

# WORKFORCE PELL READINESS

Eligibility Requirements, the Two-Year Lockout, and How to Prepare

*A Practitioner Briefing from Strategic Outcomes Partnership (SOP)*

## The Situation

Most training providers and workforce boards are in the same position right now.

They know Workforce Pell is coming. They have read the headlines, sat through the webinars, and forwarded the Department of Labor (DOL) updates to their teams. And now they are waiting. Waiting for their state to publish an approval process. Waiting for the Department of Education (ED) to finalize the rules. Waiting for someone to tell them what to do next.

That posture is reasonable. The regulatory calendar is genuinely incomplete. The Notice of Proposed Rulemaking (NPRM) public comment period does not close until April 8, 2026. Most states have not published approval processes. Pennsylvania is the only state that has released a formal application guidance document, with account creation closing March 31 and full application submissions due April 17, 2026. States are not stalling. Many are operating without dedicated staff or new funding to build the systems Workforce Pell requires. Building a program approval framework from scratch while managing existing obligations is a real capacity challenge, and most states were not resourced for it.

But the waiting has a cost.

July 1, 2026 is a statutory deadline, not a regulatory one. Congress set it in H.R. 1, and it does not move because a state agency is understaffed.<sup>1</sup> When a state publishes its approval process, institutions that have already built their readiness foundation will move through that process quickly. Institutions that have been waiting will spend months catching up, or miss the first enrollment cycle entirely.

There is also an accountability structure in this program that most practitioners have not been briefed on yet. A program that launches under Workforce Pell without sufficient data infrastructure to prove outcomes, fails its first annual review, and gets removed from eligibility cannot be re-submitted in the same program category for two years. That consequence is established in the law and reinforced in proposed regulations.

This bulletin covers what can be decided and acted on today, before final rules and before state approval processes appear. It also names what remains unresolved, so practitioners know exactly what to watch for and when.

A full Workforce Pell Readiness Guide with step-by-step decision tools, a month-by-month critical path, and worked funding braiding scenarios is forthcoming from SOP. Subscribe at [SOP's Substack](#) to be notified when it releases.

## What Workforce Pell Actually Is

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Workforce Pell expands federal Pell Grant eligibility to short-term, workforce-aligned programs at accredited institutions for the first time. Starting July 1, 2026, students in approved programs with at least 150 but less than 600 clock hours (at least 8 but less than 15 weeks) can access federal grant aid to pay for training that previously had no federal financial aid pathway.<sup>2</sup>

The award amounts are prorated based on program length. A student in a shorter program will receive a fraction of the full Pell Grant, scaled to the number of clock hours relative to a standard academic year. For most Workforce Pell-eligible programs, that means individual awards will range from a few hundred dollars to roughly half the maximum Pell Grant, depending on program length and the student's financial need. At the individual level, that is not a full scholarship. At the program level, it changes the enrollment equation for the low-income adult learners these programs were built to serve.

Which programs qualify is not determined by the federal government alone. Governors, working in consultation with state workforce boards, are responsible for approving eligible programs and submitting them to the ED. This is an unusual degree of state authority for a federal student aid program, and it means the relationship between training providers and their state workforce boards is about to matter more than it has in years.

For workforce boards, this is worth sitting with. The statute explicitly names the state workforce board as part of the governor's consultation process for program approval. Boards that position themselves as active partners in that process will have influence over which programs in their regions get approved and how quickly. That is a meaningfully different and more strategic role than most boards currently play in financial aid decisions.

## The Gate Question: Does My Program Qualify?

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Before any state publishes anything, this question can be answered today. Federal law establishes the baseline requirements. They are not changing regardless of what the final rule says.

A program is eligible for Workforce Pell consideration if it meets all of the following:

- ✓ **Duration:** At least 150 but less than 600 clock hours; at least 8 but less than 15 weeks in length.
- ✓ **Delivery:** Offered by an accredited institution that is Title IV-eligible. Non-accredited training providers and community-based organizations cannot directly offer Workforce Pell. See the note below on partnership options.
- ✓ **Operating history:** The program has been operating for at least one year prior to approval.
- ✓ **Format:** Not a correspondence course. Distance learning and online programs are permitted.
- ✓ **Credential:** The program leads to a recognized credential that is portable across multiple employers, or to a credential required for a specific licensed occupation. The statute refers to this as a "stackable and portable credential," meaning the credential can serve as a building block toward a higher-level qualification, not only a standalone certificate.
- ✓ **Credit pathway:** Completing the program must make a student eligible to apply academic credit toward a certificate or degree at at least one institution. This is a separate requirement from the credential item above, and it is generating more implementation confusion than any other item on this list. See the section below.

- ✓ **Employer alignment:** The program meets the hiring requirements of employers in the relevant sector. In practice, this means the curriculum was developed with documented employer input, and the credential is one employers in the sector actually require or recognize for hiring. States will define specific documentation standards in their approval processes.
- ✓ **Annual outcomes:** 70% program completion rate (within 150 percent of the normal time for completion), 70% job placement rate within 180 days of completion, and a positive return on investment, measured every year the program participates.<sup>3</sup>

## The Credit Pathway Requirement

This is the item most programs will not clear on first review, and it is worth understanding precisely because practitioners are conflating two things that the statute treats separately.

The requirement is that students who complete a Workforce Pell program must be able to apply the academic credit from that program toward a certificate or degree at at least one institution. It does not mean every student must pursue a degree. It means the pathway must exist and be formally documented.

What satisfying this requirement looks like depends on where your program sits.

**If your program is offered by a community college or accredited institution:** The credit pathway typically requires a formal agreement connecting the Workforce Pell program to a credit-bearing certificate or degree at the same or a partner institution. Many community colleges run non-credit workforce training that has no formal connection to their academic credit programs. Building that connection is a structural change that takes time, and starting those internal conversations now is the most time-sensitive pre-approval task for institutions in this position.

**If your program is offered by a non-accredited training provider or community-based organization:** Workforce Pell funds cannot flow directly to non-accredited organizations. Accessing this funding stream requires a formal partnership with an accredited, Title IV-eligible institution that agrees to host or co-offer the program. That institution becomes the entity of record for Pell purposes, and the credit pathway requirement applies to them. This is a more significant operational challenge than the community college scenario and requires a different kind of institutional relationship than most workforce intermediaries currently have.

### Still Pending: Watch for the Final Rule

- Whether programs must wait an additional year after receiving state approval before enrolling Workforce Pell students. Draft regulations proposed this provision. Its status in the final rule is unresolved, and it could determine whether programs approved in spring 2026 can enroll students on July 1 or must wait until the 2027-28 cycle.
- The exact definition of "placement within 180 days" and what documentation will satisfy it.
- Whether non-credit programs face any additional eligibility conditions beyond the baseline statutory requirements.

If a program does not clear the statutory checklist, the question is not whether it has value. Some programs serve important purposes that have nothing to do with Workforce Pell eligibility, and not every program needs to be rebuilt around this particular funding stream. The right question is whether redesigning a specific program for Workforce Pell eligibility serves both the program's outcomes and the students it was built for.

## The Accountability Structure: Understanding the Two-Year Lockout

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The Workforce Pell statute includes an accountability provision that deserves more attention in practitioner conversations than it has received. It should be understood before any program submits for approval.

If a program fails the 70% completion rate or the 70% job placement rate in a given year, the institution cannot re-establish that program, or any substantially similar program sharing the same four-digit CIP code and matching SOC codes, for two years.<sup>4</sup>

This requirement is established in the law and reinforced in proposed regulations. It is not triggered by fraud or obvious program failure. It is triggered by a failure to document and prove outcomes. A program can be producing strong completions and strong placements and still trigger a lockout if the tracking systems are not in place to demonstrate it.

The institutions most at risk are not the ones running low-quality programs. They are the ones running solid programs without the infrastructure to prove it.

The strategic implication is direct: launching one well-documented program in the first cycle is a better decision than launching three underprepared ones. **Workforce Pell rewards programs that can prove outcomes, not just produce them.**

### Building Proof Infrastructure: The 70/70/ROI Requirements

The 70% completion rate (within 150 percent of the normal time for completion) and 70% placement rate are annual requirements, not one-time approvals. Programs must meet them every year to retain eligibility. Here is what building toward them looks like operationally, before a single Workforce Pell student enrolls.

**Completion rate:** 70% of students who begin the program must complete it within 150 percent of the normal time for completion. For an eight-week program, that means completion within 12 weeks. The immediate challenge for most institutions is that credit and non-credit students are tracked in separate systems that do not communicate. Resolving that data infrastructure gap is a prerequisite, not an afterthought. Defining "completion" in writing internally, before any state or federal definition arrives, also matters. The programs that will perform well on this measure are the ones that have already been tracking it.

**Placement rate:** 70% of completers must be placed in relevant employment within 180 days. The final rule will establish exactly what counts as placement and what documentation satisfies it. What can be built now, regardless of that definition, is a graduate follow-up protocol. Know where graduates go. Have a system for reaching them at 90 and 180 days post-completion. Document employer hiring confirmations. Programs that already do this will not need to scramble when the final rule clarifies the standard.

**Return on investment:** The program's tuition and fees cannot exceed the "value-added earnings" of its completers, defined as the median earnings of completers minus 150% of the federal poverty level, measured three years after completion and adjusted for regional cost of living.<sup>5</sup>

### How the ROI Threshold Works: A Washington, DC Metro Example

*The value-added earnings formula: Median earnings of completers (3 years post-completion) minus 150% of the Federal Poverty Level, adjusted for regional cost of living.*

Hypothetical program: Eight-week medical assistant training in the Washington, DC metro area.

- **2026 Federal Poverty Level (single person):** \$15,960
- **150% of FPL:** \$23,940
- **Median earnings of completers (medical assistants, DC metro):** ~\$42,000
- **Value-added earnings:** \$42,000 minus \$23,940 = \$18,060
- **Maximum allowable tuition and fees:** \$18,060 (before DC metro cost-of-living adjustment, which adjusts this figure upward)

*Programs with tuition above approximately \$18,000 to \$20,000 in the Washington, DC metropolitan area face real exposure on the ROI threshold and should run this calculation before applying for approval. The FPL figure updates annually; confirm the current figure when the final rule publishes.*

### Still Pending: Watch for the Final Rule

- Where earnings data will be sourced for the ROI calculation. Options under discussion include state wage records, IRS income data, and institutional surveys. The Department of Education has not resolved this.
- The full technical definition of job placement, including what employer documentation will be required.

### Do This Now

- Pull completion and placement data for every potentially eligible program for the past 12 months. Know where you stand before you apply.
- Identify and resolve gaps between credit and non-credit student tracking systems.
- Define completion criteria in writing.
- Build a graduate follow-up protocol with contact points at 90 and 180 days post-completion.
- Establish an employer hiring confirmation documentation process.
- Calculate the value-added earnings threshold for each candidate program using current sector wage data for your specific region.

## Braiding Workforce Pell with WIOA: The Funding Question Worth Solving Now

Workforce Pell covers tuition. It does not cover the costs that most often determine whether a low-income adult actually completes a short-term program: transportation, childcare, tools, books, and in some cases housing.

WIOA Title IB supportive services can cover those costs. Transportation, childcare, and other non-tuition barriers to program completion are explicitly allowable uses of WIOA supportive services funds. This is the primary braiding opportunity, and it is governed by existing WIOA guidance already in effect. No new policy is required to start building this model.

What is required is coordination. Financial aid offices and WIOA case managers need to work from the same cost of attendance framework for each eligible program, one that clearly designates which costs Workforce Pell covers and which WIOA supportive services cover. For workforce boards, this means establishing data-sharing and co-enrollment protocols with training providers before the first Workforce Pell student enrolls, not after.

Perkins funds can be layered in for program development costs at the institutional level. The full braiding picture for a well-prepared program in the mid-Atlantic region includes Workforce Pell for tuition, WIOA supportive services for non-tuition completion costs, and potentially Perkins for institutional program development, with state aid programs filling remaining gaps. Virginia's FastForward program, for example, already provides subsidies covering up to two-thirds of qualifying credential costs. Its 94% training completion rate and 69% credential completion rate reflect what structured funding support produces at the student level.<sup>6</sup>

#### Still Pending: Watch for the Final Rule

- Whether Workforce Pell is first-dollar or last-dollar eligible. This determines whether Workforce Pell pays before or after other funding sources, and directly affects how WIOA Individual Training Account funds interact with Pell awards for the same student. This is the most consequential unresolved braiding question.
- Whether a student receiving Workforce Pell has any effect on WIOA co-enrollment eligibility. Joint guidance from DOL and ED has not been issued.

#### Do This Now

- Brief your financial aid office this month. Many financial aid directors at institutions with large non-credit workforces have not yet been brought into the Workforce Pell planning conversation.
- Establish a cost of attendance framework for each eligible program that itemizes tuition, fees, and non-tuition completion costs separately.
- Connect WIOA program staff and financial aid staff before July. They need a shared protocol for packaging aid for co-enrolled students.
- Document current WIOA braiding practices with state aid as a baseline. When Pell is added, the same compliance logic applies.

## What to Do Before Your State Publishes Anything

Pennsylvania is currently the only state with a published Workforce Pell approval process. Its **2026-2027 PA Workforce Pell Application Guidance**, published by the Pennsylvania Department of Education in March 2026, includes an eligible occupations list, a data submission process, and step-by-step institutional application instructions.<sup>7</sup> North Carolina's community college system has

published a preparation toolkit. California's EDGE Coalition has published state-level policy recommendations. Maryland, Virginia, and the District of Columbia have not published formal processes, though all three have existing program infrastructure that positions them to move relatively quickly once they do.

If your state has not published its process, Pennsylvania's guidance is the closest available model for stress-testing candidate programs. If a program can satisfy Pennsylvania's requirements, including its occupations list, data submission standards, and articulation documentation, it is likely well-positioned for most state approval processes when they appear.

Three questions worth putting to your state workforce board, state higher education coordinating body, or governor's workforce policy office right now:

- What is the state's timeline for publishing the Workforce Pell approval process, and which agency is leading it?
- Will the state use the WIOA Eligible Training Provider List as an input to the Workforce Pell approval process, or build a parallel review?
- Is there a planning group or advisory process that training providers and workforce boards can participate in before the formal application window opens?

## March Through June 2026: A Month-by-Month Framework

### March:

- Complete the statutory checklist for every potentially eligible program.
- Identify credit pathway gaps and initiate partner institution conversations.
- Brief your financial aid office.
- Pull last 12 months of completion and placement data for candidate programs.
- Contact your state workforce board to ask about the approval process timeline.

### April:

- Resolve data infrastructure gaps identified above.
- Document employer partnerships in writing.
- Finalize credit pathway agreements in writing.
- NPRM public comment period closes April 8, 2026. Read the final rule when it publishes. The items flagged as pending throughout this bulletin are what to check first.

### May:

- Submit for state approval as soon as your state publishes its process.
- Begin FAFSA outreach planning for prospective students. Many adult learners in short-term workforce programs have never completed a FAFSA.
- Establish WIOA co-enrollment and supportive services protocols with program partners.

### June:

- Confirm state approval status.
- Finalize financial aid packaging processes with your aid office.
- Train front-line staff on Workforce Pell eligibility and student advising.
- Conduct a dry run of enrollment and outcome tracking systems.

## What Remains Open: A Monitoring Checklist

The following questions are genuinely unresolved. When the final rule publishes, these are the specific items to check first.

Open Question	Why It Matters	Where to Watch	Expected Timeline
Final rule publication	Confirms all definitions, approval processes, and accountability mechanics	Federal Register	April-May 2026
First vs. last dollar	Determines how WIOA ITAs interact with Pell awards for the same student	Final rule / ED guidance	April-May 2026
Definition of "placement"	Sets the standard for 70% placement rate tracking and documentation	Final rule	April-May 2026
Earnings data source for ROI	Determines how value-added earnings are calculated and verified annually	ED implementation guidance	Summer 2026
"Additional year after approval" provision	If retained in final rule, programs approved in spring 2026 may not enroll Workforce Pell students until 2027-28	Final rule	April-May 2026
Your state's approval process	Determines submission timeline, documentation requirements, and eligible occupations list	Governor's office / state workforce board	Varies by state
WIOA co-enrollment impact	Determines whether Workforce Pell receipt affects WIOA eligibility or co-enrollment status	Joint DOL/ED guidance	TBD

## The Larger Opportunity

Workforce Pell is not just a new funding stream. It is the first time federal financial aid can flow at scale to the kinds of programs workforce boards and training providers have been building for years, often without federal financial aid support for the students those programs serve.

The systems built to comply with Workforce Pell, unified data tracking, documented employer partnerships, formal credit pathway agreements, cost of attendance frameworks, are the same systems that make programs more credible and competitive for every funding source that follows. The compliance investment and the program quality investment are the same investment. That is not usually how federal requirements work. Here it is.

As Workforce Pell scales, it will shift some training demand from WIOA-funded Individual Training Accounts to Pell-funded enrollment. Workforce boards that understand this transition before it arrives, and position themselves as the coordination hub between training providers, financial aid offices, and state approval processes, will be the boards that remain at the center of regional workforce strategy. That is worth building toward now.

## Going Deeper

The full Workforce Pell Readiness Guide is forthcoming from SOP. It includes a step-by-step eligibility decision tree, a data infrastructure build guide, a cost of attendance framework template, worked WIOA braiding scenarios, and a state-by-state tracker for monitoring approval process developments in Maryland, Virginia, and the District of Columbia.

Subscribe to [SOP's Substack](#) to be notified when the guide releases and to receive a second technical bulletin when the final rule drops, covering exactly what changed and what it means for program operations.

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## About SOP

Strategic Outcomes Partnership, known as SOP, provides practitioner-led consulting and technical assistance to workforce boards, training providers, and federal grantees. SOP has supported technical assistance and content development engagements with the Department of Labor's Employment and Training Administration, the Department of Veterans Affairs, and the Health Resources and Services Administration, serving in senior subject matter expert and content management roles across workforce development, apprenticeship, and career pathways programs.

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*SOP Results Technical Bulletins are published as free, ungated resources for the workforce development community.*

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## Notes

<sup>1</sup> One Big Beautiful Bill Act, H.R. 1, 119th Cong., Sec. 83002 (July 4, 2025). The July 1, 2026 effective date is set by statute. The Department of Education has authority to early-implement regulations to meet this date.

<sup>2</sup> Program length thresholds: at least 150 but less than 600 clock hours, or at least 8 but less than 15 weeks for credit-hour programs. H.R. 1, Sec. 83002(b).

<sup>3</sup> Annual outcome thresholds (70 percent completion within 150 percent of normal time, 70 percent placement, and the value-added earnings measure) are set by statute and apply to every year a program participates in Workforce Pell. H.R. 1, Sec. 83002(b). The proposed regulations would prohibit an institution from reestablishing eligibility for a failing program, or establishing eligibility for a substantially similar program, for two years following loss of eligibility. See proposed 34 CFR § 690.97(a).

<sup>4</sup> Two-year lockout and 'substantially similar' program standard: proposed 34 CFR § 690.97(a), as developed through the AHEAD negotiated rulemaking committee (December 2025) and published in the NPRM (March 2026). The 'substantially similar' standard is keyed to four-digit CIP code and matching SOC codes. Because this provision is regulatory, its final form may change based on public comments.

<sup>5</sup> Value-added earnings definition and ROI threshold: H.R. 1, Sec. 83002. The 2026 federal poverty level figure (\$15,960 for a single person) is set by HHS annually and should be confirmed when the final rule publishes. The DC metro area regional price parity adjustment is based on Bureau of Economic Analysis data.

<sup>6</sup> Virginia FastForward outcome data: Richmond Federal Reserve, "Workforce Pell Is (Finally) Law. Now What?" December 2025.

<sup>7</sup> Pennsylvania Department of Education, "2026-2027 PA Workforce Pell Application Guidance," Version 1.0, March 2026. Available at [pa.gov](https://pa.gov).