








# Steps to Begin Evaluation for Workforce Pell Eligibility

Institutional Readiness and Compliance Guide – Final Rule (May 2026)

<b>1</b>		<b>Analyze Program Length</b> Confirm the program is 150 to 599 clock hours (or 4 to fewer than 16 semester or trimester credit hours; 6 to fewer than 24 quarter hours) and runs at least 8 but fewer than 15 weeks.
<b>2</b>		<b>Validate Credential Type</b> Ensure 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.
<b>3</b>		<b>Audit Performance Metrics</b> Verify a 70% completion rate (within 150% of normal time) and a 70% job-placement rate – employed in the second quarter after program exit (a related-occupation, 180-day standard phases in for 2029 to 2030 and later). Measured annually.
<b>4</b>		<b>Evaluate Return on Investment (ROI)</b> Confirm published tuition and fees do not exceed the program's value-added earnings – the adjusted median earnings of working completers minus 150% of the federal poverty guideline for a single individual.
<b>5</b>		<b>Check High-Demand Alignment</b> Confirm through the Governor's approval process (in consultation with the state workforce board) that the program prepares students for high-skill, high-wage, or in-demand occupations.
<b>6</b>		<b>Verify Institutional Status</b> The institution must be accredited and Title IV-eligible, with no suspension, emergency action, or program termination in the preceding 5 years.
<b>7</b>		<b>Confirm "Stackability"</b> Ensure students receive academic credit toward at least one certificate or degree program at one or more eligible institutions. (States define stackability and portability.)

## Key Considerations



### Noncredit Programs

Credit and noncredit programs are both eligible. Remedial or ESL, correspondence, study-abroad, and competency-based programs are not.



### Timing

Final rule published May 19, 2026. Effective July 20, 2026; optional early start July 1, 2026



### Data Collection

Track employment (second quarter after exit) and earnings data now for annual completion, placement, and earnings reporting.



### Full-Ride Rule

Students are ineligible for Pell in any award year where non-Federal grants or scholarships equal or exceed the cost of attendance (applies to all Pell).



### Pell-Only Aid

Pell-Only Aid Workforce Pell students are eligible for Pell only – not federal student loans.

## Projected Reach and Budget Notes (Final Rule, May 2026)

### Projected Reach



The Department of Education projects roughly 184,000 Workforce Pell recipients by FY2027 to FY2028 (nearly 200,000), with as many as 28,000 existing certificate programs eligible and about 2,200 new programs possible.

### Federal Budget Impact



The U.S. Department of Education estimates a net budget impact of \$3.2 billion over the next decade (FY2027 to FY2036) – about \$290 million a year in grants to students.