § 690.95(g)(1)(ii)," after which it "would consider the institution to have substantiated the information" (91 FR 29309). Treat the window as the point at which the cohort is settled.

THE 16-RECORD MINIMUM: A SECOND, SEPARATE FLOOR

Even after aggregating up to four cohort years to reach 30 completers, a second threshold applies at the matching stage. Under § 690.95(i), if the Federal agency with earnings data returns reports on fewer than 16 students, "the Secretary does not calculate the value-added earnings for the program for the award year." Read the two thresholds in sequence, not as a fraction of each other. The cohort must reach **30** students to go to the matching stage at all; then, if the Federal agency returns earnings records for fewer than **16** of them, the Secretary does not calculate value-added earnings for that award year. Sixteen is a floor on the records that come back, not a share of the thirty that must match.

When no value-added earnings can be calculated, the § 690.95 tuition cap does not operate for that award year. That is narrower than "no constraints": the Governor's cost-versus-anticipated-wages consideration at § 690.93(d)(9) still applies at approval, the Pell-only funding envelope still limits what a low-income student can actually pay, and the STATS earnings premium measure still reaches the program subject to its own cohort floors. A small program operates without the cap but also without the market signal that a positive value-added earnings figure provides.

Publication, Aggregation, and the Zero Rule

Under § 690.95(c), the Secretary publishes the value-added earnings that will apply to a program no later than three months before the beginning of the award year. Under § 690.95(j), "the Secretary includes completers from all eligible workforce programs with the same six-digit CIP code" when calculating value-added earnings. Two things are unresolved about that sentence, not one.

The credential-level question. The codified text pools completers by six-digit CIP code and says nothing about credential level. The preamble describes something narrower: "Programs sharing the same six-digit CIP code *and credential level* are highly similar in nature; therefore, the Department contends that these programs should be subject to the same value-added earnings metric" (91 FR 29306). A preamble may help interpret ambiguous regulatory text, and it is ordinarily not read to narrow language that is not ambiguous. What can be said about § 690.95(j) is narrower than calling it plain: **the credential-level limiter a reader would need is not in the paragraph.** Whether the text is beyond argument is a judgment for the Department or a court, not for a practitioner guide, and this edition does not make it. An institution offering a certificate and a degree under one six-digit CIP code should therefore *not* assume the two are measured separately, however sensible that would be, until the Department says so. Put the question to the Department before building a program portfolio that depends on the answer.

> **COMPLIANCE STATUS — UNRESOLVED.** How far value-added earnings aggregation reaches. The codified text carries neither an institutional limiter nor a credential-level limiter; the preamble describes both. Open question 5, Appendix C.

The institutional-limiter question. The paragraph as written contains no institutional limiter, and the Department has not, as of this edition, said whether aggregation stops at the institution's door. Context suggests it does — the correction right in (g) runs to the institution's own completer list, and part of the Department's stated rationale for (j) is to stop a single institution from splitting one program into several small-cohort programs under the same CIP code (91 FR 29306) — but a program sharing a six-digit CIP code with other programs should treat the scope of aggregation as a question for the Department.

Separately, and this is the rule Chapter 10 returns to: under § 690.95(e), programs with a calculated value-added earnings of zero or a negative value “shall not be eligible for Federal Pell Grant funds.”

Two further provisions shape the obligation. Section 690.95(d) requires the institution to keep published tuition and fees at or below the calculated figure “for all students who first enroll … during the award year that begins following the annual release” — so the cap bites on the next intake, not retroactively on students already enrolled. Section 690.95(f) requires the institution to provide, on request, evidence satisfactory to the Secretary that it has complied.

Section 690.95(k) removes the regional price parity adjustment in one circumstance: if more than 50 percent of the counted students are not located in the State where the institution offering the program is located, the Department will not adjust the program's median earnings by BEA regional price parities. This matters for online programs with national enrollment, which will be measured against an unadjusted median.

The Exclusion for Students Enrolled Elsewhere

> “The Secretary excludes a student from the value-added earnings calculation if the Secretary determines that the student was enrolled in any other educational program at the institution or at another eligible institution during the calendar year for which the Secretary obtains earnings information under paragraphs (g) and (h) of this section.”
>
> *34 CFR § 690.95(l), new in the final rule (91 FR 29337)*

NEW IN THE FINAL RULE

The Second Edition listed this as an open directed question — whether people concurrently enrolled in higher education should be excluded from the earnings measurement. The Department resolved it by adding § 690.95(l). It did not make the parallel change to the placement measure, and the asymmetry has a practical asymmetry: a completer who enrolls in a degree program and does not work remains in the placement rate under Chapter 7 and is *removed from* the earnings calculation here. A program whose graduates routinely stack into degrees may find its placement rate depressed and its earnings cohort thinned at the same time. One qualification, because the asymmetry is narrower than it first reads: continuing enrollment does not itself depress placement. A graduate who enrolls in a degree program *and* is employed in the relevant quarter still counts as placed. The exposure is the graduate who studies and does not work.

Regional Price Parity Adjustment

The value-added earnings calculation incorporates a regional price parity (RPP) adjustment to account for geographic cost-of-living differences. Published by the Bureau of Economic Analysis, RPP indices measure the differences in price levels across states and metropolitan areas. Under § 690.95(b)(1), the median earnings of a program's completers are adjusted by the State and metropolitan area regional price parities based on the location of the program.

Without this adjustment, programs in lower-cost regions would be systematically disadvantaged by the value-added earnings test, even if they produce excellent outcomes relative to their local labor markets. For programs distributed across diverse geographic settings, the RPP adjustment is intended to account for geographic differences in price levels.

DO NOT CARRY THIS ADJUSTMENT INTO CHAPTER 9

The RPP adjustment described here belongs to the Workforce Pell value-added earnings test at § 690.95 and nowhere else. The Second Edition's Chapter 9 described a “rural earnings adjustment” using census-level geographic data in the AHEAD earnings accountability framework. No such adjustment exists in the STATS final rule. Chapter 9 of this edition sets out what the earnings threshold is actually built from.

The Tuition Cap Mechanism

The value-added earnings requirement functions as a tuition cap: if a program's published tuition exceeds its value-added earnings, the program loses Workforce Pell eligibility at the beginning of the award year following the release of the earnings data. This creates a direct market incentive for programs to either keep tuition affordable or ensure they are producing graduates with strong earnings outcomes — ideally both.

Institutions report their published tuition and fees through a process determined by the Secretary. The term “published” is important: this is the listed price, not the net price after financial aid. Even if students receive Pell funding that covers most or all of the tuition, the published tuition must remain at or below the value-added earnings figure — a program priced exactly at the figure complies. Section 690.91 defines "tuition and fees" simply as "the institutional charges for an eligible workforce program."

THE LIABILITY — NEW IN THIS EDITION

No previous edition of this guide mentioned § 690.96(c)(2), and it is the sharpest provision in the framework. Losing eligibility is not the whole consequence of failing the earnings test.

Section 690.96(c) provides that where a program fails under § 690.95: "(1) The program will become ineligible at the beginning of the award year following the release of the value-added earnings; and (2) **The Secretary will assess a liability for amounts of Pell Grants disbursed for students enrolled in the eligible workforce program during the award year for which the value-added earnings were calculated and shall collect any such liability from the institution.**"

The verbs are mandatory once the provision is triggered — the Secretary *will* assess and *shall* collect — but two limits matter more than the verbs, and the Department stated both.

Which year is exposed. Not the year measured. The award year "for which the value-added earnings were calculated" is the year the published figure *governs* — the forward year, not the cohort year roughly four years earlier. The Department was explicit: "institutions will not incur liability for Pell Grant funds disbursed in award years preceding the initial publication of a program's value-added earnings" (91 FR 29308). Its own worked example: value-added earnings provided during 2029–30 apply to tuition and fees for 2030–31; if the institution keeps charging above the figure and disburses Pell in 2030–31, "the Secretary will assess a liability for the amounts of Pell Grants disbursed for students enrolled in the program for that award year."

It is conditional, and the condition is in the institution's hands. In the same example the Department says that for the governed year the institution "must reduce its tuition and fees to a maximum of $2,500 or voluntarily withdraw its program from eligibility for Pell Grant funds." Do either *in time* and no liability is assessed. Timing is the whole of it: the change has to be in place for the governed award year, before the institution enrolls and disburses at the old price. The liability falls on an institution that receives a published figure, keeps its price above it, and disburses Pell anyway. **What the rule does not say** is whether a later retroactive correction — a mid-year price reduction, a student refund, a COD correction, a return of Pell funds — can cure a disbursement that has already happened in the governed year. The Department's example tells an institution to reduce or withdraw *before* the governed award year; it does not address the retroactive case either way. Earlier printings of this edition stated flatly that a mid-year reduction does not undo the disbursement. That is a cautious compliance position and it may well be right, but it is not what the rule says. Get written guidance from Federal Student Aid before relying on a retroactive correction. One caution on the second option: § 690.97(a) bars reestablishing a program's eligibility for two years where "the institution voluntarily discontinues a failing eligible workforce program," and that limb is not textually confined to completion and placement failures. Withdrawing to avoid the liability is a voluntary discontinuation. Whether the bar attaches is unresolved on the text — see Chapter 10 — and the answer determines whether the program may use the ordinary reinstatement route or instead faces the two-year reestablishment bar at § 690.97(a).

COMPLIANCE STATUS — UNRESOLVED. Whether withdrawing a program to avoid the § 690.96(c)(2) liability triggers the § 690.97(a) two-year bar. The choice cannot be unwound afterward. Open question 4, Appendix C.

The branch where pricing cannot save you. Everything above assumes the failure is a price failure — tuition above a positive published figure — and that branch has a cure, because the institution can lower the price. Section 690.95(e) creates a second branch with no such cure: “Programs that have a calculated value-added earnings of zero or negative value shall not be eligible for Federal Pell Grant funds.” There is no price at or below zero, so no price reduction alone appears capable of restoring eligibility on this branch. Reducing tuition to nothing does not make the program eligible, and the reinstatement route in § 690.97(c) — which runs on an attestation that tuition and fees have been reduced to at or below the recalculated figure — has nothing to attach to until the recalculated figure turns positive. The Department treated the two branches as carrying the same consequences: “when a program's value-added earnings are zero or negative *or* when its tuition and fees exceed its published value-added earnings, the program becomes ineligible at the start of the subsequent award year, and the institution (not the student) is responsible for any associated Pell Grant liability assessed for that award year” (91 FR 29309). For a program on the zero-or-negative branch, one possible reading is that the route back is not a pricing decision at all: the completers' median earnings would have to rise above the threshold, which takes cohorts and years. The regulation does not describe that route in terms, and this guide reads it from the structure of § 690.97(c). **Separate the mechanism from its timing.** Whether § 690.97(c) supplies a route at all is the open question. When a program could use it is a different matter and turns on when a recalculated figure exists, which depends on the Department's own measurement and publication cycle rather than on anything the institution controls. Do not plan on curing a zero-or-negative result by requesting a recalculation outside that cycle.

The price branch — this guide's shorthand for the § 690.95(d) failure, where published tuition exceeds a *positive* value-added earnings figure, as against the “zero-or-negative branch” at § 690.95(e); neither label is a regulatory term — is a smaller trap than it first reads and a sharper one. The exposure is not a retroactive bill for a cohort long graduated; it is the bill for a year the institution chose to enter with its eyes open. Model it before setting the next year's price — and model the zero-or-negative branch separately, because it is the one your pricing model cannot reach.

Reinstatement After Failure

If a program fails the value-added earnings test, it is not permanently barred. Under § 690.97(c), an institution may request that eligibility be reinstated by providing three things: a new certification of the Governor's approval under § 690.93(c); documentation of the program's current published tuition and fees together with an attestation that they have been reduced and will remain at or below the recalculated value-added earnings; and a request for recalculation to determine whether the updated tuition and fees that will apply to the next award year exceed the program's value-added earnings.

There is no two-year waiting period for value-added earnings reinstatement, unlike completion or placement rate failures. Where the published figure is *positive* and the program's price exceeded it, the path back is pricing correction: a program that fails in one year and immediately reduces tuition can seek reinstatement for the next award year. Reinstatement does not extinguish the § 690.96(c)(2) liability for the year already measured.

That route does not reach the other branch. Where the calculated value-added earnings are zero or negative, § 690.95(e) makes the program ineligible regardless of price, and there is no price at or below the figure for the § 690.97(c)(2) attestation to describe. Reducing tuition — to any amount, including zero — does not cure it. On the face of the rule the route back appears to require a later positive recalculation, which depends on completers' median earnings rising against the threshold over subsequent cohorts. We put it that way rather than more firmly because § 690.97(c) appears to carry a cross-reference defect that leaves its application to this branch genuinely unsettled. Chapter 10 records a cross-reference defect in § 690.97(c) that bears on this and sets out what to ask the Department.

PRACTICAL IMPLICATION: TUITION SETTING

Consider a 300-hour AI certificate program whose completers have adjusted median earnings of $35,000. Using the 2026 contiguous-states poverty guideline, the value-added earnings are $35,000 minus $23,940, or **$11,060**. This is an illustrative calculation using the 2026 guideline; it is not a forecast of the poverty deduction or the tuition ceiling for any future award year. The program's published tuition and fees cannot exceed $11,060 for that award year. An institution that prices the program at $15,000 would lose Workforce Pell eligibility — even if the program has excellent completion and placement rates — and, if it kept charging $15,000 and disbursed Pell in the award year the $11,060 figure governs, would be assessed a liability for the Pell disbursed in *that* year. A reduction to $11,060 for that year, or withdrawal of the program, appears on the Department's own example to avoid that liability, provided it is made in time; the timing questions are worked below.

Set against the Chapter 3 arithmetic, the practical range is narrower than the cap suggests. A 300-hour program generates about $2,465 in Pell (at 2026–27 parameters) for a maximum-eligible student, and that student can borrow nothing federally. A program priced at $11,000 sits within the Workforce Pell value-added earnings ceiling and is unreachable for the low-income learner Workforce Pell exists to serve. The regulatory ceiling and the affordability ceiling are different numbers, and the lower one may determine whether the program is financially reachable by the population Workforce Pell was written for. Employer, State, institutional, and private assistance can close a gap that no title IV instrument closes; the point is that none of that is guaranteed and none of it is Pell.

CHAPTER 9

The Second Regime: STATS and Earnings Accountability

A separate final rule, a separate clock, a separate sanction — and a question the rule never quite answers about what any of it means for a program whose students cannot borrow.

STATUS — DEPARTMENT POSITION; REGULATORY INTERACTION UNRESOLVED. Read this before the chapter.

Certain: the Department stated in the STATS final-rule preamble that eligible workforce programs are subject to the earnings-premium and administrative-capability framework.
Certain: § 690.90 makes an eligible workforce program Pell-only.
Unclear: how Direct Loan-specific consequences operate against a program that cannot receive Direct Loans. No codified provision applies subpart S to eligible workforce programs notwithstanding § 690.90.
Independently clear: the institution-level administrative-capability consequences can still reach title IV eligibility, and do not depend on resolving the question above.

Effective-date status as of this edition: the STATS rule is published but *not generally effective* until July 1, 2027. Amendatory instructions 13 and 14 take effect August 31, 2026, and the FVT/GE provisions running now are a separate, currently operative regime. Read every requirement in this chapter against that architecture before implementing it; do not operate a future-effective provision early.

This guide treats the Department's statement as its published position and distinguishes that from a conclusion that every sanction operates identically on a Pell-only program. Plan against the exposure; take advice before relying on any single consequence.

While the Workforce Pell regulations establish one set of accountability requirements, they do not operate in isolation. A second final rule — *Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability*, 91 FR 40136, published July 1, 2026 — creates an additional layer of accountability that applies broadly to postsecondary programs, with specific implications for Workforce Pell programs.

THIS CHAPTER IS NEW. THE SECOND EDITION'S CHAPTER 9 IS WITHDRAWN.

The Second Edition described “the AHEAD Earnings Premium” as a framework agreed by a negotiated rulemaking committee. AHEAD is the name of the *committee*, which produced two rules; this chapter describes the second one as adopted. Two statements in the withdrawn chapter were wrong and are corrected below: the “rural earnings adjustment” does not exist in the final rule, and the consequence of failure is loss of *Direct Loan* eligibility, not of “all Title IV eligibility.” A third — the administrative capability test — needed restating rather than reversing: the Second Edition's disjunctive statement of the failure trigger pointed the right way, and only its threshold was off. The § 668.16(t) box later in this chapter sorts out which parts survive.

Two inferences this chapter does not support, and a reader should not draw either. Do not read the unresolved Direct Loan interaction as meaning the STATS framework does not reach an eligible workforce program: the reporting, disclosure and administrative-capability provisions are not keyed to borrowing. And do not read the correction above as meaning the consequences stop at the program: the § 668.16(t) administrative-capability route runs against the *institution*, and that is a different exposure from the program-level Direct Loan sanction.

CITATION HYGIENE: WHAT "SUBPART S" MEANS NOW

The Second Edition's preface said this guide translates "34 CFR Part 668 Subpart S." That was wrong — Workforce Pell is at 34 CFR part 690, subpart H. The error now has a trap attached, because the STATS rule revised subpart S of part 668 in full, and it is now a different thing entirely.

One framing point before the citations: everything in subparts Q and S below is the law *as it will stand on July 1, 2027*. Until then the existing FVT/GE provisions those subparts replace remain operative, with the reporting consequences set out in the box above. Read every subpart Q and S citation in this chapter and in Appendix A as carrying that date.

34 CFR part 668, subpart Q — the Student Tuition and Transparency System, §§ 668.401 through 668.407. This is where the earnings premium measure is calculated and where programs report.

34 CFR part 668, subpart S — Earnings Accountability, §§ 668.601 through 668.606. This is where the consequences live.

34 CFR part 690, subpart H — Workforce Pell, §§ 690.90 through 690.97. Chapters 1 through 8 and 10 of this guide.

The definitions used across subparts Q and S sit at § 668.2(b), not in either subpart.

BEFORE ANY OF THIS: THE REPORTING DEADLINE THAT IS ALREADY RUNNING

The dates in this chapter describe the STATS regime, which is generally effective July 1, 2027. Until it arrives, the existing financial value transparency and gainful employment (FVT/GE) framework is still the operative law, and it carries deadlines now. In Electronic Announcement GENERAL-26-49, issued August 11, 2026, the Department directed that:

- institutions must submit FVT/GE data for the **2026 reporting cycle by October 1, 2026**;
- unreported or under-reported FVT/GE data for 2024 and 2025 may be submitted **until January 15, 2027**;
- for the 2026 collection only, institutions may omit certain data elements — the optional elements are listed in the earlier Electronic Announcement GENERAL-26-43, and the election is what the Department treats as early implementation of the new STATS reporting requirements; and
- institutions that do not elect early implementation "must continue to comply with all FVT/GE reporting requirements through June 30, 2027."

An institution reading only the October 1, 2027 date later in this chapter would miss a deadline six weeks after this edition went to press. Confirm the current position against the announcement and anything issued after it (Appendix C names where to look).

Early implementation buys reporting relief and nothing else. The Department was explicit: it "has no effect on any other regulatory requirements. It does not impact whether an institution is subject to the new earnings premium measure on and after July 1, 2027, nor does it impact the consequences of failing that measure." Do not read the election as any kind of accountability deferral.

IF YOU ARE BEHIND ON 2024 OR 2025 — READ THIS BEFORE YOU FILE

The Department reports that **more than 1,900 institutions** have not reported or under-reported FVT/GE data from the 2024 and 2025 cycles. If yours is among them, the announcement carries an attachment, *List of Institutions That Previously Submitted FVT/GE Data*, showing which award years and which files each institution has on record. Check yours against it rather than against internal memory; the Department notes the list shows only that files were submitted, not that they were complete.

The choice that decides how much work this is. Section 668.408(c)(1) offers two postures for the delinquent cycles, and they are not close in burden. An institution filing under *standard* reporting at § 668.408(c)(1)(i) "must also submit students' total award data for the following award years: 2017–18, 2018–19, 2019–20, 2020–21, 2021–22, 2022–23, 2023–24, and 2024–25" — eight years. A *transitional* reporter is responsible for total amount data for 2022–23 through 2024–25, and annual amount and program data for 2023–24 and 2024–25. The Department says so in terms: because the STATS rule replaces FVT/GE on July 1, 2027, "institutions may wish to file data from the 2024 and 2025 reporting cycles as a transitional reporter. Transitional reporters are responsible for far fewer years of data reporting." That sentence is worth a conversation with your reporting staff before anyone starts pulling eight years of records.

If you cannot make a deadline, say so in writing first. An institution unable to meet the FVT/GE requirements for either deadline "must submit a statement to the Secretary that explains why the institution failed to comply," per § 668.408(b)(2) and, after July 1, 2027, § 668.406(b)(2). Send it to ReportingSTATS@ed.gov *before* the deadline, with the institution's six-digit OPEID, name, and the cycle in the subject line. The Department states it will not grant further extensions for the 2024, 2025, or 2026 cycles and will consider action against institutions that miss them, "includ[ing] fines, sanctions, or other actions."

And file early. The Department asks for submissions at least one week before each deadline, warns that as deadlines approach processing can take up to a week, and states plainly that "error-correction is not an acceptable justification for late submissions." It also warns that "incomplete or inaccurate submissions may raise concerns about an institution's administrative capability to continue participating in the *Title IV* programs" — which is the same administrative-capability doctrine that § 668.16(t) enters later in this chapter.

What the Rule Does

The STATS rule establishes the successor to the debt-to-earnings metric and to the financial value transparency and gainful employment (FVT/GE) framework with an earnings premium measure. It amends 34 CFR parts 600, 668, and 685. It does **not** amend part 690, and on NCAIWPA's reading of the full text it engages part 690 at a single point, § 690.95.

Element	Detail
Citation	91 FR 40136 (July 1, 2026), Docket ED–2026–OPE–0100, RIN 1840–AE06
Amends	34 CFR parts 600, 668, 685
Effective	**July 1, 2027**, except amendatory instructions 13 and 14, effective August 31, 2026

Element	Detail
Applies to	Gainful employment (GE) programs and “eligible non-GE programs” offered by eligible institutions (§ 668.401)
The measure	The earnings premium measure (§ 668.402)
Program-level sanction	Loss of **Direct Loan** eligibility after failure in two of any three consecutive award years for which the measure is calculated (§ 668.603)
Institution-level sanction	Provisional status and loss of **all title IV** eligibility for the institution's low-earning outcome programs, where the § 668.16(t) test is failed in two of any three consecutive award years (§ 668.14(h))
Subpart S scope exclusion	Institutions enrolling only individuals with a documented Specific Learning Disability or Autism as defined under 34 CFR 300.8 (§ 668.601(b)). This is an exclusion from subpart S's scope, and is separate from the two sanction exceptions at § 668.14(h)(3) discussed later in this chapter

The Earnings Premium Measure

Section 668.402(c) states the test in two sentences: a program passes “if the median annual earnings of the students who completed the program equal or exceed the earnings threshold,” and fails “if the median annual earnings of the students who completed the program are less than the earnings threshold.”

Under § 668.403(b)(1), the earnings measured are those of students who completed during the cohort period, for the **fourth tax year following program completion**, who are working and not excluded. This is a longer lag than the Workforce Pell value-added earnings measure, whose earnings measurement period is “the first full tax year following the *award year* in which the student completed the eligible workforce program” (§ 690.91) — keyed to the award year, not to the completion date.

HOW THE EARNINGS THRESHOLD IS BUILT — AND WHY IT IS A STATE NUMBER

The Second Edition described the benchmark as “the median earnings of 25-to-34-year-old working adults in the institution's state who hold only a high school diploma.” That was substantially right, and the final rule confirms it, but three features of the definition were missing and each matters.

> "*Earnings threshold.* (1) For undergraduate programs offered by an eligible institution located in a State, based on data from the Census Bureau, the median earnings for working adults aged 25–34, with only a high school diploma (or recognized equivalent), who worked and were not enrolled in an eligible institution during the year of the associated measured earnings—
>
> (i) In the State in which the institution is located; or
>
> (ii) Nationally, if fewer than 50 percent of the students enrolled in the institution during the award year the calculations are made are from the State where the institution is located."
>
> "(3) For States where the Census Bureau Data necessary to perform the calculations set forth in paragraphs (1) and (2) of this definition are not available, the earnings threshold will be one dollar."
>
> *34 CFR § 668.2(b), as amended (91 FR 40281)*

- **The threshold is computed by State.** Every NCAIWPA document, and every institutional plan, that describes the federal earnings benchmark as a single national number is imprecise. A program in Alabama is measured against Alabama; a program in California against California. For a program serving one labor market, the state construction is the whole of the analysis.
- **There is a national fallback, and it is triggered by enrollment, not by outcome.** If fewer than half of an institution's students are from its own State, the national threshold applies. Institutions with substantial out-of-state online enrollment should determine which threshold they fall under before modeling anything.
- **Where Census data is unavailable, the threshold is one dollar.** A program in such a State passes on any positive median earnings.

Graduate programs use a different comparator — adults aged 25–34 holding only a baccalaureate degree — and take the lowest of the State, State-by-CIP, and national-by-CIP figures. That branch does not reach eligible workforce programs, which § 690.92 defines as undergraduate.

CORRECTION: THERE IS NO RURAL OR COST-OF-LIVING ADJUSTMENT HERE

The Second Edition stated that “the AHEAD framework uses census-level geographic data to adjust the earnings benchmark based on the institution's location” and called this the “rural earnings adjustment.” No such adjustment appears in the STATS final rule. Congress did not enact one and the Department did not read one in.

What the rule does instead is build the threshold on *State* Census data, which achieves part of the same effect by a different route: a program in a low-wage State is measured against that State's own high-school-diploma median rather than a national one. But it is not a cost-of-living adjustment, it does not operate at the census-tract or metropolitan level, and it does not distinguish rural from urban within a State. An institution in rural Alabama and one in Birmingham face the same Alabama threshold.

Readers should also not confuse this with the Bureau of Economic Analysis regional price parity adjustment in Chapter 8. That one is real, but it belongs to § 690.95 and applies only to the Workforce Pell value-added earnings test.

COHORTS, EXCLUSIONS, AND THE FLOORS

The cohort logic is shared, by design and in that direction: the Workforce Pell rule lowered its own threshold from 50 to 30 to match this one, so that the Department could “use the same cohort aggregation process across both regulations” (91 FR 29266). The Secretary uses a single-year cohort where it contains 30 or more students after exclusions, and sequentially expands to earlier award years, and then across programs sharing a four-digit CIP code and credential level, until 30 is reached. Under § 668.403(d) no measure issues if fewer than 30 students remain after exclusions, or if the Federal agency with earnings data does not provide median earnings. Section 668.404(d) sets the matching floor from the other side: the Secretary uses the median only “[i]f the Federal agency with earnings data includes reports from records of earnings on at least 16 students.” Unlike Workforce Pell's § 690.95(i)(2), § 668.404(d) does not state the consequence in that sentence — but the STATS rule does state it, one section over. Section 668.602(b): “If the Secretary does not calculate or issue earnings premium measures for a program for an award year, the program receives no result under the earnings premium measure for that award year and remains in the same status under the earnings premium measure as the previous award year.” So below the matching floor the regulation is clear on its face, and favorable: no usable median for calculating the measure, no result, and the program's prior status carries forward. Read § 668.404(d) and § 668.602(b) together.

One point of note for the readers of this guide, because it is the question an institution running clock-hour programs will ask first: the STATS rule applies the same earnings-premium and cohort methodology to clock-hour and credit-hour programs. Neither the earnings threshold definition, nor § 668.403, nor the cohort-period definition treats them differently. An eligible workforce program measured in clock hours is measured on the same basis as a bachelor's degree.

Section 668.403(c) excludes a student where a Direct Loan is under consideration or approved for total and permanent disability discharge; where the student was enrolled in any other educational program during the relevant calendar year; where an undergraduate completed a higher-credentialed undergraduate program at the institution afterwards; the graduate equivalent; where the program was an approved prison education program; where it was a comprehensive transition and postsecondary program; or where the student died.

THE TIP-INCOME PROVISION

Section 668.402(c)(3) suspends the pass/fail consequence — not the measurement — for any award year in which the Secretary evaluates earnings data from tax year 2025 or prior. The suspension covers a program designed to prepare students for a recognized occupation that qualifies for a deduction of tip income under 26 CFR 1.224–1(h) and in which 50 percent or more of individuals *in the occupation* receive income from tips. The test runs on the occupation, not on the program's enrollees. The Department will publish the earnings data and the threshold that would have been used anyway.

What that does to the two-of-three count is not settled, and the answer is not in § 668.602(b). That paragraph holds a program in its prior status where the Secretary *does not calculate or issue* a measure — the § 668.403(d) situations, fewer than 30 completers or no earnings data supplied. A tip-income year is the opposite case: the measure is calculated, the threshold is published, and the program is simply neither passing nor failing. Treat the year as carrying no pass/fail consequence, and do not assume it disappears from the sequence. The Department has not explained the sequence mechanics for it.

It is worth knowing what else the Department considered and did not adopt. It declined every other requested occupational carve-out — cosmetology, esthetics, massage, early childhood education, licensure-based non-degree programs, private career schools, religious programs, and high-skill, high-need, low-wage roles — stating that “in general we do not have the ability to establish exemptions based on commenters' arguments about the merits of certain occupations or types of institutions” (91 FR 40169).

Consequences: Two Levels, and the Right Names for Them

PROGRAM LEVEL: LOW-EARNING OUTCOME PROGRAMS

Under § 668.602(a), a program provides training leading to acceptable earnings outcomes if it satisfies the § 668.604 certification requirements and “[i]s not a failing program under the earnings premium measure in § 668.402 in two out of any three consecutive award years for which the program's earnings premium measure is calculated.”

On the second failure, § 668.603(a) makes the program a **low-earning outcome program**. Section 668.603(d)(1) then bars the institution from disbursing Direct Loan funds to students enrolled in it. Separately, § 668.603(d)(2) sets the period of ineligibility — the program may not reestablish eligibility until two years following the earlier of the date it lost eligibility or the date the institution voluntarily discontinued it.

CORRECTED IN THIS EDITION

The Second Edition said that programs failing this test "face escalating consequences, ultimately including loss of Title IV eligibility—which includes Pell Grants." At the program level that is not what the rule does. The program-level sanction is **loss of Direct Loan eligibility**, and § 668.603(d)(5) is explicit that ending a program's Direct Loan participation "is not considered a limitation under § 668.94." Pell is reached, but by a different provision, described next.

An institution may appeal a low-earning outcome determination within 30 days of receiving the notice, but § 668.603(c) limits the grounds to calculation error — the completer list, the threshold determination, the comparison, and such other bases as the Secretary determines. There is no appeal on the merits of the program.

INSTITUTION LEVEL: THE § 668.16(T) TEST, AND WHERE PELL IS ACTUALLY REACHED

> "(t) Demonstrates that at least half of the institution's recipients of title IV, HEA funds and at least half of the institution's total title IV, HEA funds are not from low-earning outcome programs under subpart S of this part;"
>
> *34 CFR § 668.16(t), as revised (91 FR 40282) — the paragraph in its entirety*

RESTATED IN THIS EDITION — WHAT THE SECOND EDITION GOT RIGHT, AND THE ONE DETAIL IT MISSED

The Second Edition paraphrased this as a test that bites "if 50% or more of an institution's Title IV students *OR* 50% of its Title IV funds are in programs that fail the earnings premium test for two out of three consecutive years." Nearly all of that was right: the direction — failure on either limb — the two-out-of-three window, and the population, which the Second Edition itself called low-earning-outcome programs. One detail was not. The threshold is *more than* 50 percent, not "50% or more": an institution sitting at exactly half can still demonstrate that at least half its recipients and dollars are *not* from low-earning outcome programs, and so complies.

The regulation is also drafted from the compliance side, and the difference matters when you write a compliance control. What the institution must *demonstrate* is conjunctive: at least half its recipients *and* at least half its dollars are *not* from low-earning outcome programs. It follows that the institution *fails* on **either** limb. The Department states the failure side in exactly those terms, in the passage quoted later in this chapter (91 FR 40179).

One caution on the boundary: the preamble is not consistent with itself. Two passages describe the penalized condition in "at least half" terms (91 FR 40141, 40184) — a formulation that would capture an institution at exactly half. The regulatory text controls, and the Department's own consequences discussion says "more than 50 percent" (91 FR 40179) — but no institution should plan to sit on the line.

Section 668.14(h)(1) supplies the consequence: an institution that does not comply with § 668.16(t) "in two out of any three consecutive award years" is placed on provisional status, and "the institution's low-earning outcome programs shall not qualify for title IV, HEA funds." That reaches Pell. Section 668.14(h)(2) provides an appeal under subpart G.

Two exemptions from the automatic title IV loss appear at § 668.14(h)(3). The first is for an institution that "is not participating in the Direct Loan program and has not participated in that program for the five most recently completed award years.” The second requires the institution to agree, by PPA amendment, to use its authority under 34 CFR 685.203(m)(2) to prevent students from borrowing Direct Loans in the program for at least five years. Under § 668.14(h)(4), that route is available only where the program has failed § 668.402 but is *not yet* a low-earning outcome program, and only if the Secretary determines it is in students' best interest. The Department set the five-year history deliberately, “to avoid the possibility of institutions temporarily suspending Direct Loan participation for the purpose of avoiding the consequences of the administrative capability penalty” (91 FR 40149).

What a Failing Result Actually Costs a Workforce Pell Program

Here the two regimes meet, and the interaction is the single most important thing in this chapter for the readers of this guide.

Section 690.90 provides that a student in an eligible workforce program may receive a Pell Grant “and no other title IV, HEA program.” Such a student cannot borrow a Direct Loan. So the program-level sanction under subpart S — loss of Direct Loan eligibility — takes away from an eligible workforce program something it never had.

It would be a serious mistake to conclude from that arithmetic that the earnings premium measure is toothless for Workforce Pell programs. The Department anticipated the argument in general terms and answered it directly.

> “[T]his rule — as thousands of other commenters have complained — does not stop at limiting the consequences for poor earnings performance to cessation of Direct Loan participation only. An institution that fails the administrative capability requirement at § 668.16(t) by deriving more than 50 percent of its title IV, HEA funding or recipients from low-earning outcome programs will lose all title IV, HEA eligibility for all such programs—including the loss of Pell Grant eligibility sought by these commenters. It makes no difference if a substantial portion of students in failing GE programs rely solely on Pell Grants to attend, as the Department will conduct the earnings test for each GE program and eligible non-GE regardless of which title IV, HEA programs the institution offers for the program, disclosures about earnings outcomes will be available to students in every such program, and the administrative capability test will identify and remedy the poorest performing programs and institutions while incentivizing institutions to rethink their program offerings to promote better earnings outcomes.”
>
> *91 FR 40179*

WHAT THE RULE DOES NOT SAY — STATED PLAINLY

The STATS rule never cites 34 CFR 690.90 and never analyzes the Pell-only status of Workforce Pell students as a limit on its own sanction. The passage above is the Department's general answer to commenters arguing that a Direct Loan sanction cannot reach non-borrowers; it is framed around gainful employment and undergraduate certificate programs, not specifically around eligible workforce programs. This guide reads the two together because they bear directly on each other, and says so rather than presenting the conclusion as the Department's own holding about Workforce Pell.

State the tension precisely, because it is the sharpest one in this book. Subpart S operates on a program "for which the Secretary determines whether the program is eligible for Direct Loan program funds." Section 690.90 makes an eligible workforce program eligible for Pell *and no other title IV program*, and the Workforce Pell rule expressly declined to open Direct Loans to these programs. The Department's preamble states that eligible workforce programs are subject to the earnings premium calculation and the administrative capability requirements. **What does not exist is an express regulatory provision applying subpart S to eligible workforce programs notwithstanding § 690.90.** So: the Department has stated its position, the regulatory architecture leaves a tension, and this guide treats the stated position as the Department's operating answer rather than as an independently resolved question. Build to it, and get counsel before relying on the contrary reading.

COMPLIANCE STATUS — INTERPRETIVE. Everything in this list is the Department's stated position and this guide's reading of the two rules together, not an express regulatory provision applying subpart S to eligible workforce programs. Treat the list as exposure to plan against, and take advice before relying on any single item.

Reading the rule as written, a failing earnings premium result can produce up to five consequences for an eligible workforce program. Several are conditional or keyed to Direct Loan participation, so the number a given program actually faces is smaller. Only the first two are wholly independent of Direct Loan participation; the rest a Pell-only program should understand rather than dismiss:

1. **The measure is still calculated and still published.** The Department conducts the test "regardless of which title IV, HEA programs the institution offers for the program," and § 668.43(d)(1)(i)(I) puts the earnings premium measure on the Department's public program information website.
2. **The low-earning outcome label attaches** on the second failure in three years, and that label is the input to the institution-level test.
3. **Pell exposure through § 668.16(t) and § 668.14(h).** For a single-program or few-program workforce institution, whose low-earning outcome programs could easily be more than half its recipients or more than half its dollars, this is the cliff. The Department acknowledged commenters raising exactly that concern and declined to change it. Note the Direct Loan hinge, discussed below: an institution that has stayed out of the Direct Loan program for five completed award years is exempt from the automatic title IV loss under § 668.14(h)(3)(i) — so this consequence reaches a Pell-only institution only if it has recent loan participation.
4. **Potential student-warning obligations under § 668.605** — the trigger is loan-keyed, and application to a Pell-only workforce program is not expressly resolved (below). Where they apply they include the Pell lifetime-eligibility depletion notice at § 668.605(c)(4) and the acknowledgment gate that

precedes *any* title IV disbursement, Pell included. The trigger is loan-keyed — § 668.605(a) runs on notice that a program "could become ineligible for the Direct Loan program" — but the warning's *effect* is not: it gates Pell disbursement.

5. **A rebuild bar.** Sections 668.603(d)(2) and 668.604(b)(2) block a restart of the same credential level plus four-digit CIP plus overlapping SOC codes for at least two award years — a bar on *Direct Loan* eligibility for replacements, which matters where the institution also runs or plans loan-eligible programs in the same field.

Section 668.14(h)(3) supplies *two* exceptions to the automatic title IV loss, and this guide described only the first in an earlier draft. Both are set out above; both are repeated here because this is the paragraph a reader in trouble will turn to.

- **§ 668.14(h)(3)(i) — institution-wide.** The institution "is not participating in the Direct Loan program and has not participated in that program for the five most recently completed award years." This is the clean one for the Pell-only universe: an institution that has never made Direct Loans, or has been out for five years, is exempt.
- **§ 668.14(h)(3)(ii) — program-specific, and conditional.** The institution agrees, by amendment to its program participation agreement, that it "will use its authority under 34 CFR 685.203(m)(2) to prevent students from borrowing Direct Loans in the program for at least five years." Section 668.14(h)(4) then gates it: the exception applies only where the Secretary determines the program failed § 668.402, *the program is not a low-earning outcome program*, and extension is in the best interest of students — and the institution and the Secretary must agree to the amendment "within 120 days of the Secretary's determination." Once granted, it "will continue to apply for as long as the institution agrees to prevent Direct Loan borrowing in the program."

Read (h)(4) closely, because it decides when the second exception is available at all. A "low-earning outcome program" is one that has failed twice in three years; the exception is therefore a *first-failure* instrument, taken up inside a 120-day window, not a remedy for a program already past the two-of-three threshold. An institution that waits for the second failure has waited too long.

Neither exception stops the measurement. As the Department put it: "The metric would still be calculated for programs in these situations, but the programs would not be subject to a loss of eligibility for title IV, HEA programs other than the Direct Loan program due to the new administrative capability test" (91 FR 40149). The publication continues regardless.

The Student Warning

Section 668.605 is the provision most likely to change how a program recruits. The warning is triggered when the Secretary notifies an institution that a program *could become ineligible* based on its next calculated measure — that is, after the first failure, not the second.

One qualification for Workforce Pell readers, consistent with the box above: § 668.605(a) keys the warning to potential ineligibility *for the Direct Loan program*, and § 690.90 already bars Workforce Pell students from Direct Loans. The Department has not addressed how the trigger operates for a program whose students cannot borrow. Read what follows as describing what applies *if* the Department issues a § 668.605 notice for an eligible workforce program — and note that if it does, the obligations bite on Pell disbursement, not on lending.

The content is prescribed:

- that the program "has not passed standards established by the U.S. Department of Education based on the reported earnings of program graduates";
- that it could lose access to Direct Loans;
- where the institution has failed § 668.16(t) in at least one of the three most recent award years, that the program "could also lose access to the other title IV, HEA programs";
- the route to the Department's program information website;
- a statement that the student must acknowledge having viewed the warning before any title IV funds are disbursed; and
- for a Pell-eligible student, the lifetime-eligibility description noted in Chapter 3.

The delivery rules are strict. The warning must go out within 30 days of the notice of determination and must be the only substantive content in the communication. Prospective students must receive it at first contact, and may not enroll, register, or make a financial commitment earlier than **three business days** after delivery. Acknowledgment precedes any disbursement. Section 668.605(g) provides that the warning does not shield the institution from borrower discharge claims.

Reporting, Publication, and the Accreditor's Name

Section 668.406(a) requires an institution offering any GE or eligible non-GE program to report, for each program and its most recently completed award year, the name, CIP code, credential level and length of the program; **"[w]hether the program is programmatically accredited and, if so, the name of the accrediting agency"**; licensure information; and total enrollment including students who received no title IV funds. Further paragraphs require per-student cost data and student-level records for completers and withdrawals.

Reporting is due by October 1 following the date the regulations take effect, for the two most recently completed award years prior to that date, and by October 1 annually thereafter unless the Department sets different dates by Federal Register notice.

Section 668.43(d) then establishes the public program information website. It must include, among other items, published and median actual program length, enrollment, total tuition and fees, and books and supplies, the percentage of students who borrowed, median loan debt, median earnings, **"[w]hether the program is programmatically accredited and the name of the accrediting agency, as reported to the Secretary,"** and the program's earnings premium measure. Institutions must link to it prominently from any page carrying cost, financial aid, or admissions information, provide it to prospective students before any enrollment commitment, and provide it to enrolled title IV recipients before each subsequent award year.

WHY ACCREDITORS SHOULD READ THIS RULE CLOSELY

Commenters asked the Department to exempt programs at accredited institutions from the earnings test, on the ground that accreditors already ensure quality. The Department did not adopt that request, and the third sentence of its answer is the one to read closely.

“First, all programs qualifying for title IV, HEA program funds are at accredited institutions. Therefore, the commenters' request would exempt all programs from the accountability framework. Second, Congress directed the Department to evaluate programs based using graduates' earnings, **which accrediting agencies do not often evaluate**. Third, Congress did not provide an exemption for programs at accredited institutions.” (91 FR 40170. The phrase “based using” appears as printed in the Federal Register.)

Read that as a statement about scope rather than about quality. Accreditation standards were built to evaluate curriculum, faculty, facilities, governance and student support; earnings measurement is a different instrument, developed for a different purpose, and the Department is saying so. What changes on July 1, 2027 is not the standards but the page: the federal website will place accreditation information and outcomes data in the same public record, though the two systems were built to serve different purposes. That is worth an agency's attention early, and it is the reason this box is here.

The Dual Accountability System

For Workforce Pell programs, the result is two regimes running in parallel on different clocks. The Department said so itself, in the sentence that should govern any institution's planning:

> “We note, however, that eligible workforce programs are subject to even more oversight than most other programs, in that not only are such programs subject to the earnings premium calculation and administrative capability requirements and consequences that pertain to other GE programs and eligible non-GE programs, but also the value-added earnings calculation under § 690.95. We believe that these frameworks, together, meet statutory requirements and sufficiently safeguard Pell Grant funds from low-quality short-term credentials.”
>
> *91 FR 40179*

	Workforce Pell 34 CFR part 690, subpart H	STATS / Earnings Accountability 34 CFR part 668, subparts Q and S
In force	July 20, 2026	July 1, 2027
Earnings test	Value-added earnings: adjusted median earnings of Pell-funded working completers, minus 150% of the poverty line for a single individual (§ 690.95)	Earnings premium: median annual earnings of completers at the fourth tax year after completion, against a State Census-derived threshold (§ 668.402–668.403)

	Workforce Pell 34 CFR part 690, subpart H	STATS / Earnings Accountability 34 CFR part 668, subparts Q and S
Other tests	70% completion, 70% placement, Governor approval	Certification requirements under § 668.604
Failure trigger	Either a tuition-cap failure or a calculated value-added earnings of zero or negative (§ 690.95(d), (e)); one failure and the program is ineligible the next award year. Only the tuition-cap branch can be cured by price	Two failures in any three consecutive award years measured
Program consequence	Loss of Workforce Pell eligibility, **plus an assessed liability** for Pell disbursed during the award year the published figure governs — on the price branch if the institution charges above the figure, and on the zero-or-negative branch whatever it charges (§ 690.96(c); Chapter 8)	Loss of Direct Loan eligibility for two years — no direct effect on the program's Workforce Pell award authority, because § 690.90 makes the workforce enrollment Pell-only; but see the institution-level consequences below
Institution consequence	Two-year bar on substantially similar programs after completion or placement failure (§ 690.97(a))	Provisional status and loss of all title IV funds for low-earning outcome programs, where § 668.16(t) is failed twice in three years (§ 668.14(h))
Public disclosure	The Secretary publishes each program's value-added earnings no later than three months before the award year (§ 690.95(c))	Program page on the Department's website, carrying earnings, debt, cost, and the accreditor's name

WHAT THIS MEANS FOR INSTITUTIONS

A program that satisfies the Workforce Pell 70/70 completion and placement requirements can still fail the earnings premium measure. The two tests measure different things at different times against different benchmarks. A program with 75 percent placement into low-wage roles passes Workforce Pell and fails STATS. A program with excellent earnings and a 60 percent completion rate does the reverse.

The Second Edition drew the right conclusion from a partly wrong description, and it still holds: a program managed only to the completion and placement floors is managed to one of the two regimes it has to survive. Whatever quality system an institution runs, the earnings side needs its own attention long before the measurement year closes.

ON THE "$1 BILLION" FIGURE

A note on attribution before the substance. The Second Edition reported that Preston Cooper — a senior fellow at the American Enterprise Institute, serving as the designated advocate for taxpayers and the public interest on the committee — estimated the administrative capability provision would protect approximately $1 billion annually in Pell Grant funds. That was an estimate offered by a negotiator during the January 2026 session. It is not a Department finding, it does not appear as such in the final rule's regulatory impact analysis, and this edition reports it only as what it was: one negotiator's estimate at the table.

CHAPTER 10

Losing and Regaining Eligibility

Three triggers, three different clocks, three different routes back — and the timing rule the Second Edition stated backwards.

The regulations establish clear rules for when a program loses Workforce Pell eligibility and how (or whether) it can get that eligibility back. Under 34 CFR 690.96 there are three triggers for loss of eligibility, each with a different reinstatement pathway under § 690.97.

Three Triggers for Loss of Eligibility

Trigger 1: Governor withdrawal (§ 690.96(a))

If a program fails to meet the requirements under § 690.93, it becomes ineligible "at the end of the payment period that begins following the date that—(1) The Governor acts to withdraw approval for an eligible workforce program; or (2) The Governor fails to reapprove the program." The Governor must notify the Department of Education, the Department of Labor, and the institution within 15 calendar days of a final decision to withdraw. The runway is longer than it first reads: eligibility runs through the end of the payment period that *begins* after the withdrawal date — so, on the student-by-student reading examined later in this chapter, a student mid-payment-period can finish that period and the next one with Pell intact. That reading is the Department's to confirm; see the caution later in this chapter before disbursing on it.

Reinstatement. Under § 690.97(b), the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved as provided under § 690.93(c), and after the Secretary determines the program has met the eligibility criteria under § 690.94. There is no waiting period. Note that reinstatement requires *both* the new Governor certification and a fresh Secretary determination — the Second Edition described only the first.

A drafting point for readers checking the source: § 690.97(b) refers to "a loss of Governor approval described in (a) of this section," but loss of Governor approval is described in § 690.96(a), not § 690.97(a). This appears to be a cross-reference error in the published rule. The intended meaning is not in doubt.

Trigger 2: Completion or placement rate failure (§ 690.96(b))

> "Under § 690.94, the program will become ineligible at the end of the payment period that begins after the date that the Secretary determines that the institution failed to meet the completion rate or job placement rate requirements, except that the Secretary will not make such a determination while a program's eligibility, approval, or reported completion rate of job placement rate is in an appeal status or awaiting the Governor's final approval determination."
>
> *34 CFR § 690.96(b) (91 FR 29337). The phrase "completion rate of job placement rate" appears as printed; it is evidently a typographical error for "or."*

CORRECTED IN THIS EDITION — THE TIMING WAS STATED BACKWARDS

The Second Edition said the program "becomes ineligible at the *beginning* of the payment period after the secretary's determination." The regulation says the **end** of the payment period that begins after the determination. The difference is a full payment period of Pell eligibility — not a rounding error for a program in the middle of a cohort.

The Second Edition also omitted the appeal stay entirely. The Secretary *will not* make a failure determination while the program's eligibility, approval, or reported rate is in an appeal status or is awaiting the Governor's final approval determination. Combined with the institution's right of appeal against a Governor's determination under § 690.93(b)(3) (see Chapter 4), this gives an institution a real procedural runway that the earlier editions did not tell it about.

Reinstatement. This is the most severe consequence. Under § 690.97(a), the institution may not seek to reestablish the eligibility of the failing program, or establish eligibility for a substantially similar program, until two years following the earlier of the date the program lost eligibility or the date the institution voluntarily discontinued it.

Trigger 3: Value-added earnings failure (§ 690.96(c))

If the Department's annual value-added earnings release shows that a program's published tuition exceeds its value-added earnings, two things happen. The program becomes ineligible at the beginning of the award year following the release. And the Secretary assesses and collects a liability.

There is a second way to fail under § 690.95, and it behaves differently. Section 690.95(e) provides that programs "that have a calculated value-added earnings of zero or negative value shall not be eligible for Federal Pell Grant funds." Section 690.96(c) is keyed to failure "under § 690.95" without limitation, and the Department described both branches together: "when a program's value-added earnings are zero or negative *or* when its tuition and fees exceed its published value-added earnings, the program becomes ineligible at the start of the subsequent award year, and the institution (not the student) is responsible for any associated Pell Grant liability assessed for that award year" (91 FR 29309). Same timing, same liability — different cure, as the reinstatement paragraph below explains.

> "Under § 690.95—
>
> (1) The program will become ineligible at the beginning of the award year following the release of the value-added earnings; and
>
> (2) The Secretary will assess a liability for amounts of Pell Grants disbursed for students enrolled in the eligible workforce program during the award year for which the value-added earnings were calculated and shall collect any such liability from the institution."
>
> *34 CFR § 690.96(c) (91 FR 29337)*

NEW IN THIS EDITION

Neither previous edition mentioned § 690.96(c)(2). It is, so far as this guide has found, the only provision in subpart H that takes back money already disbursed, and once triggered it is not discretionary: the Secretary *will* assess and *shall* collect. But read Chapter 8 for the two limits the Department placed on it — the exposed year is the year the published figure governs, not the cohort year measured, and no liability arises at all if the institution brings its price to the figure or withdraws the program for that year. Any institution modeling the downside of a Workforce Pell program should model this alongside the loss of forward eligibility; any institution that read the earlier editions and concluded the worst case was simply losing the program should revisit that conclusion.

Reinstatement, and the branch it does not reach. Under § 690.97(c), the institution can request reinstatement by providing a new Governor certification, documentation of current published tuition and fees with an attestation that they have been reduced and will remain at or below the recalculated value-added earnings, and a request for recalculation. There is no two-year ban for value-added earnings failure as such — for a *price* failure the path back is pricing correction, which, taken in time, is also what prevents the § 690.96(c)(2) liability from ever arising. Read § 690.97(a) carefully before choosing the other liability-avoidance move, though: its two-year bar is keyed to a completion or placement failure "*or* the institution voluntarily discontinues a failing eligible workforce program," and that second limb is not textually confined to completion and placement failures. Chapter 8 describes withdrawing the program for the governed year as a way to avoid the liability. That is a voluntary discontinuation. Whether it triggers the § 690.97(a) bar is unresolved on the text, and the answer determines whether the program may use the ordinary reinstatement route or instead faces the § 690.97(a) two-year reestablishment bar. Ask the Department before withdrawing. State the liability by branch, because the cure differs and only one of them has a cure. On the *price* branch, liability attaches to an award year in which the institution charged above a published positive figure and disbursed Pell anyway; an institution that reduces tuition to or below the figure, or withdraws the program for the governed year, does not incur it. On the *zero-or-negative* branch there is no price to come below. Section 690.95(e) makes the program ineligible whatever it charges, § 690.96(c) is keyed to failure "under § 690.95" without limitation, and pricing at zero avoids an above-cap charge without restoring eligibility or authorizing a disbursement. Be exact about what follows: *no price* avoids the liability, but *not disbursing* does. The liability attaches to Pell actually disbursed in the governed award year, so an institution that stops disbursing once ineligibility takes effect does not incur it. Where a liability has been assessed for a year already run, reinstatement does not extinguish it. See Chapter 8.

The arithmetic of that route does not work on the zero-or-negative branch. Where the calculated value-added earnings are zero or negative, there is no price at or below the figure, so an attestation that tuition has been reduced to "equal to or less than the program's recalculated value-added earnings" has nothing to attest to, and lowering tuition — to any amount, including zero — does not by itself restore eligibility. On the face of the rule the route back appears to require a later positive recalculation, which depends on the completers' median earnings rising against the threshold. The hedge is deliberate: the paragraph immediately below explains why the reinstatement provision's application to this branch is unsettled. That is a matter of cohorts and years, not a decision an institution can make in a budget meeting. An institution whose figure is trending toward zero should treat the trend as the warning, because by the time the figure arrives the lever it is used to pulling will not move.

One textual complication, recorded because it runs against us. Section 690.97(c) opens: "If an eligible workforce program loses eligibility because its published tuition is higher than its value-added earnings *under § 690.95(e)*." The condition it describes is the price failure, which lives at § 690.95(d); the paragraph it cites is the zero-or-negative rule. So the only reinstatement route the rule supplies for a § 690.95 failure cross-references the zero-or-negative provision by name, while describing something else. We read this as a drafting error rather than as evidence that § 690.97(c) was built for the zero-or-negative case, because a tuition reduction cannot satisfy (c)(2) when the figure is zero or below. But we cannot rule out the other reading, and an institution on that branch should ask the Department whether § 690.97(c) is available to it rather than assume either answer. See Appendix D.

> **COMPLIANCE STATUS — UNRESOLVED.** Whether § 690.97(c) supplies a reinstatement route to a zero-or-negative program at all. The paragraph describes the price rule and cites the zero-or-negative one. Open question 3, Appendix C.

The Voluntary Discontinuation Trap

One provision institutions should be aware of: if a program fails the completion or placement requirements and the institution voluntarily discontinues the program before the Secretary formally imposes the loss of eligibility, the regulation appears to extend the two-year bar to it. Whether that reading holds in every such circumstance is unresolved, and the strip below says so. Section 690.97(a) runs the clock from the *earlier* of the date the program lost eligibility under § 690.96(b) or the date of voluntary discontinuation. This has the practical effect of preventing an institution from avoiding the two-year restriction by shutting down a failing program and immediately launching a similar one.

> **COMPLIANCE STATUS — UNRESOLVED.** Whether the § 690.96 cutoff runs per student or from a single program-wide date. The Department has not said. Open question 9, Appendix C.

The timing language cuts the other way as well, and it attaches to the regulatory triggers, not to the institution's own exit. Where eligibility ends under § 690.96(a) or (b), it ends at the close of the payment period that *begins after* the triggering date. Read student-by-student — the most natural reading, since payment periods are student-specific under 34 CFR 668.4(c) — that lets a student mid-payment-period complete that period and the next with Pell intact. But it is a reading, not a ruling: the regulation fixes ineligibility at the *program* level while keying it to *a* payment period, the Department has not, as of this edition, said whether the cutoff runs per student or from a single program-wide date, a trigger that falls between cohorts or during a winding-down program's final scheduled payment period does not fit the two-period gloss cleanly, and a student who first enrolls *after* the trigger is nowhere promised a complete program. Confirm the cutoff date with the Department before disbursing into any post-trigger payment period. And nothing in § 690.96 grants a comparable runway when an institution voluntarily discontinues a program; plan any teach-out on the assumption that the protective timing language does not cover the institution's own decision.

Summary of the Three Triggers

Trigger	When eligibility ends	Reinstatement path	Waiting period and other consequences
Governor withdrawal § 690.96(a)	End of the payment period that *begins following* the withdrawal or failure to reapprove	New Governor certification under § 690.93(c), plus a fresh Secretary determination under § 690.94 (§ 690.97(b))	None
Completion or placement failure § 690.96(b)	End of the payment period that *begins after* the Secretary's determination. No determination while in appeal status or awaiting the Governor's final approval determination.	No route back within the waiting period, either for the same program or for a substantially similar one — same four-digit CIP *and* identical SOC codes per the CIP–SOC Crosswalk. After two years the institution may apply afresh	**2 years** from the earlier of loss of eligibility or voluntary discontinuation (§ 690.97(a))

Trigger	When eligibility ends	Reinstatement path	Waiting period and other consequences
Value-added earnings failure § 690.96(c) two branches: price above a positive figure (§ 690.95(d)) or a figure of zero or below (§ 690.95(e))	Beginning of the award year following the release of the value-added earnings — both branches	*Price branch:* reduce published tuition to or below the recalculated figure, new Governor certification, request recalculation (§ 690.97(c)). *Zero-or-negative branch:* no price cures it; the figure must be recalculated positive	No express waiting period for reinstatement through § 690.97(c) — but if a voluntary withdrawal is treated as discontinuing a "failing eligible workforce program," the unresolved two-year bar at § 690.97(a) may attach (Chapters 8 and 10, Appendix D). And **the Secretary assesses and collects a liability** for Pell disbursed during the award year the published figure governs. *Price branch:* incurred if the institution charges above the figure and disburses anyway; avoided by a timely reduction or withdrawal. *Zero-or-negative branch:* no price restores eligibility — the program is ineligible whatever it charges — so the way to avoid the liability is not to disburse Workforce Pell once ineligibility takes effect

SUBSTANTIALLY SIMILAR: THE CIP + SOC RULE

Section 690.97(a) defines a substantially similar program as one sharing both “(i) the same four-digit CIP code, and (ii) identical SOC codes according to the CIP SOC Crosswalk that is provided by a Federal agency.” This dual requirement is narrower than a CIP-only test, meaning institutions retain more flexibility to create new programs in the same broad field as long as they prepare students for different occupations.

So if a 300-hour “AI Fundamentals” certificate under CIP 11.01 loses eligibility for placement rate failure, the institution cannot for two years offer a new Workforce Pell program under CIP 11.01 that leads to employment in the same SOC codes. A program under the same CIP code preparing students for different occupations — different SOC codes — would not be blocked.

Note that the parallel bar in the STATS rule is drawn *more broadly*: § 668.604(b)(2) reaches the same credential level plus the same four-digit CIP plus *one or more overlapping* SOC codes. Identical versus overlapping is a meaningful difference — but the two bars run in different currencies. Section 690.97(a) governs a replacement's *Workforce Pell* eligibility after a completion or placement failure; § 668.604(b)(2), triggered by an *earnings-premium* failure, blocks only Direct Loan eligibility for replacements. An institution whose program failed both regimes, or that wants a loan-eligible successor in the same field, faces both bars.

The Five-Year Institutional Bar

> “(g) Is offered by an institution that, during the five years preceding the date of the determination, has not been subject to any suspension, emergency action, or termination of programs under this title.”
>
> *34 CFR § 690.92(g) (91 FR 29335)*

CORRECTED IN THIS EDITION

The Second Edition rendered this as a bar on institutions whose Title IV participation had been “limited, suspended, or terminated.” The regulation does not include limitation, and it does include emergency action, which the Second Edition omitted. An institution that has been subject to a *limitation* under 34 CFR 668.94 is not barred by § 690.92(g). An institution that has been subject to an *emergency action* is. Institutions assessing their own compliance history should work from the three words the regulation actually uses.

WHETHER THE BAR REACHES BRANCH CAMPUSES AND ADDITIONAL LOCATIONS

The paragraph attaches to “an institution,” and under 34 CFR part 600 a location is not a separate institution. Section 600.10(b) makes a new location's eligibility derive from the institution's — a location at which the institution offers at least half a program is not eligible unless the Secretary approves it under § 600.20(e)(4) or the institution reports it under § 600.21 — and § 600.2 defines both an additional location and a branch campus as a facility within the same ownership structure as the main campus. Locations participate through the institution's certification; they do not hold their own.

What follows, and what does not. An action against the institution's title IV participation is an action against the entity § 690.92(g) names, and the institution's locations participate through that entity. A separately certified institution under common ownership — its own OPEID, its own program participation agreement — is a different institution for this paragraph, and a corporate sibling's suspension is not automatically yours. *What no published source addresses is the middle case: whether an adverse action directed at one location is “an institution” having been subject to suspension, emergency action or termination for § 690.92(g) purposes.* A multi-campus institution with any adverse action in the last five years should put that question to the Department before it builds a program on the answer.

This provision applies to the institution as a whole, not to individual programs. It reinforces the regulatory framework's emphasis on institutional quality and financial stability as prerequisites for Workforce Pell participation. Institutions considering Workforce Pell should determine whether any suspension, emergency action, or termination within the preceding five years falls within § 690.92(g), before investing in program development.

PART IV

STRATEGIC IMPLICATIONS

CHAPTER 11

What This Means for Institutions

> *Ten action items for a program that has to work under two regimes, one of which can take back money it has already paid you.*

Whether you lead a community college, a technical school, a university with a continuing education division, or a proprietary training institution, Workforce Pell represents both an extraordinary opportunity and a significant compliance burden. This chapter translates the regulatory framework into actionable guidance for institutional leaders — general guidance, to be applied to your institution's facts with your own advisors (see the notice on the copyright page and Appendix D).

FOR THE CHIEF FINANCIAL OFFICER: THE CONTINGENT LIABILITY THAT IS EASY TO OVERLOOK

One consequence of this framework belongs on a balance sheet rather than in a compliance binder, and it is easy to overlook because nothing about it comes due for years.

You disburse now. You learn whether it was clawed back in 2030–31. Value-added earnings are computed from tax data three full award years after completion, so a program enrolling a 2026–27 cohort draws Pell today against a figure that does not exist yet. If that figure comes back *zero or negative*, § 690.95(e) makes the program ineligible outright and § 690.96(c)(2) requires the Secretary to assess and collect a liability for the Pell disbursed in the award year the published figure governs. **On the price branch a price cut cures the problem. On the zero-or-negative branch there is no price at or below zero, so there is no cure available to the institution** (Chapters 8 and 10).

Three things follow for financial planning, and this guide states them as its own operational assessment rather than as anything the regulation directs you to do:

- **The exposure is un-hedgeable by pricing.** Every other accountability failure in this framework has a management lever. This one turns on graduate earnings measured years later.
- **Size it before you launch, not after.** The maximum exposure for any cohort is the Pell you expect to disburse in the governed award year. That number is knowable on day one; whether you will owe it is not.
- **Occupation selection is the most consequential control available before launch.** A program aimed at an occupation whose graduates will plausibly out-earn the § 690.95 comparison is the hedge. Chapter 8's threshold arithmetic is where to start, and it is worth running before a program is designed rather than after it is approved.

Ask your auditor how this should be disclosed. This guide does not give accounting advice, and the question of whether and when a contingency of this kind becomes reportable is one for your own advisors on your own facts.

The framing has changed since the Second Edition. That edition was written for institutions preparing for a launch. Workforce Pell's statutory launch date was July 1, 2026, and the first program was approved on

August 4, 2026. The window is no longer a window to prepare; it is a window in which other institutions are already applying.

Immediate Action Items

1. Audit your existing short-term programs

Identify every program you offer between 150 and 599 clock hours (or the credit hour equivalents). Determine which ones meet the 8-to-less-than-15-week instruction requirement. Evaluate whether each program's curriculum aligns with high-skill, high-wage, or in-demand occupations in your state — and check against the actual published list, which your state must publish and must review at least every two years under § 690.93(b)(1)(i). Programs that already meet these parameters may be eligible for the lookback provision.

2. Check your accreditation coverage

Contact your institutional accreditor and ask a direct question: does your scope of accreditation include noncredit short-term programs between 150 and 599 clock hours? If the answer is yes, there may be nothing further to do: the Department does not require an accreditor to approve each eligible workforce program individually (91 FR 29274–75). If the answer is no, Chapter 5 sets out three primary routes plus a supplement: request a scope expansion (Option 1), restructure the program as credit-bearing (Option 3), or, if you hold no institutional accreditation at all, seek accreditation as a freestanding single-purpose institution from an agency whose recognized scope covers them (Option 4). Programmatic accreditation from an agency that is not your Title IV accreditor is a quality supplement, not a route on its own (Option 2). Each option has different timelines and implications. Do not wait to have this conversation. From July 1, 2027, if the program is programmatically accredited, that agency's name is reported under § 668.406(a)(1)(ii) and is among the fields § 668.43(d)(1)(i) directs to the public site “to the extent reasonably available” — so expect it beside the program's outcomes without treating publication of any one field as unconditional. STATS does not require this field for the institution's general accreditor (Chapter 9).

3. Establish the credit-acceptance route for every program, including noncredit ones

This is the item most likely to be missing, and the Second Edition is partly responsible for that. Section 690.93(a)(4) requires the Governor to determine that the program prepares students to pursue a certificate or degree program and that academic credit for it will be accepted — with no exception for noncredit clock-hour programs. Your state must publish a written policy for establishing this through “written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements” (§ 690.93(b)(1)(iv)). If your 300-hour noncredit AI certificate has no such agreement, do not assume it satisfies this gate. The regulatory text requires a documented route to credit; the preamble contains a sentence that pulls the other way (see Chapter 2); and the Governor decides how the requirement is satisfied under your state's published policy. Ask your State, in writing, what evidence its policy requires, and do not assume the required evidence is nothing.

Institutions that grant their own degrees can often satisfy it internally. Freestanding providers should expect to need a partner and a signature.

4. Engage your Governor's office — and ask for the appeal procedure

A State that approves Workforce Pell programs must do so through a publicly available process (§ 690.93(b)). The rule is drafted as a command to the Governor, but the Department has confirmed that State participation is voluntary (91 FR 29270) — and a State that has not built the process cannot approve anything, so its institutions cannot access Workforce Pell. Ask for four things in writing: the published list of high-skill, high-wage, and in-demand occupations and where it lives; the written policies on employer hiring requirements, stackability, and credit acceptance; the timeline for determinations; and **the appeal procedure**, which § 690.93(b)(3) requires every state process to contain. If your state cannot produce these, that is itself useful information. Remember: no Governor certification means no Workforce Pell eligibility, however strong your program is.

5. Apply: put the program on your ECAR through E-App

Approval is not self-executing, and no earlier edition described this step. The Workforce Pell rule amended 34 CFR 600.10(c)(1)(iv) to add eligible workforce programs to the list of programs requiring Department approval. The State transmits the Governor's completed certification form to your institution; you upload it into E-App along with the documentation § 690.94 requires — including evidence that the program met the length conditions for the 12 months preceding your application — and the program must be approved and on your Eligibility and Certification Approval Report before a dollar of Pell can be disbursed for it. See Chapter 6.

6. Prepare your financial aid infrastructure — including the flag only your office can set

Most Workforce Pell programs — clock-hour and nonterm credit-hour — use Formula 4, which many financial aid offices already know from clock-hour programs; a term-based program uses Formula 3 (91 FR 29277). Your office needs to understand the two-payment-period structure, including the successfully-completed-half standard that gates the second disbursement (34 CFR 668.4(c)) — together with the excused-absence allowance at § 668.4(e), which requires a written institutional policy to use at all (Chapter 3) — the hours-versus-weeks proration, and — for *term-based* credit-hour programs only — the enrollment intensity requirements.

OUR ERROR, CORRECTED

The Second Edition's version of this action item ended: "The lifetime Pell eligibility warning is a new mandatory disclosure requirement that must be operationalized before the first disbursement." There is no such general requirement, and the Department declined to impose one in the Workforce Pell rule (91 FR 29279). Do not build a universal compliance control around it, and do not let a vendor sell you one. But do not read the correction too widely either: from July 1, 2027, a program that has received an earnings-premium warning *must* give each Pell-eligible student a description of remaining lifetime eligibility, and the student must acknowledge the warning before any title IV funds are disbursed (§ 668.605(c)(3), (c)(4), (d)(3); see Chapters 3 and 9). The disclosure is not general. It is conditional on a warning.

What this edition recommends instead is twofold. **Treat lifetime-eligibility counseling as a written practice, not an instinct** — not because any rule requires it, but because the underlying concern is real and the numbers are small enough to state at intake. A 300-hour program records 33.33% LEU against the 600% ceiling, about 5.6% of a student's lifetime eligibility (Chapter 3). A student who later completes an associate and a bachelor's degree will use most of what remains. Three things belong in the conversation, and they cost nothing to standardise: *the figure this program will record*, *the figure the student has already used*, and *what remains if they continue*. Put it in the intake checklist and record that it happened. An institution that can show it counselled is in a better position than one that says it always does. And build the operational step that *is* mandatory and that no earlier edition mentioned: under the 2026–27 *FSA Handbook*, Volume 7, Chapter 1, **students cannot self-identify as enrolled in an eligible workforce program on the FAFSA**. The financial aid administrator must determine eligibility and set the "Enrolled in Eligible Workforce Program" indicator in the FAFSA Partner Portal. Miss it and, for a student who already holds a bachelor's degree, the Workforce Pell exception does not apply and no Pell exists until a corrected transaction processes. For other students an incorrect indicator causes processing and reporting problems that must be corrected rather than an automatic hard stop. Chapter 6 sets out the distinction. Either way the instruction is the same, because only your office can set it.

Two further provisions belong on the financial aid office's list, and neither is workforce-specific: 34 CFR 690.5 and 690.80(d), on Pell ineligibility where non-Federal grant aid meets or exceeds cost of attendance — operative for award years beginning on or after July 1, 2026, including crossover periods assigned to 2026–27, per GENERAL-26-32, notwithstanding the May 19 date on the face of the rule (Chapter 3). The test compares total non-Federal grant and scholarship aid against the student's total annualized cost of attendance, not against tuition, so a low published price does not by itself bring a student near the line. See Chapter 3. And remember that the ordinary Title IV machinery — return of Title IV funds, satisfactory academic progress, verification — continues to apply to Workforce Pell students under the final sentence of § 690.90; this guide does not cover it, and Appendix D says so plainly.

7. Build your outcomes tracking system — to feed the Governor, not to self-certify

You will need to track outcomes for more than your Title IV recipients — non-recipients are not excluded on that ground — but do not build to an "all enrolled students" denominator. The governing population changes by period and measure (Chapter 7): the State's certified method for transition completion, exiters for transition placement, the § 668.8(f) regular-student formula for permanent completion, and successful completers for permanent placement. Confirm in writing which denominator your State is applying. Submit completer lists to the Governor annually, and supply the information the Governor needs to verify placement.

Through the 2028–29 award year the Workforce Pell rule does not require you to calculate or certify your own transition rates — the Governor makes that certification. Do not assume an accountant attestation is required for these transition rates unless some other applicable provision requires one; the § 668.8(e)(2) question is unresolved and set out in Chapter 7 and Appendix C. What you do need is data clean enough that the Governor's calculation comes out right, because an error in your completer list becomes a failure in your rate. After 2028–29 that changes for one of the two measures: the completion rate is determined under 34 CFR 668.8(f), which is an institutional calculation, while the Governor continues to determine placement. Build the capacity to run the § 668.8(f) formula before you need it, and treat as unresolved whether the § 668.8(e)(2) accountant attestation travels with that cross-reference — Chapter 7 sets out why we think it does not and why we will not tell you to rely on that.

Build the pipeline to produce the *regulatory* measure — employment in the second quarter after exit, from administrative wage records — which is also the WIOA primary indicator. But do not treat that as the end of the problem. **The statute describes the measure differently** — 20 U.S.C. 1088(b)(3)(A)(iv)(III) requires a placement rate "measured 180 days after completion" — and the mandatory certification form a Governor signs follows the statute rather than the regulation. This guide's advice to States, and to institutions supplying the data, is therefore narrower than "use the regulation": **ask the Department for written guidance, and until it arrives, capture data granular enough to compute both** — quarterly wage-record matching for the regulatory measure, and, for the form, day-level completion *and* exit dates, the employment data source, and the observation window used around day 180. A date anchors day 180; it cannot by itself establish employment, and quarterly wage records cannot resolve a single day. Record what produced each numerator and denominator, so the percentage certified can be reproduced. A Governor should not sign a mandatory federal form using a substituted methodology without federal confirmation, and this guide should not have implied otherwise. See the discrepancy note in Chapter 4.

8. Price the program against three ceilings, not one

This is the item that separates programs that survive from programs that do not.

- **The value-added earnings cap** — which the Department's impact analysis says "will first be computed for the 2030–31 award year," so this is a planning constraint now and an operative one later. Published tuition and fees cannot exceed the program's value-added earnings (§ 690.95(d)). Exceed it and the program loses eligibility *and* the Secretary assesses a liability for the Pell disbursed in the year that figure governs, if you keep charging above it (§ 690.96(c)(2); Chapter 8). Note the branch your pricing model cannot reach: under § 690.95(e) a program whose calculated value-added earnings are *zero or negative* is ineligible regardless of price. Lowering tuition, even to zero, does not cure that. Model it separately.
- **The affordability ceiling.** Because § 690.90 makes the student Pell-only for this program, the Pell award is the whole title IV package behind it (Chapter 1). A 300-hour program yields roughly $2,465 at 2026–27 parameters for a maximum-eligible student — and less, often much less, for a student whose FAFSA puts them below maximum eligibility. Less again if the program runs fewer than about nine instructional weeks, because Formula 4 takes the *lesser* of the hours and weeks fractions: the same 300-hour program delivered in the minimum eight weeks yields roughly $2,275 (Chapter 3).

- **The earnings premium threshold.** From July 1, 2027, your completers' median earnings at the fourth tax year after completion are measured against your state's Census-derived threshold (§ 668.403). This one is about outcomes rather than price, but it constrains which occupations are worth building a program around.

9. Meet the FVT/GE deadline that is already running, then prepare for STATS

First, the near date. STATS reporting is a 2027 obligation, but the existing FVT/GE reporting framework is operative now. Three things to do this week if you are behind: check your institution against the list attached to GENERAL-26-49 showing which FVT/GE files the Department has on record for you; decide whether to file the delinquent 2024 and 2025 cycles as a *transitional reporter* under § 668.408(c)(1)(ii) rather than a standard reporter under (c)(1)(i), which the Department says carries “far fewer years of data reporting” (standard reporters owe total award data back to 2017–18); and, if you cannot make a deadline, send the statement § 668.408(b)(2) requires to ReportingSTATS@ed.gov *before* that deadline. See Chapter 9. Electronic Announcement GENERAL-26-49 (August 11, 2026) sets the 2026 FVT/GE reporting cycle deadline at **October 1, 2026**, allows unreported or under-reported 2024 and 2025 data to be submitted until **January 15, 2027**, permits institutions to omit certain data elements from the 2026 collection as an early implementation of STATS reporting, and requires those that do not so elect to comply with all FVT/GE requirements through June 30, 2027. Check that announcement and anything issued after it before assuming your next deadline is in 2027.

Then the STATS build. Section 668.406 requires reporting by October 1 following the date the STATS regulations take effect, covering the two most recently completed award years *prior* to that date — which means the data you are generating now. The elements include program name, CIP code, credential level and length; whether the program is programmatically accredited and the name of the accreditor; licensure information; total enrollment including non-Title IV students; per-student cost data; and student-level records for completers and withdrawals. Institutions that wait until 2027 to build this will be reporting retrospectively on records they did not keep with this in mind.

10. If you plan to enroll out-of-state online students, start the bilateral process now

The gate you cannot see from your own campus is in the student's State, and it does not open by itself. Do not wait for bilateral agreements to appear. Map the States where your prospective students are located, rank them, and ask your home-State Governor now to pursue agreements with the highest-priority ones.

Under § 690.93(h) each agreement is bilateral and must be published, and it turns on three findings that are not all yours to supply. The *student's* State must include the relevant occupation *or sector* on the list developed under its own § 690.93(b)(1)(i) process. The *institution's* State must have determined that the program meets § 690.93(a). And the agreement must provide for sharing the data used in completion and placement rate calculations. NC-SARA substitutes for none of it (Chapter 4). Expect a separate arrangement for each State other than your own, unless the relevant Governors have established another arrangement permitted by § 690.93(h) in which you plan to enroll students — six such States require six agreements.

Note where the asymmetry puts your effort. Your State's finding is about your program, and you can supply the evidence for it. The other State's finding is about its own labor market, and no evidence you produce will put an occupation on a list that does not carry it. For an AI program that is the first thing to check: the codes your program supports (Chapter 4) either appear on that State's published list or they do not.

Three things make this slow. The Department said it “intends to release sub regulatory guidance containing more specifics how the completion and job placement rates are calculated for States with bilateral agreements” (91 FR 29262), and as this edition goes to press that guidance has not issued — so a State drafting an agreement today is drafting the calculation method with it. The Department declined to produce the model templates and model data-sharing agreements a commenter requested, promising further policy and technical guidance instead. And the obvious plumbing is not yet cleared for this traffic: States already exchange unemployment insurance wage records through the State Wage Interchange System, which DOL renewed through June 2029 and which the great majority of States and territories have signed — check DOL's current party list rather than relying on a count printed here, but its permitted purposes run to WIOA, Perkins V and vocational rehabilitation reporting and do not expressly reach title IV. The Department of Labor has opened a SWIS amendment page headed “Workforce Pell Program” on which, in August 2026, every stage was still marked “Coming Soon.”

Some States are further along than the federal picture suggests. Alabama's Governor's published process, dated June 30, 2026, sets out how to request an agreement — in writing to the Office of the Governor — requires each request to include the requesting State's approval framework and evidence of alignment with § 690.93(h), and commits to publishing executed agreements on the State's Workforce Pell page. No executed agreement under § 690.93(h) had been published anywhere as of August 17, 2026, so far as this project could determine; read that as a dated search result rather than proof. Governors publish these agreements, and the Department declined to write a publication requirement for itself into the rule while saying it would consider publishing a list of eligible workforce programs — so there is no central place to look, and no assurance yet that there will be one.

Because intergovernmental consultation, legal review, data-sharing design and publication all take months, treat these agreements as a critical-path item rather than something to handle after program approval. And be ready to show demand State by State. A Governor's office cannot prioritize an agreement it does not know institutions need.

Program Design Considerations

Workforce Pell requirements should inform program design decisions from the outset. Programs designed with Workforce Pell in mind are far more likely to align with the accountability framework, while programs designed without these considerations may need costly retrofitting.

Design element	Workforce Pell consideration
Program length	Design within the 150–599 hour band. Longer programs generate larger Pell awards up to the point where the weeks fraction takes over — see Chapter 3, Example 2, where 599 hours generates a smaller fraction than the hours alone would suggest.
Instruction schedule	Calendar duration can exceed the instruction band only through weeks containing *no* instruction — every week with any scheduled instruction counts (Chapter 1). A 150-hour program can plausibly run part-time inside 14 instructional weeks; a 599-hour program cannot (it would need roughly 43 hours a week). Non-sequential scheduling, not thinner weeks, is what accommodates working adults.
Curriculum alignment	Map curriculum to specific SOC codes your state recognizes as high-skill, high-wage, or in-demand, and to the competencies the state has identified under WIOA section 102. This simplifies Governor approval.
Employment partnerships	Build employer relationships before launch. The state's written policy on hiring requirements must incorporate direct employer input. Employer commitments help, but they do not produce the measure: placement is found in the State's administrative wage-record match — in any qualifying employment during the transition, in the mapped occupation or a comparable high-skill, high-wage, or in-demand one thereafter — and no commitment binds an employer to hire.
Credit acceptance	The regulatory text appears to require a written credit-acceptance route for every program, credit or noncredit; the preamble contains language pulling the other way (Chapter 2). Follow your State's published policy, get written guidance before treating a program as exempt, and establish the agreement before you apply, not after.
Tuition setting	Price conservatively against all three ceilings above. Start low and adjust upward as outcomes data supports higher pricing. The downside of pricing too high is not only lost eligibility but an assessed liability.
Occupation selection	New consideration. The STATS threshold is your state's median earnings for 25-to-34-year-olds holding only a high school diploma. A program preparing students for an occupation that pays near that level is structurally exposed under the second regime even if it passes the first.

WHAT MOVING EARLY IS ACTUALLY WORTH

Institutions that moved early on Workforce Pell preparation gained real time, and describing that accurately means keeping the two approvals in this system apart. **The Department announced Iowa Central Community College's emergency medical technician program as the first federally approved eligible workforce program on August 4, 2026.** The historical fact itself does not change; what does change is any count built on it: no official national registry exists, so how many programs have cleared the federal gate by the time you read this is not something this guide can tell you, and more will have. Check ed.gov press releases for what has been announced since. State-level approvals were already running well ahead of that — North Carolina alone approved 43 programs at 16 community colleges on August 12, 2026, and those institutions then proceed to federal review. A Governor's certification is the gate to applying, not the approval itself. The advantage is measured in months of queue position — earlier through both gates, while other institutions are still working through accreditation coverage, Governor approval, and systems readiness — not in students already enrolled. The North Carolina figure is from the NCWorks Commission's own August 12, 2026 announcement. Broader State-activity counts in this guide come from the Opportunity Data *Workforce Pell State Implementation Tracker* (opportunitydata.org), retrieved August 16, 2026 — a third-party compilation rather than an official source, because no official source publishes them. Treat them as directional and check your own State. Where short-term AI training programs are appearing quickly, moving through both gates sooner can help an institution serve eligible students sooner.

Remember that these programs are built around students who need short, work-compatible training and cannot afford it without financial assistance. Pell eligibility is not just a compliance checkbox — it is an access mechanism that determines whether low-income learners can afford to participate in your program. And because the Pell award is all the title IV aid they will get, the price you set determines who can walk through the door.

What This Means for Employers

Everything above this heading is addressed to the institution. Five things in this framework belong to the employer, and an employer who reads nothing else in this book should read them.

1. Your tuition assistance can eliminate the student's Pell, where the countable non-Federal aid reaches the student's cost of attendance. Under § 690.5 a student is ineligible for Pell in an award year in which grant or scholarship assistance *from non-Federal sources* — States, institutions, private sources, an employer — equals or exceeds the student's cost of attendance. It is that non-Federal total that is tested, not the total including Pell, and HEA section 480(i) excludes some assistance from the count. The point for an employer is still the one that surprises people: a generous contribution paid without reference to the aid package can leave a student worse off than a smaller one, and § 690.80(d) obliges the institution to act if it learns of aid that crosses the line. Ask the financial aid office before you commit an amount. Chapter 3 sets out both provisions.

2. The gap is where your money does the most work. There is no Direct Loan, no FSEOG and no Work-Study behind a Workforce Pell program (§ 690.90). A prorated Pell award for a 300-hour program is a fraction of the Scheduled Award, and whatever the published price exceeds it by comes from the student. That gap, rather than the whole tuition, is the efficient place for employer money — and, subject to point 1, the place where a modest sum decides whether someone enrolls.

3. Your hiring standards are a regulatory input, and there is a named seat. A State's process must include a written policy for determining whether a program meets employers' hiring requirements, and that policy must, in the regulation's own verb, “[i]ncorporate[]” “direct input from employers, which may be secured from the State board and local workforce development boards, industry or sector partnerships, sponsors of Registered Apprenticeship programs, joint labor-management partnerships, or through other methodologies established by the State” (§ 690.93(b)(1)(ii)(B)). If you want programs in your State to teach what you actually hire for, that policy is where to say so, and the State is required to make it public. Most employers do not know it exists.

4. Your hiring is the metric. A program's placement rate is 70 percent employed in the second calendar quarter after the student leaves the program, read out of State wage records (§ 690.94(a)(2)). Through the 2028–29 award year it counts everyone who exits, employed in any job, measured from the exit. After that it counts students who *complete*, measured from the completion, employed in the occupation the program prepares them for or a comparable high-skill, high-wage, or in-demand one. No commitment binds an employer to hire anyone, and the rule asks for none. But whether a program keeps its eligibility turns on whether employers in fact hired its graduates, which makes an employer's honest signal about demand worth more to a program than a letter of support.

5. Registered Apprenticeship opens a door the rule otherwise keeps shut. An entity that is not itself title IV eligible — an employer, a vendor, a training company — may ordinarily deliver no more than 25 percent of a program under a written arrangement. For an eligible workforce program the final rule opened one pathway past that ceiling, and its conditions are cumulative: more than 25 and less than 50 percent is permitted only where the two parties are not under common ownership, *and* the eligible institution's own accrediting agency — or, for a public postsecondary vocational institution, its 34 CFR part 603 State agency — has specifically determined that the arrangement meets that agency's standards, *and* the program serves as the related instruction component of a Registered Apprenticeship (§ 668.5(c)(3)(ii)). Note where the last condition attaches: to what the program *is*, not to who the counterparty is. Chapter 5 sets out all three, and what the accreditor condition turns out to mean.

OUR INTEREST, STATED HERE TOO

NCAIWPA is being built on a governance model that gives employers equal voting authority over the standards programs are judged against, and that is the reform this guide's funder paid for. It is also why we noticed the employer's near-absence here and gave it a section. Employer governance of an accreditor is a design choice, not something the Workforce Pell regulations address. The five points above stand on the regulations themselves; this paragraph is here so you can tell the difference.

One last thing, from the other side of the point made to institutions. These programs are built for working adults, and price decides whether they come. An employer is often the only party able to close a gap no federal instrument will close — a small sum attached to a large consequence.

CHAPTER 12

What This Means for States

> *The Governor is the gate. What the regulation requires a state to build, publish, and review — and the one question every state should answer in writing.*

States are the linchpin of the Workforce Pell system. Without Governor certification, no program — however excellent — can participate. This chapter outlines the responsibilities, opportunities, and strategic considerations for state governments, workforce development boards, and higher education agencies.

Establishing the Approval Process

Section 690.93(b) is drafted as a command — “The Governor shall establish, after consultation with the State board, a process for an institution to request a determination” — made publicly available and containing four specified elements. But the Department has said participation is voluntary: “States are not required to approve eligible workforce programs” (91 FR 29270), nothing in the rule forces a State that lacks the capacity or resources to carry the program out (91 FR 29300), and the final rule sets no federal deadline by which a State must act and no federal penalty if it does not; the consequence falls on its institutions, which cannot access Workforce Pell. For a State that does participate, the four elements are not optional, and institutions are entitled to see them; beyond those elements the regulations do not prescribe what the process must look like, giving states significant flexibility.

Required element	What the state must publish
§ 690.93(b)(1)	The criteria for each § 690.93(a) determination, including: the methodology for identifying high-skill, high-wage, and in-demand occupations and *where that list is published*, reviewed **not less than every two years, concurrent with the WIOA State Plan cycle**; a written policy on employer hiring requirements incorporating direct employer input; a written policy on stackability and portability including a process for employer validation; and a written policy on credit acceptance through written agreements.
§ 690.93(b)(2)	What an institution must submit, including the information necessary for the Governor to make the job placement calculations using administrative data such as wage records.
§ 690.93(b)(3)	The consultation and determination timeline, **and the process for an institution to appeal**, with “clear, transparent and timely procedures that are applied consistently and equitably at all eligible institutions.”
§ 690.93(b)(4)	An attestation that the State board has been consulted.

Beyond the mandatory elements, states should consider several design decisions:

- **Integration with existing systems.** Many states already maintain Eligible Training Provider Lists (ETPLs) under WIOA. Aligning the Workforce Pell approval process with existing ETPL processes can reduce duplication and leverage established relationships with institutions.
- **Data infrastructure.** The transition-period placement requirement requires access to state unemployment insurance wage records. The permanent requirement — occupation-specific employment — requires more granular capability. States should treat this as the binding constraint.
- **Staffing.** Depending on the number of institutions and programs in a state, the approval process may require dedicated staff. States should estimate volume and budget accordingly, and should note that approvals must be revisited at each institution's PPA expiration under § 690.93(f).
- **The certification form.** The Governor's certification is now a mandatory federal form, OMB 1845-0189 (Chapter 4 describes it field by field).
- **The full certification, not just the process.** The process should be built to produce the ten certification elements at § 690.93(d) — including the 15-calendar-day withdrawal notice at (d)(8) and the cost-versus-wages consideration at (d)(9) — set out in the table in Chapter 4. And it should give Registered Apprenticeship related-instruction programs the streamlined route the regulation requires: § 690.93(g) deems (a)(1) and (a)(2) met for them (Chapter 2).
- **Bilateral agreements.** Decide whether the State will enter agreements with other States for out-of-state students; § 690.93(h) requires any such agreement to be published. See Chapter 4.

The State's Data Responsibility

During the December negotiation, the question of state data capacity was a recurring theme. Through the 2028–29 award year the Governor is responsible for determining and certifying both completion and placement rates; from the following year the completion standard is determined under 34 CFR 668.8(f) and only the placement rate remains the Governor's to certify (§ 690.94(a)(2)(i) and (ii)). Both use administrative data including wage records for placement. Note the population: through 2028–29 the placement denominator is *exiters*, not completers, so a completer-only data flow is incomplete. Build to receive data on every relevant program exiter and to verify employment in the second quarter after exit. Be precise about the two inputs, because they are not the same list — and about a third the regulation never specifies. Section 690.94(b)(1) obliges the institution to submit the annual *completer* list together with “the information necessary for the Governor to verify the job placement rate.” Read that clause closely: it attaches to placement, and to placement only. A completer list supplies completion records; it does not supply a rate. The transition standard is the share of students completing *within 150 percent of normal time*, and § 690.94(b) never requires the denominator, the timing, or the exclusion documentation that a share needs. Neither does § 690.93(b)(2), whose own mandatory floor — “the information necessary for the Governor to make the appropriate job placement calculations” — again names placement alone. A State that builds its collection from the regulation's four corners will find it has specified how to verify placement and has left the completion rate to arrive in whatever form the institution chooses to send it.

Until the Department specifies the calculation, establish the State's own administrative methodology and publish it — identified as a State implementation choice rather than as a federal definition — in the process published under § 690.93(b), and require an eligible-entry file alongside the completer list: program start date, the normal-time and 150-percent-of-normal-time deadlines the State will apply, completion date, enrollment or withdrawal status, and documentation for the § 690.94(e) exclusions — death, disqualifying medical onset, uniformed service beyond thirty days, incarceration. Build it so the Governor can reproduce both rates from the records held and can state, if asked, what denominator was used. Chapter 4 sets out what the rule does and does not supply. Through 2028–29 that placement verification runs on *exiters*, completers and non-completers alike, so a State system that ingests only the completer list cannot produce the transition placement rate. Build for both: the statutory completer list, plus exiter-level records sufficient to match employment in the second quarter after exit. After 2028–29 the placement population narrows back to successful completers, and the completion rate moves to the institution's own § 668.8(f) calculation — so a State that builds only for the permanent standard will be short for three years, and a State that builds only for the transition will rebuild in 2029. States need systems that can receive both streams from institutions, match them against unemployment insurance wage records, and calculate whether the 70 percent thresholds are met.

Many states already have this capability through their WIOA performance reporting systems, and the alignment is close: the Workforce Pell placement window — employment in the second quarter after exit — is the WIOA primary indicator, so the same technical infrastructure, wage-record expertise and matching pipelines can often serve both. Do not read that as legal authority. Workforce Pell students are not necessarily WIOA participants, and the permitted-purpose language, matching authority, retention rules and interagency access in a State's existing agreements may not reach the title IV population — the State Wage Interchange System agreement is the clearest example, its purposes running to WIOA, Perkins V and vocational rehabilitation reporting (Chapter 11, item 10). Confirm that State law, the interagency agreements and any applicable wage-interchange permissions authorize matching this population before the system is designed around them; treating a technical capability as an authorization is what stalls an implementation after the build. And the permanent occupation-specific standard will require occupational detail that ordinary wage records do not carry. But some states did not have that capability when the rule was written, and the Department recognized this in two ways. Section 690.94(c)(2) allows the Secretary to extend the more flexible transition standard where a Governor is making progress but needs an additional award year. And § 690.94(c)(1) allows the Secretary to take the calculation over entirely, if the Department determines that rates will be calculated under a separate federal process.

ONE QUESTION EVERY STATE SHOULD ANSWER IN WRITING

The Governor's certification form describes the job placement rate as “at least 70 percent, measured 180 days after student's completion” — which is what the *statute* says, at 20 U.S.C. 1088(b)(3)(A)(iv)(III). Section 690.94(a)(2)(i)(B) describes it as at least 70 percent of students “employed during the second quarter after exiting the program.” Those are different populations measured over different windows, and the one that differs from the other two is the regulation. A Governor signing that form is certifying against the statutory phrase. See Chapter 4.

Institutions will ask States which measure the State is actually calculating. A State should say in its published process how it will administer the two measures pending federal clarification, and give the same answer to every institution. **A State process cannot resolve the underlying federal conflict and should not be written as though it does.**

What this guide recommends, and the limit of it. Chapter 4 explains why the regulatory measure — employment in the second quarter after exit — is the measure currently expressed in the codified regulation, and therefore the one to be prepared to administer unless the Department directs otherwise. **That is not a conclusion that the regulation lawfully overrides the statute.** It is a conclusion that an institution cannot safely ignore the codified regulation while the conflict remains unresolved. It does not resolve the underlying statutory conflict. It satisfies the regulation, and because wage records are quarterly it is the closest standard measure administrative data can produce to the form's 180-day point. But a Governor signs the mandatory federal form, and a State should not adopt a substituted methodology for a mandatory federal form on the strength of a guide's reading. The advice is Chapter 4's, adapted for the reader who *is* the State: **ask the Department for written guidance, in writing, and until it arrives capture data granular enough to produce both measures** — quarterly wage-record matching for the regulatory measure, and day-level completion *and* exit dates for the form's. One caution on that second half: a date fixes day 180, but it does not establish employment on or around that day, and quarterly wage records cannot resolve a single day. A State that intends to certify the form's number should decide and write down the employment data source and the observation window it applies around day 180, so that the percentage it certifies can be reproduced afterward. Computing both is cheap at the data-collection stage and expensive to retrofit. A state that certifies one measure while its institutions build for the other is creating a reconciliation problem positioned to surface at the Department's first oversight review of state-calculated rates — oversight the Department has said it expects to perform.

Coordination with Accreditors

State Governors certify labor market alignment. Accreditors certify program quality. These are complementary functions. Some States may choose to treat a specialized accreditor's review as supporting evidence when a Governor receives an application from a program that already holds it. It cannot replace the Governor's own findings under § 690.93(a), which the regulation assigns to the Governor alone.

OUR INTEREST, STATED WHERE IT ARISES

NCAIWPA is building a specialized accreditor and would benefit if States gave weight to specialized accreditation. This guide therefore takes no position on how a State should weight third-party review, and a State should not adopt one on our recommendation. Nothing in 34 CFR part 690 subpart H directs a Governor to consider accreditation beyond the institutional eligibility that Title IV already requires, and the § 690.93(a) determinations belong to the Governor alone.

From July 1, 2027, this coordination acquires a public dimension. Section 668.43(d)(1)(i) directs the Department's program information website, **to the extent reasonably available**, to publish for each program whether it is programmatically accredited and by whom, alongside its earnings information. A state that has approved a program under Workforce Pell and an accreditor that has accredited it will find their judgments displayed next to the same outcomes data.

THE LOOKBACK OPPORTUNITY

The lookback provision is a real opportunity for a State that wants its institutions eligible sooner. Governors who exercise the lookback authority promptly can certify existing programs and make their State's institutions eligible earlier than a forward-only process would allow. The mechanism is the “date program met eligibility requirements” field on the certification form, which “must include at least 12 months immediately preceding the date the governor certifies the program meets the requirements…”

The first Workforce Pell program publicly identified as approved by the Department — a 14-week emergency medical technician program at Iowa Central Community College — was approved by the Department on August 4, 2026, roughly five weeks after the application window opened on July 1. That is what a state moving quickly looks like, and it is not the only one: North Carolina's workforce commission approved 43 programs at 16 community colleges on August 12, and those now go to federal review (a third-party tracker puts the number submitted at 116; the Commission's own announcement does not state it). Roughly half the States had an operational approval process by mid-August; the rest had named a lead agency, were advancing enabling legislation, or had not yet been observed to act. Those State-level counts are from the Opportunity Data *Workforce Pell State Implementation Tracker* (opportunitydata.org), retrieved August 16, 2026, a third-party compilation and not an official source. North Carolina's approvals are from the NCWorks Commission's August 12, 2026 announcement.

One caution about reading any of this as a scoreboard. The timing of a State's published materials says nothing about the quality or the seriousness of the work behind them. States began this from very different starting points — existing ETPL infrastructure, wage-record access, legislative calendars, and staff capacity all differ — and a State that publishes a careful process in its own time may serve its institutions better than one that published quickly. These figures are here so an institution can find out where its own State stands, not to rank anybody.

CHAPTER 13

Building Accreditation Capacity for Workforce Pell

> *How existing accreditation coverage and emerging specialization can work together as implementation expands.*

The accreditation requirement is a real constraint on which otherwise-qualifying programs can reach Workforce Pell funding, and it is a question of coverage and capacity rather than of anyone's diligence. How many programs it affects is not knowable: no federal registry of eligible workforce programs exists — third-party trackers have filled part of that gap, with the limits Appendix C describes — and “otherwise qualifying” already assumes Governor certification and the twelve-month condition are satisfied.

WHOSE ARGUMENT THIS IS

The reader should know where this argument comes from before reading the chapter. NCAIWPA raised it in its own comment on the proposed rule, using a word this edition has since retired: the Department printed the phrase as the commenter's, “This creates an ‘accreditation bottleneck,’ *as the commenter termed it*” (91 FR 29275). This edition no longer uses it. “Bottleneck” points at the agencies rather than at the structure, and what this chapter describes is a question of coverage and capacity in a system that was drawn before these programs needed it.

NCAIWPA also asked the Department to acknowledge the role specialized programmatic accreditors can play. It declined to write that into the rule — it “cannot require additional structure outside the statutory framework” — and under “Changes” it wrote: “None.” It did not dispute the underlying problem. In the same passage it said it “will consider how we might provide subregulatory guidance that helps accrediting agencies develop the expertise necessary to fulfill their role in ensuring the quality of eligible workforce programs in a timely manner,” and it pointed readers to the Accreditation, Innovation, and Modernization rulemaking it had announced on January 27, 2026 (91 FR 29275). This chapter is therefore NCAIWPA's argument, restated in a book NCAIWPA publishes. Read it on those terms.

A NOTE ON WHAT PART IV IS

Chapters 1 through 12 explain federal law: what the rules say, what the Department said about them, and what an institution or a State must do. Part IV runs from Chapter 11; Chapters 11 and 12 continue the expository work in the form of action lists. This chapter and the next are a different kind of writing. They set out NCAIWPA's own reading of where accreditation coverage does not yet reach, NCAIWPA's model for contributing to it, and NCAIWPA's view of why short-term AI training matters. They are argument, not exposition, and the organization making the argument benefits if you accept it. Read them on those terms. Nothing in them changes anything in Chapters 1 through 12, and a reader who disagrees with every word here can still use the rest of the book.

One honest qualification, because the line is not clean. Chapters 1 through 12 describe NCAIWPA's own role or model in about nine places — most of them marked where they occur, in Chapters 1, 2, 5, 9, 10 and 12. The rule that covers all of them: a reader who wants the law without the argument should treat any sentence containing the word NCAIWPA as the argument.

WHAT THIS CHAPTER IS ARGUING FOR, AND WHAT IT IS NOT

NCAIWPA is being developed to contribute specialized AI expertise *alongside* existing institutional and programmatic accreditors, complementing work they already do well. Nothing in this chapter should be read as a claim that any accrediting agency is doing its job poorly. The agencies described here are operating within scopes of recognition the Department granted them, for fields they were built to serve, and several of them have served those fields for decades. The observation is narrower and structural: a funding stream that opened in July 2026 has created demand for review of a kind of program — short, noncredit, in a field that changes quickly — that the current system was not designed around. That is a question about capacity and coverage, and it is the kind of question the accreditation system has answered before by adding capacity.

Four Parts of the Coverage Question

Part 1: Not all accreditors cover noncredit programs

At the December 2025 negotiation the Department acknowledged that not all accreditors currently review noncredit programs (Chapter 5 quotes the exchange, and notes that no official transcript has been published). Many of the short-term programs that would qualify for Workforce Pell under the 150–599 hour threshold are noncredit clock hour programs. Where the program is not inside the grant of accreditation that supports the institution's Title IV eligibility, it cannot draw Workforce Pell until that is cured — but it is a coverage gap, not a dead end. Chapter 5 sets out the three routes and the supplement, and distinguishes the agency's internal scope of review from its federally recognized scope; most of these are resolved between an institution and its accreditor rather than at the Department.

Part 2: AI workforce training is newer than the scopes that would cover it

Existing programmatic accreditors cover established professional fields: nursing, engineering, business, law, medicine. To NCAIWPA's knowledge as of this edition, no recognized programmatic accreditor specializes in AI workforce training programs — programs that teach machine learning, natural language processing, computer vision, AI ethics, prompt engineering, and the rapidly evolving ecosystem of AI tools and techniques. Extending review capacity to AI curricula on short notice is a real challenge for any agency, because the field moves faster than most standards-review cycles turn over — which is the same reason nursing, engineering and accounting developed reviewers drawn from those fields.

Part 3: Workforce Pell increases the volume of review to be done

Workforce Pell opened a new federal funding stream for short-term programs. This is likely to create an expansion of new programs seeking to become Pell-eligible. Existing accreditors, whose workloads are set by their current membership and their recognized scopes, will meet that demand in the form of scope-expansion requests and new program reviews arriving faster than the ordinary cycle anticipates. Where that happens, programs may wait longer for the accreditation they need to reach Workforce Pell. That is a consequence of volume arriving on a new schedule, and it would be true of any review system meeting a new funding stream.

Part 4, new since the Second Edition: accreditation status becomes a published field

From July 1, 2027, § 668.406(a)(1)(ii) requires institutions to report whether each program is programmatically accredited and by whom, and § 668.43(d)(1)(i)(H) publishes that on the Department's program information website alongside the program's earnings, debt, cost, and earnings premium measure — each field required “to the extent reasonably available.” So, to the extent the information is reasonably available, a program with no programmatic accreditation will be identified that way, and a program accredited by an agency whose standards address curriculum, faculty and governance rather than earnings will show that agency's name alongside the program's outcomes data. The two systems serve different but complementary purposes, and from that date they share a page.

The Department has also said, in a final rule, what it thinks accreditors currently do about earnings: Congress directed it to evaluate programs using graduates' earnings, “which accrediting agencies do not often evaluate” (91 FR 40170) — a description of what accreditation standards have historically been built to measure, not a criticism of the agencies that built them. The first three parts of this section are about capacity. The fourth is about visibility: from July 1, 2027 the two kinds of information sit on the same public page, and every agency will want to have thought about what that page says before a prospective student reads it.

How NCAIWPA Hopes to Contribute

NCAIWPA was formed to add capacity of a particular kind, alongside the agencies already carrying this work. As a specialized programmatic accreditor for AI workforce training programs, it is designed to offer:

- **Noncredit program coverage.** NCAIWPA's requested scope of recognition will explicitly include noncredit clock hour programs in the 150–599 hour band — aligning directly with the Workforce Pell eligibility parameters.
- **AI-specific expertise.** NCAIWPA's standards and governance structure are built around AI workforce education, and its peer reviewer corps is being recruited and trained on that basis. The 50/50 employer-academic governance model is built so that both the technical rigor of AI curriculum and the practical workforce alignment are evaluated from both sides of the field.
- **Review capacity and transparent timelines.** NCAIWPA's target decision timeline, as of this edition, is 90 days following a complete application and full standards review, and 120 to 180 days where disclosures require additional review — stated at intake rather than discovered later. The review model is designed to be virtual-first, which is intended to give national reach at lower cost. It cannot simply dispense with site visits. Section 602.17 requires effective mechanisms for evaluating compliance with an agency's standards before the agency reaches a decision to accredit or preaccredit, and the mechanism listed at § 602.17(c) is that the agency "Conducts at least one on-site review of the institution or program." Whether a virtual-first model satisfies that criterion is a question for the recognition review, not one this guide can answer.
- **Outcome-focused standards.** NCAIWPA's key performance indicators are 70 percent completion and 70 percent placement — the same numeric thresholds as Workforce Pell, though the numbers match and the measures do not — and this edition has to correct itself about which way that cuts. NCAIWPA states its placement indicator as employment within 180 days. **That is the statutory measure**: 20 U.S.C. 1088(b)(3)(A)(iv)(III) requires a placement rate "measured 180 days after completion," and the Governor's certification form says the same. What differs from both is § 690.94(a)(2)(i)(B), which measures employment in the second quarter after exiting. Earlier drafts of this chapter said NCAIWPA was reconciling its indicator *with the regulation*. That was written before this guide traced the measure to the statute, and it had the direction backwards. **The accurate statement is that NCAIWPA's indicator already tracks the statute and the form, and departs from the regulation — the same three-way position every institution and Governor is in**, set out in Chapter 4. NCAIWPA will therefore do what this guide tells everyone else to do: capture both measures, and publish which one any given figure represents whenever it reports one. Add a 15 percent median wage increase and 80 percent employer satisfaction, which the federal Workforce Pell tests do not require at all. The second pair is the point: it reaches the earnings question that both federal regimes now measure and that completion and placement alone do not answer.

WHAT NCAIWPA'S PILOT QUALITY REVIEW IS, AND IS NOT

As this edition goes to press, NCAIWPA is building toward recognition under 34 CFR part 602. Nothing in this chapter should be read as a claim that NCAIWPA accreditation currently satisfies the Workforce Pell accreditation gate; until recognition is granted, that gate is satisfied through the routes Chapter 5 describes. This guide does not use the word “accreditation” for what it does now. What the pilot quality review is designed to provide is an external, documented review against published standards that an institution can put in front of its institutional accreditor, its Governor, and its employers — not Department-recognized accreditation, and not something to represent as satisfying the Workforce Pell accreditation gate — and a body of documented review activity that will support the recognition petition when it is filed. That is a real thing and a limited thing, and this guide describes it as both.

The Timeline Alignment

Period	Workforce Pell phase	NCAIWPA phase
July 2026	Program launches; first program approved August 4, 2026	Standards development, advisory council convened, pilot institution recruitment
2026–2029	Transition period for the placement standard (any employment in Q2 after exit)	Pilot institutions testing standards; peer reviewer recruitment and training
July 2027	STATS earnings premium measure and § 668.16(t) take effect; first STATS reporting due October 1	Pilot reviews and peer reviewer training continue; recognition petition prepared, to be filed as the evidentiary record allows
After 2028–29	Permanent standards: occupation-specific placement tracking, measured on completers	Peer reviewers trained at scale; accreditation decisions on the record

This alignment is not coincidental: NCAIWPA's project period was designed around the Workforce Pell timeline. The first years of pilot operations occur during the transition period, when the regulatory environment is more flexible. By the time permanent standards take effect, NCAIWPA intends to have an established track record of operational accreditation.

Several constraints shape when an application can even be filed, and none of them is about the quality of the standards. Under 34 CFR 602.12(a), an agency seeking initial recognition must already have granted accreditation or preaccreditation to one or more institutions or programs, and must have conducted accrediting activities — including deciding whether to grant or deny — for at least two years before it applies, “unless the agency seeking initial recognition is affiliated with, or is a division of, an already recognized agency.” That exception is real and belongs in any accurate statement of the rule. It applies to an agency affiliated with, or forming a division of, an already recognized agency. Those are two independent conditions, and the earliest possible filing date is the later of the two dates on which they are both satisfied — at least one qualifying grant of accreditation or preaccreditation, and at least two years of accrediting activities including grant-or-deny decision-making. The regulation does not say when the two-year period begins. Accrediting activity plausibly starts before a first decision issues, and the Department may take a narrower view; nothing in the text settles it. NCAIWPA will obtain written confirmation from the Department before publishing a filing date, and a reader should treat any date published before then, here or elsewhere, as an estimate. And under 34 CFR 602.10 the application must demonstrate a link to a Federal program. Paragraph (a) — the HEA link — opens “If the agency accredits institutions of higher education,” so it is not available to an agency that accredits only programs inside institutions another agency accredits; that leaves paragraph (b), a link to a *non-HEA* Federal program. Section 602.32(g) directs Department staff to return the application of an initial applicant that cannot show compliance with the basic eligibility requirements at §§ 602.10 through 602.15 — before NACIQI sees it. Outcomes evidence goes to the standards criteria at §§ 602.16 through 602.21, which sit downstream of that gate. Nothing in 34 CFR part 690 subpart H conditions Workforce Pell eligibility on programmatic accreditation, so Workforce Pell is the market for this work, not the federal link. A reader assessing whether NCAIWPA will succeed should look at § 602.10 first.

THE NUMBERS TELL THE STORY

The Department of Education awarded 15 FIPSE Special Projects grants specifically for accreditation reform in the FY 2025 competition. That is a federal investment in developing new capacity in the accreditation system for the programs that Workforce Pell makes possible.

NCAIWPA's grant is among them. So are several others aimed at adjacent parts of the same gap: a skills-first accreditor for noncredit and microcredential providers; an AI-native, outcomes-focused accrediting model for short-term workforce programs under 600 clock hours — AI used to run the reviews, not AI as the subject matter reviewed; a specialized accreditor for online and hybrid programs; a program accreditor for military-aligned associate and certificate programs; and an institutional accreditor whose stated goal is Title IV gatekeeping authority. NCAIWPA's distinct claim is narrower than “no one is doing this.” It is that no one is building review capacity for AI curricula specifically. An institution weighing its options in 2027 and later should expect more than one candidate, and should ask each of them the § 602.10 question.

CHAPTER 14

The AI Workforce Opportunity

> *A strategic hypothesis and its constraints — the case for short-term programs, and what the complete system looks like when it works.* ***AI is this guide's application case, not a statutory category; Workforce Pell is occupation-neutral, and Chapter 1 says so first.***

Workforce Pell, rapid AI adoption, and the earnings accountability framework arrived within eighteen months of one another. This final chapter sets out what NCAIWPA believes follows from that, and marks the boundary between what the record supports and what remains a judgment. It is the most speculative chapter in the book and it is placed last for that reason.

The Scale of the AI Skills Gap

The U.S. Census Bureau's Business Trends and Outlook Survey shows a striking paradox, and it shows it inside a single window rather than across a trend. In the collection running December 2023 to February 2024, business use of AI in producing goods or services had reached 5.4%, up from 3.7% in September 2023 — and in the survey's first AI supplement, fielded over those same months, just 2.0% of AI-using businesses reported hiring new staff trained in AI. The most common organizational changes those businesses made instead were training existing staff and developing new workflows, and half made no changes at all. By the collection running December 2025 through May 2026 the share of businesses using AI stood between 17% and 20% — but Census had by then broadened the core question from AI used in producing goods or services to AI used in any business function, so that figure rests on a wider definition and is not the far end of one series (Chapter 1 carries the same caution). Census also fielded a second AI supplement from November 2025 through February 2026; this guide reports no hiring figure from it.

This gap between adoption and hiring is telling. Firms were not filling their AI needs from the outside labor market; over the survey period they trained the people they already employed, or made no change at all. That pattern is consistent with a need for flexible upskilling, though the survey does not itself identify affordability or access to training as the causal constraint. NCAIWPA's reading is that it makes affordable, work-compatible training a potentially important constraint on how fast the workforce adapts — and it is exactly the constraint Workforce Pell addresses, extending short-term training to Pell-eligible learners within the funding envelope described in Chapter 3. We have seen no published figure for how many people that will reach, and we do not offer one.

The Case for Short-Term Programs

NCAIWPA's view, not a finding established by the sources cited in this chapter: the pace of change in some AI occupations can make short, updateable training a useful complement to longer-form education. The AI field is evolving quickly enough that traditional educational timelines may sit awkwardly against labor market needs. A four-year computer science degree provides excellent foundational knowledge, but by the time a student graduates, the specific AI tools and techniques they learned as freshmen may be obsolete. Short-term programs between 150 and 599 hours can focus on current tools, current techniques, and current employer needs — and can be updated or replaced as the technology evolves.

Dr. Chance Glenn, NCAIWPA's Founding Technical and Academic Advisor, has made the point in discussion with NCAIWPA that the pace of change in AI curricula supports review intervals calibrated to the field, since the tools and techniques a program teaches can turn over several times within a long cycle. Cycle lengths vary by agency and by action, and are set for the fields each agency serves; some institutional reaffirmation cycles run to roughly ten years. NCAIWPA's planned 5-year maximum reflects that point about pace, and not a view about any other agency's cycle.

DISCLOSURE

Dr. Glenn serves under a paid advisory agreement with NCAIWPA. The remark above is from internal discussion rather than a published source, it is paraphrased rather than quoted, and it is reported as what it is — a compensated advisor's view, not independent validation. The comparison to ten-year cycles is to *institutional* reaffirmation; programmatic review cycles are commonly shorter, so a five-year maximum is a design choice rather than a departure from the field.

The Workforce Pell 12-month rule operates to similar effect, though the record does not say why Congress or the Department chose it, and this guide does not attribute a motive. It is also narrower than it first looks. As Chapter 6 explains, the Secretary's limb (§ 690.94(a)(1)) reaches length and instructional duration only, and does not require that the program have been "essentially the same" in the traditional sense. But the Governor's parallel certification under § 690.93(d)(4) reaches all four § 690.93(a) determinations across twelve months of its own, anchored to the certification date rather than the application date (Chapter 6). Routine curricular updates are permissible while core competencies, objectives, and structure remain consistent with the approval; substantive changes may require notification, resubmission, or a new State determination. So a curriculum that is refreshed to keep pace with the tools is accommodated — a curriculum rebuilt into a different program is not. That is a real accommodation to fast-moving fields, and AI programs should use it deliberately rather than assume it.

The Strategic Hypothesis, and What Would Test It

For institutions positioned to offer Workforce Pell-eligible AI programs, the market opportunity is substantial:

- **Scale, stated the only way the record supports.** The final rule's own regulatory impact analysis estimates **an average of approximately 187,000 Pell Grant recipients per year in eligible workforce programs between FY 2027 and FY 2035** (91 FR 29254, Table 4.1). That is the figure to plan against, and it comes with a limit the Department states plainly by omission: **it does not estimate what share will enroll in AI-related programs.** Nobody has published that number. The broader count of Pell recipients across all of higher education is context, not an addressable market — most of those students are already enrolled elsewhere, and a Workforce Pell program cannot simply be layered onto another Pell-funded program. It also cuts the other way: some likely Workforce Pell students, including bachelor's-degree holders returning for a short credential, are not in the current recipient population at all.

- **Industry demand.** The measured evidence this guide relies on is the Census Bureau's Business Trends and Outlook Survey, set out in Chapter 1 and qualified at the head of this chapter: in the one window where adoption and hiring were measured together, 5.4 percent of businesses were using AI in producing goods or services and 2.0 percent of those businesses were hiring staff trained in it. That is a description of one moment rather than a trend, and it is the gap this chapter is about. The *scale* of AI job postings is widely asserted; we found no official national data we would stand behind, so no figure appears here.
- **Employer co-investment.** An employer that co-invests can close the gap between a program's price and a prorated Pell award, which is the gap no title IV instrument closes (§ 690.90). One structural caution governs all of it: under § 690.5, employer-funded assistance that pushes total non-Federal grant aid to or above cost of attendance eliminates Pell eligibility entirely, so a contribution has to be sized and sequenced with the aid office. See Chapter 11, *What This Means for Employers*.
- **Timing, offered as a judgment rather than a finding.** We have not located a defined market, a measurement period, or published data for the size or growth rate of AI workforce training, and this guide does not assert one. What we believe, and label as belief: an institution that establishes an accredited, Pell-eligible program early is likely to accumulate employer relationships and a track record that later entrants have to build from scratch. That is an ordinary expectation about how reputations form, not a measured advantage, and a reader is entitled to discount it as the view of an organization whose plans depend on it being true.

The Honest Constraint

Two things in this framework work against the opportunity, and they belong in this chapter as much as the opportunity does.

The first is the funding envelope. A Workforce Pell student receives Pell and no other title IV federal student aid (though non–title IV support — VA benefits, WIOA funds — may coexist; see Chapter 3). In the worked examples the award tops out below $4,000 (Chapter 3), and a student's FAFSA can put it far lower. AI training that costs meaningfully more than that is not reachable by the population the program was written for, whatever the value-added earnings cap permits.

The second is that the accountability architecture now points in two directions at once. Through the 2028–29 award year a program must place 70 percent of its *exiters* in work during the second quarter after they leave, which pushes toward occupations that hire quickly; after 2028–29 the measure narrows to *completers* employed in the occupation the program prepares them for, or a comparable high-skill, high-wage, or in-demand one. And from July 2027 it must produce completer earnings, four tax years out, at or above the median for working adults aged 25–34 in its State who hold only a high school diploma (or the national figure, if fewer than half the institution's students come from that State), which pushes toward occupations that pay well. Occupations that hire quickly and pay well are exactly the ones worth building programs around, so the two pressures are not in conflict. But a program that satisfies only one of them is built to fail the other — and when the measure issues, the failure will be public, on a federal website.

THE VISION: A COMPLETE ECOSYSTEM

When the full system is in place, the Workforce Pell ecosystem could function like this. Consider a hypothetical working adult in Huntsville, Alabama. The city is illustrative, and no program described here exists or has been reviewed by anyone. She identifies an AI career opportunity in an occupation on her state's published in-demand list. She enrolls in a 300-hour AI Workforce Specialist certificate program at her local community college — a program that is accredited within a scope that covers it, Governor-approved on OMB Form 1845-0189, on the institution's ECAR, and priced below both its value-added earnings cap and what a Pell award can actually cover. Her financial aid administrator sets her eligible workforce program indicator, and her Pell Grant covers the tuition.

The program is designed around employer needs, with local AI companies providing input on curriculum and committing to interview graduates, and its credits are accepted toward the college's own associate degree under a written articulation agreement. She completes the program in 12 weeks while continuing to work part-time. She is employed by a local technology firm during the second quarter after she exits, which is where the state's wage-record match finds her. Four tax years later her earnings clear the state earnings threshold. The program passes both accountability regimes. Because the program is programmatically accredited, that programmatic accreditor's name appears beside those outcomes on the Department's website, to the extent reasonably available. More students enroll.

This is the ecosystem that Workforce Pell, specialized accreditation, and the earnings accountability framework could combine to support. Two of those three are federal policy; the third is NCAIWPA's proposed contribution and not something Congress or the Department designed. The regulations described in this guide are the infrastructure that makes it possible. Every step in that paragraph is a place where it can fail, which is what the preceding thirteen chapters are for.

APPENDIX A

Key Regulatory Citations

The following citations are referenced throughout this guide. All refer to Title 34 of the Code of Federal Regulations as amended by the two final rules described in Chapter 1, except where another title is stated. Federal Register page numbers are given for provisions quoted in this guide.

34 CFR part 690, subpart H — Workforce Pell

Citation	Subject	Chapter
§ 690.90	Scope and purpose; **Pell Grant only, no other title IV program**	1, 3, 9
§ 690.91	Definitions: cohort period, earnings measurement period, in-demand industry sector or occupation, Governor, recognized postsecondary credential, State board, tuition and fees	2, 4, 8
§ 690.92	Eligible workforce program: length, weeks, exclusions, and the five-year institutional bar at (g)	1, 2, 10
§ 690.93	Components determined by Governors: (a) the four determinations; (b) the State process and appeal; (d) the ten certification elements; (e)–(f) expiration and recertification; (g) Registered Apprenticeship; (h) bilateral agreements	2, 4, 6
§ 690.94	Components determined by the Secretary: (a)(1) the institution's 12-month condition, reaching the § 690.92(a)–(b) length conditions only (the Governor's parallel 12-month certification at § 690.93(d)(4) reaches all four § 690.93(a) determinations); (a)(2) completion and placement standards; (b) institutional reporting; (c) waiver authority; (e) the four exclusions	6, 7
§ 690.95	Value-added earnings: (b) the formula; (c) publication; (d) the tuition cap; (e) the zero rule; (g) correction rights; (h) the 30-completer aggregation; (i) the 16-record floor; (j) six-digit CIP aggregation; (k) the out-of-State exception; (l) the concurrent-enrollment exclusion	8
§ 690.96	Loss of eligibility: (a) Governor withdrawal; (b) rate failure and the appeal stay; (c) earnings failure **and the assessed liability**	10

Citation	Subject	Chapter
§ 690.97	Regaining eligibility: (a) the two-year bar and the substantially-similar test; (b) after Governor withdrawal; (c) after earnings failure	8, 10

Other 34 CFR part 690 provisions

Citation	Subject	Chapter
§ 690.2(c)	Adds “eligible workforce program” to the general Pell Grant definitions, cross-referencing the substantive definition at § 690.92	—
§ 690.5	Ineligibility due to non-Federal grant or scholarship assistance. *May 19, 2026 on the face of the rule; FSA directs that it applies to award years beginning on or after July 1, 2026 (GENERAL-26-32)*	3, 14
§ 690.6(f)	Duration of eligibility — carve-out permitting Pell for an eligible workforce program	2
§ 690.11	Concurrent Federal Pell Grant payments (revised in full)	2
§ 690.63(f)	A single Pell disbursement may not exceed 50 percent of the annual award determined under paragraphs (d) and (g)(2) — by its terms it does not reach Formula 4 awards under paragraph (e). Pre-existing regulation, unamended; the Department invoked it for single-term workforce programs at 91 FR 29277	3
§ 690.80(d)	Recalculation on receipt of non-Federal grants. *Same treatment as § 690.5 — GENERAL-26-32 names this paragraph expressly*	3
§§ 690.84–690.89	Removed and reserved	—

34 CFR parts 600 and 668 — provisions relevant to Workforce Pell

Citation	Subject	Chapter
34 CFR 600.4, .5, .6	Definition of eligible institutions. Each requires accreditation or preaccreditation — or, for a public postsecondary vocational institution seeking only Federal student assistance, approval by a recognized State agency under 34 CFR part 603 in lieu of accreditation	5

Citation	Subject	Chapter
34 CFR 600.10(c)(1)(iv)	Department approval required before an eligible workforce program may disburse	6
34 CFR 668.3(a)	Academic year: for a clock-hour program, 26 weeks of instructional time and 900 clock hours; for a credit-hour program, 30 weeks and 24 semester/trimester or 36 quarter hours. Pre-existing regulation, unamended	3
34 CFR 668.3(b)	Definition of a "week of instructional time" — seven consecutive days containing at least one day of instruction or examination; governs the § 690.92(a) week count	1
34 CFR 668.4(c)	Payment periods for clock-hour and nonterm programs: the second payment period begins when the student successfully completes half the hours and half the weeks (pre-existing regulation, unamended)	3
34 CFR 668.5(c)(3)(ii)	Written arrangements with ineligible entities; new (D) Registered Apprenticeship exception	5
34 CFR 668.8	Eligible program; (f) is the completion-rate reference in § 690.94(a)(2)(ii)(A); (n)(4) makes an eligible workforce program an eligible program for Pell only	2, 6, 7
34 CFR 668.20(b), (g)	Remedial coursework prohibition, now reaching clock-hour programs	2
34 CFR 668.32(c)(2)(i)(B)	Student eligibility: undergraduate only, graduate credential exclusion	1, 2

34 CFR part 668 — as revised by the STATS rule (effective July 1, 2027; until then the FVT/GE provisions these replace remain operative)

Citation	Subject	Chapter
§ 668.2(b)	Definitions for subparts Q and S: cohort period, earnings, earnings premium, **earnings threshold**, eligible non-GE program, Federal agency with earnings data	9
§ 668.14(h)	Provisional status, loss of title IV for low-earning outcome programs, the subpart G appeal, and the two exemption routes	9

Citation	Subject	Chapter
§ 668.16(t)	Administrative capability: the institution must demonstrate that at least half its title IV recipients and at least half its title IV dollars are not from low-earning outcome programs. Failure on either limb	9
§ 668.43(d)	The Department's program information website; (d)(1)(i)(H) publishes whether the program is programmatically accredited and, if so, the name of the programmatic accrediting agency — subject to the chapeau at (d)(1)(i), which requires the listed items "to the extent reasonably available"	5, 9, 12, 13
§§ 668.401–668.407	**Subpart Q** — Student Tuition and Transparency System: the earnings premium measure (§ 668.402), its calculation (§ 668.403), data process (§ 668.404), determination (§ 668.405), reporting (§ 668.406)	9
§§ 668.601–668.606	**Subpart S** — Earnings Accountability: scope and the sole exemption (§ 668.601), criteria (§ 668.602), low-earning outcome programs (§ 668.603), certification (§ 668.604), student warnings (§ 668.605)	9
34 CFR 685.300(a)(3) *(part 685, not part 668)*	PPA condition requiring compliance with subparts Q and S. *Effective August 31, 2026, not July 1, 2027*	Appendix C

Statutory and other authorities

Citation	Subject
Public Law 119-21, § 83002(a)–(b)	Statutory authority for Workforce Pell. Signed July 4, 2025. Subsection (a) establishes the Workforce Pell Grant Program; (b) establishes program eligibility. The enacted law carries no short title; the Department adopted "Working Families Tax Cuts Act" in the final rules for clarity, and other FSA materials call it the OBBBA
HEA § 401(k)	Workforce Pell Grants
HEA § 481(a)(2)	Academic year definition: weeks of instructional time at (A), clock and credit hours at (B)
HEA § 482(c)	Early implementation authority, exercised for Workforce Pell from July 1, 2026

Citation	Subject
HEA § 401(d)(6)	Pell ineligibility where non-Federal grant aid equals or exceeds cost of attendance. Framed on “any period … for such period”; § 690.5 implements it on the award year — Chapter 3
HEA § 480(i)	Excluded sources for the § 690.5 non-Federal aid test
29 CFR part 29	Registered Apprenticeship programs (Department of Labor)
20 CFR 679, subpart A	State workforce development boards
20 U.S.C. 2342 (Perkins § 122)	State identification of high-wage occupations
29 U.S.C. 3112 (WIOA § 102)	State Plan; competencies; the two-year list review cycle
42 U.S.C. 9902(2)	The poverty line used in the § 690.95(b)(2) deduction
26 CFR 1.224–1(h)	Tip income deduction, referenced in the § 668.402(c)(3) suspension
§ 668.408	FVT/GE reporting, the framework operative until STATS replaces it: (b)(2) the statement required of an institution that cannot meet a deadline; (c)(1)(i) standard reporting; (c)(1)(ii) transitional reporting — Chapters 9 and 11
34 CFR part 602	The Secretary's recognition of accrediting agencies: § 602.3 what a scope of recognition consists of, § 602.10 link to Federal programs, § 602.12 accrediting experience required before applying, § 602.16(e) exemption for agencies accrediting programs inside already-accredited institutions, § 602.17(c) at least one on-site review, § 602.22 substantive change, § 602.27(a)(3) notice of standards changes that might alter scope, § 602.32(j) application to expand scope, subpart C the recognition process — Chapters 5 and 13
34 CFR part 603	State agencies recognized for the approval of public postsecondary vocational education, in lieu of accreditation — Chapter 5
OMB 1845-0189	State Workforce Pell Program Certification Form. Mandatory. Expires July 31, 2029

APPENDIX B

Glossary of Key Terms

Terms marked **[def.]** are defined in the regulations themselves; the regulatory citation follows. Other entries are explanatory.

AHEAD

Accountability in Higher Education and Access through Demand-driven Workforce Pell. The name of the negotiated rulemaking committee convened by the Department in December 2025 and January 2026. It produced *two* final rules: the Workforce Pell rule (91 FR 29254) and the STATS and Earnings Accountability rule (91 FR 40136). Using "AHEAD" to mean only the second is a common error.

Award year

The twelve-month period beginning July 1 and ending June 30 used for federal student-aid administration.

CIP code

Classification of Instructional Programs code. A six-digit taxonomy used by the Department to categorize educational programs. The six-digit level governs aggregation for value-added earnings (§ 690.95(j)); the four-digit level governs the substantially-similar test for the two-year ban (§ 690.97(a)).

Clock hour

A unit of measurement equal to a period of time consisting of a 50- to 60-minute class, lecture, or recitation in a 60-minute period, or a 50- to 60-minute faculty-supervised laboratory, shop training, or internship.

Cohort period **[def.]**

For Workforce Pell: "The award year that ends three full award years prior to the beginning of the award year for which value-added earnings are being determined" (§ 690.91). STATS uses a differently constructed cohort period defined at § 668.2(b).

Cost of attendance (COA)

The total estimated cost for a student to attend a program, including tuition, fees, books, supplies, transportation, and living expenses. Pell awards are capped at COA. Under § 690.5, non-Federal grant or scholarship aid equalling or exceeding COA eliminates Pell eligibility for the award year.

E-App

The Department of Education's electronic application for approval to participate in the Title IV programs. The Governor's Workforce Pell certification form is uploaded into E-App by the institution, and eligible workforce programs are added to the ECAR through it.

Earnings measurement period **[def.]**

"The first full tax year following the award year in which the student completed the eligible workforce program" (§ 690.91). Contrast the STATS measure, which uses the fourth tax year following completion.

Earnings premium measure

The STATS test at § 668.402. A program passes if the median annual earnings of its completers equal or exceed the earnings threshold, and fails if they fall below it.

Earnings threshold [def.]

For undergraduate programs, the Census-derived median earnings for working adults aged 25–34 with only a high school diploma or recognized equivalent, who worked and were not enrolled, *in the State where the institution is located* — or nationally, if fewer than half the institution's students are from that State. One dollar where Census data is unavailable (§ 668.2(b)).

ECAR

Eligibility and Certification Approval Report. The Department's record of an institution's approved locations and programs. A Workforce Pell program must be approved and on the ECAR before Pell can be disbursed for it, and the STATS certifications at § 668.604 attach to programs on it.

Eligible non-GE program

A category defined at revised § 668.2(b), to which the STATS rule newly extends the earnings premium measure beyond traditional gainful employment programs. Defined at § 668.2(b).

Eligible workforce program [def.]

An undergraduate program meeting 34 CFR 668.8 and the requirements of § 690.92: a minimum of 8 but less than 15 weeks of instruction; 150 to less than 600 clock hours, 4 to less than 16 semester or trimester hours, or 6 to less than 24 quarter hours; not correspondence, study abroad, or direct assessment; Governor-approved; meeting the Secretary's requirements; complying with the value-added earnings requirement; and offered by an institution with a clean five-year record.

ETPL

Eligible Training Provider List. A state-maintained list of training programs eligible for WIOA funding. May serve as a model for, or be integrated with, Workforce Pell approval processes.

FIPSE

Fund for the Improvement of Postsecondary Education. The Department of Education program that funds NCAIWPA's grant.

Formula 4

The Pell Grant calculation method used for clock-hour and nonterm credit-hour programs, which prorates the annual award by the lesser of the hours fraction or the weeks fraction, against the institution's *defined* academic year, which may not be shorter than the regulatory minimums at § 668.3(a) but may be longer — in which case the award is smaller (Chapter 3). A term-based eligible workforce program uses Formula 3 instead (91 FR 29277). See Chapter 3.

GE program

Gainful employment program — a “program of training to prepare students for gainful employment in a recognized occupation” (20 U.S.C. 1001(b)(1)(A)(i), quoted at 91 FR 40140). The STATS rule carries the category forward from the prior financial value transparency and gainful employment regulations; its preamble states that GE programs “include nondegree programs at any type of institution, and nearly all programs offered by proprietary institutions” (91 FR 40138). A nondegree eligible workforce certificate is therefore generally a GE program.

Do not generalize past that: Workforce Pell's recognized-credential definition can reach associate and baccalaureate degrees, and GE or non-GE classification turns on credential level and institution type under § 668.2. Classify each program rather than assuming.

Governor [def.]

"(1) The chief executive of a State or outlying area as defined under Section 3 of the Workforce Innovation and Opportunity Act … or (2) If an institution is located on Tribal lands, the Tribal government" (§ 690.91).

Governor certification

The formal certification that a Workforce Pell program meets all state-level requirements, made on mandatory federal form OMB 1845-0189, transmitted by the State to the institution, and uploaded by the institution into E-App.

Grant of accreditation

The specific set of programs, locations, and credential levels covered by an agency's accreditation of an institution. A Workforce Pell program must sit inside the grant of accreditation that supports the institution's Title IV eligibility (91 FR 29275).

In-demand industry sector or occupation [def.]

An industry sector with substantial current or potential impact on the State, regional, or local economy, or an occupation with a number of positions sufficient to have significant impact on it (§ 690.91).

Institutional accrediting agency

An agency that accredits an institution as a whole. For most institutions this is the agency whose accreditation supports Title IV eligibility, and 34 CFR 600.11(b)(3) requires an institution accredited *as an institution* by more than one accrediting agency to designate which agency's accreditation it uses to establish its eligibility.

Lookback provision

The Governor's authority to determine that a program met Workforce Pell requirements at a date prior to the regulations' publication, enabling existing programs to satisfy the 12-month requirement. Exercised through the "Date Program Met Eligibility Req." field on the certification form.

Low-earning outcome program

A program that has failed the earnings premium measure in two out of any three consecutive award years for which the measure is calculated (§ 668.603(a)). The label triggers Direct Loan ineligibility and feeds the § 668.16(t) institutional test.

NACIQI

National Advisory Committee on Institutional Quality and Integrity. NACIQI is advisory: an agency applies to the Secretary under 34 CFR 602.31, Department staff analyzes the application, NACIQI reviews it at a public meeting and recommends, and the senior Department official makes the recognition decision (34 CFR part 602, subpart C).

NCAIWPA

National Council for AI Workforce Program Accreditation. A FIPSE-funded project building toward recognition as a specialized programmatic accreditor for AI workforce training programs.

Payment period

A division of a program's length for financial aid disbursement purposes, governed by 34 CFR 668.4. For a clock-hour or nonterm program of one academic year or less, § 668.4(c) creates two payment periods, the second beginning when the student successfully completes half the hours and half the weeks of instructional time; a term-based program uses its terms. Section 690.63(f) provides that a single disbursement may not exceed 50 percent of an annual award determined under paragraphs (d) and (g)(2), requiring at least two disbursements where a payment period's award would exceed that limit. By its terms it does not reach Formula 4 awards under paragraph (e); the Department invoked it for single-term workforce programs at 91 FR 29277. Confirm with the Department before applying it more broadly.

PPA

Program Participation Agreement. The agreement between an institution and the Department authorizing Title IV participation. A Governor's Workforce Pell approval expires with it (§ 690.93(e)).

Programmatic accrediting agency

“An agency that accredits specific educational programs, including those that prepare students in specific academic disciplines or for entry into a profession, occupation, or vocation” (34 CFR 602.3). Recognition of such an agency does not by itself establish Title IV eligibility for the programs it accredits: the Department's published list states, for most recognized programmatic agencies, that “accreditation by this agency does not enable the entities it accredits to establish eligibility to participate in Title IV programs.” The agencies for which it does are those whose Title IV note names a narrow category — generally freestanding, single-purpose institutions of the named type. Also called a specialized accreditor.

Q2

The second calendar quarter after a student exits (transition standard) or successfully completes (permanent standard) a program. The measurement window for Workforce Pell placement rates, and the WIOA primary indicator window. It *begins* roughly 90 to 180 days after exit, depending on exit timing within the quarter, and then runs for three months. Note the discrepancy with the certification form discussed in Chapter 4.

Recognized postsecondary credential **[def.]**

“A credential consisting of an industry-recognized certificate or certification, a certificate of completion of a Registered Apprenticeship under 29 CFR part 29, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree” (§ 690.91).

Related instruction

The classroom component of a Registered Apprenticeship, as the term is used in 29 CFR part 29. The final rule adopted this term in place of the NPRM's “related technical instruction.” A program serving as related instruction is deemed to meet § 690.93(a)(1) and (a)(2).

Scope of recognition

“The range of accrediting activities for which the Secretary recognizes an agency” (34 CFR 602.3), including the types of institutions and programs covered. The Secretary may limit an agency's scope for title IV purposes. Scope, not agency label, is what determines whether an agency's accreditation opens the Title IV gate.

SOC code

Standard Occupational Classification code. Used for placement tracking under the permanent Workforce Pell standard, for the substantially-similar test, and on the Governor's certification form.

State board [def.]

A State workforce development board established under section 101 of WIOA and 20 CFR 679 subpart A (§ 690.91).

STATS

Student Tuition and Transparency System. 34 CFR part 668, subpart Q. Subpart Q predates the July 1, 2026 final rule; that rule *revised* it (amendatory instruction 10, “Revise subpart Q to read as follows”) to renumber provisions and to replace the former debt-to-earnings metric with the earnings premium measure. Not to be confused with subpart S, Earnings Accountability, which carries the consequences.

Substantially similar

Under § 690.97(a), a program sharing both the same four-digit CIP code and *identical* SOC codes per the CIP–SOC Crosswalk. Relevant to the two-year ban. The parallel STATS bar at § 668.604(b)(2) is broader, reaching *overlapping* SOC codes at the same credential level.

Title IV

Title IV of the Higher Education Act, authorizing federal student financial aid including Pell Grants, Direct Loans, FSEOG, and Federal Work-Study. A Workforce Pell student is eligible for the Pell Grant only (§ 690.90).

Tuition and fees [def.]

“The institutional charges for an eligible workforce program” (§ 690.91). The value-added earnings cap applies to *published* tuition and fees, not net price.

Value-added earnings

Under § 690.95(b), the adjusted median earnings of a program's Pell-funded working completers during the earnings measurement period, minus 150 percent of the poverty line applicable to a single individual for that tax year. Published tuition and fees may not exceed it.

WFTCA

Working Families Tax Cuts Act — the Department's label for Public Law 119-21, signed July 4, 2025 (the enacted law carries no short title, and other FSA materials call it the OBBBA). Section 83002(a) establishes the program and 83002(b) its eligibility. The Department used “One Big Beautiful Bill” in the NPRM and adopted WFTCA in the final rule for clarity and consistency.

WIOA

Workforce Innovation and Opportunity Act. Federal legislation governing workforce development programs. Supplies the definition of Governor, the State board, the State Plan cycle that paces the two-year list review, and the second-quarter-after-exit measurement convention.

APPENDIX C

Implementation Timeline

Dates in the past are recorded as they occurred; dates in the future are the dates fixed by the two final rules, and where a rule permits the Department to move a date the entry says so. *Past* and *future* are relative to the edition date on the copyright page, not to your reading date. This appendix replaces the Second Edition's timeline, which projected a final rule for “Spring/Summer 2026” and could not know what followed.

One recurring item that is not a dated milestone: the Secretary publishes each program's value-added earnings no later than three months before the beginning of the award year to which the figure applies (§ 690.95(c)).

Date	Milestone	Significance
July 4, 2025	Public Law 119-21 signed (the Department's rules call it the Working Families Tax Cuts Act)	Section 83002(a) establishes the Workforce Pell Grant Program; 83002(b) its eligibility
Dec 8–12, 2025	AHEAD negotiated rulemaking, session 1	Consensus reached on the Workforce Pell regulatory text
Jan 5–9, 2026	AHEAD negotiated rulemaking, session 2	Consensus reached on earnings accountability
Feb 2026	First Edition of this guide published	Written against the December consensus language
March 9, 2026	Workforce Pell NPRM published, 91 FR 11378	Comment period open through April 8, 2026
March 2026	Second Edition published; NCAIWPA public comment filed on ED–2026–OPE–0133	Written against the proposed rule
May 19, 2026	**Workforce Pell final rule published, 91 FR 29254**	Amendatory instructions 10 and 13 (§ 690.5 and § 690.80(d)) carry a published face date of May 19; FSA directs operational application from July 1, 2026 (GENERAL-26-32)
June 4, 2026	Electronic Announcement GENERAL-26-32	Effective dates for Workforce Pell and Pell ineligibility provisions; institutions may apply from July 1, 2026

Date	Milestone	Significance
June 18, 2026	Information collection correction published	The State certification form is **mandatory**, not optional as first described
July 1, 2026	**Workforce Pell launches** (statutory date). Early implementation permitted from this date under HEA § 482(c)	Institutions may begin applying for ED approval of eligible workforce programs
July 1, 2026	Certification form released; Electronic Announcement GENERAL-26-44	OMB 1845-0189, expiring July 31, 2029. Governor completes, institution uploads to E-App
July 1, 2026	**STATS and Earnings Accountability final rule published, 91 FR 40136**	Published July 1, 2026; replaces debt-to-earnings and FVT/GE with the earnings premium measure when it takes effect July 1, 2027
2026–27 award year	Transition period begins	Flexible placement standard: any employment during the second quarter after exit
July 20, 2026	**Workforce Pell final rule effective**	The framework described in Chapters 1–8 and 10 becomes binding
July 30, 2026	2026–27 *FSA Handbook*, Volume 7, announced as available	Confirms the FAA must set the eligible workforce program indicator; students cannot self-identify
Aug 4, 2026	First federally approved eligible workforce program announced	A 14-week emergency medical technician program at Iowa Central Community College
Aug 11, 2026	Electronic Announcement GENERAL-26-49	FVT/GE data reporting, STATS early implementation, and next steps for publication. Carries an attached list of which FVT/GE files each institution has on record
Aug 31, 2026	STATS amendatory instructions 13 and 14 effective	34 CFR 685.102(a)(1) and 685.300(a); the PPA condition requiring compliance with subparts Q and S
Sept 10, 2026	FSA Office Hours on FVT/GE and STATS reporting, 3–4 p.m. Eastern	Per GENERAL-26-49. Questions submitted in advance to ob3schoolquestions@ed.gov by Sept 2, 2026; recording posted to the FSA Training Center. The most likely near-term venue for operational answers — possibly including the placement-measure discrepancy in Chapter 4

Date	Milestone	Significance
Oct 1, 2026	**FVT/GE data due for the 2026 reporting cycle**	Per GENERAL-26-49. Unreported or under-reported 2024–2025 data may be submitted until January 15, 2027
Jan 15, 2027	Deadline for unreported or under-reported FVT/GE data, 2024 and 2025	Per GENERAL-26-49
June 30, 2027	FVT/GE reporting requirements end for institutions that did not early-implement	Per GENERAL-26-49
July 1, 2027	**STATS rule effective**	Earnings premium measure, § 668.16(t) administrative capability, § 668.43(d) publication, § 668.605 student warnings
2027–28 award year	Transition period continues	—
During 2027	ED publishes FVT/GE and STATS data and statistics	Per GENERAL-26-49: draft data first, with an institutional review period, then final data later in the year; draft and final annually thereafter, and from 2028 the annual data is based solely on the STATS collection
Oct 1, 2027	First § 668.406 reporting deadline	Covering the two most recently completed award years prior to the effective date, then annually each October 1 — unless the Department sets different dates by Federal Register notice, which § 668.406(b)(1)(ii) permits. Watch for announcements.
2028–29 award year	Last year of the transition placement standard	Also the last year Governors certify completion rates; thereafter placement only
After 2028–29	Permanent standards take effect	Occupation-specific placement, measured on completers in the second quarter after successful completion. One flexibility: under § 690.94(c)(2) the Secretary may extend the transition standard for a State that is making progress but needs an additional award year

Date	Milestone	Significance
2030–31 award year	**First award year governed by the value-added earnings test**	The Department's regulatory impact analysis states the test “will first be computed for the 2030–31 award year,” measuring 2026–27 completers; the figure is published in 2029–30. Negotiators proposed this over the Department's original 2029–30 and the Department agreed

THREE OPEN ITEMS AS THIS EDITION GOES TO PRESS

A promised technical correction has not appeared. Electronic Announcement GENERAL-26-32, issued June 4, 2026, states that the Federal Register “incorrectly assumed” a May 19, 2026 effective date for the Pell-ineligibility provisions, directs that both § 690.5 and § 690.80(d) are effective for award years beginning on or after July 1, 2026 (including crossover periods assigned to 2026–27), and says the Department planned a technical correction. NCAIWPA has not located a published correction as of August 17, 2026. Until it appears, the published rule text and FSA's operational direction disagree on the face of the record, and institutions should follow the announcement and retain it.

There is no federal list of approved programs. The Department declined to commit to publishing a registry, though it said it would explore doing so, and noted that the appropriations committee has directed it to report a list of eligible institutions and programs to Congress. Several states publish their own lists; no national list exists.

The annual data submission has no published deadline. Section 690.94(b) requires an institution, for each award year after approval, to submit its completer list and placement-verification information to the Governor, and separately to report published tuition and fees “through a process determined by the Secretary” (§ 690.94(b)(2)). The Secretary has not yet published that process, and no federal date governs either submission. Until one appears, follow the State's published timeline for the State-side submission and keep records ready to produce, while separately seeking written clarification from the Department about the federal process and any federal deadline. A State timeline governs the State's own request; it does not settle a federal obligation.

Where to watch. These items — and the unresolved questions this guide flags in Chapters 4, 8, and 10, and the nine set out in Appendix C — would most likely be resolved by the Department. That is where to watch first, but it is not the only place an answer can come from: a court can construe a regulation, and a State can settle parts of its own implementation within the discretion § 690.93(b) leaves it. Three channels carry that resolution. Electronic Announcements at the Department's Knowledge Center, fsapartners.ed.gov, filtered to Electronic Announcements, are where GENERAL-26-32 and GENERAL-26-44 appeared and where operational guidance lands first. Corrections and technical amendments to the rules themselves appear in the *Federal Register* under Docket ED–2026–OPE–0133 (Workforce Pell) and ED–2026–OPE–0100 (STATS), which federalregister.gov will deliver by email alert. And the current codified text is at eCFR, linked in Appendix D — updated daily, but unofficial by its own account and to be checked against the official CFR for legal research. A fourth channel opened after this edition was drafted: the Department announced an FSA Office Hours session on FVT/GE and STATS reporting for September 10, 2026, took questions in advance, and said the recording would be posted to the FSA Training Center

> (GENERAL-26-49). If the Department speaks to the placement-measure discrepancy or the aggregation question in the near term, a session of that kind is a likely venue, and the recording outlives the session. A reader who checks those four will catch most of what this edition could not know — though not a court decision, a statutory amendment, a State action, or a recognition decision.
>
> **One thing to watch differently.** No federal registry of approved eligible workforce programs or of State readiness has appeared — the Department did not establish a federal publication requirement, while stating that it would consider publishing a list — and third parties have filled the gap with trackers assembled from State announcements. They answer "has my State opened a window yet," which no official source answers in one place. They are not authoritative, they age quickly, and presence on one is not approval. Use a tracker to find your State's portal; confirm against the State's published process under § 690.93(b).

What in this edition can go stale, and where to check

Status as of August 18, 2026. Do not read any row below as current after that date without re-checking it. Some of what follows was verified on the morning this edition was released and cannot stay verified. A framework this new produces facts with a shelf life, and the honest thing to do with them is to name them, date them, and hand the reader the source rather than hedge them into uselessness. **Every row below was checked against the source named on August 17, 2026**, except the SAI ineligibility threshold, verified against HEA § 401(b)(1)(F) and the January 30, 2026 Dear Colleague Letter on August 18. Reading this weeks or months later, work down the right-hand column before you rely on the left.

Note the shape of several. They are *negative* claims — no correction has issued, no guidance has appeared, no agreement has been published — and a negative cannot be proved without a register, which for approved programs and bilateral agreements does not exist. Read every "none found" in this book as a dated search result by a careful party, never as a census.

What this edition says	Where	Where to re-check it
The technical correction to the § 690.5 and § 690.80(d) effective dates promised in GENERAL-26-32 **has not appeared**	Ch. 1, 3; App. C	*Federal Register*, docket ED–2026–OPE–0133 / RIN 1840–AD99. federalregister.gov will send an email alert on the docket. Until it issues, follow the announcement and retain it
The Department announced Iowa Central Community College's EMT program as the **first** federally approved eligible workforce program on August 4, 2026 — a historical fact. Separately, and as a search result rather than a census: as of August 17, 2026 this project located no earlier federal approval and no additional federally announced one	Ch. 11, 13	ed.gov press releases. The *first* is settled history; the *count* is not. No federal registry exists — the Department did not establish a federal publication requirement, while stating that it would consider publishing a list — so treat any total as a dated search result. Expect more approvals, and do not read this row as saying there is still only one
North Carolina's **43 programs at 16 community colleges**, announced August 12, 2026 — State-level approval, moving on to federal review	Ch. 11	nccommunitycolleges.edu/workforce-pell and the NCWorks Commission. Other States are approving on their own timelines; this figure is an example, not a leaderboard
No executed bilateral agreement under § 690.93(h) has been published anywhere	Ch. 4, 11	Governors publish their own. The Department did not establish a federal publication requirement for Governor-approved programs, while stating that it would consider publishing a list of eligible workforce programs — so check the Workforce Pell page of each State you care about. Alabama's published request procedure, dated June 30, 2026, is one worked example of what such a page can look like

What this edition says	Where	Where to re-check it
The sub-regulatory guidance on how completion and placement rates are calculated for States with bilateral agreements, promised at 91 FR 29262, **has not issued**	Ch. 11	fsapartners.ed.gov, filtered to Electronic Announcements. This is the guidance that would also answer much of Chapter 12's completion-rate question
Volumes 2 and 8 of the 2026–27 *FSA Handbook* had not been published, which is why Chapter 5 quotes the 2025–26 Volume 2	Ch. 5; App. D	fsapartners.ed.gov/knowledge-center/fsa-handbook/ 2026-2027. When Volume 2 posts, read its Chapter 1 against the passage quoted here
No federal deadline governs the § 690.94(b) annual submission, and the Secretary's tuition-reporting process is unpublished	App. C	fsapartners.ed.gov. Until a federal submission process is published, coordinate with your State's published timeline and obtain written clarification from the Department about any federal deadline. A State timeline governs the State's own request; it does not settle a federal obligation
The Department of Labor's SWIS amendment for the Workforce Pell Program shows every stage **“Coming Soon”**	Ch. 11	dol.gov/agencies/eta/performance/swis/workforcepell. This is the plumbing interstate data-sharing will need, and it is not cleared for this traffic yet
The FSA Office Hours session on FVT/GE and STATS reporting is set for **September 10, 2026**, with advance questions due September 2 to ob3schoolquestions@ed.gov (GENERAL-26-49)	App. C	Whichever side of those dates you read this from, the durable artifact is the recording: FSA said it would be posted to the FSA Training Center *after* the session. Look there for anything the Department said about the placement-measure discrepancy; no recording is a reason to check again, not an answer. GENERAL-26-49 carries the session details and the question deadline
2026–27 Pell figures: **$7,395** maximum, **$740** minimum, **$14,790** SAI ineligibility threshold; 150 percent of the 2026 poverty guideline at **$23,940** contiguous, **$29,925** Alaska, **$27,540** Hawaii	Ch. 1, 3, 8	Award-year and calendar-year figures, both reset annually. The Dear Colleague Letter for the award year, and the HHS poverty guidelines for the calendar year. *Every worked example in Chapter 3 moves when these do*
State list contents — Pennsylvania's 19 occupations, Maryland's 274 rows, Texas's 25 SOC codes	Ch. 4	Each State's own published list under § 690.93(b)(1)(i). The regulation requires review at least every two years, so these will move. The *method* in Chapter 4 outlasts the numbers

What this edition says	Where	Where to re-check it
NCAIWPA is **building toward recognition** and does not hold it as of this edition, and its own 180-day placement indicator tracks the statute and the certification form rather than § 690.94(a)(2)(i)(B)	Ch. 13; front matter	The Department's published list of recognized accrediting agencies. NCAIWPA's absence from that list is the confirmation; once it is recognized, that is where it will appear. If this changes, this book's disclosure of its publisher's interest changes with it — and the disclosure, not the status, is what matters to a reader
No recognized accrediting agency holds a scope naming AI workforce training — a national negative, stated as of this edition and only as far as the search behind it reached	Front matter; Ch. 13	The Department's published list of recognized accrediting agencies and their scopes. The search behind the claim covered institutional and programmatic agencies alike and looked for AI-specific scope language rather than broader technology or information-technology scopes. Re-run it before relying on the claim; a single new scope grant retires this row
The **CIP–SOC Crosswalk edition** that decides whether two programs are “substantially similar” under § 690.97	Ch. 10; App. C	nces.ed.gov/ipeds/cipcode, which publishes the controlling edition and its revision date. The *test* in Chapter 10 is stable; the crosswalk it runs on is not, and a revision can move two programs into or out of the definition without anyone amending the regulation

One thing that does not go stale. The codified regulations, the two final rules, and the reasoning built on them change far more slowly than the rows above — though not unconditionally: a regulation can be superseded by statute, stayed or vacated by a court, or displaced by other binding action, none of which requires the Department to amend anything. Work down those fourteen rows and you will have caught most of what this edition could not know, though not those possibilities.

APPENDIX D

Corrections, Sources, and How to Report an Error

Why this appendix exists

This guide has been corrected from outside before, and the edition that reached institutions afterward was more accurate than the one before it. That only works if the route in is obvious, which is what this appendix is for.

The Second Edition of this guide was published in March 2026 following published criticism of the First Edition, which identified areas that had been incorrectly described. Responsibility for what was in the earlier editions rests with NCAIWPA alone. This edition carries corrections to eleven errors of our own, listed in full at the front of the book; several of them entered in the First Edition and survived the Second Edition's partial revision.

How to report an error

Write to **info@ncaiwpa.org** with the page number, the sentence at issue, and the source you believe controls. Corrections are published in the next edition and, with the finder's permission, attributed by name. Corrections to material errors are issued between editions rather than held: write to the same address for the current list of corrections to this edition.

What this guide does not resolve

Nine questions in this book are genuinely unsettled. Eight are tabled below; the ninth is the payment-period cutoff at § 690.96, set out in Chapter 10, where the reasoning and the interim instruction already sit together. Each is a place where the published law does not answer the question, and the currently published materials do not resolve it. We set them out together here because a reader planning around this framework needs to know where the ground is soft, and because the honest thing to do with an open question is to name it rather than to pick a side and sound confident.

Each row follows the same shape, so you can read down the column rather than through the prose: **what the statute says**, **what the regulation says**, **what the Department has said** (often nothing), **what is unresolved** — and then, in the last column, the safest operational approach until it is answered. Below the table is language you can use to put the question to the Department. The Department is the most practical source of an operational answer; a later rulemaking, or a court construing the regulation, could also resolve them. If you get an answer, we would be glad to have it for the next edition.

BEFORE THE OPEN QUESTIONS, WHAT IS SETTLED

This appendix is long, and a reader who arrives here first could take away the impression that the framework is mostly unresolved. It is not. The nine questions below sit on top of a large body of published text that says what it says. These propositions rest on the statute or the codified regulation and are not among the open questions:

1. Workforce Pell exists as a statutory Pell pathway, with a statutory launch date of July 1, 2026, and no scheduled sunset in the enacted provision.
2. An eligible workforce program runs at least 8 and fewer than 15 weeks of instructional time (§ 690.92(a)).
3. It runs at least 150 and fewer than 600 clock hours, or the credit-hour equivalents (§ 690.92(b)).
4. A week of instructional time is any seven consecutive days containing at least one day of regularly scheduled instruction or examination (§ 668.3(b)).
5. The Governor must approve the program, and the Secretary must then determine it eligible. That sequence is fixed.
6. A student enrolled in an eligible workforce program receives Pell and no other title IV aid (§ 690.90).
7. Correspondence programs, and programs offered by a foreign institution, are excluded (§ 690.92).
8. The program must be undergraduate; a student enrolled in or accepted to a graduate program is not eligible (§ 668.32(c)(2)(i)(B)), and § 690.6(f) supplies the Workforce Pell exception for an otherwise eligible student who already holds a bachelor's degree.
9. Clock-hour and nonterm credit-hour programs use Formula 4; term-based programs use Formula 3.
10. The value-added earnings test first governs the 2026–27 launch cohort in the 2030–31 award year, not now.
11. Section 690.96(c)(2) creates a liability that falls on the *institution*, not the student.
12. Section 690.97(a) creates a two-year bar, and it is keyed to a completion or placement failure or a voluntary discontinuance — not to an earnings failure as such.

Nothing in the table below unsettles any of those. The open questions are narrower than they look, and they are narrow on purpose: each one is a place where two published sources point different ways, not a place where the framework is unknown.

The question	What each source says, and what is unresolved	Safest approach until it is answered
1. Which placement measure controls 20 U.S.C. 1088(b)(3)(A)(iv)(III) and OMB 1845-0189 vs. § 690.94(a)(2)(i)(B) *Chapters 4, 11, 12*	**The statute** requires “a verified job placement rate of at least 70 percent, measured 180 days after completion,” and the mandatory certification form says the same. **The regulation** measures employment “during the second quarter after exiting the program” — a different population and a different window from both. Commenters raised the statutory conflict; the Department's response did not reconcile the two, and defended the departure as a temporary accommodation aligned to the WIOA indicator so the program could operate from July 1, 2026, and wrote “Changes: None” (91 FR 29295–96). This is a regulation departing from its statute, not a form misreading a rule.	Do not choose. Capture data granular enough to compute *both*: quarterly wage-record matching for the regulatory measure, and day-level completion *and* exit dates for the statutory one. A date anchors day 180 but does not establish employment on it, and quarterly wage records cannot prove employment on a single day — so record the employment data source and the observation window adopted around day 180, and document how each numerator and denominator is produced. Cheap now, expensive to reconstruct. Ask in writing; do not substitute a methodology on a mandatory federal form without confirmation.
2. Whether the accountant attestation follows the cross-reference § 668.8(e)(2) *Chapter 7*	**Regulation.** After 2028–29 the completion rate is “as determined under 34 CFR 668.8 (f),” and § 690.94 cites paragraph (f) only. Section 668.8 also carries, at (e)(2), a CPA attestation requirement — but (e)(2) attaches to the (e)(1) test serving the Direct Loan pathway at (d)(3), which a Pell-only program does not use. **The Department.** Silent. **Unresolved.** Whether the cross-reference carries the attestation along with the formula.	The better reading is that § 690.94 borrows the formula without the attestation. Do not budget for an annual engagement on that basis alone. Ask before the 2029–30 planning cycle, because the answer is a real line item.
3. Whether reinstatement reaches a zero-or-negative program § 690.97(c) *Chapters 8, 10*	**Regulation.** The paragraph opens “loses eligibility because its published tuition is higher than its value-added earnings under § 690.95(e).” The condition described is the price rule at § 690.95(d); the paragraph cited is the zero-or-negative rule. **The Department.** Silent. **Unresolved.** Whether a zero-or-negative program has a reinstatement route at all — a tuition reduction cannot satisfy (c)(2) when the figure is zero or below.	Read the citation as a drafting error, and assume the route back from a zero-or-negative figure is a later positive recalculation rather than a price change. Ask before relying on either reading.

The question	What each source says, and what is unresolved	Safest approach until it is answered
4. Whether withdrawing to avoid liability triggers the two-year bar § 690.97(a) *Chapters 8, 10*	**Regulation.** The bar reaches a completion or placement failure "or the institution voluntarily discontinues a failing eligible workforce program." **The Department.** Silent. **Unresolved.** That second limb is not textually confined to completion and placement failures — and withdrawing a program to avoid the § 690.96(c)(2) liability is a voluntary discontinuation.	Ask before withdrawing. The answer determines whether the program may use the ordinary reinstatement route or instead faces the § 690.97(a) two-year reestablishment bar, and the choice cannot be unwound afterward.
5. How far value-added earnings aggregation reaches § 690.95(j) *Chapter 8*	**Regulation.** The codified text pools completers by six-digit CIP code with *no institutional limiter*, and says nothing about credential level. **The Department.** The preamble describes programs sharing "the same six-digit CIP code *and credential level*" (91 FR 29306). **Unresolved.** Two gaps in one sentence. A preamble is ordinarily not read to narrow language that is not ambiguous, and neither limiter is in the paragraph.	Do not assume aggregation stops at your own institution's door, and do not assume a certificate and a degree under one CIP code are measured separately. Ask before building a program portfolio that depends on either.
6. Whether programmatic approval can satisfy the § 668.604(c)(2) certification 34 CFR 668.604(c)(2); institutional eligibility runs separately through 34 CFR part 600 *Chapter 5*	**Regulation.** Section 668.604(c)(2) is disjunctive on its face; institutional eligibility runs separately through 34 CFR part 600. **The Department.** Its published list states, for most recognized programmatic agencies, that their accreditation does not establish Title IV eligibility — so for a program inside an already-accredited institution, ordinarily no. **Unresolved.** Scope of recognition is set agency by agency. **Disclosure.** This is the question on which this guide's publisher has the clearest interest, which is a reason to trust it least.	Obtain written confirmation from the institution's primary accreditor *and* from Federal Student Aid before relying on programmatic accreditation as an eligibility pathway. Do not rely on this guide for it.

The question	What each source says, and what is unresolved	Safest approach until it is answered
7. How the transition completion rate is built § 690.94(a)(2)(i)(A), (b)(1), (e) *Chapters 4, 12*	**Regulation.** The rule sets the standard — 70 percent within 150 percent of normal time — and presupposes a denominator, since § 690.94(e) removes certain students from “the numerator or denominator.” **The Department.** Its only word on the source: “Completion information is housed at the institution and in State datasets” (91 FR 29301). **Unresolved.** The rule never defines the cohort, “normal time to completion,” or the exclusion documentation. The submission duty at § 690.94(b)(1) names placement only, and § 690.93(b)(2)'s mandatory floor does the same — yet § 690.94(c) speaks of waiving requirements “related to submission of completion rates,” presupposing a duty the text never creates.	Treat the method as a State question and get it in writing before your first submission: cohort definition, “normal time” convention, exclusion documentation. Keep student-level records that can be re-cut. Do not assume your State's definition is the one you would have chosen, and do not assume it matches the § 668.8(f) method that takes over after 2028–29.
8. Which period the non-Federal aid test runs over HEA § 401(d)(6), 20 U.S.C. 1070a(d)(6) vs. § 690.5 *Chapters 1, 3*	**Statute.** A student is ineligible “during any period” for which non-Federal grant aid equals or exceeds cost of attendance “for such period.” **Regulation.** Section 690.5 implements the test over the *award year*, against cost of attendance for the award year. **The Department.** Nothing reconciling the two units has been located. **Unresolved.** “Any period” is not obviously an award year, and a period can be shorter — a payment period, a term. On a short program that is not an academic distinction: sponsorship concentrated in one payment period could reach cost of attendance for that period without reaching it for the year.	Operate § 690.5, which is what the Department administers. Run the comparison at *both* levels and keep the workpaper — against the payment period and against the award year — because a payment-period figure cannot be reconstructed afterward. An institution with a concentrated sponsorship arrangement should ask the Department in writing which unit governs.

HOW TO ACTUALLY ASK

These are free channels, and using them is how the next edition gets shorter.

- **The rules name their own contacts, and this is the channel most readers overlook.** The Workforce Pell final rule gives Aaron Washington, Office of Postsecondary Education, aaron.washington@ed.gov, (202) 987–0911. The STATS rule gives Joseph Massman, same office, Joe.Massman@ed.gov, (202) 453–7771. Questions 1 through 5 arise under 34 CFR part 690 subpart H or its interaction with part 668, and belong with the office that wrote the rule.
- **FSA Office Hours,** for operational and reporting questions. The Department announced a session on FVT/GE and STATS reporting for September 10, 2026, took questions in advance at ob3schoolquestions@ed.gov, and said the recording would be posted to the FSA Training Center (GENERAL-26-49). Note the scope: a session announced on FVT/GE and STATS reporting is designed for reporting mechanics rather than for subpart H interpretation questions, so send those to the contacts above. Sessions of this kind recur; submit in advance, because written questions get answered on the record.
- **ReportingSTATS@ed.gov** — the address the Department gave for questions about the STATS and Earnings Accountability regulations and reporting processes.
- **Your State's published process.** Question 1 has a State half as well as a federal one. Section 690.93(b) requires the process to be publicly available; ask the State in writing which measure it calculates, and keep the answer.
- **Your accreditor and Federal Student Aid, in writing.** Question 6 is answered for a specific institution by those two, not in the abstract.

When you write, quote the provision, state both readings, say which one you intend to follow and why, and ask whether the Department agrees. A question framed that way is answerable. “Please advise” is not.

A LETTER YOU CAN SEND

Nine questions in this book end with "ask the Department." That is honest advice and it is also, unaccompanied, a dead end. Here is the shape of a letter that gets answered. Replace the bracketed text with the question you are asking and the reading you intend to follow; the questions are set out above with the provisions and both readings already assembled.

To the contact named in the rule — for subpart H, aaron.washington@ed.gov. Subject: Interpretation question on 34 CFR [provision].

Dear [name],

You are listed as the contact for [the Workforce Pell final rule at 91 FR 29254 / the STATS final rule at 91 FR 40136], and I am writing with one question that has arisen at [institution/agency] as we prepare to [describe the decision that turns on the answer].

Section [cite] provides that "[quote the provision, exactly]." Read against [the other provision, form, or announcement], that admits two readings. The first is [reading A]. The second is [reading B]. We intend to proceed on [the reading you have chosen], because [one sentence of reasoning]. We are not asking the Department to resolve anything beyond this provision, and if the Department would rather not take a position, knowing that is useful too — we will document the question rather than assume an answer.

Does the Department agree? If another office is better placed to answer, I would be grateful for the referral.

[Name, title, institution, OPEID if you have one]

Three things make the difference. **Quote the provision** rather than describing it. **State both readings** and say which one you will follow, so the Department is confirming or correcting rather than drafting. And **say what turns on it** — a question attached to a decision someone is making this quarter is answered ahead of one that is not. Send it from an institutional address, log the date, and keep the reply with your compliance records. Then read it for what it is. An informal written response from the Department is valuable operational guidance and it is not a regulation: it does not carry the force and effect of law. It will tell you what the Department thinks. It will not change what the rule says.

Primary sources relied on

Every quotation of the two final rules' regulatory text in this guide was taken from the Federal Register and checked against that text at the pages cited in this appendix. Quotations from the other primary sources listed below — the certification form, Department announcements and the *FSA Handbook*, the December 2025 consensus draft and session webcasts, and prior editions of this guide — were checked against those sources directly. Where the published text contains an apparent error — in the codified regulations, or in a preamble or other published material — this guide reproduces it as printed and says so rather than silently correcting it.

Source	Detail
Workforce Pell final rule	91 FR 29254–29338 (May 19, 2026), Docket ED–2026–OPE–0133, RIN 1840–AD99. Regulatory text at 91 FR 29333–29338

Source	Detail
STATS and Earnings Accountability final rule	91 FR 40136–40287 (July 1, 2026), Docket ED–2026–OPE–0100, RIN 1840–AE06
Workforce Pell NPRM	91 FR 11378 (March 9, 2026) — superseded; cited only where this guide records what changed
AHEAD Committee draft consensus language, Workforce Pell	December 12, 2025 — the session 1 consensus regulatory text, used to verify the error classifications at the front of this book against all three layers of the rulemaking
State Workforce Pell Program Certification Form	OMB 1845-0189, expiring July 31, 2029. fsapartners.ed.gov/sites/default/files/2026-07/StateWorkforcePellProgramCertificationForm18450189.pdf
Electronic Announcement GENERAL-26-32	June 4, 2026 — effective dates for §§ 690.5 and 690.80(d), and the promised technical correction. fsapartners.ed.gov/knowledge-center/library/electronic-announcements
Electronic Announcement GENERAL-26-43	July 1, 2026 — the data elements institutions may omit from the 2026 FVT/GE collection, the election that constitutes early implementation of STATS reporting. Search GENERAL-26-43 at fsapartners.ed.gov/knowledge-center/library/electronic-announcements
Electronic Announcement GENERAL-26-44	July 1, 2026 — certification form availability and process. Direct link at fsapartners.ed.gov
Electronic Announcement GENERAL-26-49	August 11, 2026 — FVT/GE reporting deadlines for the 2024, 2025 and 2026 cycles, the transitional-reporter option at § 668.408(c)(1)(ii), the non-compliance statement requirement, the September 10, 2026 FSA Office Hours session, and the 2027 publication plan. Cited in Chapters 9 and 11 and Appendix C. Direct link at fsapartners.ed.gov
ED lists of recognized accrediting agencies	The Department's published institutional and programmatic accrediting agency lists, with their per-agency Title IV notes, retrieved August 16, 2026 — the source of the annotation language quoted in Chapter 5 and the glossary. The machine-readable database is at ope.ed.gov/dapip. ed.gov → College Accreditation
Dear Colleague Letter GEN-26-01	January 30, 2026 — 2026–27 Pell maximum and minimum. Direct link at fsapartners.ed.gov

Source	Detail
FSA Handbook — two editions, and the reason	**2025–26 edition, Volume 2, Chapter 1**, used for the institutional-eligibility and primary-accreditor passage quoted in Chapter 5, because Volumes 2 and 8 of the 2026–27 *Handbook* had not been published as of August 17, 2026. Everything else below is the **2026–27 edition**: Volume 7, Chapter 1 (student eligibility, the workforce program indicator); Volume 7, Chapter 2 (the order of operations, including the cost of attendance cap on the Scheduled Award); Volume 7, Chapter 3 (Pell cost of attendance and the two proration methods for programs shorter than an academic year, quoted in Chapter 3); Volume 7, Chapter 4 (Pell formulas, including a worked eligible workforce program example). fsapartners.ed.gov/knowledge-center/fsa-handbook/2026-2027
NCWorks Commission announcement, August 12, 2026	North Carolina's first State-approved Workforce Pell programs — 43 programs at 16 community colleges. Cited in Chapters 11 and 12. The announcement supports the 43 and the 16; the figure of 116 programs submitted comes from the Opportunity Data tracker below, not from the Commission. Direct link at commerce.nc.gov
Opportunity Data, *Workforce Pell State Implementation Tracker*	opportunitydata.org, retrieved August 16, 2026. A third-party compilation, not an official source. Used for the reported figure of 116 North Carolina submissions in Chapter 12 and for the count of States with an operational approval process in Chapters 11 and 12, and identified as a third-party source at each point of use. No single official source publishes the national implementation count. opportunitydata.org/workforce-pell-readiness.html
ED press release, August 4, 2026	Approval of the first Workforce Pell program — the emergency medical technician program at Iowa Central Community College, cited in About NCAIWPA and Chapters 1, 11, 12 and 13 and Appendix C. Direct link at ed.gov
State Workforce Pell process documents	Cited in Chapter 4. Pennsylvania, *PA Workforce Pell 2026–27 Program Determination for Governor's Approval* (revised July 2026), Table 2. Maryland, *Workforce Pell Program Determination Policy*, GWDB Policy Issuance 2026-01 (July 10, 2026), Appendix D. Texas Higher Education Coordinating Board, *Workforce Pell Grant Program Guidelines 2026–2027*, Appendix B. Alabama, *State of Alabama Federal Workforce Pell Grant Program Application and Approval Process* (June 30, 2026), and the Workforce Alabama Workforce Pell page. Each retrieved August 17, 2026; State methodologies and occupation and sector determinations must be reviewed at least every two years under § 690.93(b)(1)(i), so check the current edition.
DOL State Wage Interchange System	The SWIS Agreement and its permitted purposes, and the Workforce Pell amendment page cited in Chapter 11, item 10. Direct link at dol.gov

Source	Detail
FY 2025 FIPSE Special Projects award summaries	The count of accreditation-reform awards cited in Chapter 13. Direct link at ed.gov
HHS Poverty Guidelines	Annual updates for 2024, 2025, and 2026, for the § 690.95(b)(2) deduction. aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines
First Edition (February 2026) and Second Edition (March 2026) of this guide	Every statement this edition makes about what an earlier edition said was checked against that edition's own text
U.S. Census Bureau, Business Trends and Outlook Survey	AI-use estimates: the September 2023–February 2024 collection and AI supplement (CES working paper 24-16R), and the December 2025–May 2026 collection, cited in Chapters 1 and 14. census.gov/programs-surveys/btos.html

Read the sources yourself

Nothing in this guide substitutes for the law. Every controlling document is free and public; the links below are live in the electronic edition and short enough to type from the printed one.

Document	Direct link
Workforce Pell final rule, 91 FR 29254	federalregister.gov/d/2026-10013
STATS and Earnings Accountability final rule, 91 FR 40136	federalregister.gov/d/2026-13286
Workforce Pell proposed rule (superseded), 91 FR 11378	federalregister.gov/d/2026-04520
The regulations as currently codified — 34 CFR part 690, subpart H (updated daily; an unofficial editorial compilation, to be verified against the official CFR and the *Federal Register* for legal research)	ecfr.gov/current/title-34 → part 690
State Workforce Pell Program Certification Form, OMB 1845-0189 (if the direct link moves, search the form title at fsapartners.ed.gov)	fsapartners.ed.gov/sites/default/files/2026-07/StateWorkforcePellProgramCertificationForm18450189.pdf
Electronic Announcement GENERAL-26-32 (effective dates for §§ 690.5 and 690.80(d))	fsapartners.ed.gov → Knowledge Center → Electronic Announcements → June 4, 2026
Electronic Announcement GENERAL-26-44 (certification form process)	fsapartners.ed.gov → Knowledge Center → Electronic Announcements → July 1, 2026

Document	Direct link
Dear Colleague Letter GEN-26-01 (2026–27 Pell maximum and minimum)	fsapartners.ed.gov → Knowledge Center → Dear Colleague Letters → Jan 30, 2026
2026–27 Federal Student Aid Handbook	fsapartners.ed.gov/knowledge-center/fsa-handbook/2026-2027
HHS Poverty Guidelines, 2026 annual update (for later years, use the current annual update)	federalregister.gov/d/2026-00755 aspe.hhs.gov → poverty guidelines (kept current)
Public comments on the rules, including NCAIWPA's	regulations.gov/docket/ED-2026-OPE-0133 (Workforce Pell) regulations.gov/docket/ED-2026-OPE-0100 (STATS)

Apparent errors in the published regulatory text

Recorded here so that readers checking the source are not left wondering whether this guide misquoted it.

- **§ 690.93(d)(9)** prints “value-*adding* earnings” where “value-added” is plainly intended.
- **§ 668.402(c)(3)** — the tip-income provision described in Chapter 9 — is placed at *(c)(3)* in the codified regulatory text at 91 FR 40283, but the STATS rule's own discussion of what it changed, at 91 FR 40155, calls it a new paragraph *(c)(4)*. The codified text governs. A reader working from the preamble rather than the regulation may find the paragraph number this guide uses and the one the Department's summary uses do not agree.
- **The Department's Workforce Pell calculation illustration** uses a flat 12-credit denominator for enrollment intensity in a nonstandard term. Section 690.63(d) and § 668.2 instead prescribe a denominator prorated by the term's share of the academic year, and the 2026–27 *FSA Handbook*, Volume 7, Chapter 4 states the same method with a round-up rule. On the illustration's own facts the difference is $389.64 against $1,007.07 for one student. Treat the flat denominator as inconsistent with the codified methodology and the current *Handbook*, and calculate under the regulations (Chapter 3).
- **§ 690.96(b)** prints “completion rate *of* job placement rate” where “or” is plainly intended. The same wording appears consistently in the December 12, 2025 consensus draft, the proposed rule, and the final rule.
- **§ 690.97(b)** cross-references “(a) of this section” for loss of Governor approval, which is described at § 690.96(a).
- **§ 690.97(c)** opens “If an eligible workforce program loses eligibility because its published tuition is higher than its value-added earnings under § 690.95(e).” The condition described is the price rule at § 690.95(d); § 690.95(e) is the zero-or-negative rule, for which a tuition reduction cannot satisfy (c)(2). This guide reads the citation as a drafting error and says so, while flagging that it cannot rule out the other reading. See Chapter 10.
- **91 FR 40170** prints “evaluate programs based using graduates' earnings.” This guide quotes it as printed.
- The preamble at **91 FR 29267** renders § 690.95(h)(3) as reaching “all four award years,” while the codified text at 91 FR 29337 reads “these award years in which students completed the program.” This guide follows the codified text.

Challenges investigated and not applied

The corrections above record what this book got wrong. This section records the other half of the same process: proposed corrections that were put to the primary source and declined, because applying them would have made the book less accurate. They are kept here for the same reason the errors are — so that a reader can audit the reasoning rather than take it on trust. Each entry names the authority that decided it.

Proposed correction	Why it was not applied	Deciding source
Round the 599-hour payment-period boundary up from 299.5 to 300 clock hours, because student-information systems cannot hold a half hour	The Department's own published calculation example defines two payment periods of “299.5 clock hours and 7 weeks each” for this exact program and carries 299.5 through the arithmetic. Section 668.4(c) sets the boundary by completion. Holding the disbursement to 300 withholds aid the student has earned. A system constraint is not an authority	§ 668.4(c); the Department's *Calculation of Federal Pell Grant — Eligible Workforce Program*, Example 2
Where COD rejects the prorated Formula 3 result, package at the illustration's lower figure instead	That instructs an institution to under-award against § 690.63(d) and § 668.2. Chapter 3 keeps both figures visible, says which is this guide's calculation, and tells the reader to test the system and get a written answer before disbursing — not to change the number	§ 690.63(d); § 668.2; 2026–27 *FSA Handbook*, Vol. 7, Ch. 4
Correct the § 690.95(h) summary to say the aggregation begins at a 50-completer threshold that falls to 30 only after the fourth year	The codified paragraph reads “at least 30 students” at every stage; 50 is not an operative threshold anywhere in it. The Department states that it lowered the threshold “from 50 to 30” in the final rule and rejected adding a fifth year. Applying this would have inserted a threshold the regulation does not contain	§ 690.95(h) as codified; 91 FR 29266–29267
State that clock-to-credit conversion under § 668.8(k) reaches every non-degree credit program	The test is conjunctive, and Chapter 3 already states it: conversion applies where the program does not lead to a degree *and* its courses do not all transfer into a single degree program at the institution. A certificate that transfers in full is outside the conversion	§ 668.8(k)
Advise institutions to hold a contingency reserve of 25 to 50 percent of Workforce Pell disbursed against a future earnings liability	No authority supports the recommendation or the percentage. Chapters 8 and 10 describe the liability the regulation creates and leave the financial response to the institution and its advisers	None identified
Require documented faculty-governance approval before a State certification is submitted	No federal provision imposes it. The Governor decides how § 690.93(a)(4) is evidenced under a published State process, and no State can waive the underlying federal requirement	§ 690.93(a)(4); § 690.93(b)

Several of these were proposed more than once. That is the reason for keeping the list: a correction offered confidently, and offered again, is not thereby correct. Every proposed change to this book — the ones applied and the ones above — was checked against the statute, the codified regulation, or the Department's own published words before it was applied or refused. The findings that survived that test are in the corrections list; these did not.

How this book was made

This edition was produced with artificial intelligence in the loop and a human hand on every decision. NCAIWPA staff directed the research, decided what the book would and would not claim, edited every chapter, and made every judgment recorded in these pages — each correction, each framing choice, and the treatment of every unsettled question. Under that direction, an AI system (Claude, built by Anthropic) was used to draft text, to run the machine checks described below, and to run the adversarial review behind this edition — many successive rounds, read through regulatory, editorial, practitioner, usability, legal, interpretive, accreditation-law and production lenses, with every surviving finding resolved by a human decision. NCAIWPA keeps a round-by-round record of what each pass found and what was done about it. In addition, NCAIWPA obtained several reviews of draft versions from readers and systems outside the drafting process; their findings were tested individually and the ones that survived are incorporated here, and the ones that did not are noted where they bear on the text. **What the machine did and did not do, stated concretely, because “AI wrote a federal compliance manual” is the obvious accusation and it deserves a specific answer.** The machine drafted prose, ran the checks described in this paragraph, and generated adversarial critiques. It did *not* decide any legal question: every conclusion about what a source means, every choice to label something unresolved, every decision to decline a reviewer's recommendation, and every statement of NCAIWPA's own position was made by a human. Five checks run mechanically on every build and ship in the verification kit: quotations string-matched against downloaded source text; citations tested for alignment between the sentence and the subject matter of the section cited; every worked Pell figure recomputed from the book's own stated inputs; absolute language flagged where it is not anchored to a citation; and every stated count and cross-reference tested against what the book actually contains. **Two different things are being tested, and only one of them is mechanical.** A machine can confirm that a citation points where it says it points and that a quotation matches its source. Whether the source actually supports the proposition drawn from it is a question of reading, and no check in this kit answers it. That is what the human passes, and the outside reviews, were for. Each flagged item was then reviewed by a human, and the disposition recorded. Verification did not rest on any system's memory: every quotation of regulatory text was string-matched against the downloaded Federal Register text of the two rules — a check that catches misquotation, but not miscitation or misreading, which is what the human passes are for — and externally checkable facts were verified against the issuing agencies' published sources — the Department's, and where noted the HHS poverty guidelines and the Census Bureau's published survey data. Responsibility for every word, and every error, rests with NCAIWPA alone.

One word deserves a definition, and the honest one is narrow. “Independent” in this book describes a *process*, not a credential. It means each review ran separately, without access to the drafting context or to the other reviews — separate sessions and separate readers, so that agreement between them means something. It does not mean what a reader might reasonably assume it means.

So, plainly: **no external reviewer is named in this edition.** No accounting firm and no law firm has audited this book, none was engaged, and no reviewer is credited by name. Several of the readers and systems that reviewed drafts sit outside NCAIWPA and outside the drafting process, and their findings changed this edition substantially — four of the eleven errors listed at the front were caught that way. But none of them was a named expert with no relationship to this organization, and that is a different and stronger thing than what this edition has. A future edition that can name such a reviewer, and say what they were asked to look for, will be worth more than this paragraph. Until then the reader should weigh the review process for exactly what it is.

An AI workforce program should be able to say precisely where AI does the work and where human judgment governs. So should a book about AI workforce programs.

What this guide does not tell you

This guide describes federal regulations. It does not describe your state's approval process, which your state must publish and which varies. It does not resolve the discrepancy between the certification form and § 690.94(a)(2)(i)(B) on how placement is measured; it sets the discrepancy out and says what it does not know.

It also does not cover the ordinary Title IV machinery that continues to apply to Workforce Pell students. The final sentence of § 690.90 provides that, except where subpart H says otherwise, eligible students and institutions “are subject to the same regulations and procedures that otherwise apply” — which means return of Title IV funds (R2T4) when a student withdraws, satisfactory academic progress, verification, disbursement rules, and record retention all operate for these programs as the governing statute and regulations require, and as the current *Federal Student Aid Handbook* explains them. A financial aid office implementing a Workforce Pell program needs that general framework as well as this guide; those rules apply in full even though this guide does not cover them.

Finally, as stated on the copyright page, it is not legal advice, and an institution making a decision with financial consequences under § 690.96(c)(2) should take advice on its own facts.

FOR LOOKING THINGS UP

Index

Page numbers are printed page numbers. Regulatory citations are indexed separately in Appendix A; this index is for looking up a subject when you do not know which chapter it lives in.

Acknowledgments

This publication was shaped by people who gave their time, their expertise, and their trust before there was any guarantee this work would succeed.

To our project leadership, our board, and our advisors —

your guidance gave this work its architecture.

To the academic and industry partners who joined early —

you took a risk on something unproven. That courage is not forgotten.

To the U.S. Department of Education —

for giving us the opportunity to bring this work to fruition.

To everyone who has told us we were wrong about something —

you made this edition better than the last one. Please keep going.

And to our family — the foundation beneath the foundation.

We are building this for the students.

Everything else follows from that.

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