

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

Negotiated Rulemaking

Discussion Paper and Proposed Regulatory Text: Eligible Workforce Programs and Grant Aid from Non-Federal Sources

Session 1, December 8-12, 2025

Topic One: Ineligibility for Federal Pell Grants Due to Receipt of Non-Federal Financial Assistance

PART 690—FEDERAL PELL GRANT PROGRAM

§ 690.5 Ineligibility due to grant or scholarship assistance from non-Federal grants.

(a) A student shall not be eligible for a Federal Pell Grant for an award year during which the student receives grant or scholarship assistance from non-Federal sources, including States, eligible institutions, or private sources, in an amount that equals or exceeds the student's cost of attendance for the award year.

(b) Grant or scholarship assistance from non-Federal sources does not include sources that are excluded under Section 480(i) of the Higher Education Act of 1965, as amended.

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§ 690.80 Recalculation of a Federal Pell Grant award.

(a) *Change in expected family contribution.*

(1) The institution shall recalculate a Federal Pell Grant award for the entire award year if the student's expected family

contribution changes at any time during the award year. The change may result from—

(i) The correction of a clerical or arithmetic error under § 690.14; or

(ii) A correction based on information required as a result of verification under 34 CFR part 668, subpart E.

(2) Except as described in 34 CFR 668.60(c), the institution shall adjust the student's award when an overaward or underaward is caused by the change in the expected family contribution.

That adjustment must be made—

(i) Within the same award year—if possible—to correct any overpayment or underpayment; or

(ii) During the next award year to correct any overpayment that could not be adjusted during the year in which the student was overpaid.

(b) *Change in enrollment status.*

(1) If the student's enrollment status changes from one academic term to another term within the same award year, the institution shall recalculate the Federal Pell Grant award for the new payment period taking into account any changes in the cost of attendance.

(2)

(i) If the student's projected enrollment status changes during a payment period after the student has begun attendance in all

of his or her classes for that payment period, the institution may (but is not required to) establish a policy under which the student's award for the payment period is recalculated. Any such recalculations must take into account any changes in the cost of attendance. If such a policy is established, it must apply to all students.

(ii) If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance.

(c) *Change in cost of attendance.* If the student's cost of attendance changes at any time during the award year and his or her enrollment status remains the same, the institution may (but is not required to) establish a policy under which the student's award for the payment period is recalculated. If such a policy is established, it must apply to all students.

(d) *Receipt of assistance from non-Federal grants.* If, prior to the final disbursement of a student's Pell Grant for an award year, the institution becomes aware that the student has received or will receive grant or scholarship assistance from non-Federal sources that equals or exceeds the student's cost of

attendance as described in 34 CFR 690.5, the institution must either -

(1) Reduce the non-Federal grant or scholarship assistance until it does not equal or exceed the student's cost of attendance;
or

(2) Return all of the Federal Pell Grant funds that the student received for that award year pursuant to 690.79 and cancel any future disbursements of such funds for that award year.

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Topic Two: Workforce Pell Technical and Conforming Changes
PART 600—INSTITUTIONAL ELIGIBILITY UNDER THE HIGHER EDUCATION
ACT OF 1965, AS AMENDED

§ 600.10 Date, extent, duration, and consequence of eligibility.

(c) Educational programs.

(1) An eligible institution that seeks to establish the eligibility of an educational program must obtain the Secretary's approval—

(i) Pursuant to a requirement regarding additional programs included in the institution's Program Participation Agreement (PPA) under 34 CFR 668.14;

(ii) For the first direct assessment program under 34 CFR 668.10, the first direct assessment program offered at each credential level, and for a comprehensive transition and postsecondary program under 34 CFR 668.232;

(iii) For an undergraduate program that is at least 300 clock hours but less than 600 clock hours and does not admit as regular students only persons who have completed the equivalent of an associate degree under 34 CFR 668.8(d) (3); ~~and~~

~~(iv) For an eligible workforce program as defined under 34 CFR 690.92; and~~

~~(iv)~~ For the first eligible prison education program under subpart P of 34 CFR part 668 offered at the first two additional locations as defined under § 600.2 at a Federal, State, or local

penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution.

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PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

§ 668.5 Written arrangements to provide educational programs.

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(c) *Written arrangements between an eligible institution and an ineligible institution or organization.* Except as provided in paragraph (d) of this section, if an eligible institution enters into a written arrangement with an institution or organization that is not an eligible institution under which the ineligible institution or organization provides part of the educational program of students enrolled in the eligible institution, the Secretary considers that educational program to be an eligible program if—

(1) The ineligible institution or organization has not—

(i) Had its eligibility to participate in the title IV, HEA programs terminated by the Secretary;

(ii) Voluntarily withdrawn from participation in the title IV, HEA programs under a termination, show-cause, suspension, or similar type proceeding initiated by the institution's State licensing agency, accrediting agency, or guarantor, or by the Secretary;

(iii) Had its certification to participate in the title IV, HEA programs revoked by the Secretary;

(iv) Had its application for recertification to participate in the title IV, HEA programs denied by the Secretary; or

(v) Had its application for certification to participate in the title IV, HEA programs denied by the Secretary;

(2) The educational program offered by the institution that grants the degree, certificate, or other recognized educational credential otherwise satisfies the requirements of § 668.8; and

(3)

(i) The ineligible institution or organization provides 25 percent or less of the educational program, including in accordance with 34 CFR 602.22(b)(4); or

(ii)

(A) The educational program is not an eligible workforce program;

(AB) The ineligible institution or organization provides more than 25 percent but less than 50 percent of the educational program, in accordance with 34 CFR 602.22(a)(1)(ii)(J);

(BC) The eligible institution and the ineligible institution or organization are not owned or controlled by the same individual, partnership, or corporation; and

(ED) The eligible institution's accrediting agency or, if the institution is a public postsecondary vocational educational

institution, the State agency listed in the Federal Register in accordance with 34 CFR part 603 has specifically determined that the institution's arrangement meets the agency's standards for executing a written arrangement with an ineligible institution or organization.

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§ 668.8 Eligible program.

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(d) *Proprietary institution of higher education and postsecondary vocational institution.* An eligible program provided by a proprietary institution of higher education or postsecondary vocational institution—

(1)

(i) Must require a minimum of 15 weeks of instruction, beginning on the first day of classes and ending on the last day of classes or examinations;

(ii) Must be at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours;

(iii) Must provide undergraduate training that prepares a student for gainful employment in a recognized occupation; and

(iv) May admit as regular students persons who have not completed the equivalent of an associate degree;

(2) Must—

(i) Require a minimum of 10 weeks of instruction, beginning on the first day of classes and ending on the last day of classes or examinations;

(ii) Be at least 300 clock hours, 8 semester or trimester hours, or 12 quarter hours;

(iii) Provide training that prepares a student for gainful employment in a recognized occupation; and

(iv)

(A) Be a graduate or professional program; or

(B) Admit as regular students only persons who have completed the equivalent of an associate degree;

(3) For purposes of the FFEL and Direct Loan programs only, must—

(i) Require a minimum of 10 weeks of instruction, beginning on the first day of classes and ending on the last day of classes or examinations;

(ii) Be at least 300 clock hours but less than 600 clock hours;

(iii) Provide undergraduate training that prepares a student for gainful employment in a recognized occupation;

(iv) Admit as regular students some persons who have not completed the equivalent of an associate degree; and

(v) Satisfy the requirements of paragraph (e) of this section;

or

(4) For purposes of a proprietary institution of higher education only, is a program leading to a baccalaureate degree in liberal arts, as defined in 34 CFR 600.5(e), that—

(i) Is provided by an institution that is accredited by a recognized accrediting agency or association that was defined as a regional accrediting agency or association on October 1, 2007, and has held such accreditation since October 1, 2007, or earlier; and

(ii) The institution has provided continuously since January 1, 2009.

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(n) *Other eligible programs.* For title IV, HEA program purposes, *eligible program* includes —

(i) ~~a~~ A direct assessment program approved by the Secretary under § 668.10;

(ii) ~~,—a~~ A comprehensive transition and postsecondary program approved by the Secretary under § 668.232;

(iii) ~~,—and—~~ An eligible prison education program under subpart P of this part; and

(iv) For purposes of the Federal Pell Grant Program only, an eligible workforce program under 34 CFR § 690.92.

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§ 668.20 Limitations on remedial coursework that is eligible for Title IV, HEA program assistance.

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(b) Except as provided in paragraphs (c), ~~and~~ (d), and (g) of this section, in determining a student's enrollment status and cost of attendance, an institution shall include any noncredit or reduced credit remedial course in which the student is enrolled. The institution shall attribute the number of credit or clock hours to a noncredit or reduced credit remedial course by—

- (1) Calculating the number of classroom and homework hours required for that course;
- (2) Comparing those hours with the hours required for nonremedial courses in a similar subject; and
- (3) Giving the remedial course the same number of credit or clock hours it gives the nonremedial course with the most comparable classroom and homework requirements.

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(g) An institution may not take into account any noncredit or reduced credit remedial course, including a course in English as a second language, for a student enrolled in an eligible workforce program, as defined under 34 CFR 690.92, that is offered in credit hours.

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§ 668.32 Student eligibility.

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(c)

(1) For purposes of the ACG, National SMART Grant, and FSEOG programs, does not have a baccalaureate or first professional degree;

(2) For purposes of the Federal Pell Grant Program—

(i)

(A) Does not have a baccalaureate or first professional degree;

or

(B) (1) Is enrolled in a postbaccalaureate teacher certificate or licensing program as described in 34 CFR 690.6(c); or

(2) Is enrolled in an eligible workforce program as defined under 34 CFR 690.92 and —

(i) Is not enrolled or accepted for enrollment in a program of study that leads to a graduate credential; and

(ii) Has not attained a graduate credential; and

(ii) If the student is a confined or incarcerated individual as defined in 34 CFR 600.2, is enrolled in an eligible prison education program as defined in § 668.236;

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PART 690—FEDERAL PELL GRANT PROGRAM

§ 690.2 Definitions.

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(c) Other terms used in this part are:

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Eligible workforce program: a program as defined under 34 CFR § 690.92.

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§§ 690.3-690.45 [Reserved]

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§ 690.6 Duration of student eligibility.

(a) Except as provided in paragraphs (c), ~~and~~ (d), and (f) of this section, a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study.

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(f) Notwithstanding paragraph (a) of this section, an otherwise eligible student enrolled in an eligible workforce program as defined under 34 CFR 690.92 may receive a Federal Pell Grant.

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§ 690.11 ~~Concurrent~~ Federal Pell Grant payments ~~from more than one institution.~~

(a) A student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

(b) A student is not entitled to concurrently receive a Federal Pell Grant for enrollment in an eligible workforce program and any other educational program at the same or a different institution, including another eligible workforce program.

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§§ 690.84-690.89 [Reserved]

Topic Three: Workforce Pell Definitions

34 CFR 690 Subpart H Eligible Workforce Program

§ 690.90 Scope and purpose.

This subpart establishes regulations that apply to eligible institutions that offer eligible workforce programs. An eligible student enrolled in an eligible workforce program is only eligible for Federal financial assistance under the Federal Pell Grant program and no other title IV, HEA program. Unless provided in this subpart, eligible students and eligible institutions that offer Federal Pell Grants to students enrolled in eligible workforce programs are subject to the same regulations and procedures that otherwise apply to title IV, HEA program participants.

§ 690.91 Definitions

The following definitions apply to this subpart:

Cohort period: The award year that ends three full award years prior to the beginning of the award year for which value-added earnings are being determined.

Earnings measurement period: The first full tax year following the award year in which the student completed the eligible workforce program.

In-demand industry sector or occupation:

(1) An industry sector that has a substantial current or potential impact (including through jobs that lead to economic

self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or

(2) An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

Governor:

(1) The chief executive of a State or outlying area as defined under Section 3 of the Workforce Innovation and Opportunity Act (Public Law 113-128); or

(2) If an institution is located on Tribal lands, the Tribal government.

Recognized postsecondary credential: A credential consisting of an industry-recognized certificate or certification, a certificate of completion of a **Registered Apprenticeship** under **29 CFR Part 29**, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

State board: A State workforce development board established under section 101 of the Workforce Innovation and Opportunity Act and 34 CFR 679 Subpart A.

Tuition and fees: The institutional charges for an eligible workforce program.

§ 690.92 Eligible workforce program

An educational program is an eligible workforce program if the Secretary determines that it is an undergraduate program that meets the requirements under 34 CFR 668.8 and –

- (a) Requires a minimum of 8 weeks, but less than 15 weeks of instruction;
- (b) (i) Is at least 150 clock hours but less than 600 clock hours;
- (ii) At least 4 but less than 16 semester or trimester hours; or
- (iii) At least 6 but less than 24 quarter hours;
- (c) Is not offered using–
 - (i) Correspondence courses, as defined under 34 CFR 600.2;
 - (ii) Coursework that takes place as part of a study abroad program; or
 - (iii) Credit or clock hour equivalencies that are part of a direct assessment program under 34 CFR §668.10.
- (d) Is approved by the Governor through a process as described in 34 CFR § 690.93;
- (e) Meets the requirements established by the Secretary as described in 34 CFR § 690.94;
- (f) Complies with the annual value-added earnings requirements as described in 34 CFR § 690.95; and

(g) Is offered by an institution that, during the five years preceding the date of the determination, has not been subject to any suspension, emergency action, or termination of programs under this title.

Topic Four: Governor Approval of Eligible Workforce Programs

§ 690.93 Components determined by Governors

(a) Prior to the Secretary's evaluation of whether a program is an eligible workforce program, the Governor, after consultation with the State board, approves the program to be offered to students in that State by determining that the program—

(1) Provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act

(20 U.S.C. 2342)), or in-demand industry sectors or occupations;

(2) Meets the hiring requirements of potential employers in the sectors or occupations described in paragraph (a)(1) of this section;

(3) Either—

(i) Leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or

(ii) With respect to students enrolled in the program—

(A) Prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and

(B) Provides such students with such a credential upon completion of the program; and

(4) Prepares students to pursue one or more certificate or degree programs at one or more eligible institutions (which may

include the eligible institution providing the program),
including by ensuring-

(i) That a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the program that will be accepted toward meeting such certificate or degree program requirements; and

(ii) The academic credit described in paragraph (i) will be acceptable toward meeting such certificate or degree program requirements.

(b) The Governor shall establish, after consultation with the state board, a process for an institution to request a determination that a program meets the requirements in paragraph (a) of this section that is made publicly available and includes-

(1) The criteria the Governor will use to determine if a program meets each of the requirements described under paragraph (a), which shall include-

(i) The State's methodology to determine and periodically review which occupations and industry sectors are high-skill, high-wage(as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand, including the competencies needed in such industries and occupations, as identified by the State pursuant

to section 102 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3112), and where the list of such occupations and sectors will be made publicly available. Such review shall be done not less than every two years concurrent with development and modification of the State Plan under Section 102(c) of the Workforce Innovation and Opportunity Act;

(ii) A written policy for determining whether a program meets the hiring requirements of employers in the high-skill, high-wage, or in-demand sectors and occupations that the program prepares students for employment in, that—

(A) Considers whether the expected competencies for which the recognized postsecondary credential intends, align with the competencies needed in such high-skill, high-wage, or in-demand sectors and occupations;

(B) Incorporates direct input from employers, which may be secured from the state board and local workforce development boards, industry or sector partnerships, sponsors of Registered Apprenticeship programs, joint labor-management partnerships, or through other methodologies established by the State; and

(iii) A written policy for determining if a credential is stackable and portable that establishes documented connections to additional credentials, considers, if available, data showing whether students have obtained additional credentials through

career pathways, real-time labor market information, and includes a process for employer validation; and

(iv) A written policy for institutions to establish that an eligible workforce program will ensure the award of academic credit towards a certificate or degree program upon a student's successful completion of the eligible workforce program and enrollment in such certificate or degree program, and that such credit will be accepted at one or more eligible institutions through written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements;

(2) The information an institution must submit to the Governor to assess an eligible workforce program on the criteria established under paragraph (1), including the job placement standards under 36 CFR 690.94(a)(2)(ii), and, if applicable, alternative completion and placement standards under 34 CFR 690.94(a)(2)(i), which shall include the information necessary for the Governor to make the appropriate job placement calculations using administrative data, such as wage records;

(3) The process and timeline for the Governor's consultation with the state board and a determination that a program meets the requirements in paragraph (a), and the process for an institution to appeal that determination and that such process shall include, clear, transparent and timely procedures that are

applied consistently and equitably at all eligible institutions;

and

(4) An attestation that the state board has been consulted.

(c) The Governor shall not approve a program until it meets all the requirements of paragraph (a) of this section, as determined through the process established under paragraph (b) of this section.

(d) The Secretary documents the Governor's approval and determination that a program meets the requirements in paragraph (a) of this section by accepting a certification by the Governor that includes the following—

(1) The name of the program;

(2) The 6-digit Classification of Instructional Programs (CIP) Code of the program;

(3) The Standard Occupational Classification (SOC) codes(s) for which the program prepares individuals for employment;

(4) A signed statement that the program was approved by the Governor and that the program currently meets, and has met for the 12 months immediately preceding the certification, the requirements described in paragraph (a);

(5) The date the eligible workforce program was approved;

(6) If applicable, a certification that the State determined that the program meets alternative completion and placement standards under 34 CFR 690.94(a)(3)(i);

(7) An agreement that, upon request of the Secretary of Education or Secretary of Labor, the Governor will make available to the Secretary of Education and Secretary of Labor documentation of its process established under paragraph (b) for making the determination in paragraph (a) of this section;

(8) An agreement that the Governor will inform the Department of Education and Department of Labor and the institution within 15 calendar days of its final decision to withdraw approval of the eligible workforce program;

(9) A certification that the Governor takes into consideration the cost of the program and the anticipated wages of the industry or occupation prior to the initial determination of the program's value-adding earnings is made under 34 CFR 690.95; and

(10) Such other information as the Secretary of Education or Secretary of Labor may require.

(e) The Governor's approval, under paragraph (a) of this section, expires at the expiration of the institution's Program Participation Agreement.

(f) Prior to the expiration of an institution's Program Participation Agreement, the Governor must provide, through a process determined by the Secretary, a certification of continued approval of each eligible workforce program offered by the institution.

(g) A program that serves as a related instruction component of a Registered Apprenticeship Program meets the requirements of paragraph (a) (1) and (a) (2) of this section.

(h) The Governors of two States may enter into a bilateral agreement, that is published publicly, regarding the enrollment of students located in one of those States into some or all of the programs located in the other State, so long as -

(1) The Governor in the State in which the student is located, in consultation with the State Board, includes the occupation(s) or sector(s) on the list developed under the process set forth in 34 CFR 690.93(b) (1) (i);

(2) The Governor of the State in which the institution(s) offering such program(s) is located has determined, in consultation with the State Board, that the program meets the conditions under 34 CFR 690.93(a); and

(3) The bilateral agreement includes provisions for data-sharing among the States for purposes of completion and placement rate calculations.

Topic Five: Secretary of Education Approval of Eligible Workforce Programs

§ 690.94 Components determined by the Secretary

(a) After the Governor determines that the program meets the requirements under 34 CFR § 690.93, the Secretary evaluates documentation from an eligible institution to determine that the following requirements have been met -

(1) The program has met the conditions under 34 CFR § 690.92(a) and (b) for the 12 months preceding the date on which the institution applied for eligibility for the program.

(2) The program meets placement and completion rate requirements-

(i) For the 2026-27, 2027-28, and 2028-29 award years only, as determined through a certification from the Governor, based on the Governor's analysis using administrative data, including wage records, that the program meets the following standards-

(A) A completion rate of at least 70 percent, within 150 percent of the normal time to completion; and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students that are employed during the second quarter after exiting the program;

(ii) For each award year after the 2028-29 award year-

(A) A completion rate of at least 70 percent, within 150 percent of the normal time of completion, as determined under 34 CFR 668.8 (f); and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students who are employed in the occupation(s) for which the program prepares students (as identified through the process established under 34 C.F.R. 690.93 (b)) or a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program, as determined through a certification from the Governor, based on the Governor's analysis using available administrative data, including wage records.

(b) For each award year after the date that the eligible workforce program is approved, the institution must—

(1) Submit to the Governor, or an entity designated by the Governor, a list of students that completed the program during the award year and the information necessary for the Governor to verify the job placement rate for such award year; and

(2) Report the published tuition and fees for the eligible workforce program through a process determined by the Secretary.

(c) The Secretary may waive some or all of the requirements under paragraphs (a) and (b) of this subsection related to submission of completion rates and the Governor's certification of job placement rates if—

(1) The Secretary determines that completion or placement rates will be calculated under a separate process established by the Secretary; or

(2) In the case of the job placement rate certification described in 34 CFR 690.94(a)(2)(ii)(B), the Secretary determines that the Governor is making progress towards making such certification but needs an additional award year using the certification described in 34 CFR 690.94(a)(2)(i)(B).

(d) For each award year, the Secretary confirms the eligible workforce program's published tuition and fees do not exceed the value-added earnings of the eligible workforce program, consistent with 34 CFR 690.95.

(e) A student is not included in the numerator or denominator of completion or placement rates if the student—

(i) Dies;

(ii) Experiences the onset of a medical condition that prevents employment; or

(iii) Is ordered to service in the uniformed services, including service performed under Title 10 or Title 32 of the United States Code, for a period of more than 30 days;

(iv) Becomes incarcerated.

Topic Six: Value-Added Earnings Calculation

§ 690.95 Value-added earnings

(a) For each award year, an eligible workforce program's total published tuition and fees may not exceed the value-added earnings of students who are working, received a Pell Grant for enrollment in the program, and completed the program during the cohort period defined in 34 CFR 690.91 and described in paragraph (i)(2).

(b) An eligible workforce program's value-added earnings are determined by calculating the difference between—

(1) The median earnings of such students during the earnings measurement period as defined in 34 CFR 690.91, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such programs; and

(2) 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Service Block Grant Act (42 U.S.C. 9902(2)) for such tax year.

(c) No later than three months prior to the beginning of the award year, the Secretary will publish the value-added earnings that will apply to the eligible workforce program for that upcoming award year.

(d) The institution must keep published tuition and fees at or below the value-added earnings calculated for the program for

all students who first enroll in the eligible workforce program during the award year that begins following the annual release of the program's value-added earnings.

(e) Programs that have a calculated value-added earnings of zero or negative value shall not be eligible for Federal Pell Grant funds.

(f) The institution must provide, upon request, evidence satisfactory to the Secretary that its published tuition and fees does not exceed the published value-added earnings for that award year.

(g) In calculating the value-added earnings for an eligible workforce program, the Secretary uses student completion data that the institution is required to report to the Secretary to support its administration of, or participation in, the title IV, HEA programs to—

(1) Compile a list of students who received Federal Pell Grant funds and who completed each program during the cohort period, after which the Secretary—

(i) Provides the list to institutions; and

(ii) Allows each institution to correct the information reported by the institution on which the list was based, no later than 60 days after the date the Secretary provides the list to the institution;

(2) Obtain from a Federal agency with earnings data the median annual earnings of the students on each list, as provided in paragraph (h) of this section; and

(3) Calculate the value-added earnings and provide it to the institution.

(h)

(1) If the final list of students who completed the program during the cohort period includes at least 50 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(2) If the final list of students who completed the program during the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the first award year prior to the cohort period. If the combined number of completers from both award years includes at least 50 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(3) If the final list of students who completed the program during the cohort period and the first award year prior to the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the second award year prior to the cohort period. If the combined number of completers from all three award years includes at least 50 students, the Secretary sends information

about those individuals to the Federal agency with earnings data;

(4) If the final list of students who completed the program during the cohort period and the first and second years prior to the cohort period does not include at least 50 students, the Secretary adds students who completed the same program during the third award year prior to the cohort period. If the combined number of completers from all four award years includes at least 30 students, the Secretary sends information about those individuals to the Federal agency with earnings data;

(5) If the final list of students who completed the program during the cohort period and the first, second and third award years prior to the cohort period does not include at least 30 students, the Secretary does not calculate value-added earnings for the program for that award year.

(i) For each list submitted to the Federal agency with earnings data, the agency returns to the Secretary median annual earnings of the students on the list whom the Federal agency with earnings data has matched to earnings data, in aggregate and not in individual form.

(1) If the Federal agency with earnings data includes reports from records of earnings on at least 16 students who completed the program, the Secretary uses the median annual earnings

provided by the Federal agency with earnings data to calculate the value-added earnings for the program.

(2) If the Federal agency with earnings data includes reports from records of earnings on less than 16 students who completed the program, the Secretary does not calculate the value-added earnings for the program for the award year.

(j) When calculating value-added earnings, the Secretary includes completers from all eligible workforce programs with the same six-digit CIP code.

(k) Notwithstanding paragraph (b) of this section, if more than 50 percent of students described in paragraph (a) are not located in the State in which the institution offering the program is located, the Department will not adjust the program's median earnings by the State and metropolitan area regional price parities of the Bureau of Economic Analysis.

Topic Seven: Losing and Regaining Eligibility

§ 690.96 Loss of eligibility

If an eligible workforce program fails to meet the requirements

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(a) Under 34 CFR 690.93, the program will become ineligible at the end of the payment period that begins following the date that-

(1) The Governor **acts to** withdraw approval for an eligible workforce program; or

(2) The Governor fails to reapprove the program.

(b) Under 34 CFR 690.94, the program will become ineligible at the end of the payment period that begins after the date that the Secretary determines that the institution failed to meet the **completion rate or job placement rate** requirements, **except that the Secretary will not make such a determination while a program's eligibility, approval, or reported completion rate of job placement rate is in an appeal status or awaiting the Governor's final approval determination.**

(c) Under 34 CFR 690.95 -

(1) The program will become ineligible at the beginning of the award year following the release of the value-added earnings; **and**

(2) The Secretary will assess a liability for amounts of Pell Grants disbursed **for** students enrolled in **the** eligible workforce program during the award year for which the value-added earnings were calculated and **shall collect any such liability from the institution.**

§ 690.97 Regaining eligibility

(a) If an eligible workforce program loses eligibility based on the Secretary's determination that the program's completion rate or job placement rate failed to meet the requirements under 34 CFR § 690.94(a) (2) or the institution voluntarily discontinues a failing eligible workforce program, the institution may not seek to reestablish the eligibility of the failing program, or to establish eligibility for a substantially similar program sharing both (i) the same four-digit CIP code, and (ii) identical SOC codes according to the CIP SOC Crosswalk that is provided by a Federal agency, until two years following the earlier of the date the program loses eligibility under 34 CFR § 690.96(b) or the date the institution voluntarily discontinues the failing workforce program.

(b) If an eligible workforce program loses eligibility due to a loss of Governor approval described in (a) of this section, the program may reestablish eligibility after the Secretary receives the Governor's certification that the program has been approved as provided under 34 CFR 690.93(c), and after the Secretary determines the program has met eligibility criteria under 34 CFR 690.94.

(c) If an eligible workforce program loses eligibility because its published tuition is higher than its value-added earnings under 34 CFR 690.89(e), the institution may, through a process

described by the Secretary, request that the program's eligibility be reinstated by-

(1) Providing to the Secretary a new certification of the Governor's approval of the program as provided under 34 CFR §690.93(c);

(2) Submitting to the Secretary documentation of the program's current published tuition and fees and an attestation that the tuition and fees have been reduced and will remain equal to or less than the program's recalculated value-added earnings; and

(3) Requesting a recalculation of the program's value-added earnings to determine whether the program's updated tuition and fees that will apply to the next award year exceed the program's value-added earnings.