

Workforce Pell: Overview and Timeline

OVERVIEW

A meaningful expansion of the federal Pell Grant program, authorized by OBBBA (July 4, 2025) and extending need-based aid into short, career-focused training.

KEY FACTS

- Eligible programs: 150–599 clock hours, delivered over 8–15 weeks.
- Bachelor's degree holders may also qualify for eligible workforce programs.
- Awards are prorated by program length; CBO estimates average ~\$2,200.
- Federal Pell baseline: ~\$33B annually, ~7M students nationwide. \$48m and 10,700 recipients in Montana.
- Two-step approval: Governor (or designee) certifies, then U.S. ED determines eligibility.

FEDERAL TIMELINE



Workforce Pell: Approval Process

The proposed rule sets a two-step approval flow: state certification first, then federal eligibility.

1. Institution proposes a program

Title IV institution submits a short-term workforce program for review by the State.

2. State certifies

Governor confirms the program meets the framework and attests to SWIB consultation. Tribal governments certify for programs offered at tribal institutions.

3. U.S. Department of Education determines eligibility

Federal review against accountability rules, including a "value-added earnings" test (measured beginning award year 2030–31).

4. Program participates

Approved programs are added to the institution's Program Participation Agreement (PPA) and become Pell-eligible.

SWIB Framework: Draft Eligibility Criteria

Three Montana-specific standards programs must meet before state certification.

1. QUALITY

- Title IV institution in good standing.
- Program has existed for at least one year.
- Meets 70% completion threshold.
- Meets 70% job placement threshold.
- Annual reporting on completion and placement.

2. LABOR-MARKET DEMAND

- Prepares students for high-skill, high-wage, or in-demand sector or occupation.
- Aligned with Montana 406 JOBS sectors
 - Healthcare / health careers | Hospitality & recreation | Construction trades | Education & childcare | Advanced manufacturing & computing | Financial & professional services
- Documented employer demand.
 - Industry credential,
 - Recommend by 406 jobs sector partnership,
 - Registered apprenticeship RTI, or
 - Substantial evidence of employer involvement in development

3. STUDENT PATHWAY

- Credential is recognized, stackable, and portable.
- Eligible for academic credit toward a longer credential.
- Linked to an apprenticeship, industry credential, or sector partnership.
- Articulates into credit-bearing pathways.

Program Accountability Measures

Federal accountability rules ask Montana and institutions to prove outcomes.

THRESHOLDS AND REPORTING

- Annual reporting on completion and job placement rates.
- Job placement in the occupation, or a related occupation, for which the program prepares students.
- Programs that fall below the 70 / 70 thresholds (completion and placement) can be decertified.

VALUE-ADDED EARNINGS CAP

- Tuition + fees must be no more than: (median earnings of program completers) – (150% federal poverty line for a single individual).
- For 2025, 150% FPL for a single individual is \$23,475.
- Programs that fail the value-added earnings test can be decertified.

COHORT AND TIMING

- Federal cohort: at least 50 completers who received Workforce Pell.
- Department aggregates up to four award years; first official VAE measurement: award year 2030–31.

The Lumina Foundation has provided the MUS with support to improve our IT infrastructure for non-credit / short-term training.

Ensure each institution has systems to simplify student discovery and registration of short training across the state — and provide the common data foundation Workforce Pell reporting requires.