Comments on Workforce Pell Proposed Rule

April 08, 2026

Christopher J. McCaghren, Deputy Assistant Secretary
U.S. Department of Education
Office of Postsecondary Education
400 Maryland Ave., SW
Washington, DC 20202

Re: Accountability in Higher Education and Access through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; And Workforce Pell Grants (Docket ID ED-2026-OPE-0133; RIN 1840-AD99)

Dear Deputy Assistant Secretary McCaghren,

I am writing on behalf of the National Association of State Workforce Agencies (NASWA) with regards to the U.S. Department of Education Office of Postsecondary Education's **Notice of Proposed Rulemaking (NPRM) on Workforce Pell**. We appreciate the opportunity to review and provide comment on this particular NPRM.

As a non-profit and non-partisan organization, whose membership is comprised of workforce agencies in all fifty states, the District of Columbia, and U.S. territories, NASWA brings a unique and diverse perspective to the challenges facing our nation's workforce. Our members are on the frontlines of administering and delivering services for programs as varied as workforce development, unemployment insurance, veterans reemployment, and labor market information. Notably, our members administer and oversee a broad range of workforce development programs with clear intersections with Workforce Pell, including Workforce Innovation and Opportunity Act (WIOA) programs and Registered Apprenticeship.

Overall, our organization applauds the recent passage of Workforce Pell in Congress and supports the Administration's ongoing efforts to stand up a new funding source for workforce training in the nation. From the potential impacts of artificial intelligence to the aging of the U.S. population, our country's workforce faces a number of significant challenges in the coming

decades. The implementation of Workforce Pell has the potential to equip the nation's public workforce system with an important tool for addressing these many challenges.

While our members are encouraged by the potential benefits of Workforce Pell for students and jobseekers, there are several operational and policy considerations that may prevent this new funding source from creating meaningful opportunities for upskilling, job placement, and economic mobility. These considerations are briefly stated below and cover important topics like the key role of state workforce agencies, registered apprenticeship, WIOA, program eligibility requirements, coordination at the federal level, and the overarching need for funding, technical assistance, and other resources to support states in successfully implementing Workforce Pell.

Workforce Pell & the Key Role of State Workforce Agencies

Under the direction of the Administration's newly-released America's Talent Strategy and through initiatives like the U.S. Departments of Education and Labor's Workforce Development Partnership, there has been meaningful progress at the federal level in improving coordination across education and workforce programs. However, there is concern that the current policy framework for Workforce Pell may not result in strong levels of cross-agency coordination at the state level. Under the proposed regulations, the only formal mechanism for facilitating partnerships with the workforce system is a required "consultation" with State Workforce Development Boards. We would encourage the U.S. Department of Education to include more prescriptive language about how the higher education system should partner with the public workforce system, in general, and state workforce agencies, in particular. Such partnership and coordination are important prerequisites for ensuring that Workforce Pell implementation leverages and benefits from the ongoing efforts of state workforce agencies in areas like apprenticeship, employer engagement, and sector strategies.

Workforce Pell & Registered Apprenticeship

Given the important role that state workforce agencies play in supporting the expansion of registered apprenticeship programs, our organization is encouraged by the stated policies within § 690.93(g) that would further enable Workforce Pell to cover the Related Technical Instruction (RTI) components of registered apprenticeship programs. NASWA strongly supports this provision and would encourage the Administration to advance policy reforms that provide additional flexibility in order to make a greater number of registered apprenticeship programs eligible for Workforce Pell funding.

Workforce Pell & WIOA

As state workforce agencies explore the possibilities of better serving students and jobseekers through Workforce Pell, a common question that has emerged is how this new funding source will interact with other workforce programs like WIOA. NASWA strongly encourages the U.S. Department of Education to advance a regulatory framework that eliminates barriers to braiding funding across Workforce Pell and WIOA. We also encourage the U.S. Departments of Education and Labor to collaborate in the development of clear guidance for how states can leverage both Workforce Pell and WIOA funding to support the development of quality training programs and better serve customers.

Workforce Pell's Eligibility Requirements

While NASWA respects the intended goals of restricting the use of Workforce Pell funding for high-quality programs, there are concerns that the range, complexity, and rigidity of these eligibility requirements will severely restrict both the number and composition of potential programs over the short and long term. In particular, state workforce agencies have raised concerns about: (1) the required linkage of eligible programs to institutions of higher education; (2) the narrow range of clock hours and weeks of duration for potential programs; (3) the required minimum 70% completion and job placement rates; (4) the technical value-added earnings requirement; and (5) the 25 percent limit on ineligible institutions' contributions to an eligible program.

NASWA fully recognizes that the prescriptive nature of Workforce Pell's statutory language may limit the extent to which the Administration can afford greater flexibility around program eligibility. However, we would encourage the U.S. Department of Education to advance less restrictive eligibility requirements—where possible—and provide states with maximum flexibility to set their own eligibility requirements (while still striving for high-quality programs).

As an example of how the U.S. Department of Education could provide greater flexibility for standing up high-quality programs, the 25 percent threshold for ineligible institutions' contributions to an eligible Workforce Pell program could be increased to 49 percent—enabling more flexible models of program design and service delivery. This increased flexibility may be especially important for registered apprenticeship programs where many sponsors (e.g., employers) are not institutions of higher education.

The Administration should also seriously consider excluding students who continue on with their education and training from both the 70 percent job placement rate and value-added earnings performance measure calculations. In its proposed rule, the U.S. Department of Education aptly singles out "receiving stackable credentials that will allow [students] to pursue further postsecondary education and workforce training" as a major benefit of Workforce Pell. Counting individuals who continue on with their education against Workforce Pell's rigorous performance

metrics may inadvertently create a disincentive for states to advance programs that place individuals into meaningful career pathways.

Streamlined Federal Approval Process for Workforce Pell Programs

To the extent existing statutory language requires the Secretary to provide a final approval of each eligible Workforce Pell program following a Governor's determination of eligibility (§ 690.94(a)), NASWA would encourage the U.S. Department of Education to develop a streamlined process that fast-tracks program approvals at the federal level and minimizes additional administrative burdens on state agencies, prospective program providers, and other stakeholders. An overly-burdensome or time-intensive federal approval process has the potential to further delay the launch of successful programs, disincentivize providers from developing new programs, and increase administrative costs for states.

Coordination between the U.S. Departments of Education and Labor at the Federal Level

As the Administration finalizes its rulemaking and undertakes other initiatives to implement Workforce Pell, NASWA strongly encourages leadership at the U.S. Departments of Education and Labor to coordinate their efforts. Examples of potential coordination include: (1) issuing joint guidance on how Workforce Pell can be used for registered apprenticeship programs, (2) developing clear guidance on how Workforce Pell funds can be blended and braided with funding from other workforce programs like WIOA, SNAP E&T, and state-funded workforce programs, and (3) coordinating on funding opportunities and technical assistance offerings.

Support for State Workforce Agencies in Implementing Workforce Pell

While the passage of Workforce Pell through the One Big Beautiful Bill Act (OBBBA) unlocks a promising new funding source for employment and training programs across the nation, there is no corresponding funding to support states in implementation. As the Administration moves forward with advancing a new Workforce Pell policy framework, NASWA strongly encourages the federal government to provide state workforce agencies with funding, technical assistance, and other resources to support implementation.

State data infrastructure is a prime example of how successful implementation of Workforce Pell will require additional state resources. Recently, many federal leaders and workforce system stakeholders have emphasized the importance of enhanced wage records, statewide longitudinal data systems, and—in some instances—eligible training provider lists at the state-level, which may be necessary to comply with the robust reporting mandates of the Workforce Pell statute and regulations. Advancing these data and technological investments requires substantial funding, staff capacity, and technical expertise. Ultimately, targeted funding and technical assistance for

states is foundational for successful implementation of Workforce Pell.

Thank you for your thoughtful consideration of our comments and know that we welcome the opportunity to engage further on this important issue.

Sincerely,
Scott B. Sanders
NASWA President and CEO

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