Workforce Pell **and** Accountability, Value Transparency & Gainful Employment Update

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February 19, 2026

Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee

The U.S. Department of Education's **negotiated rulemaking committee** was charged with developing federal regulations that:

- **Create and implement the Workforce Pell Grant** for short-term, high-value workforce programs, and
- **Establish a uniform, earnings-based accountability and transparency framework** for all postsecondary programs.

Workforce Pell – New Policy Highlights

New Pell category for short-term workforce programs

Expands Pell Grant eligibility to shorter, non-degree workforce training programs that prepare students for high-skill, high-wage, or in-demand jobs.

Program-level approval required by ED

Each program must receive individual ED approval, informed by state-reported completion and job placement data.

Students with bachelor's degrees are eligible

Students with a bachelor's degree may receive Workforce Pell, expanding access for reskilling and career transitions.

Workforce Pell – New Policy Highlights

**No student can receive Dual Pell in the Same Payment Period**

Awards are prorated based on program length. Students cannot receive a Workforce Pell and regular Pell concurrently..

Programs must meet 70% completion / 70% job placement thresholds

Programs must demonstrate a 70% completion rate and a 70% job placement rate within 180 days of completion.

Tuition must not exceed Value-Added Earnings (VAE) over time

Programs must prove that tuition costs do not exceed the earnings gains graduates realize within three years.
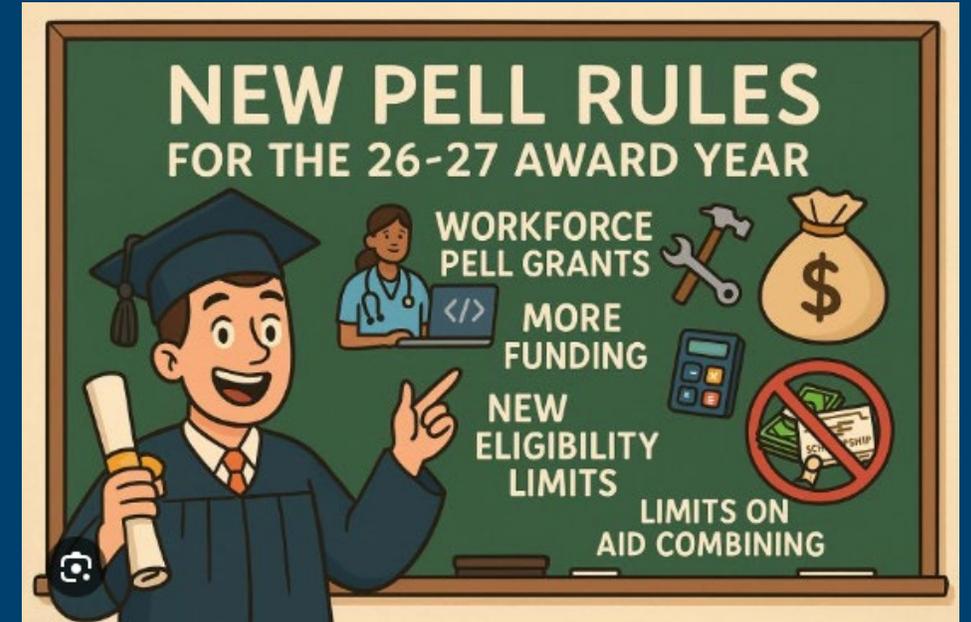
The Student Aid Index (SAI) 0f approximately $17,000 ensures the grant aid students with the most financial need.

Workforce Pell - Program Eligibility Framework

Length & format

150-599 clock hours, typically completed in 8 to fewer than 15 weeks or

4 to fewer than 16 semester credits (or 6 to fewer than 24 quarter hour credits)

Programs may not be offered as correspondence education, study abroad, or direct assessment programs.

Two-level approval

States serve as the primary gatekeepers for Workforce Pell eligibility, approving programs based on labor-market alignment, employer demand, stackable credential pathways, and robust data-sharing requirements.

Approved programs from the state must undergo federal review by the U.S. Department of Education.

Provider rules

Max 25% of program at a non–Title IV partner (No more than 25% of program delivery can come from a non–Title IV partner.)

Program History

Must have been in operation for at least one year before seeking Workforce Pell eligibility (draft regulations count this from the time of state approval).

Workforce Pell – Core Metrics

- **Completion Rate:** Programs must demonstrate at least a **70% completion rate** (students finish the program within an expected timeframe).

- **Job Placement:** At least **70% of graduates** must be placed in jobs within **180 days** after completion (placement may eventually be tied specifically to jobs in the field of study).

- **Earnings Test:** Programs must demonstrate that the **median earnings of completers exceed the cost of tuition and fees plus a baseline income threshold** (such as 150% of the federal poverty level) — this is often referred to as a "value-added earnings" requirement.

Draft regulations specify how these metrics are calculated, how data are reported, and how institutions demonstrate compliance.

Workforce Pell - Implementation Steps

Map Eligible Programs

- Identify eligible short-term workforce offerings
- Crosswalk program outcomes with new federal accountability expectations
- Flag gaps in data, employer validation, or program length and redesign if possible

Prepare for New accountability Metrics

- Strengthen tracking for completion, placement, earnings
- Audit current data systems & identify missing fields (if any) & build dashboards for reporting.

Update internal Policies and Catalog Language

- Review admissions, financial aid, and program approval processes
- Prepare for new federal definitions and compliance requirements
- Ensure catalog descriptions reflect workforce outcomes and employer alignment.

Build Campus Awareness and Training

- Brief advisors, deans, workforce leaders and financial aid teams on AHEAD outcomes
- Form cross-functional implementation team
- Prepare messaging for students that explains what Workforce Pell will mean for short-term programs.

Accountability, Value Transparency & Gainful Employment **Components**

Unified Accountability Framework Based on Earnings Outcomes

The centerpiece of the new regulations is a **single earnings-based accountability test** that applies to **all postsecondary programs** — including certificates, associate, bachelor's, and graduate programs. Under this framework:

- Institutions must demonstrate that graduates *earn more than a comparison group with lower education levels* (e.g., high school diploma or bachelor's degree median earnings, depending on program level).

- Programs that **fail this earnings premium test in 2 of 3 consecutive years** risk losing access to **federal Direct Loan eligibility**.

Student Tuition and Transparency System (STATS)

The regulations renamed and revised the existing Financial Value Transparency (FVT) framework to create a new **Student Tuition and Transparency System (STATS)** that:

- Collects reporting data from institutions about tuition, fees, financial aid, and earnings outcomes.

- Focuses on the earnings premium metric and removes outdated or duplicative reporting elements (e.g., attendance dates and institutional debt details).

- Applies STATS reporting to all programs and forms the basis for public transparency about program value.

Accountability, Value Transparency & Gainful Employment **Components**

Modification and Elimination of Legacy Measures

To harmonize existing regulations with the new accountability framework:

- The **Gainful Employment debt-to-earnings measure is eliminated**.

- Both Gainful Employment (GE) and Financial Value Transparency (FVT) frameworks are aligned under the earnings premium and Student Tuition and Transparency Structure (STATS) structures.

This streamlines reporting and accountability across institutions and program types.

Consequences for Failing Programs

The regulations outline specific consequences for programs that fail accountability thresholds:

- **Loss of Direct Loan eligibility** if the program fails the earnings premium test in a two-of-three-year period.

- If a failing program represents **half or more of an institution's Title IV enrollment or funding,** those programs may also lose **Pell Grant eligibility**.

Additional administrative capability requirements may be added to assist enforcement and compliance.

Accountability, Value Transparency & Gainful Employment **Components**

Student Warnings

Institutions must provide warnings to current and prospective students when:

- A program has **not met the earnings premium measure** and may become ineligible for Direct Loans.
- Students must acknowledge they viewed this warning before Title IV funds are disbursed.

Institutional Website

The Department will maintain a **Program Information Website** that includes:

- Program length and median completion times.
- Enrollment numbers.
- Total costs for tuition, fees, books, and supplies.
- These disclosures aim to help students make better-informed choices.

Implementation Timeline

- The new accountability regulations are slated to take effect **July 1, 2026**.

- The earnings premium results will be reported starting in 2027, based on data from recent years, and programs will face consequences beginning in 2028 at the earliest.

Accountability, Value Transparency & Gainful Employment Institutional Impact

Intensified Federal Accountability for Program Performance:

- Heightened scrutiny for short-term, non–degree workforce program and ALL credit-bearing programs.
- Increased focus on programs with low completion rates, weak labor-market outcomes, or insufficient earnings relative to program cost
- Programs failing the new gainful employment and value transparency metrics will face warnings, restrictions, or loss of eligibility

Expanded Use of State and Federal Data Systems

- Institutions will rely on validated wage, employment, and earnings data to demonstrate program value
- The Institution's access accurate state wage records, integrate them into internal dashboards, and align them with federal reporting expectations is essential

Increased Reporting, Monitoring, and Compliance Oversight

- Institutions should expect more frequent program level reviews, data verification cycles, and follow-up requests from the U.S. Department of Education.
- Institutions will need to maintain real-time accuracy in cost, enrollment, completion, and earnings data.
- Transparency requirements will require clear, student-facing disclosures on program cost, time to completion, and expected labor-market outcomes.

Accountability, Value Transparency & Gainful Employment – Implementation Steps

Academic Program Review & Risk Mitigation

Conduct Program Risk Assessment

Categorize programs as:

Low Risk – Strong earnings premium

Moderate Risk – Near threshold

High Risk – Likely to fail earnings premium

For each high-risk program:

Evaluate labor market alignment

Review curriculum and credential relevance

Assess employer engagement

Strengthen Workforce Alignment

Expand employer advisory boards.

Embed industry certifications where possible.

Increase work-based learning opportunities.

Validate wage alignment using regional labor data.

Develop Teach-Out & Contingency Plans

For programs at risk of losing eligibility:

Draft student communication templates.

Outline transfer pathways.

Plan enrollment pause strategies if needed.

Update Academic Policies

Revise policies related to:

New program approval

Program discontinuation

Academic program review cycles

Industry validation requirements

Integrate Accountability into Annual Planning

Add earnings premium review to annual program evaluation.

Include outcomes metrics in dean and program chair scorecards.

Core Accountability, Value Transparency & Gainful Employment – Implementation Steps

Immediate (0–3 Months)

- Form task force
- Complete gap analysis
- Launch internal earnings modeling
- Create financial aid taskforce to implement new awarding model

Short Term (3–6 Months)

- Identify high-risk programs
- Update reporting systems
- Draft student warning protocols
- Implement new advising protocols

Medium Term (6–12 Months)

- Adjust curriculum where needed
- Strengthen employer partnerships
- Conduct financial risk modeling
- New web page with accountability information should be fully implemented

Ongoing

- Annual earnings review
- Continuous data validation
- Strategic portfolio realignment

Questions?

These two frameworks represent a comprehensive approach to academic portfolio management, student value proposition, long-term financial sustainability, and institutional reputation.

The Workforce Pell and the Accountability and Transparency regulations will shape which programs grow, which require redesign, and which may no longer be viable.

Colleges that approach these requirements proactively—integrating them into academic planning, workforce alignment, and decision-making—will be best positioned to implement the new regulations effectively and strengthen their institutional standing.