

## DAY 3

### § 690.80 Recalculation of a Federal Pell Grant award.

(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.

### § 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.

### **34 CFR 690.91 – Definitions**

*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.

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

### **§ 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—

\* \* \*

(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-

(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 established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements;

\* \* \*

(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 to all eligible institutions;

and

\* \* \*

(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 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).

## **§ 690.94 Components determined by Secretary**

\* \* \*

(a) After the Governor determines that the program meets the requirements under 34 CFR § 690.93, the institution must submit to the Secretary documentation that-

\* \* \*

(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 2029-30 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 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.

\* \* \*

(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 called to active military service.

## **§ 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.

(e) 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 award 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.

### **§ 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 **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 or 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 paid to the institution for the program during the award year for which the value-added earnings were calculated and may 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 the same four-digit CIP code, 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.**