



April 6, 2026

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

Docket ID ED-2026-OPE-0133

**Accountability in Higher Education and Access through Demand-driven Workforce Pell:
Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants**

Dear Secretary McMahon:

Thank you for the opportunity to comment on the U.S. Department of Education’s Notice of Proposed Rulemaking to implement the Workforce Pell Grant (WFP) program as enacted in the One Big Beautiful Bill Act (OBBBA). Arnold Ventures is a philanthropy dedicated to tackling some of the most pressing problems in the United States. For the past nine years, we have invested in research, policy development, litigation, and advocacy to increase the return on investment of higher education for both students and taxpayers. Should you have further questions regarding these comments, we welcome the opportunity to discuss them.

The Workforce Pell program represents a meaningful opportunity to expand access to short-term, high-quality credential programs for students and workers seeking to enter or advance in the labor market. Well-designed certificate programs aligned with employer needs can provide valuable skills at an affordable price.

At the same time, expanding federal aid eligibility to short-term certificate programs carries real risks for students and taxpayers. Historically, similar expansions in federal aid drove growth in low-value credentials.¹ While some short-term certificate programs pay off, many provide no meaningful economic benefit to completers.² A rigorously evaluated pilot of Workforce Pell conducted by the Department from 2012 to 2017 found that, without robust quality controls,

¹ “Short Memories Lead to Long-Term Consequences: Lessons from Three Decades of Short-Term Programs in Higher Education Policy,” New America, January 2021, <https://www.newamerica.org/insights/short-memories-lead-long-term-consequences-higher-education-policy/>

² Stephanie Riegg Cellini and Kathryn J. Blanchard, “Quick College Credentials: Student Outcomes and Accountability Policy for Short-Term Programs,” Brookings Institution, July 22, 2021, <https://www.brookings.edu/articles/quick-college-credentials-student-outcomes-and-accountability-policy-for-short-term-programs/>



participating students did not show statistically significant improvements in employment or earnings over the medium to long term.³

Existing financial incentives make it challenging — though not impossible — to deliver quality short-term certificates. They are cheaper to offer, encouraging colleges to launch new noncredit programs or repackage existing certificates for bachelor’s degree graduates. Yet shorter training implies less time to acquire useful skills. Market forces alone cannot weed out weak offerings because consumers cannot afford to finish multiple programs to learn what works. This is especially true when students may exhaust lifetime Pell eligibility on low-value certificates. Governors, state agencies, workforce boards, and the Department must therefore ensure that federal investment flows only to programs demonstrating positive returns. The current Pell Grant funding shortfall further demands effective use of taxpayer dollars.

Arnold Ventures supports the Department’s commitment in this NPRM to maintaining strong guardrails and ensuring low-value programs do not proliferate. The proposed regulatory framework—using consumer protections and reliable administrative data to enforce minimum completion rates, job placement rates, and value-added earnings—reflects a serious effort to protect students and taxpayers from the risks described above. We commend the Department and its negotiators for the collaborative negotiated rulemaking process that produced consensus language on many of the most difficult implementation questions.

We encourage the Department to support state data systems to strengthen guardrails as it implements these regulations in the coming years. In response to the NPRM’s directed questions, we recommend that the Department 1) Maintain existing language that allows state bilateral agreements but not multilateral agreements; 2) Develop and publish interim value-added earnings metrics to protect students and taxpayers from low-performing programs before they lose eligibility; and 3) Exclude students who are pursuing a higher-level credential from cohort median earnings metrics. Finally, we ask the Department to close a potential loophole in the process for programs that lose eligibility to regain access to Workforce Pell.

Improving State Longitudinal Data Infrastructure is Critical to the Department’s Goals

The unevenness in state data infrastructure creates an ongoing challenge to implementing Workforce Pell with fidelity. The proposed regulations appropriately rely on Governors to certify that approved programs meet completion and job placement requirements using administrative data, such as enhanced wage records—but not all states can currently provide occupation-specific job placement data. We are encouraged that the Department has responded to this concern by allowing governors, through the 2028-29 award year, to certify that programs meet the 70 percent

³ “The Effects of Expanding Pell Grant Eligibility for Short Occupational Training Programs: New Results on Employment and Earnings from the Experimental Sites Initiative,” Institute of Education Sciences, November 2024, <https://ies.ed.gov/use-work/resource-library/report/evaluation-report/effects-expanding-pell-grant-eligibility-short-occupational-training-programs-new-results-employment>. The report found that “employment rates were similar” among students who received a short-term Pell Grant and their peers who did not, and that students who received Pell Grants for short-term programs saw earnings that were “statistically indistinguishable” from those who did not.



job placement rate without requiring that such placement be in an occupation directly related to the program.

States will need to do much more in the long run. According to Strada Education Foundation’s analysis, only 13 states currently collect or are planning to collect occupational information through their wage record systems, underscoring the urgency of this work.⁴ Additionally, many states’ existing longitudinal data systems do not include data on private colleges that may wish to seek approval for Workforce Pell; and most lack the data-sharing agreements with neighboring states needed for incorporating students enrolled across state lines.

The Department of Education and the Department of Labor (DOL) must deepen their partnership to accelerate state adoption of enhanced wage records. Improved data will show workers’ actual occupations, a necessary step as the federal government moves toward requiring occupation-specific placement data for Workforce Pell eligibility. We encourage the Department to explore all available mechanisms. It should prioritize wage record enhancements under Statewide Longitudinal Data Systems (SLDS) grants, facilitate interstate data exchange through mechanisms like the State Wage Interchange System (SWIS), and provide guidance on how states can share data while protecting student privacy and data security. States must be equipped to measure and report the outcomes that robust program accountability demands.

Section 690.93: Governor Approval and Bilateral Agreements

Arnold Ventures supports the Department’s decision to allow Governors to enter bilateral agreements permitting students in one state to use Workforce Pell for programs located in another state through distance education. Bilateral agreements have clear advantages over multilateral agreements in this context.

A multilateral approach risks allowing programs in states where they offer limited workforce value, undermining the program’s foundational purpose. The core eligibility criteria for Workforce Pell—alignment with high-skill, high-wage, or in-demand occupations; meeting the hiring needs of employers; and preparing students for a stackable credential—are inherently local determinations that reflect state-specific labor market conditions. Bilateral agreements ensure that a state Governor executes a meaningful check that a given program meets that state’s workforce needs. We particularly support the Department’s proposal that bilateral agreements include data-sharing agreements to facilitate the production of necessary outcomes data, ensuring guardrails remain in place for online programs.

Section 690.95(a): Interim Value-Added Earnings Metrics

Arnold Ventures also strongly supports the value-added earnings requirement in § 690.95, linking program eligibility to student economic returns. Requiring that published tuition and fees not

⁴ **Strada Education Foundation**, *State Opportunity Index 2025: Elements Report—Element 2*, Strada Education Foundation, 2025, https://cdn.prod.website-files.com/676597e34ca10568d19ed18f68e96971f789f0bd64654f93_2025_ElementsReport_Element2.pdf

exceed value-added earnings—the difference between median earnings of program completers and 150 percent of the federal poverty guideline—also limits program pricing based on student outcomes. This should discourage institutions from pricing programs above the economic value they deliver.

We also note the Department’s concern, raised in the directed questions section of the NPRM, that the earliest official value-added earnings calculation cannot be completed until the 2030-31 award year for programs that become eligible beginning in 2026-27. We agree with the negotiators who flagged this gap as a meaningful accountability risk. We strongly encourage the Department to:

- 1. Require states to consider applicant programs’ median earnings upon application.** States must already calculate completion and job placement rates, even where the Department cannot itself yet measure earnings. The unemployment insurance databases likely to provide employment records underlying initial job placement rates also contain earnings information. Governors can thus assess whether a program will likely fail the value-added earnings test. Based on their interim analysis, states can require programs to submit additional evidence of value, or decide not to seek program approval at all.⁵
- 2. Develop an interim federal value-added earnings report for programs that have already been approved to receive Workforce Pell.** Rather than waiting a full three years before using earnings data, the Department could immediately assess the one-year earnings of approved Workforce Pell programs, publish those interim earnings estimates as soon as practicable, and, at minimum, make them publicly available so that prospective students can assess programs’ likely economic returns. These data could also inform the Department’s own reviews of these programs, allowing it to prioritize Workforce Pell programs with low earnings for more rigorous oversight.
- 3. Publish interim federal value-added earnings information in the College Scorecard.** The Department should add short-term program outcomes information to the College Scorecard to drive market decisions before full enforcement. Like other publicly available scorecard information, researchers, policymakers, institutions and other stakeholders can use this information to evaluate this completely new area of federal aid eligibility.

Section 690.95(a): Exclusion of Certain Students in the Completer Cohort

The Department has also sought input on whether students who continue their education at a postsecondary institution should be excluded from the value added earnings calculation. We are supportive of doing so as long as a student is pursuing a higher level of education. Students enrolled in a higher education program after completing their Workforce Pell program will likely work and earn less than students not enrolled in college, lowering the median earnings of a program. While

⁵ Note that unemployment insurance databases will have incomplete records for individuals working as independent contractors. Nevertheless, they would still provide useful initial information about a program’s likelihood of meeting the value-added earnings test.



pursuit of another credential could indicate that a program did not sufficiently pay off and the student needed further education to find a well-paying job, the statute clearly intends for Workforce Pell programs be stackable and preparatory for further credentialing. To balance these competing goals, we encourage the Department to exclude students enrolled in a higher-credential-level program at the time of measurement of the earnings calculation, recognizing that their pursuit of a subsequent degree is likely to impact their employment status. The higher-level credential could include a degree program, or a stackable certificate sequence after the original certificate program.

Section 690.96: Loss of Eligibility and Section 690.97: Regaining Eligibility

Finally, we offer an additional recommendation to strengthen the regulation's enforcement mechanism. Arnold Ventures strongly supports the accountability framework established in § 690.96, which provides for loss of eligibility and financial liability when programs fail to meet the required outcome metrics, including completion, job placement rates, and the value-added earnings metrics. Institutions that price programs above the value their graduates realize (and in excess of what the law allows) impose real costs on students and taxpayers and it is appropriate that federal policy create meaningful consequences for such behavior.

However, we recommend that the Department strengthen its proposal for how programs can regain eligibility after failing the completion or job placement test. The Department currently suggests programs can reestablish programs in the same field of study (as measured by the four-digit CIP code of the program) so long as the new program does not list the identical SOC occupation codes in its application. This creates an obvious loophole for institutions to continue offering programs that should have seen their eligibility withdrawn and could be further manipulated by future changes to the SOC code crosswalk with CIP codes. The integrity of Workforce Pell as a high-quality, performance-based program depends on the credibility of its accountability mechanisms.

We appreciate the Department's commitment to ensuring a strong rule that effectively implements the new Workforce Pell program. Arnold Ventures encourages the Department to remain committed to upholding strong guardrails to ensure taxpayer dollars are invested only in programs that provide real economic opportunity to students. Arnold Ventures remains available and ready to discuss these comments at any time. Please reach out to Jessica Taketa, jtaketa@arnoldventures.org, with any questions.

Sincerely,

Kelly McManus
Executive Vice President of Education
Arnold Ventures