

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

**From:** Tamar Hoffman and Zoe Kemmerling (Legal Aid Negotiators), Preston Cooper (Taxpayer and Public Interest Negotiator)

**Re:** Assessing liabilities for schools whose Workforce Pell programs fail to meet the value-added earnings requirement

**Date:** December 9, 2025

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Below, we propose an update to the Department's proposed language related to the loss of eligibility for Workforce Pell.

**Background:**

There will necessarily be a lag in calculating the value-added earnings of a Workforce Pell program. The median earnings of the program, under the law, are calculated three years after completion; and there will be additional delays to allow the time needed for the Department and the IRS (or another federal agency) to calculate the measure. Even if a separate proposal related to using state UI or other administrative data is adopted, there could be lags in calculating the measure, or institutions could fail to comply with the necessary tuition limit suggested by their program's earnings.

We propose to clarify that the Department will consider Pell amounts provided to the institution through Workforce Pell during the first award year in which the institution fails to meet the value-added earnings requirement as a liability against the institution, and may seek to collect on those liabilities.

**Proposed Language:**

**§ 690.96 Loss of eligibility**

If an eligible workforce program fails to meet the requirements -

(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 withdraws 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 requirements.

(c) Under 34 CFR 690.95 ~~r -~~

(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 paid to the institution for Workforce Pell Grants during the award year for which the value-added earnings were calculated and may collect any such liability from the school.