



Fact Sheet: Trump Administration Implements Workforce Pell Grant Provisions of the Working Families Tax Cuts Act

The final rule implements a first-of-its-kind federal program providing Pell Grant funding for high-quality, short-term programs lasting 8-15 weeks.

Background

On May 18, 2026, the U.S. Department of Education (the Department) announced a final rule to implement the Pell Grant provisions of the Working Families Tax Cuts Act (the Act).¹ This fact sheet provides a summary of the major provisions of the final rule. The most significant change is defining new “eligible workforce programs” for Pell Grants, which are high-quality, performance-based, short-term programs designed to support America’s workforce needs. Additionally, the final rule updates the Pell Grant eligibility regulations by limiting funds to students whose cost of attendance is already paid for by non-Federal grant funding.

Pell-eligible workforce programs, which must be offered by accredited institutions, are required to meet additional standards above those generally required to receive Pell Grants, which are related to student outcomes, including earnings, completion rates, and job placement rates. Governors, in collaboration with their State workforce boards, will determine whether programs are aligned with the requirements of high-skill, high-wage, or in-demand industry sectors or occupations in each State. The U.S. Secretary of Education (Secretary) will consider approving the program for Workforce Pell funds only after the Governor’s determination of alignment with State workforce needs.

In December of 2025, the Department convened a negotiated rulemaking committee to develop proposed regulations implementing the Pell Grant provisions of the Act. The Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee included a broad range of impacted stakeholders, including higher education institutions, State workforce boards, employers, and organizations representing taxpayers. The Committee [reached consensus](#) on the language included in the proposed rule. The Department adopted the vast majority of this consensus language in the final rule, making changes only for clarity and in response to public comments.

The final rule’s provisions related to eligible workforce programs will be effective as of July 20, 2026, with an option for early implementation on July 1, 2026, at the discretion of each institution.

¹ The final rule will be available for public inspection in the Federal Register on May 18, 2026, and will be published on May 19, 2026.

Program Eligibility

Eligible workforce programs must:

- Be a minimum of 8 weeks, but less than 15 weeks of instructional time to complete;
- Be 150-599 clock hours in length, or the equivalent number of credit hours (as defined in the final rule);
- Not include correspondence courses, noncredit or remedial courses, and may not be study abroad or direct assessment programs;
- Be approved by the Governor of the State in which the eligible institution offering such program is located, be approved by the Secretary; and
- Pass the completion, job placement, and value-added earnings metrics, as described below.

Institutional Eligibility

An eligible workforce program must be offered by an accredited institution that, during the 5 years preceding, has not been subject to any suspension, emergency action, or termination of programs.

Student Eligibility

A student must meet all current eligibility requirements to receive a Pell Grant, such as having a valid social security number, a high school diploma or its recognized equivalent, and not exceeding lifetime limits on Pell Grants. In addition, there are some unique student eligibility requirements included in the Act. For example:

- A student who received a bachelor's degree may be eligible for a Pell Grant to enroll in an eligible workforce program;
- A student enrolled in a program that leads to a graduate credential or who has attained a graduate credential is not eligible for a Pell Grant; and
- A student may not receive concurrent Pell Grants for more than one eligible program at a time.

Program Accountability

Eligible workforce programs will be held to rigorous student outcome standards. To ensure that Pell Grant dollars are directed toward high-quality programs that truly benefit their students, programs must meet the following standards:

- **Value-Added Earnings:** An eligible workforce program's total published tuition and fees cannot exceed the "value-added earnings" for the program, which is the difference between the adjusted median earnings of student completers during the earnings measurement period and 150 percent of the U.S. poverty guidelines applicable to a single individual for such tax year. The cohort for median earnings will only include individuals who completed the program, are working, are not enrolled in any educational program at the time of the calculation, and who received a Pell Grant.

- **Completion Rate:** Annually, 70 percent of program participants must complete the program within 150 percent of the normal time to completion.
- **Employment Rate:** Annually, 70 percent of program completers must be employed during the second quarter after program exit.

These metrics implement an accountability framework that ensures that eligible workforce programs serve their intended purpose: preparing students for immediate employment in in-demand fields through short-term programs that provide a real return on investment.

Written Arrangements

Institutions may enter into written arrangements with outside entities or ineligible institutions with specific expertise and resources, such as employers, to provide up to 25 percent of the eligible workforce program, with one exception for related instruction components of Registered Apprenticeship Programs. Registered Apprenticeship Programs sponsors may provide up to 49 percent of an eligible workforce program under a written arrangement.

Approval Process and Loss of Eligibility

The eligible workforce program must be approved by both the Governor of the State in which the program is located and the Secretary. The Governor’s approval, which occurs after consultation with the State workforce board, takes place before the Secretary’s evaluation.

Governor’s approval process: Under the final rule, Governors will establish and publicly publish written policies and processes to determine whether the program meets a variety of criteria, including that the program:

- Provides an education aligned with the requirements of high-skill, high-wage, or in-demand industry sectors or occupations;
- Meets the hiring needs of employers;
- Either leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or prepares students for employment in an occupation for which there is only one recognized postsecondary credential, and provides the credential upon program completion; and
- Prepares students to pursue one or more certificate or degree programs by ensuring that a student receives academic credit for at least one certificate or degree program at one or more eligible institutions.

The Governor’s approval of an eligible workforce program at an institution expires with the expiration of the eligible institution’s Program Participation Agreement (PPA). Therefore, a postsecondary institution must seek the Governor’s reapproval of the eligible workforce program prior to the expiration of its PPA.

Secretary's approval process: After the Governor has approved the eligible workforce program, the Secretary evaluates the program based on documentation submitted by the eligible institution, and confirms that the program:

- Meets the instructional time and clock hour requirements; and
- Meets completion rates and job placement rates requirements.

Loss of eligibility: Programs can lose eligibility by failing to meet the completion rate, job placement rate, or value-added earnings requirements. Programs may also be determined to be ineligible if the Governor withdraws approval or fails to reapprove the program.

Regaining eligibility: An institution may work to regain a program's eligibility only after a two-year waiting period following the Secretary's determination that the program's completion rate or job placement rate failed to meet the requirements, or if the institution voluntarily discontinued a failing eligible workforce program. During this period, the institution cannot establish the same or a substantially similar program. A program that loses eligibility because its published tuition is higher than its value-added earnings may regain eligibility by reducing tuition and fees to remain equal to or less than the program's recalculated value-added earnings.

Pell Grant Eligibility and Non-Federal Grants and Scholarships

The Act also made changes to overall Pell Grant eligibility for any recipient. Under the Department's regulations, students will not qualify for Pell Grant funds during any award year in which they also receive grant and scholarship aid from non-Federal sources that equals or exceeds their cost of attendance.

Importantly, this does not change the overall qualifying factors for Pell; it solely changes the ability to receive a Pell Grant if the entire cost of attendance (for example, tuition and fees, books and supplies, housing and food) is already paid for by other non-Federal grant and/or scholarship aid.