THE INSTITUTE FOR COLLEGE
ACCESS & SUCCESS

April 8, 2026

The Honorable Linda McMahon
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Under Secretary Nicholas Kent
U.S. Department of Education
Office of Postsecondary Education
400 Maryland Avenue SW
Washington, DC 20202

Submitted electronically

Re: Docket ID ED-2026-OPE-0133

Dear Secretary McMahon and Under Secretary Kent:

Thank you for the opportunity to comment on the Notice of Proposed Rulemaking regarding the Department's proposed changes to the Pell Grant program considered by the Accountability in Higher Education and Access through Demand-Driven Workforce Pell (AHEAD) Committee. The Institute for College Access & Success (TICAS) is a nonprofit, nonpartisan organization advocating for student-centered public policies that promote affordability, accountability, and equity in higher education. TICAS has long advocated for stronger institutional accountability measures that protect students, borrowers, and taxpayers from postsecondary programs that do not deliver strong outcomes.

We appreciate the Department's collaboration with negotiators throughout the rulemaking process to reach consensus language to implement Workforce Pell Grants, one of many significant changes to postsecondary education mandated by H.R.1, The One Big Beautiful Bill Act (OBBBA). We particularly appreciate the critical student protections developed through negotiated rulemaking that are reflected in the proposed regulations. However, key opportunities to further strengthen the program and better protect students and taxpayers remain. For example, we are concerned that Workforce Pell Grant programs have the potential to generate higher than anticipated costs to the Pell Grant program, exacerbating its current funding shortfall. They also pose risks to students arising from institutions entering into agreements with unvetted and unaccredited entities to provide instruction, many of which are for-profit companies, and from rapid growth in online programs that are not fully reviewed by each state governor for quality and alignment with workforce needs. We also encourage the Department to strengthen and expand requirements for greater data reporting and disclosure.

Our comments below respond to the Department's directed questions and provide recommendations for further strengthening the final rule to ensure the Workforce Pell Grant program serves students without exposing them and taxpayer funds to new risks of harm or waste and do not replicate past failures in the federal student aid system.

Responses to Directed Questions

Lower, or at least maintain, the limit for written arrangements with unaccredited entities

We share the concern the Department noted in the proposed rule that allowing written arrangements between eligible workforce programs and ineligible entities could create gaps in quality. Congress set clear quality standards for participation in the Workforce Pell Grant program; eligible programs must demonstrate that they provide valuable workforce training that translates to real economic returns for students. Ineligible entities are not subject to these same quality standards and are not reviewed by an accrediting agency, state higher education regulator, or governor through the Workforce Pell Grant approval process. This could inhibit the program's ability to meet the minimum job placement and earnings threshold.

In response to a request during negotiations from the negotiator representing legal assistance organizations, the Department recently released data on institutions and programs that contract with ineligible entities to deliver their programs. The dataset includes contract information for 249 programs at just 36 institutions. Given there are over 5,000 institutions participating in the Title IV program, we suspect the data massively underrepresents the landscape of existing written arrangements. The gaps in existing data make us deeply concerned that institutions are not correctly reporting written arrangements or that the Department is unable to collect information on and account for these arrangements accurately. The Department has previously identified inaccuracies in how institutions and accreditors measure the percentage of a program delivered by an ineligible entity. Determining that the elements of a program provided by an ineligible entity do not exceed the 25 percent cap may be even more challenging given the short timelines of Workforce Pell programs and the untested data reporting requirements for these programs. The Department should ensure that all institutions have clear guidance on the requirements for accurately reporting such arrangements.

Furthermore, a lack of transparency surrounding partnerships between eligible programs and ineligible entities may leave students in the dark about their program's quality, access to career services, and job prospects. There are multiple examples of students who attended career training programs at Title IV eligible schools operated in partnership with third-party providers who chose to enroll based on promises of future job security and their school's name recognition, but were left with outdated curricula, debt, and limited career advancement. The California Institute of Technology (CalTech), for example, recently settled a class action lawsuit that accused the school of falsely advertising a short-term bootcamp run by Simplilearn, an online program management company, as a CalTech program. Students paid thousands of dollars in tuition for what they believed was a CalTech-taught program only to find their classes taught by Simplilearn instructors, not CalTech professors. Such partnerships between institutions and third-party companies may lack the transparency students need when selecting a program or, at worst, intentionally deceive students about program delivery and outcomes.

Given the challenges of accurately overseeing written arrangements and opportunities for misrepresentations that mislead and harm students, we recommend the Department prohibit eligible programs from entering written arrangements with ineligible entities. If the Department maintains the proposed language allowing arrangements that allow ineligible entities to offer up to 25 percent of an eligible workforce program, we strongly encourage the Department to require that institutions provide students with clear disclosures about the services provided by the ineligible entity on the Department's website, including the percentage of the program offered by the ineligible entity, to increase transparency surrounding these partnerships. The Department should also publish information about the entities that are instructing a portion of Workforce Pell Grant programs to ensure current and prospective students are fully informed.

Require distance education programs to receive approval from each state in which they enroll students

We agree with the Department's assessment that safeguards are necessary to ensure programs offered across state lines through distance education meet the state-specific standards of preparation for high-skill, high-wage, or in-demand occupations in that state. We also agree with the Department's position in the proposed rule that multilateral agreements between numerous states may create blanket approval for programs that do not reflect the workforce needs of all states involved. To ensure all programs offered to students meet their state's workforce demands, we recommend the Department prohibit all agreements between states that would bypass the requirement for every state to review and approve each Workforce Pell Grant program enrolling its residents, including distance education programs.

If the Department maintains its proposed language, which would allow the governors of two states to enter into a bilateral agreement allowing distance enrollment across state lines when programs meet necessary workforce needs, we recommend limiting bilateral agreements to those states that are contiguous or in the same geographic region to ensure states do not enter into agreements with far away states that lack workforce demand alignment. In addition to requiring states that enter into bilateral agreements to establish data-sharing provisions necessary to calculate completion and job placement rates, the Department should provide standardized guidance on data sharing to ensure all states provide accurate counts of out-of-state students enrolled in distance education to partner states and the Department.

Develop an interim value-added earnings metric, and restore student Pell Grant eligibility if programs fail the official calculation

Because the Department cannot officially calculate value-added earnings until the 2030-31 award year, we recommend the Department pursue an interim value-added earnings metric to strengthen student and consumer information about program outcomes in the intervening years. An interim earnings metric would offer particularly helpful insight into newly established programs seeking approval to offer Workforce Pell Grants. Programs that would fail the value-added earnings metric calculation, either because they overcharge for tuition or leave students with earnings below 150 percent of the federal poverty line, could enroll multiple cohorts of students before facing oversight. Publicly available interim earnings calculations could provide valuable information to the Department, states, and students about program outcomes.

We suggest the Department calculate interim value-added earnings using the most recently available earnings data while adhering as closely as possible to other calculation requirements (e.g., using the earnings of working program completers who received Pell Grants and adjusting for regional price differences). For example, the interim calculation in the 2027-28 award year would use available earnings data from completers in the 2026-27 award year. In the 2028-29 award year, the Department should use the 2027-28 earnings data from completers in the 2026-27 award year. We believe making the interim calculation publicly available and disclosing value-added earnings outcomes to students when they complete the FAFSA will help inform student decision making and provide institutions an important preview of their program's likelihood of meeting the official value-added earnings requirements in 2030-31.

As the Department notes, the statutory design of the Workforce Pell Grant program requires the Secretary to measure the value-added earnings of an eligible workforce program's graduates three years after completing the program. This gap means that programs that fail to deliver economic value may continue to receive federal aid for multiple years before losing eligibility. When a program fails to meet the value-added earnings requirement, students should not suffer the loss of their limited lifetime Pell Grant eligibility. Regardless of whether or how the Department chooses to evaluate interim value-added earnings, we strongly recommend the Department restore Pell eligibility to students when a program fails to meet the value-added earnings test, just as it does for students who attended schools that have closed or engaged in misconduct warranting a borrower defense discharge. Students should not be doubly punished with a credential that does not deliver economic returns and the loss of their valuable Pell Grant access for completing a program that fails to meet the statutory requirements.

Exclude currently enrolled students who are working from the value-added earnings calculation

In line with the Department's practice under the 2023 Gainful Employment regulations, we recommend excluding currently enrolled students from the completer cohort when calculating a program's value-added earnings, even if they are currently working. By statutory design, Workforce Pell Grant programs must lead to credentials that are stackable, portable, and translate to academic credit in other postsecondary programs. Including currently enrolled students in the value-added earnings calculation may unintentionally penalize programs whose graduates choose to continue their education or upskill to meet workforce needs. Additionally, because value-added earnings is measured three award years after completion rather than the shorter timeline for job placement rate calculation (180 days after completion), we believe including enrolled students in the job placement rate calculation while excluding them from the value-added earnings calculation will capture programs' ability to lead students to quality jobs soon after completion without disadvantaging programs whose students continue their education years later.

Provide opportunities to evaluate and adjust the process for combining cohorts to calculate value-added earnings once official data are available

We appreciate the Department's consideration of how best to compute value-added earnings for small programs without the need for privacy suppression. The value-added earnings calculation provides a critical incentive for programs to set tuition and fees based on measurable return on investment. Aggregating completer cohorts increases the number of programs subject to the value-added earnings calculation. We strongly urge the Department to allow members of the public to provide specific recommendations on cohort aggregation once official value-added earnings data becomes publicly available. Official data from Workforce Pell Grant-eligible programs will clarify whether combining more than four award years is necessary to address privacy suppression and extend the benefit of the value-added earnings tuition cap to more students.

Additional Recommendations for Strengthening the Workforce Pell Grant Program

Prohibit eligible workforce programs from directing students to risky loan options

We strongly recommend the final rule prohibit approved programs from directing students toward risky financing options, including private student loans,[1] income share agreements,

[1] Private student lenders' communications with investors have made it clear that they see the proposed federal changes as an attractive opportunity to increase their profits, and the same companies poised to benefit from this change have long histories of harming borrowers. Fast, Carolyn and Azoulay, Ella. "Private Lenders Would Cash in on Congress's Student Loan Changes." The Century Foundation. May 20, 2025. https://tcf.org/content/commentary/private-lenders-would-cash-in-on-congresss-student-loan-changes/.

outcomes-based loans, or similar credit products. The cost of some programs eligible for Workforce Pell Grants may exceed the maximum Pell Grant award available, but students will be ineligible to receive federal loans to cover any gaps in aid. Some programs seeking to maximize their profits may direct students toward more expensive private loans or risky loan products, such as income share agreements (ISAs), which are loan products that require students to pay back a portion of their future income and often obscure a program's true upfront costs. The Department and the Consumer Financial Protection Bureau have both previously clarified that ISAs are private loans after lenders falsely marketed themselves as not creating debt and deceived students about repayment terms.

Schools should be prohibited in 34 C.F.R. § 690.94 from entering into any arrangements, partnerships, or affiliations, including but not limited to a preferred lender arrangement, with any person that offers financing for the institution's Workforce Pell Grant programs through a private loan or unproven loan products like income share agreements and outcomes-based loans.

Enrollees will also likely face non-tuition program costs beyond those covered by their Workforce Pell Grant award. In addition to preventing risky private lenders from taking advantage of students' financial needs by prohibiting eligible workforce programs from affiliating with or directing students to private loan products, we recommend the Department require institutions to notify students who are eligible for public and tax benefits that may defray their cost of attendance, such as the Earned Income Tax Credit, Child Tax Credit, and Supplemental Nutrition Assistance Program. Eligibility notifications can help students enroll in or seek out benefits that support their ability to complete a workforce credential.

Limit eligibility for programs at institutions subject to recent oversight action

We urge the Department to reconsider a proposal that the negotiators representing legal assistance organizations introduced during negotiations. Their proposal would exclude programs posing the greatest risk to students from accessing Workforce Pell Grants. In addition to the limit on eligibility for institutions with programs that have, within the preceding five years, been subject to suspension, emergency action, or termination, included under 34 C.F.R. § 690.92(g), we encourage the Department to add (i) a revocation, withdrawal, or termination of institutional accreditation by an accreditor and (ii) a revocation, withdrawal, or termination of state authorization by a state authorizing agency as criteria. Institutions that have recently lost (but then regained) their accreditation or state authorization are a risky bet for students and taxpayers. Loss of accreditation, often resulting from financial difficulties, is one of the primary reasons institutions close, and students who experience a school closure are often unable to complete their credentials.[2]

[2] A Government Accountability Office report from 2021 found that 43% of students did not continue or complete their postsecondary education after their school closed. Burns, R., et al. "A Dream Derailed? Investigating the Impacts of College Closures on Student Outcomes." State Higher Education Executive Officers Association and National Student Clearinghouse Research Center. (2022). https://sheeo.org/wp-content/uploads/2022/11/SHEEO_NSCRC_CollegeClosures_Report1.pdf.

The Department should prohibit Workforce Pell Grant eligibility for programs at potential risk of closure, including those that have been subject to recent adverse action from their accreditor or state oversight agency.

Require programs to receive accrediting agency approval

Interruptions in institutional accreditation are of particular concern for Workforce Pell Grant programs given neither the OBBBA nor the Department's proposed regulations require accrediting agencies to ensure individual programs meet eligibility requirements, only that eligible workforce programs are included within the scope of the institution's accreditation. Limiting Workforce Pell Grant eligibility for institutions subject to accreditor oversight would reduce the likelihood that students experience a disruptive closure and lose valuable lifetime Pell Grant eligibility on a program at risk of closing. Program-level review by the accrediting agency would provide an additional layer of assurance that instruction and job training are high-quality and prepare students for employment.

Ensure online programs meet eligibility requirements

We appreciate the Department's clarification under § 690.94 that a program must have met eligibility requirements for 12 months preceding its application for approval, and we encourage the Department to consider specifying that programs must be operating under the same delivery modality during that time as they plan to use to deliver the approved program. Student outcomes can vary depending on program modality. One study found that students enrolled exclusively online earned lower grades and were less likely to complete their credential than students enrolled in-person. Students would reasonably expect that a program offered for a year prior to approval would be offered in the same modality as they were enrolling. Adding the eligibility requirement that programs be offered for at least one year using the same modality would add needed clarity for students about their likely outcomes when choosing a program.

Increase transparency about program costs and outcomes

We recommend the Department require institutions to report key data about Workforce Pell Grant programs and make this data publicly available through an existing or new interface as well as through regular Federal Student Aid data collections and publication. Key data should include the number of enrolled students receiving Workforce Pell Grants, the program's total cost of attendance, and the program's completion rate, job placement rate, and value-added earnings. Much like the requirement that institutions disclose program debt and earnings for publication on a program information website under the 2023 Financial Value Transparency and Gainful Employment rule, required disclosures for Workforce Pell programs can help students better understand their options and make informed decisions about where to invest their limited Pell Grant eligibility.

Extend prohibition on institutions reestablishing eligibility for failing programs or establishing eligibility for substantially similar programs from two to three years

We encourage the Department to consider extending the proposed prohibition on institutions reestablishing eligibility for a failing workforce program, or establishing eligibility for a substantially similar program, from two years to three years. As the Department rightly notes, a program's failure to meet completion and job placement rate requirements indicates a serious problem, particularly given the short-term nature of eligible programs. A three-year timeline for reestablishing eligibility after failing to meet either of these metrics aligns with existing regulations under the Gainful Employment rule and safeguards students while allowing institutions to make program improvements. Given the proposed limits on failing programs seeking to regain eligibility would apply only to programs that share both the same four-digit CIP code and identical SOC codes, we believe this change would not unduly limit institutions from establishing programs that meet the clear outcomes standards set by Congress.

We value the Department's willingness to incorporate student-focused provisions into the consensus language, including the assessment of liabilities against institutions whose programs fail to meet the value-added earnings requirement, and we encourage consideration of changes that will further strengthen the Workforce Pell Grant program's student protections. Thank you for the opportunity to provide comments as well as for your work to serve the interests of students.

Sincerely,

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The Institute for College Access & Success