

DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
NEGOTIATED RULEMAKING  
ACCOUNTABILITY IN HIGHER EDUCATION AND ACCESS  
THROUGH DEMAND-DRIVEN (AHEAD)  
WORKFORCE PELL COMMITTEE  
SESSION 1, DAY 1, MORNING  
December 8, 2025

On the 8th day of December, 2025, the following meeting was held in-person, from 9:00 a.m. to 12:00 p.m.

## P R O C E E D I N G S

MS. MACK: Good morning, everyone. My name is Kayla Mack, and it is my distinct pleasure and privilege to open this session and welcome everyone to the Accountability in Higher Education and Access Through Demand-Driven Workforce Committee, otherwise known as the AHEAD Committee. Myself, and my co-facilitator, Mike Franczak, want to acknowledge the negotiated rulemaking process, which is outlined in section 492 of the Higher Education Act of 1965, as amended. We want to acknowledge the esteemed participants from the Department of Education sitting at this table, the notable representatives, both primaries and alternates for each constituency group, the individuals a bit more behind the scenes who enable and support this type of endeavor, and the interested public observing here in person and virtually across the country. We are looking forward to the week ahead, working with everyone around this room and helping everyone move to a place where consensus is possible, as that is the ultimate pursuit of this committee. We've appreciated the sessions leading up to today that we've had with the Department and each of the committee members to make introductions, share information, and learn a bit more about each of you. We're optimistic and encouraged by those engagements, and

again, appreciate each of you making Mike and I a part of your preparation. Soon to come, we will make introductions of all the committee members, review some important aspects of the negotiated rulemaking process. But first, I would like to introduce everyone to Dave Musser, acting Director of Policy Coordination Group, and our Federal Negotiator, Jake Lallo, Program Attorney and OGC, and Jeff Andrade, Deputy Assistant Secretary for OPE Policy, Planning, and Innovation. With that, Jeff, I'd like to turn it over to you.

MR. ANDRADE: Thank you very much. I am very excited about this table. We have a lot of great talent. And we were very happy with the number of folks that, that came in and, and the quality of the nominees, and so we're very happy to start this off. And before I get started, I would like to introduce the Undersecretary of Education, Nicholas Kent. Nicholas Kent was sworn in as the 15th Undersecretary of Education on August 4th of this year, following his nomination by President Trump and confirmation by the US Senate. Nicholas is a first-generation college student and a respected education policy expert with more than two decades of experience. He serves as the nation's top Federal official for higher education. As Undersecretary, he oversees the Department's Office of Postsecondary Education, Office of

Career Technical and Adult Education, and the Federal Student Aid Programs. And this includes managing the 1.6 trillion Federal dollar -- Federal student loan portfolio and the over \$30 billion Pell Grant program.

Undersecretary Kent is responsible for implementing President Trump's mission to restore the greatness of American higher education and ensure that our taxpayer-supported colleges, universities, vocational schools, and other postsecondary programs are generally helping high school graduates and working adults launch their careers and grow into those. Undersecretary Kent has been spearheading the implementation of the president's landmark legislation, the One Big Beautiful Bill Act, which will lower the cost of higher education, simplify student loan repayment, expand workforce training options, and hold institutions accountable for degrees that do not provide a return on investment. Before joining the Department, Undersecretary Kent served as, served as the Deputy Secretary for Education in the Commonwealth of Virginia under Governor Glenn Youngkin. And in that role, he led efforts to reduce the cost of higher education, expand access to career and technical education, and increase institutional transparency and accountability. Please join me in welcoming the Undersecretary of Education, Nicholas Kent.

MR. KENT: Good morning, everybody. I think we can do better. Good morning. Yeah. There we go. Thank you, Jeff. Good morning, everyone, and welcome to today's negotiated rulemaking session on Accountability in Higher Education and Access through Demand-driven Workforce Pell, or AHEAD. On behalf of Secretary McMahon and everyone here at the United States Department of Education, I want to express my sincere appreciation for your participation in this negotiated rulemaking. Whether you're joining us in person or virtually, we are grateful for the time and the commitment to this transformative process. I want to start with a short insight on the word accountability. This is a finance term, and its history stretches back as far as the word count, and served as the receipt in accounting that a ruler would use to show that he wasn't corrupt or wasteful. When the American people voted for accountability in higher education, which is a key promise of the Trump administration, it was a very simple demand. Through subsidized loans, grants, research, and other budget items, taxpayers are funding a massive Federal expenditure on postsecondary education. The receipts they want are results. Student success, loans being paid off, increasing levels of postsecondary attainment and labor force participation, a workforce that is ready for the best jobs in the economy.

With today's negotiated rulemaking, or neg reg, as some of you say, we have been tasked by Congress to set up a system that can print these results for the American people. As we look ahead, today's negotiated rulemaking represents an exciting opportunity to shape the future of higher education. Ensuring the work that we do today leads to meaningful, lasting changes for students and families across this great nation. Thank you for being here, for being an accountant of higher education and contributing to that goal. It is hard to believe that just over a month ago, we concluded the first negotiated rulemaking, the Reimagining and Improving Student Education, or RISE Committee, on the One Big Beautiful Bill Act, which focused on the student loan provisions like Federal student loan caps and the creation of a new lawful Income Driven Repayment Plan. I want to take a moment to briefly reflect on that process, as it offers valuable lessons to guide the work that this committee will undertake over the next several weeks. Like this committee, the RISE Committee was entrusted with the critical task of helping the Department develop proposed regulations that would drive meaningful, lasting, and transformative change in our higher education system. This was an ambitious and challenging discussion with high stakes for millions of students. When I addressed

the RISE Committee at the outset, I challenged negotiators to approach their work with an open mind, to set aside past assumptions and be willing to engage in honest dialogue, even when it meant stepping out of their comfort zones. Everyone embraced that challenge. Instead of digging in their heels or questioning one another's motives, they focused on the bigger picture. That was ensuring that we fix our higher education system, so it works best for those who truly matter: students, families, employers, and taxpayers. Those conversations were often difficult, the decisions complex, and at times, the negotiators faced significant pressure to resist and maintain the status quo. But the status quo is no longer an option, especially under the Trump Administration. The Secretary and I are firmly committed to transforming higher education in America, leaving it in a better state for future generations. The RISE Committee helped us take a major step forward by working collaboratively to develop regulatory proposals that reflect a shared vision for a stronger, more accountable higher education system. And we encourage this committee to do the same as we go through the next two sessions. Some skeptics said it could not be done, that there was no middle ground on issues like placing upper limits on certain Federal student loans or developing a definition

of professional student. But the RISE Committee demonstrated that when we prioritize students and families over entrenched systems, we can agree on how to accomplish meaningful change. The committee reached consensus on every regulatory provision that they were tasked with, and that was a resounding success, not just for that committee, but more importantly for students and families. Their work will result in a streamlined repayment system and sensible lending limits that will help push tuition down and ultimately make college more affordable. I challenge you to take this approach in the same spirit of collaboration and open-mindedness. We are at a turning point, and your efforts will directly influence the path forward. But this process here will only be successful if we remain committed to listening, to learning, and to moving forward together, not as individual stakeholders, but as a unified force for progress. As you take your seats at this table, following in the footsteps of your predecessors on the RISE Committee, I want each of you to remember that the status quo is already fading. Change in higher education is already underway. Your challenge is to keep that momentum going through these negotiations. It's not a question of whether you will help create a better future for higher education. It's a question of how great that future will

be. The landscape is already evolving because it must. Americans are demanding it. Our current system is failing to meet the needs of students, families, and employers. A 2025 Gallup poll showed and highlighted the growing dissatisfaction with college. Only 35% of Americans say college is very important today, down from 75% in 2010. We are witnessing a dramatic loss of confidence in higher education, and we must course-correct now. The urgency of this course correction makes the work of this committee both exciting and challenging. This committee has the exciting responsibility of helping us develop a new regulatory framework for a Federal Student Aid program, the Workforce Pell Grant program. This work is critical, yet ambitious. Drafting these new rules is like carving a new sculpture for the first time, with no model to replicate. Before we get started on the specifics of the Workforce Pell program, I want to take a moment, moment to underscore a critical point. We, the Trump Administration, are fully committed to publishing the final regulations for the Workforce Pell program, to be implemented by the July 1st deadline that Congress has set. Although we recognize this is an accelerated timeline, I want to assure you, each negotiator, that this administration has already done extensive pre-work leading up to these negotiations. We've convened

stakeholders for listening sessions, gathered feedback from a variety of Federal agencies, including our Department of Labor colleagues, and incorporated that feedback into our planning process and the regulatory text that you received last week. I also want to highlight that we have intentionally carved out this entire week for Workforce Pell. We are not asking you to vacillate between two separate and complex topics. By dedicating this week solely to Workforce Pell, we want to ensure that you have the time and the space to fully consider the policy implications, operational challenges, and long-term outcomes of this new program. We encourage each of you to stay actively engaged with your stakeholder groups throughout the week to gather questions, perspectives, and insights. But we also have a clear statutory deadline to meet, and we fully intend to meet it. With your expertise and collaboration, we can ensure this program is not only launched on time but launched with the strength and the clarity that students, families, and employers deserve. Congress has tried for nearly a decade to bring Workforce Pell to life, and now, under President Trump's bold leadership, we're not just talking about it anymore; we're launching it. This new financial aid option will be available next summer, unlocking exciting opportunities for Americans to access

high-quality, career-driven education. This is a game changer for those ready to take charge of their futures and enter the workforce, equipped with the skills that they need to succeed. This new program is designed to better connect education to the demands of the economy and the workforce, expand Federal investment in our traditional workforce development programs, promote alternative pathways to the traditional four-year college experience, while ensuring that those alternative pathways are stackable to additional postsecondary opportunities, accelerate students through their education and into well-paying careers, and reduce student debt by eliminating the need for students to take on unnecessary coursework. No longer will the Federal government send the same old message to students that, without a four-year college degree, they are unworthy of student aid. Those who enroll in short-term programs go on to become technical experts, engineers, healthcare providers, and skilled tradesmen and women who make America's economy the best in the world. This is not about creating a dual track system in higher education. Rather, this work is about demonstrating that short-term and traditional programs are not mutually exclusive. The negotiations, starting today, presents a valuable opportunity to introduce new, affordable postsecondary

options into our education system, benefiting thousands of young people and individuals seeking to upskill or reskill, to secure a new job, or to remain competitive in their current roles. And with the great power of serving on this committee also comes great responsibility. As you work together to develop proposed regulations on this new Workforce Pell program, I ask that you keep in mind five guiding principles. First, we want to facilitate the creation of high-quality short-term programs where states, higher education institutions, and the workforce collaborate, collaborate meaningfully to meet the ongoing needs of their communities where these programs are offered. Second, we want to develop a framework that ensures transparency in how short-term programs are approved, and outcomes are measured both by states and the Federal government using the best data available. Next, we want to design a process that enables new programs to launch in the first year, while recognizing that some states and institutions of higher education, such as community and technical colleges, may be further along in implementation than others. Fourth, we want appropriate guardrails in place to ensure the approval and continued offering of high-quality programs while also balancing caution and accountability against the need to avoid unnecessary bureaucracy. And finally, we

want to empower states to recognize the investment in developing short-term programs will lead to better jobs or continued education for their citizens, as well as skilled employees for new and emerging employers. Building a new Federal student aid program is challenging. It's true. But looking around the room, I am confident that this group of talented individuals has what it takes to design a sculpture out of the uncut marble. The key here is to keep students and families at the forefront. The task before you is not to develop a process that will allow the proliferation of low-value, short-term programs. Rather, it is to address the reality that there are 7 million job openings in the United States and a pressing need for skilled workers to fill them. Many of these positions can be filled by individuals who wish to enroll in an eligible Workforce Program but require financial assistance to make that opportunity a reality, reality. It's as simple as that. Workforce Pell will provide them with the resources to actively participate and succeed in the economy of the future. With the inflation adjusted price of public four-year degree college tuition for in-state students doubling since 1995, and tuition at private four-year colleges up 75% over that same period, Americans are questioning whether the value of higher education is

worth the cost. Polling also shows that students do not believe they are graduating with the specific skills that they need. Students and families are becoming increasingly skeptical of the four-year, or even the two-year degree, showing more interest in pathways that get them into the labor force more quickly and without unnecessary debt. We are witnessing a sea change here, as more Americans are pursuing short-term career and technical programs, leaving behind the stigma of days when this type of education was thought to be less valuable. That's because we are in the middle of a paradigm shift. A recent report on postsecondary graduates' employment showed that 45% of college graduates are working at a job that does not require a college degree ten years after graduation. Meanwhile, the economic returns for young adults without a degree are improving. A recent peer research poll found that half of Americans now believe a four-year degree is less important for securing a well-paying job than it was 20 years ago, and only 33% agreed that attending college today is worth the price. This shift is a perception that reflects a growing reality that career paths outside the traditional college degree are often a better route for a family-sustaining income. At the same time, we know that by 2031, 72% of jobs in the United States will require

some form of postsecondary education at the bachelor's level or below. The work you are doing here will bridge the expectations of Americans with the demands of the future labor market. When growing up, I admit that I was sometimes embarrassed that my father did not have a four-year degree but rather was an apprentice. That is because years ago, we thought of this other alternative route to postsecondary high school education as being lower class than the traditional four-year degree. Today, I am happy to see that Americans are finally recognizing that a four-year path is not the right path for every student, and that we should invest as a country in alternative pathways that provide economic mobility. We are excited that a new Workforce Pell program will provide this option. We are also excited that at your January session, we will address accountability based on the new provisions of the One Big Beautiful Bill Act. For the first time, the Department will design meaningful and sector-neutral accountability measures that will link student loan eligibility to graduate earnings. This do no harm standard will steer students to quality programs by holding accountable those graduates who consistently earn less than a comparable high school educated worker. These reforms are fundamentally about ensuring that taxpayer-funded colleges are delivering real value, so that

aspiring students can be confident that their academic program will provide worthwhile financial return. We will also revisit the current financial value transparency and gainful employment regulations during the January session. Our goal is to leave this rulemaking next month with a new accountability framework that ensures all institutions and all programs are taking the appropriate amount of responsibility for this significant public investment. After years of regulatory whiplash affecting non-degree programs and proprietary institutions, as well as the policy and operational shortcomings of previous accountability standards, we hope that this committee will chart a new course moving forward. If we can create an accountability framework that endures clear expectations that programs will leave their students better off, then we can call this process a success. We will have more to share about the accounting accountability provisions next month. My sincere hope is that like the RISE Committee, this committee will also reach consensus, allowing our collective efforts to move forward in making meaningful improvements to the American higher education system. As Secretary McMahon said in her remarks at the white House last month, the time for the hard reset of education is now. For higher education, that means returning to its core promise of opening

opportunity, fostering professional growth and responsibility in preparing students for rewarding and remunerative careers. Thank you again for your service. I wish you a productive and collaborative rulemaking session. And with that, I will turn it over to our facilitators to kick us off. Thank you.

MS. MACK: Thank you, Undersecretary Kent, for those remarks. We will now move back to introductions and some process review. In addition to Mike and I welcoming everyone, we will be acting as your neutral facilitators. We will be focused on procedural quality and efficiency, advancing your productive discussions and deliberations, engaging in meaningful and respectful engagement, and your pursuit of consensus. I want to be clear that at no time will we act in the advancement of a policy position, a proposal, or any particular outcome. We will instead help structure the conversation, ensure that all of you have equitable opportunities to participate and provide input, and that each of you again feel heard and respected through the process. We'd like to now ask our committee members to introduce themselves. What I would like to do is start over on this side. I want to invite the primary for each constituency group to share your name, where you're from, any affiliation or employment that you want to share, but

most specifically the constituency that you are in fact here operating on behalf of. Once we have the primary introduced themselves, we'll move to the back table and ask that the alternate for that constituency also provide that similar information. And we will go right along around the room in an organized fashion. Richie, would you get us started?

MR. MORROW: Nothing like being first. Richie Morrow, I am a financial aid officer with the Nebraska Coordinating Commission for Postsecondary Education. The state grant organization that we are part of NASSGAP, and also the SHEEO organization. And prior to my current position, I worked in financial aid offices for about 11 years.

MS. MACK: Elizabeth, can we get the mic to you?

MS. MCCLOUD: Thank you. Good morning. My name is Elizabeth McCloud. I currently work with the Pennsylvania Higher Education Assistance Agency as a vice president, overseeing policy for our state grant programs. And so I'm here as the alternate for the state grant agency group. I have a background as a financial aid administrator for 20 years as well. And I am the past president of NASSGAP, which is the organization representing all of the state grant agencies around the

country.

MS. MACK: Thank you both. We will move on to our next constituency.

MR. LACEY: Aaron Lacey, representing private nonprofit institutions, which also includes institutions receiving or eligible under Title III and Title V, tribal colleges and universities and HBCUs. I'm an attorney. I work with a private practice with a law firm that has a higher education practice. So our clients are colleges and universities, and we've been serving them for many, many years. I've been doing this for 23, 24 years, serving institutions the entire time. And my sort of area of focus is Federal regulation and policy. So I spent a lot of time with the US Department of Education and the creditors, and state agencies and a number of the folks in the room. So pleased to be here.

MS. MACK: Thank you. And for our alternate.

MS. ROUSH: Good morning. My name is Joanna Roush. I am the Executive Director of Institutional Compliance at Liberty University. I am the alternate for private nonprofit, and I do have 14 years of experience as a financial aid administrator as well.

MR. STAMPER: Good morning, everybody. I'm Randy Stamper. I'm representing state higher

education, executive officers, state authorizing agencies, and other state regulators. I'm the Associate Vice Chancellor for Workforce Development programs with the Virginia Community College System, working with all 23 colleges in Virginia. Welcome to, welcome to Virginia, or sort of. I've been with this community college system for about 15 years on workforce development with colleges. I also oversaw WIOA Title I for several years. Prior to that, I was the state director for adult education and literacy in Virginia. And prior to that, I was at a research organization at Virginia Commonwealth University focused on workforce issues. So, pleasure to be here and look forward to the coming week with you.

MS. DELANGE: Good morning. My name is Heather DeLange, and I serve as the Director of the Office of Private Postsecondary Education for the Colorado Department of Higher Education. And I am the alternate for the state higher education executive officers, state authorizing agencies, and other state regulatory agencies.

MR. KAFAFIAN: Good morning, everybody. I'm David Kafafian. I'm here representing employers and groups representing the business community, including small, medium, and large businesses. My day job is I'm the Chief Operating Officer at a company, CLASP.

We work with institutions to offer Gap funding programs for students who typically do not have cosigners, as well as with employers to help students pay down loans through student loan repayment programs, most specifically in healthcare. It's a pleasure to be here today. My background is I'm an attorney by training, and I came into the space as an agitated student loan borrower who couldn't get loans without my parents cosigning them when I was in law school. And that's been the last ten years of my career building CLASP. Thanks.

MR. CARIELLO: Hi, everybody. My name is Dennis Cariello. I am the alternate for the employer group. I'm also an attorney and work at a law firm that specializes in higher education matters and Title IV and policy work. It's nice to see so many familiar faces around the table. So I think this should be a fun and hopefully productive week. Look forward to being here. Thanks.

MR. COOPER: Good morning, everyone. My name is Preston Cooper. I'm representing taxpayers in the public interest. I'm a Senior Fellow at the American Enterprise Institute, which is a nonprofit, nonpartisan think tank based here in Washington, D.C. My area of focus is the economics of higher education, including the Federal student loan program and higher education return

on investment. Very excited to be here.

MR. POLLACK: Hi, my name is Ethan Pollack. I'm an alternate representing the taxpayers in public interest. I'm a Senior Director with the national organization Jobs for the Future, which uses policy and innovative programmatic approaches to drive economic advancement through higher ed and workforce systems. And my background is in economic and education research, and policy, and I am super honored to be here with you.

MR. ARTHUR: Good morning. I'm Jeff Arthur. I'm with ECPI University, known as East Coast Polytechnic Institute. I'm here representing the proprietary institutions, and this is my 42nd year in being responsible for administrating Federal student aid programs at an institution. And this is my third neg reg, so here we go.

MR. CLAYBAUGH: Hi, my name is Ryan Claybaugh. I'm with the Paul Mitchell Schools, which are made up of schools individually owned and operated by small businesses. I've been with them for about 17 years. And I am currently the COO of the franchise company for those schools. And I'm happy to be here and learn the process.

MR. MCCOMIS: Good morning. My name is Michale McComis. I'm the Executive Director with the

Accrediting Commission of Career Schools and Colleges, representing institutional and programmatic accrediting agencies recognized by the Secretary. I've been working in accreditation for 31 years. I started in 1994 with this agency and have had the opportunity to kind of see the evolution of what Undersecretary Kent was talking about and the value of workforce training. So happy to be here. This is my eighth negotiated rulemaking. So I just can't get enough, really. But it's a pleasure to be here. I'm super excited and very hopeful that we can reach consensus.

MR. LITKE: Good morning. My name is Gary Litke. I'm the CEO of ARTS, the Association of Advanced Rabbinical and Talmudic Schools, on behalf of their accreditation commission. And I'm a recovering attorney. Was in corporate and real estate practice most recently at Gibson Dunn, retired about three years ago. And I've now jumped into the, the higher education realm. And this is my first trip to the rodeo, and I'm eager to meet everyone and listen and learn.

MS. HULTQUIST: Good morning. My name is Kristin Hultquist. I am CEO and Founding Partner of HCM Strategists. I'm here today representing the public sector and the public sector, receiving Title II and V funds. I am Chair of the Board of Metropolitan State

University in Denver. We are the state's largest Hispanic serving institution. 39% of our students receive a Federal Pell Grant. I myself received a Federal Pell Grant. I am a veteran of the National Governors Association and the US Department of Education, where I have previously served as Senior Advisor to the Undersecretary in the Bush administration. Glad to be here.

MS. WILLIAMS: Good morning. My name is Tonjua Williams. I'm the President of Saint Petersburg College in Florida, a part of the great 28. And I've been in higher education for 38 years. My first job was a financial aid accounting clerk. Know a lot about financial aid and very pleased to be here. And like Gary, this is my first ride to the rodeo.

MS. PARKER: Good morning. I'm Rachael Stephens Parker. I'm the Executive Director of the Governor's Workforce Development Board in the state of Maryland. Really a pleasure to be here with you all this morning. Prior to working in Maryland, I have 14 years of workforce development program policy and strategy experience, most recently serving governors at the National Governors Association as well. Also a veteran, where I had the pleasure of leading the team that was advising consulting governors across the country on

workforce and education strategy and economic opportunity. I really got my start working with constituents who I really wish had access to opportunities like the ones we're talking about here today, and just honored to be part of helping work with this group to get it right. And I see our two coaches here at the end. I'm a first timer as well, so we're going to be looking to you for your experience. But happy to be here. Thank you.

MS. DESANTIS: Good morning, everyone. I'm Andrea DeSantis. I'm the Assistant Secretary for Workforce Solutions at the North Carolina Department of Commerce. Excited to be here today representing state workforce agencies and workforce development boards. We're really excited about the opportunity for this new Federal program and how we can braid it and connect it with our existing WIOA programs. I got my start as a higher education researcher, really interested in making college and workforce training accessible to individuals. So excited to be here for my first time today with all of you.

MS. HOFFMAN: Good morning, everybody. My name is Tamar Hoffman. I'm a Staff Attorney at Community Legal Services of Philadelphia's Consumer Rights Unit. I'm here today representing legal aid,

consumer rights, and civil rights organizations that work with students. Thank you.

MS. KEMMERLING: Good morning. My name is Zoe Kemmerling. I'm the alternate negotiator for the constituency, including legal aid, consumer rights, and civil rights. I'm currently a Staff Attorney in the consumer unit at Legal Aid D.C. here in the District. I formerly worked at another nonprofit, consumer focused law firm in California, and both those roles, among other duties, I've advised and represented former students and borrowers dealing with problems related to student loan debt and financing. Thanks for having me.

MR. FEEHAN: Hi there. Good morning. My name is Matthew Feehan. I'm the Senior Policy Advisor for the Veterans Education Project. I'm a graduate of Western New England University School of Law, and I am here representing student veterans, student service members, thank you so much, Kayla, and the groups that represent them. I just want to say that there are veterans watching here today, and we have veterans here in the room this morning. And I've been a member of the military and the Reserve and National Guard for quite some time. One combat zone deployment. And my second deployment was to the southern border wall. So I care very much about my fellow soldiers and my fellow service

members. And I look forward to representing their interests here today.

MS. HOWELL: Good morning, everyone. My name is Julie Howell. I'm an Associate Legislative Director with Paralyzed Veterans of America. I am the alternate representing veterans and military affiliated students. For Paralyzed Veterans of America, I carry the Economic Opportunity portfolio focused on education and employment opportunities for disabled veterans. I have a history working with universities as the student veteran program coordinator. I've run work study groups, etc. I'm just excited to be here. Also my first time. So if you see me in the corner with like, a deer in headlights, I'm just overwhelmed. But thank you.

MR. ATCHISON: Good morning, everybody. I'm Eric Atchison, and I work at the Arkansas State University System office in Little Rock. Our system is actually made up of both two-year and four-year institutions. So prior to serving there, I worked at the state level in Mississippi as well as at the institution. I also am a part time faculty member at a public institution, and my constituency group are students who are currently enrolled and receiving Title IV aid through the Higher Education Act. So we are looking forward to really representing that student voice here today. As you

may all have noticed, I am the sole member on the committee that represents students. So to assist me in representing the approximate 9.3 million students that receive Federal student aid, I'd like to propose that we also add Magnus Noble to join me as my alternate representative. Magnus is here with us today in the room behind me. He currently is a student at the University of Illinois in Springfield, and he serves as the, elected by his fellow students, non-traditional student board member on the Illinois Board of Higher Education. Additionally, he serves as a Midwest Policy Fellow for the National College Attainment Network, supporting member organizations to help strengthen college affordability and low-income students. And he's ready to serve as a good faith negotiator and representative of the most essential voice in these conversations, which are students both during this session as well as in January. And so Magnus and I welcome any questions from the committee.

MS. MACK: Thank you, Eric.

Department, can we get your thoughts on the addition of an alternate for this particular constituency?

MR. ANDRADE: Yes. The Department supports adding Magnus as the alternate to that constituency.

MS. MACK: Okay. Can we invite Magnus to join our table up here? I believe we -- perfect.

MR. ATCHISON: Thank you very much.

MS. MACK: Thank you, Eric. Please.

MS. HOFFMAN: Thank you so much. While we're on the topic of adding negotiators to the table who should be here today, I'd like to propose that we add a separate seat for the civil rights community, specifically. I'll note that Zoe and I were both nominated by the legal aid community, not the civil rights community. Even though we've been asked to also represent civil rights. Civil rights really deserves its own seat at the table. Given that at the core of the issues that we will be discussing during this rulemaking are civil rights issues, especially as school accountability issues are key for maintaining educational opportunity for low-income students of color, and especially women as well. We are fortunate to have a, a civil rights advocate who's here today and ready to serve, Chavis Jones, who's standing right there. I'd like to propose that he be added to the table as well.

MS. MACK: Thank you so much for that motion. As we know, for the protocols, adding an additional seat to the table would require a consensus check. But first, Department, I wondered if you would

like to, to speak to this motion.

MR. ANDRADE: No. We can go to the consensus check.

MS. MACK: Okay. We haven't covered our thumbs yet, but as you know, from our pre sessions, you can show your thumbs in support of adding this additional seat. Or if we have one or more blocks, we have not reached consensus and will not, in fact, add the additional seat. May I please see the primaries here at the tables and our Federal negotiators' thumbs? Okay. We do, in fact, have one down thumb, which means we are not in consensus with adding that. Dave, would you like to speak to that at all? Or I'll move along.

MR. ANDRADE: You can move along. We've had this discussion in prior negotiations, and Tamar and her colleague on the last committee did an admirable job representing the entire breadth of the constituencies that we're comfortable with that.

MS. MACK: Thanks, Tamar. Thank you, Jeff. All right. No one likes talking about process more than a facilitator. I readily admit that. But there are some procedural pieces that I would like to review with you one more time. As a committee, nothing should be a surprise because you've seen these pieces in your protocols, and we've addressed them in our pre-session

virtual meetings. Per the protocols, either the primary or the, or the alternate for the constituency is going to be invited to speak on any given topic. Over this week, we're going to focus exclusively on Workforce Pell, and as outlined in the agenda, there are seven topics with which we're going to cover. So if you get to a place where you would like to change positions at the table, again, we would like you to indicate such by turning your comment card on its end. We will make a formal transition and acknowledge the, the change for your constituency group. In front of you, as you've already found and utilized, there are, in fact, green comment cards. Please turn those on the end when you have a comment or a question that you want to share. That indicates to the facilitators that you're ready to speak. We will, in fact, try to capture those in the order in which they are turned up. If I miss one, I'm going to apologize in advance. Show me grace if I miss you once. But if I get on to a couple of other people, please don't hesitate to wave your flag at me and I will, I will know. When you've been called upon, we do ask that you share new commentary. We're looking for new points, new information that has not previously been shared at the table. That's so that we can maximize on what's being shared and deliberated. We also want to mention that when you're

called upon, you're going to have up to three minutes to share your commentary. We will prompt you with an audible 30 seconds notice. You're also going to see when you start talking, a green light here, it'll switch to yellow when there's 30 seconds left, and it will flash red at you. If you see red, or we get to the end of that, we do ask that you timely wrap up succinctly your final point. Again, we may show some discretion there if there's Q&A or a back and forth during that three minutes. But we're largely going to try to stick to that so that we can make our way around and have everybody share. One last thing about when you were called on. We've covered this previously. You're all doing a great job of that so far, but just make sure that you speak directly into your microphone so that we can capture that. We also ask that you speak at a relatively moderate pace, so that we can get an accurate transcript and our interpreter can follow along. As alternative language and proposals are going to be submitted by, submitted by folks around the table and circulated, we will, in fact, go over those as time allows. But we want to make sure that outside of these sessions, you are reviewing the materials that you receive in a timely manner so that you're prepared to address anything that comes up at the table. We'll remind you that anyone wishing to share anything, email that

directly to Mike and I, your facilitators, so that we can appropriately and promptly have those distributed to everyone. During this week, should you wish to call a caucus, please raise your card, and when we call on you, you can share with everyone what you wish to cover in your, your caucus, very briefly and high level the constituency groups that you are invited into the caucus and the anticipated duration that you think it will last. That will allow us facilitators to check in with you at that time and allow everyone else to prepare accordingly. When we return from the caucus, we will ask you for a very brief report out to help get us back in line. Reporting out again to the extent it's available and helpful. Finally, I would like to remind everyone that over the course of the week and throughout our deliberations, we will take pulse checks. Please recall that we discussed pulse checks are informal, non-determinative check-ins with committee members and constituency groups to understand how we're progressing with regard to the topics and the ideas being discovered. These help everyone understand the progress that we're making, as well as areas for further consideration and discussion. If there are material, substantive issues or questions creating some sort of opposition or concern, this is in fact, a great time to report those out. These

pulse checks over the course of the week will culminate in a final formal consensus check for decision-making by the committee. Once a consensus check is taken at the end of this week on Workforce Pell, it is final, and we do not anticipate relitigating or revisiting, barring some new or special circumstance. So in either case of a pulse check or a consensus check, we have indicated a three-thumb approach. So a thumbs up means you are in agreement and support on that which is being considered. A sideways thumbs means that while you may have a lingering question or concern, or this may not in fact be your first choice, you will not block consensus and will support this moving forward. And a downward thumbs means that you are, in fact, dissenting, you are blocking consensus, and you have a serious substantive reservation. If there are one or more downward thumbs, we have not reached consensus. As we previously shared during the pulse checks, if you have a downward thumb, we're going to ask you to articulate why. What's your lingering concern or question? That way we can address that. If there are a number of sideways thumbs, we may also ask some of you to speak to why you're a sideways thumb. The goal is to get everybody up and in consensus. The other thing that I would like to note, it is very helpful if you are down and you are expressing a reason for dissent or

opposition, to also give an idea that might help move things forward, because the ultimate goal is to be solution-oriented and pursue consensus. So that's a very important piece. One last piece on consensus. You all -- you may also abstain. We talked about this in our pre-sessions. If you are abstaining, you are not participating, meaning you would not show any type of thumb. I want to be clear and reiterate. If you abstain, it is not the same and does not have the same effect as dissenting. It will, in fact, not block consensus. If we get to those pulse and consensus checks, I'm going to ask that you hold those thumbs up, because we will want to note for the record who is putting forward what position around a pulse and consensus check. Okay, almost finished with process. Each day of this week, we're going to meet from 9 to noon and 1 to 4. We'll have a one-hour lunch from 12 to 1. If we alter that time frame in any way, we will make sure that everybody knows and can plan accordingly. We do anticipate a break each morning and each afternoon. I will suggest those. I will also try to read the room and see if we need one, perhaps a little earlier than anticipated. Department, is there anything else procedurally that you would like to cover before we move on in our agenda?

MR. MUSSER: Nothing from us.

MS. MACK: Thank you. Are there any questions from the committee around process before we move on with our agenda? Please.

MS. HOFFMAN: Thank you. I would just like to request, as well, that we add a public comment period to the agenda each day. As part of this process under the Higher Education Act, the Department is required to fully consider the positions of the public, especially given the expedited timeline that we are on in these negotiations. We'd like to request that there be some time for the public to comment. And we know that there are folks who are interested in doing so.

MS. MACK: Thank you for that. Department, I'm going to ask that you speak to that request.

MR. ANDRADE: Okay. Yes. We had a day of -- we published a Federal Notice, a Federal Register Notice on this. We did have a day of hearings. We had 30 days of comment periods. And as the Undersecretary noted this morning, we have a very full agenda to try to accomplish this in, in two weeks. We did allow in one session earlier that period of time, and we found that in all instances, no one spoke actually to the regulations that were under, under development. So we believe we've had extensive public comment. And if you want to echo

comments from those who may have not expressed them yet, please feel free to do so. But we want to try to give the committee as much time as possible to get through this.

MS. MACK: Thank you, Jeff. Please.

MS. HOFFMAN: Thank you. I appreciate that -- you explaining the Department's perspective. With that being the case, I'd like to then request that we at least reserve a little bit of time during the second week to perhaps return to the topics of Workforce Pell just because we only received the discussion drafts less than two business days ago, we've had limited opportunity to confer with our constituencies, and we believe that an opportunity to revisit will make it easier for us to actually reach consensus and in a meaningful way where we can represent our constituencies in good faith.

MS. MACK: Thank you for that. Please.

MR. ANDRADE: Yeah, I think it's a little bit premature at this point. Let's see how quickly we can get through this, and we can revisit that issue at a later date.

MS. MACK: Thank you, Jeff. If there are no other questions at this time, it's my pleasure to turn it over to Jeff. We're going to receive an overview of the One Big Beautiful Bill Act and its impact on relevant Federal regulations.

MR. ANDRADE: Okay. Thank you. Again, for those who don't know me, I'm Jeff Andrade. I'm the Deputy Assistant Secretary for Policy Planning and Innovation in the Office of Postsecondary Education. Like some of my colleagues, it's my 39th year. And it's my third neg reg in the last six months. So we are, we are, we are proceeding at a, at a fairly fast pace. Those of you who have been in this process before will probably notice that it's a little bit different in that it's much more streamlined. We have come to the table with well-vetted and well-thought-out language as opposed to issue and discussion papers. We made sure when we went through the, the actual text that we included annotations, given the rationale and the legal authority for some of the changes that have been proposed. The other thing that I would notice -- note is that this is part of the, as the Undersecretary noted this morning, the One Big Beautiful Bill Act. Unlike the, the prior committee that we just finished with student loans, this is very different because we're not, you know, changing a lot of very technical aspects of, of a program that has been around for a long time. We are actually starting new in a lot of number of areas. In fact, we've have a whole new subsection to the, to the Pell Grant regs that, that we've added. So, so this is, this is, I think, very

different in nature. I think we can get through this very, you know, pretty quickly. And, and I think if we follow sort of the pattern that we did in the last session, where people are not sort of relitigating battles that they had lost at the legislative processes. I think the Undersecretary noted this has been around; this Workforce Pell concept, for example, has been around for probably over a good decade, and there's been various iterations proposed in it. And so I think if we focus on how do, how do we make this work, how do we make this work quickly within the statutory deadlines, we will be serving the public very well. Also, with that said, Workforce Pell, I think is, is unique in that it exists within the broad framework of Federal workforce policy. And the Administration earlier this year put out its talent strategy, which included five elements, five pillars. The first being industry-driven strategies. The second being the concept of worker mobility. The third being integrated systems to replace sort of the fragment web of duplicative programs with a more streamlined and coordinated approach. The fourth being accountability. And the fifth being flexibility and innovation. And in that vein, I'd just like to acknowledge my counterpart, who's been very helpful from the Department of Labor, Marek Laco, who's on my left shoulder, who's, who's here

to answer questions with regard to the integrations with the WIOA programs. There's been a lot of time and effort placed in terms of how to fit these together. I'll just sort of talk briefly about that. So we're, we're really looking to align the supply of talent and training programs to labor market demand. We believe that Workforce Pell will allow learners to access Pell Grants for high-quality, short term workforce training programs and make sure that those programs are aligned to immediate employment needs and opportunities that are key to raising the national labor workforce participation rate. Any of you who are sort of fans of, of Mike Rowe and his podcast, you know, have heard many times a number of people who are outside of the labor force, no longer working -- looking for work and no longer participating in the workforce. And so we think this is a key way to bring some of those people in off the sidelines. Both the Department of Labor and the Department of Education will work together with Governors and State Workforce Boards to identify the high-quality programs leading to positive employment outcomes that should be eligible for Workforce Pell. The enactment of Workforce Pell creates new opportunities to better align WIOA services, including the case management, career navigation, and employer engagement with training that can be supported through

the Pell Grant program. The Department of Labor can also provide technical assistance to states to ensure statutory provisions that are designed to ensure Pell Grants are the primary source of funding when available and are implemented with fidelity. So we are very grateful to the Department of Labor for its partnership in this. And I said, they brought their team over here to answer any questions regarding some of those programs for those of you who may not be familiar with it. So appreciate -- I'm not -- I think we've had enough on speeches this morning, so I'm going to turn it back to Kayla, and we can start diving right into the nuts and bolts of this. So appreciate your time and attention. Thank you.

MS. MACK: Thank you very much, Jeff. At this juncture, if everyone's amenable, I would actually like to suggest about a ten-minute break. Upon our return, we'll dive into agenda and more substantive matters. So I tend to be friendly with breaks. We've got about ten minutes. I may round up a little bit so that we can all be in our seats and ready to begin at ten after the hour. Thank you all. Welcome back, everyone, from lunch or from break. Goodness. You know what I'm thinking about. Food. First mistake I made today won't be the last. Okay, we're going to move on with our programming.

I am going to be turning it over to Dave for a very brief agenda overview and a brief introduction to the topics and draft amendments. When I do that, I would love for anyone with a question for Dave to hold those till the end of his remarks, so that we can get through those first. Dave, I'd like to turn it over to you.

MR. MUSSER: Thank you so much, Kayla. Before we get into that first I'd just like to introduce myself. Many of you may have seen me around the policy world, but my name is David Musser. I've been with the Department for about 15 years, in various capacities. I was a program programmer reviewer. I was a policy analyst, and most recently before this role, I was the Acting Director of the Policy Implementation Division at Federal Student Aid. Prior to that, I also worked as a financial aid administrator in the for-profit and nonprofit sectors. So I'm very much looking forward to working with you all. I have a very distinguished panel that we're working with today. And I very much hope that we can all get -- work together to get to consensus. So, thank you. So, Aaron, can we put the agenda up on the, on the screen? All right. So I just want to go through our agenda broadly, today. We're going to spend much more time on each topic individually. So I don't want to spend too much time on any of them at this stage. The, the

first topic is one that may, may fly a little bit under the radar for, for many. It's not Workforce Pell specifically, but it is one of the provisions in the One Big Beautiful Bill Act that we want to address as part of this rulemaking effort. And that's Ineligibility for Federal Pell Grants due to receipt of non-Federal financial assistance. And it will affect two regulatory sections, 34 CFR 690.5, ineligibility due to assistance from non-Federal sources is a new section that we're adding, and then we're making an amendment to 34 CFR 690.80 for how a Pell Grant award is recalculated. Then we will move on to our second topic, which is a somewhat broad topic covering a lot of different changes to both the institutional eligibility, general provisions, and then the student financial assistance, general provisions regulations, as well as the general Pell Grant regulations. I won't go through all of them in detail now, but we will address all of those in detail when we get into topic two. Then we plan, plan to have our lunch break. If we need to, we can obviously have that lunch break a little bit earlier, but we'll, we'll play that by ear. And then we will move into the actual Workforce Pell Grant regulations, the Department is proposing. Topic three will be general definitions for Workforce Pell, including a scope and purpose section, general

definitions. And then the specific definition of an eligible Workforce program, which will serve as the sort of foundation for the concept of eligible Workforce programs throughout the regulations. Then we plan to move on to topic four, which is the -- are the requirements for the state Governor approval of eligible Workforce programs and all of the requirements for that Governor approval process established by statute and then in regulations. We don't think we're going to make it through too much more by the end of today, but if we do, we can move on to other sections. Then we'll have our wrap-up period and end for the day. Moving on to tomorrow, we also -- we plan to then continue our work on discussing the draft Workforce Pell regulations. Moving on to topic five, which is the Secretary of Education's approval process and the various components of that process in a new section 34 CFR 690.94. And finally, we -- before lunch that day, we will talk about topic six, which is the value-added earnings calculation. The, the specific requirements for that calculation. Getting down into the details for how -- what data the Department will use, and how that calculation will be performed, and how it will affect institutions. And then the final topic that we're going to talk through, topic seven, is losing and regaining eligibility. So this will describe the

process by which a program could lose eligibility under these new provisions, and the process by which it can regain eligibility after losing it. After that, we plan to conduct pulse checks as, as Kayla described earlier to, to take all of your recommendations, and then throughout the remainder, the remainder of the, of the week, we will just work with you guys to, to hopefully get to our consensus. So that's, that's the broad strokes of our agenda today. And with that, I think unless we have questions, we can move on to the first topic.

MS. MACK: Quick check-in. Does anyone have questions over what Dave just reviewed with us? I don't see any. Dave, back to you.

MR. MUSSER: All right. Then I think we will move on to topic one. So if Aaron could put that on the screen, we will move through, through that topic.

MS. MACK: May I, Dave? Really quickly, what I would like to invite is Dave to walk through this again, holding questions till the end of all of the sections we're about to review under topic one.

MR. MUSSER: All right. All right, so starting in on topic one, which is ineligibility for Federal Pell Grants due to receipt of non-Federal financial assistance. So, as I mentioned earlier, this topic is not specifically related to Workforce Pell. It

affects eligibility for Pell Grants for all types of programs that qualify for Pell Grants. So this is not limited to Workforce Pell, I just want to say that at the outset. This is related to the One Big Beautiful Bill Act section 83.004, which specifically provides that a student shall not be eligible for a Federal Pell Grant for a period during which the student receives grant aid from non-Federal sources, including states, eligible institutions, or private sources in an amount that equals or exceeds the student's cost of attendance. So the only thing that the Department changed from the statutory definition was specifying the specific period that we're referring to here, which is the award year. The only thing that I want to point out in this regulatory text is that when we refer to the cost of attendance here, we mean the exact cost of attendance. The financial aid administrators and those with experience in the room know that over, over the history of the Federal Pell Grant program, the Department has used a student's full-time, full-year cost of attendance as the basis for calculating a Pell Grant. That is not the cost of attendance that we're referring to here. This is the specific and exact cost of attendance for the award year, which would be a different value depending on the student's enrollment status. So just, just something to, to keep in mind that,

that, that may affect the, the institution's implementation of this provision. So then I think we'll go on to the next section here before we, before we pause for, for questions. So this second section is 690.80, which is the section that describes the various situations that a Pell Grant can be recalculated after an institution performs its initial calculation of the Pell Grant. As you know if -- again, for those who are familiar with the Federal Pell Grant requirements, this section has various types of changes that can occur during an award year after an initial calculation is performed that could cause an institution to either voluntarily recalculate a Pell Grant or, in some cases, requires an institution to recalculate a Pell Grant. This is a new situation that needed to be addressed in, in the Federal Pell Grant regulations, if -- in here we've added a section (D), a subsection (d) that addresses the case where after a student has received the entire Pell Grant that, that they were eligible to receive, if the student receives non-Federal assistance that equals or exceeds the, the student's cost of attendance, this provision indicates that the institution must take one of two actions. If it is able to, it must reduce the non-Federal assistance until it does not equal or exceed the cost of attendance. If it is unwilling or chooses not to reduce

that non-Federal assistance, it must return all of the student's Pell Grant funds for -- received for that award year. And I just want to point out here that that would include crossover periods that are assigned to that particular award year. If, for example, a payment period crosses over July 1st again, as many of you may know, an institution has the ability to assign that payment period either to the prior award year or the subsequent award year. For these purposes, that would be the funds received for that award year, whichever one the institution chooses, is, is what's implicated in this provision. So I'll pause there and, and take comments.

MS. MACK: Over topic one. Do we have any questions or comments? Okay. Thank you very much. Kristin, please.

MS. HULTQUIST: Thank you. One, congratulations to the Department. This is an excellent package. It's pretty clear. I just have two comments and suggestions. The first is related to ineligibility to create -- to recognize that for students experiencing homelessness, foster youth, that they -- that we -- that they are waived from this particular provision. They're specifically -- would be consistent with section 480 sub parts (1), (4) of the Higher Ed Act that establishes certain aid for foster youth. As you mentioned, the

students' enrollment status, the cost of attendance varies here, but it also varies if you need full-year housing, as in the case of foster youth. I ask the committee if they'd be willing to look at the specific language we could propose.

MR. MUSSER: Yeah. If you have specific language, please, please send it to us, and we'll take, take a look.

MS. HULTQUIST: I shall. Thank you.

MS. MACK: I'd remind you again to send it to us, and we'll distribute it to everyone. Thank you.

MR. MUSSER: Thank you, Kayla.

MS. HULTQUIST: And the second part -- question was our comment was related to just aligning this regulation with existing law. And that is that colleges do not have to adjust awards if they are over -- above or -- at or equal to \$250 over the cost of attendance. So if we maintain that consistently. So, for instance, and I can suggest that specific language, but this would be on subpart (d), page five. But just making it by -- that, that non-Federal sources that equal or exceed, but by more than \$250. So just, just a clarification.

MS. MACK: Thank you. Notably, a

number of cards went up at the very same time. So I've tracked my order here, and we'll get through you all as fairly and equitably as possible. Jeff, please.

MR. ARTHUR: Yeah. Regarding what is specified as sources of grant aid, that would count in this framework. I just point out that there's a number of, number of people that will probably be eligible. They'll get possibly potentially be eligible for employer assistance. And, and I think -- I would encourage that we consider that to be compensation for the work they're doing for the employer and not be considered grant assistance. It's not specifically addressed in the, let's see, we say, including states, well, let's see, yeah, non-Federal sources, including states, eligible institutions, or private sources, in an amount. And I, you know, I would, I would just encourage that we don't consider employer assistance as a grant assistance. It's earned, it's earned. And I think without specifying something like that, that could be implied to be grant aid by administrators. And I think we -- and I don't know if that's a technical guidance thing or something that could be addressed with the regulations.

MR. MUSSER: So we can take a look at that, Jeff. There is -- there are some long standing not spelled out in regulations, but long-standing rules for

how the Department distinguishes between assistance that is received because an individual is a student and, and wages that they receive from their employer. I'm not sure if we'll have the ability to, to make that distinction in the way that, that you describe exactly because of those, those long standing rules. But we can certainly -- we can take a look at it.

MR. ARTHUR: Yeah. And then one other thing, and this, this may be more of a heads up on a potential system challenge. I mean, when you're -- we've typically awarded Pell Grants on a -- with a table of indexes and amounts for that index. And it looks like we're getting to -- it's implying specific dollar amounts that I see as, it's hard to pinpoint, but I see some real challenges in administering that. I think it goes to the \$250 minimum, minimum that Kristin noted. But, but also, I mean, it even goes beyond that. Just financial administrators dealing with refunds and for, you know, any random amounts and, and awarding random amounts are going to be challenges for our systems to program around because right now they drop the Pell table in. Boom, do the calculation for you. We got to, we got to think in terms of implementation challenges with, with this framework. And is there a way to, to streamline or simplify or go with blocks of Pell Grant amounts, a

similar structure?

MR. MUSSER: Certainly be interested in your ideas about how we could incorporate that into the existing Pell Grant calculation framework. As you know, and as I'm sure the committee knows, this provision runs a little counter to how Pell Grants have been calculated in the past, where Pell was always treated as the foundation of a, of a financial aid award, and all other aid looked first to how much the student got in Pell before the eligibility for that other assistance was considered. So it is challenging to fit this provision into that framework, but we are open to suggestions, anything that would make this easier to implement. We do recognize some of the challenges that it will create.

MR. ARTHUR: We'll see what we can come up with and see if we can get NASFAA's help as well.

MS. MACK: Thank you, Jeff. Thank you, Dave. Matt, I'll turn it over to you.

MR. FEEHAN: Thank you very much. So I echo the previous two commenters' positions here, and I would just add that I'm a -- there's a few things in here related to student veterans and student service members that I've seen historically where an individual, we'll use one example, of a staff sergeant who has been meritoriously promoted, did a great job, and through a

nonprofit in the community has been given, you know, aid towards his, his or her education. But under this current definition, the non-Federal sources. It appears that that would actually exclude that individual and put them in a position where they may be owing the school funds. I think there is a way the Department can do this by adding a subpart. So I have proposed language drafted where we have an add a subpart to further define what grant aid is. There is a definition of grant, but it's between -- it's a legal instrument, financial assistance between a Federal agency and a recipient. It goes on. But that's from the regs. But I think it wouldn't hurt to have a subpart that just carves out not just student veterans' benefits, active duty benefits, spouses and children's benefits, but just some type of subpart that further expands on what, granted -- what the Department considers grant aid. I understand perfectly the congressional intent here by, the, the basically what is colloquially affirmed as double dipping or double payments. But for non-Federal grants such as VA benefits, that's not a concern. But for states like Texas, as the Texas Hazelwood Act, that actually does become a bit of a concern. And then going to the subpart subsection (d). So this language departs a little bit from the Department's historical account of prior regulation. So the prior

regulation says, and I'm paraphrasing here, may make a policy, so uses may a lot. This is a pretty strong departure from that may language to must. And my concern with that is for higher education institutions have now de facto under must become an agent of the US Department of Education, enforcing Federal, excuse me, private local contracted agreements. So is it the Department's intent for, let's say, Boston University, for example, to go through the personal finances of its student veterans and its active duty service members and find out what their, their money is. And if there is a private, you know, scholarship from, you know, Veterans Education Project. Would that be a problem for the Department of Education?

MS. MACK: Any reaction?

MR. MUSSER: Thank you. And a lot of really great points there. I do want to address your last point, which is, would the Department be concerned about the individual amounts that, that a student receives, that goes directly to them, and for example, is not something that the institution is aware of? It's not our intent for the Department to delve into anything that is not made, made clear to the institution. Our long-standing position is that the institution must take action on anything that it becomes aware of. So if there, if there are sources of assistance that the student is

receiving that the institution is not aware of, we do not expect that they will take special action to, to try to track those down. Anytime the, the school now -- this is, and this is, I think probably partly your concern, if any part of the institution does become aware of the assistance it is, and it has always been incumbent on them to incorporate that assistance into the students financial aid award and make any changes to the student's financial aid package that affect the student's Title IV eligibility. But to the extent that the institution is not aware of other types of assistance, it would not be expected to incorporate those into and make changes to the student's Pell Grant eligibility on that basis.

MR. FEEHAN: So then, on that basis, I would just recommend that we change must to may make a policy from the previous subsections. If the -- so under the same, the same regulatory piece for the subsections that says may make a policy. I would just recommend that we replace must with may make a policy.

MS. MACK: Thank you. Matthew. Jake, did you want to speak on that?

MR. LALLO: Yeah. One quick response to that. The reason why it has to be must is because the statute says that they are not eligible for a Pell Grant if they're receiving, you know, non-Federal aid at or

exceeding the cost of attendance. So (d) really just kind of explains that they need to make that reduction to maintain that eligibility. So it has to be must. If it was may, we would effectively be making compliance with both the statute and regulations optional. And so the two can't flow together.

MS. MACK: Thank you, gentlemen.

Tamar, I'm going to move on to you.

MS. HOFFMAN: Thank you. I just wanted to propose that under subsection (d), that we add language that just clarifies that the assistance that is being referred to in this section is grant assistance. I think that that can just be done by adding the word grant before the word assistance. I can submit that in writing as well, if that's helpful.

MR. MUSSER: Yeah, we appreciate that. Thank you.

MS. MACK: Thank you, both. Now, to this side. Richie, please, you have the floor.

MR. MORROW: So I just want to clarify a scenario in subsection (d). So let's say, for example, a student's cost of attendance is \$20,000. They are receiving \$13,000 in non-Federal grant aid, and their calculated Pell is \$7,000. They're at \$20,000. In April of the award year, a community-based organization awards

a \$1,000 scholarship to this student. So subsection (d) is saying that the entire \$7,000 needs to be returned to the Department of Education?

MR. MUSSER: No. In the situation that you described, the amount of non-Federal assistance does not equal or exceed the student's cost of attendance. So it's not the combination of the Pell Grant and the non-Federal assistance that can equal or exceed the cost of attendance. It's the non-Federal assistance alone has to equal or exceed the cost of attendance in order for the student to be disqualified from Pell eligibility.

MR. MORROW: So, in that situation, the student can keep the Pell and be awarded over cost of attendance.

MR. MUSSER: That's correct. That's what the regulations currently state.

MR. ANDRADE: Okay. Thank you.

MS. MACK: Thank you, Richie. Thank you, Dave. Aaron, can I give you the floor?

MR. LACEY: Thank you, ma'am. Just I agree with Jeff. I mean, I think there are some, not surprisingly, to you all, going to be some questions around implementation and the mechanics of how this would all work. You know, I'm sort of interested in a little more understanding from the Department. I mean, you have

the introductory phrase, if at any time, which seems to suggest an onus on the institution, if at any point throughout a term they were to, you know, have noticed coming to knowledge. I don't know if this is when it hits the ledger, like at some point, there were some additional non-Federal aid that were going to come in and exceed that threshold. You sort of triggered this obligation. But then there is also this concept that there is some period during which the institution can make some sort of informed decision about whether they can reduce non-Federal assistance to try to bring the student back into eligibility. You know, I'm interested in understanding, is the Department's expectation that institutions will have a real-time monitor in place so that they know at any point during a term, or would the Department allow for sort of some sort of periodic assessment where the institution could look at, you know, all students subsequent to initial packaging, but at some point to determine if they'd gone over these thresholds, but just understanding what your timing expectation is. And then also any thoughts around what that grace period might be, during which an institution has an opportunity to determine whether it can reduce non-Federal assistance. And I'm particularly interested in a scenario where that non-Federal assistance may not be

institutional aid. So, you know, there are a lot of programs where institutions have agreements with employers and others where they are providing, you know, the tuition and fees for a program. I could see a scenario where the non-Federal aid exceeded the threshold for some reason, and the institution does not have the ability to unilaterally reduce and bring that under. So it may need some amount of time to reach out to an employer and say, hey, you know, we want to refund you this -- these funds, etc., but, you know, to sort of make this go in a meaningful way, it, you know, I mean, institutions are going to understand what their obligation is to monitor. But then, beyond that, sort of have some understanding around that time frame. And I'll just say philosophically, I understand we don't have to solve every problem in the regulatory text. But I do think when you have issues around like how much time do we have to comply with this thing before somebody loses eligibility? That is a good thing to try to actually put into the regulatory text.

MR. MUSSER: Yeah. As with, as with all of these, it's I think it's a good point. And we'd like -- we'd be interested to hear your ideas about how we could do that.

MS. MACK: Thank you, Aaron. Thank

you, Dave. Eric, coming over to you.

MR. ATCHISON: Thank you, Kayla. I've got three items. First, on the definition of what a student shall not be eligible for. It refers to grant aid. But for transparency of students, it would be helpful to include in institutions information about what that may entail. Like grants, scholarships, tuition remission. Some of those things have been floating around the room already. Number two, the definition that you mentioned before about specific cost of attendance for, for myself and those in the room that may not be aware about the differences in that. Could you please outline what that is for the room?

MR. MUSSER: Yeah. Great question. So over the long history of the Federal Pell Grant program, the Department devised a method of calculating both the awards for the award year and individual payment amounts for each what we call a payment period, which is usually at many institutions consistent with an academic term. So the amount of funding that the student received per term and the way that the Department did that was the first stage in the calculation process was to determine the student's cost of attendance for the entire academic year, so that -- and, and to assume full-time enrollment for the student for that entire period. So it's a sort

of, sort of assuming the maximum amount that the student could receive in Pell Grant funds, given the students at the time estimated family contribution now student aid index, assuming all of those factors, what's the maximum amount of Pell that they could receive. And then after that, the calculation took into account the other factors that are necessary to calculate a Pell Grant award. For example, the cost of attendance, the enrollment status, etc. So the reason that the full time, full year cost of attendance was used for, for so many years and is still used as the first stage of the calculation process for Pell, is that we're looking to calculate the maximum amount that the student can receive, and then we begin to cut the amount down based on other factors. For example, the length of a payment period in some cases affects the award -- the, the, the disbursement amount. The enrollment status affects the disbursement amount. All of those things are handled following the calculation of the initial amount. So financial aid offices, by and large, have developed processes to identify the full-time, full-year cost of attendance for students for Pell Grant purposes. They are required to calculate the exact cost of attendance for the other programs, for direct loans, and for campus-based aid. But for Pell Grants, they use a different number. So that's why there's a distinction

between the full-time, full-year cost of attendance used in the Pell Grant calculation and the exact cost of attendance that, up until now, has primarily been used for direct loans and campus-based aid.

MR. ATCHISON: Thank you. And item number three is more of a procedural question. We're talking about cost of attendance, which does impact or apply back to Workforce Pell, but we haven't fleshed out Workforce Pell yet. Does the Department have a reason why we're talking about Pell and eligibility that could impact Workforce Pell and eligibility before we actually discuss Workforce Pell itself, or can we consider moving this topic to after we've worked through the other?

MR. MUSSER: The reason the Department chose to tackle this topic first was because it does affect all Pell Grants, including those for students who are enrolled in eligible workforce programs under Workforce Pell. We -- I wanted -- we wanted to be sure that there was a shared understanding among negotiators about how this would work so that when Workforce Pell comes up, we can address this at the same time, and folks can understand what the potential will be for a student not to qualify for Pell, because I think you make an excellent point. And the Department has certainly considered this, you know, eligible workforce programs

are quite short and will have a much smaller cost of attendance than, than the traditional programs. So it is, in fact, probably more likely in many cases that students will be receiving assistance from other sources that, that could cause them to become, become ineligible if the institution is unable to reduce those -- the amounts of those, those funds. So we wanted to address this first before we got into the details of Workforce Pell. And then we can return to this once we've talked about Workforce Pell. And then we can address issues that you guys may have thought of during the negotiations.

MR. ATCHISON: Thank you. You actually mentioned exactly what I was thinking, but also in the sense that if there are any changes to the calculation of cost of attendance for Workforce Pell, that would be appreciated as well.

MR. MUSSER: Thank you.

MS. MACK: Thank you, Eric. Thank you, Dave. Jeff, please.

MR. ARTHUR: Thank you. So I want to address some of the potential unintended consequences. You know, we're talking in terms of students. The traditional process where you might recover an overpayment in a subsequent payment period. These programs, by my calculation, and so that we all kind of

understand what we're talking about, I think we're talking about Pell Grants that are going to top out at about 4000, roughly \$4,000, and probably more typically \$1 to \$2000 for many programs. And I would hate to get -- have a student get in a situation where they've got an overpayment, and we end up having to report that, and now they potentially are excluded from all Federal student aid anytime, and for a relatively small amount. This money will have been spent. It will have been spent by the student by the time, you know, later, we find out they've got a grant or something else that now we've got to return some of it, or they drop or whatever reason. And I'm wondering if we could visit the area of the regulations for this program that impact future eligibility for Title IV Federal student aid, that perhaps if a, if a subsequent institution or another program, they have additional aid that could be leveraged or loan eligibility or things like that, that might be leveraged to be able to leverage that to recover and restore their long term eligibility. I'm just -- I think you can see what the potential of having somebody that enters this workforce program and winds up being excluded from the entire Federal student aid process in the future.

MR. MUSSER: So first of all, it's an

excellent point, Jeff, and I'm certainly -- we're certainly interested in talking through those effects. I do want to clarify for the committee that there are, just for context, there are two different situations that might apply when there is an over reward. One is when the institution became aware of the funds but did not make the change properly. In that case, the institution would be responsible for returning the funds, and the student would not be on the hook, nor would they -- would their eligibility for future Pell be, be in jeopardy. But the other situation is what I think Jeff is referring to, where the student failed to mention funds that the institution later becomes aware of, and so the institution over-awarded the student, but it was not the fault of the institution. In that case, that's what we call in the student aid parlance, a student overpayment. And when a student overpayment is -- when a student has an overpayment for Title IV purposes, and they don't resolve it they, they eventually it gets referred to the National Student Loan Data System, and the student becomes ineligible for all Title IV aid until that overpayment is resolved. So I think Jeff is expressing a concern about that happening in cases where the student receives aid after their Pell Grant has been fully disbursed.

MR. ARTHUR: And generally, our institution wouldn't put somebody in that situation. We'd go ahead and take the hit and figure it out another way, a payment plan or, or forgive it for something like this. But that's not going to be the case at, at many institutions.

MS. MACK: Thank you, Jeff. Thank you, Dave. Matt, please.

MR. FEEHAN: Yeah, I just want to thank Jeff for that excellent point. And I will add to Jeff's comment that, individual versus institutional liability, there are some institutions who will put that on the student. They'll do it through contract. There'll be a contract clause that shifts that responsibility, whether -- regardless or not of it being in the regulations. There'll be a contract clause that they'll try and go after the student for that. And what is really an institutional liability will become an individual liability. So we're going to hear stories potentially of student veterans and student service members, active duty members, getting calls from debt collectors over \$1,000.

MS. MACK: Thank you. Eric, please.

MR. ATCHISON: Thank you. Just to further clarify, the, the definition of grant aid is not in regulatory text. Is that correct?

MR. MUSSER: The definition of non-Federal grant assistance is not in the regulatory text, except to the extent that we identify some examples of what constitutes non-Federal financial assistance for this purpose.

MR. ATCHISON: Okay. And one more clarification, Dave. On the cost of attendance, does this imply that as long as non-Federal aid is below cost of attendance, a student can stick to their max Pell?

MR. MUSSER: The student would be eligible to receive the exact amount of Pell for which they're eligible. May not be the maximum, but, but they would remain eligible for Pell. Yeah.

MR. ATCHISON: Okay. Thank you. And that would add up to -- could add up to more than their cost of attendance.

MR. MUSSER: The combination of the non-Federal assistance and the Pell Grant could exceed the total cost of attendance. That's correct.

MS. MACK: Thank you, Eric. Jeff.

MR. ARTHUR: Sorry. One more minor suggestion. In your language, you say it does not equal or exceed the student's cost of attendance or return all of the Federal Pell Grant funds that the student received for that award year. The or seems kind of awkward to me,

and I'm wondering if that would read better if it, if it does not equal or exceed the student's cost of attendance up to the entire amount of Pell Grants received. Because it almost implies it's one of the -- an or kind of to me means one or the other, and, and it just seems to flow better, I think, by saying that you would return until does not equal or exceed the student's cost of attendance up to the total amount of Federal Pell Grant funds paid.

MS. MACK: Jake, please.

MR. LALLO: Yeah, it is one or the other because the statutory language says, you know, that the non-Federal aid can't or that they lose Pell eligibility if it meets or exceeds cost of attendance, right? So what this does is it forces the school to either adjust the non-Federal aid to below the cost of attendance, or it requires them to return the Pell Grant funds that would be, you know, given out otherwise because they're now over the cost of attendance. So it has to be or because it's forcing the school to make a choice there.

MR. ARTHUR: Well, you're the attorney if you think that. I agree. I just thought it was awkward, so I just pointed it out.

MS. MACK: Thank you, Jeff. Thank you, Jake. I'm not seeing, oh, Eric back to you. Lingerin,

okay. And Jeff, you're good. Perfect. Seeing no other cards, I want to thank the committee for the comments, questions, and discussion around topic one. And with that, I'd like to turn it back over to you, Dave, to move us forward in our agenda.

MR. MUSSER: Okay. Thank you, Kayla. So, especially since we've had a number of comments about the calculation of Pell Grants, and we had a helpful mention from Jeff about explaining a little bit about the sort of upper limits of Pell Grants for Workforce Pell, we wanted to take a moment to provide you guys with a more specific example of how Pell Grants are actually calculated, how Pell Grants would be calculated for Workforce Pell, before we get into the nitty-gritty of the, the Workforce Pell regulations. So, for that, I'd like to introduce one of my staff, Aaron Washington. He is our, our Pell Grant subject matter expert. And he's going to walk through some examples of how the Pell Grant, how Pell Grants would be calculated for eligible workforce programs under these regulations, sorry, under, under our normal regulatory and statutory requirements for calculating a Pell Grant.

MR. WASHINGTON: Hello, everybody. It's a pleasure to be with you all. And let's just dive right in. So I think you see a big red banner on top of

your -- on the -- in the header of the document, that said, there are no changes to how to calculate a Federal Pell Grant. And I just wanted to make that totally clear for the eligible workforce portion of the discussion, we're not proposing any changes, or we're not opening up the Pell formulas or calculations. These are just illustrative examples of what a student could receive based on some numbers that we kind of made up. You know, I get a lot of emails, and I'm sure a lot of people in this room get a lot of emails from students that are really excited, like when they see what Congress has appropriated for Pell for the year. It's like, oh, I see that I can get about 7000 bucks in Pell. Like, how do I get it? You know, and it's very, very straightforward. And a lot of times students don't realize that there are things that we have to take into account, like David was talking about the Student Aid Index or the enrollment intensity of the student, if the program is offered in semester hours, or if the student is attending a certain amount of hours or a certain amount of weeks, how do we prorate that award? So not every student is going to receive \$7,395 for the award year. And I think that these examples will hopefully let people listening in that have never engaged in how to calculate a Federal Pell Grant, understand what aid that they might actually be eligible

for. And also, before we dive into the examples, one thing to note is they, they do not take into account cost of attendance. We didn't provide an example of cost of attendance, but the Pell Award cannot exceed cost of attendance. And if it does, then it has to be -- the Pell award would have to be capped at cost of attendance. So we have three examples for you all, two clock hour examples and one credit hour example. In the first clock hour example, the individual is eligible for the minimum Pell Grant. So the minimum Pell Grant for the 25-26 award year is \$740. This student is going to enroll in a program that is 150 clock hours and eight weeks of instructional time, but the school defines the academic year as 900 clock hours and 26 weeks of instructional time. That is a regulatory minimum. If you're interested, you can pull up 34 CFR 668.3 paragraph (A), establishes the regulatory minimums. That's very good reading. And there you go. So, just based on the first two sentences, we know that we're -- that the student is not going to be eligible for the full \$740, we're going to have to do some calculations, and we're going to have to determine how much this student is specifically eligible for, because their program is less than the academic year minimums. The program is split into two payment periods under our regulations as well. A clock hour program -- a

student is not eligible to receive a second disbursement and a Pell and a clock hour program until they complete half the weeks or half the clock hours in the, in the overall length of the program. And so there will be two payment periods in this program. And, and the first payment period is gonna be 75 weeks -- 75 clock hours, second, second payment period, 75 clock hours, and this four weeks and four weeks for the first and second payment periods. And then how we figure that out is we just divided the overall program by two to create those two payment periods. So we have to use Pell formula 4. There's, there's five Pell formulas. And we have to use formula 4. Formula 4 is dedicated to clock hour programs and non-term programs. If you're interested in learning more about the individual Pell formulas, we have them laid out in great detail in volume seven of our Federal Student Aid Handbook. I also talk very fast. So if I start to go too fast, like, and I'm like, and people are like, wait, what did you just say? Somebody just raise their hand and tell me to go a little slower. Oh, oh, I said, okay, all right. I gotta defer to Kayla. Alright, alright. So, so for this, for this example, we have to, to determine how much the student is eligible for. We always calculate Pell for the specific payment period. I think some people refer to it as a semester, or term,

quarter semester, trimester. And we will have to multiply the scheduled award times the lesser of a fraction that compares the weeks and the payment period to the weeks in the overall academic year, and the -- or the weeks -- or the clock hours in the payment period and the clock hours in the overall definition of the academic year. And so we did our math here. And trust us, it's all correct. And it turns out that the lesser of the fractions is the hours. So, therefore, the student would be eligible for \$61.67 in the first payment period. And after they complete half the clock hours and weeks and that payment -- in the program, they can receive a second disbursement of \$61.67 for this, for this specific program. And remember, we prorated it because the program was 150 clock hours and eight weeks. So that's how much they'd be eligible for. And you see some rounding in there. And the reason we round up and down is because you can't receive more than the student would be eligible for. And so the exact number they'd be eligible for is \$123.24. So you round up in the first payment period, down in the second payment period. All right. Going to the next example. This time we decided to show -- so the first example we showed you a student eligible for a minimum Pell Grant, and I don't think I mentioned this, 150 clock hours and eight weeks is the regulatory minimum of an eligible Workforce

program. David Musser is going to go through that later. But under our definition of an eligible workforce program, that is the minimum that a program could be. And the maximum program could be is 599 clock hours or 14 weeks. And so we tried to do the two extremes, min Pell shortage program, max Pell longest program. So this program is clock hour program as well. It's 599 clock hours or 14 weeks. If the person -- if the program -- if the school defined the program as one more week or one more clock hour, it wouldn't be subject to these regulations, it would not be eligible workforce program. And so we do the same exact computation. So two payment periods, do the calculation which, which, which fraction is less, either comparing the hours in the payment period to the hours in the academic year or the weeks in the payment period to the weeks in the academic year. And for this example, we determined the weeks, the weeks in the payment period is the lesser fraction, and the student is eligible for \$1,990.96. And then after they complete half the clock hours or half the weeks in the, in the, in the program, they can receive the second disbursement of an equal, equal amount. All right. Our final example, Ryan, if you want to scroll down a little bit. There you go. In our final example, we have a credit hour program. And there's a few things that are -- there's a few

differences in the credit hour program. First, we had -- we introduced a Student Aid Index. And that is the number after the student fills out the FAFSA, the Free Application for Federal Student Aid, providing all their information, they get a number assigned to them -- they may get a number assigned to them, and that's the student aid index. And that's essentially the number that helps us determine their eligibility. So we've added that concept to this example. Also, here we have to do a clock-credit hour conversion because this program does not lead to a degree at the school, and all the credits don't transfer into a degree program at this institution. So we'll have to do a credit hour conversion, and then for programs offered in credit hours, semester-based programs, you'll have to determine the enrollment intensity. We don't do that for clock hour programs because we assume that the student is enrolled full-time. David kind of talked about that a little earlier as well. And then also, we calculate -- we have to calculate the award for each payment period for this example because it'll be a non-standard term program. All right. So the SAI, you could stay there Ryan, thank you very much, so the SAI for this student is \$2,000. So how do you figure out the student's Pell award? You subtract the student, the Student Aid Index from the maximum Pell award for the

award year, which is \$7,395. And we get that the student is eligible for \$5,395 for the entire year. So this student is going to enroll in a program that is a ten semester credit hour program, and it's offered in non-standard terms and requires ten weeks of instruction. So here we're going to assume that the award year is 24 semester credit hours and 30 weeks of instructional time. That, again, is a regulatory minimum just as we saw in clock hours. And it's in the same exact place in our Code, Code of Federal Regulations 668.3. And we're going to do -- we're going to start with the clock to credit hour conversion. And every -- in the clock to credit hour conversion, because this program is offered in semester hours, one semester hour has to include 30 hours of, 30 hours of, of, of clock hours of instruction. And doing the conversion will help us determine whether the program itself is eligible for Federal student aid, and it will help us determine how many credits in each course can be used to calculate the students enrollment, enrollment intensity, which is the next step in the calculation. So we have a chart that you can see on the screen. And the first column, we tried to be really creative with the class names. So we have A, B, C, D, and E. But the most important part in the, in the first column of the chart is that the first payment period is six weeks and entails

three classes, and the second payment period is two weeks -- four weeks, and it has two classes. So very important. And in the next column, the school determines that each course has 30 hours of classroom instruction. And the credits assigned in the third column are two. So the school is going to give the student two credits per course. And then we have to get to the last column, where we do the clock-to-credit-hour conversion. And that is dividing the 30 hours that the school determines are in each -- 30 classroom hours in each course to the regulatory minimum for programs, regulatory minimum for programs offered in semester hours, which is one semester hour has to be 30 hours, so we get one. So each course in this program can only include one credit hour in the determination of the student's enrollment intensity. So the next step in this is that we have to calculate the enrollment intensity. And the enrollment intensity is really the percentage of full-time enrollment for that specific student. So, the calculation would be for the first payment period, we see that we're able to package up to three credit hours, semester credit hours for the student. So we divide that by 12. And 12 is the school's definition of a full-time student. And that's how we prorate that. And we multiply it times the student scheduled award. And so for the first payment period, the

student scheduled award is \$1,348.75. And for the second payment period, we do the same exact math, and we get the student eligible for \$899.17. And because this program is offered in -- we have to use formula number 3 for this program because it's a non-standard term program. There's a link I think we're going to, we're going to post this to our website. So there's a link there that folks will be able to click to see what the Department's definition of a standard term program is. And if it doesn't meet that definition, then the program would have to be -- the school would have to use formula 3 to calculate the Pell Grant for each payment period for the student. And so essentially this program is offered as a semester program. And because of the terms are less than 14 weeks, the school has to use formula number 3. And we prorate -- so the final step in this is we have to calculate the award for the specific payment period. And then we're going to prorate this award based on the number of weeks that the student is engaged in the, engaged in the program. So the first formula is the well, we take the scheduled award, times the weeks, divided by the weeks in the academic year. Remember, we had to define our academic year by the regulatory minimum, which is 30 weeks. And so it's the \$1,348.75 times the six weeks in the first payment period divided by 30. So for the first

payment period, the student is eligible for \$269.75, and the second payment period, the student is eligible for \$119.89. And that concludes my presentation. My mouth got a little dry.

MS. MACK: Thank you very much, Aaron. Hold for one moment. Committee members, do we have any questions for Aaron? Jeff, please get us started.

MR. ARTHUR: So, Aaron, do you, do you foresee the possibility that a Workforce Pell Grant program could be 100% transferable to a one, Associate degree program, and to be able to convert it 15 to 1? Is there any plan to address that in any additional way other than to let that stand that way?

MR. WASHINGTON: There might be a policy question for Dave.

MR. MUSSER: Yeah, I can respond to that one. So currently, the Department does not plan to make any changes to the clock to credit conversion regulations. And it would, it would essentially flow exactly from that. But you make a good point. We talked a little bit about this in development of the regulations. The, as we'll get to a little bit later, the requirements for State Governors specify that the credits in these, credit in these programs has to be applicable to a program, but it does not have to be at the same

institution. So in cases where the credit is applicable to a program at another institution, the program may still be subject to the clock to credit conversion requirements.

MS. MACK: Thank you. Eric.

MR. ATCHISON: Thank you for your presentation. Is there any interest in considering another formula for Pell calculations? Because when we consider Workforce Pell, let's just talk about the reality of the students we're talking about. These students are also usually in the workforce, trying to build their skill set, build their job requirements, those sorts of things. And oftentimes working and going to school full time is not attainable or achievable due to the students maybe family demands, workforce demands. And so isolating Pell calculations between the number of hours and the number of weeks automatically may reduce that Pell to a minimal amount that may not be beneficial to a student, because the number of weeks in the program itself may actually be extended beyond what is here in terms of getting a certain number of hours within that same framework. I just find it difficult to imagine that the students in my state and my other constituents would be able to really take advantage of this type of program under its current proposal in terms of how the rules are

set, because it will limit them in terms of being, being able to really access it. Case in point, a student may be working in a barber shop and not able to, to go to school full time by any means, but still wants to build skills necessary. Maybe they're only able to take one, one type of workforce course under this program. It's not going to be sufficient to really pay that based on the calculation of the Pell amount under this current proposal. So I'd really consider just maybe thinking through this a little bit more.

MR. WASHINGTON: Thank you for your comments. You know, I did, you know, mention that based on, like, just the, the text here, from the outset that we weren't considering that, but that could be potentially a better question for Musser.

MR. MUSSER: So the Department does feel strongly that the clock to credit conversion is not something that we want to touch at this rulemaking. And there's a lot of reasons for that. The conversion is designed or was designed years ago to address a significant problem in the Federal Student Aid programs of program length inflation, where institutions would assign credit hours that did not include a sufficient amount of instruction to justify the amount of funds that they were receiving. And the -- that -- we believe that

that approach, the conversion requirements still serve the same purpose for workforce Pell, and, and in fact, Workforce Pell because it's a new type of program that is currently untested, we, we do not feel it's appropriate at this time to make changes to those regulations.

Despite your very understandable concerns about, about the effects on students, there are some very, some very important implications for program integrity that, that we still need to address.

MS. MACK: Thank you, Eric. Thank you, Dave. Seeing no other questions, Aaron, thank you very much for your presentation.

MR. WASHINGTON: I was waiting for, like, a calculus math question. Like to stump me, but, hey, alright. Thank you.

MS. MACK: Dave, is this a good time to move to topic two? I'll turn it over to you.

MR. MUSSER: Yep. A little bit ahead of schedule. So let's just give Aaron a second to get situated here.

MS. MACK: For this section, pardon me, for this topic, may we invite questions after each section we review?

MR. MUSSER: Yes. Unlike most of the other topics that we're going to cover, this topic covers

a lot of disparate issues. And so we'd like to pause after each section to take questions and comments from the committee.

MS. MACK: Great. We'll do just that.

MR. MUSSER: Okay. So starting out, we're now moving on to, to topic two, which are technical and conforming changes for, for Workforce Pell. And as a reminder to the committee, we are now moving into changes that primarily affect Workforce Pell and eligible workforce programs as opposed to all Pell Grants for all eligible programs. So the first change here Aaron, if you could scroll up just a little bit so that we can highlight the section that we're in, this is under part 600 institutional eligibility, under the HEA, the Higher Education Act of 1965, as amended and 34 CFR 600.10. So 34 CFR 600.10 (c) deals with the Department's approval of certain types of educational programs. And the way this section is used in the Department's regulations is to establish the instances where an institution must seek approval, the Department's approval, of an eligible program before it provides Title IV aid to students in those programs. There are only a certain number, a certain set of types of programs where this is required. And I'll go through them quickly. The -- for -- if there is a requirement in an institution's program

participation agreement for department approval, that's one instance where this could occur. For the first direct assessment program offered under the regulations in 34 CFR 668.10, the Department approval is required before the program can qualify for Title IV aid. For an undergraduate program that is at least 300 clock hours but less than 600 clock hours and does not admit students who have completed the equivalent of an associate degree. These are sometimes referred to as short-term programs that qualify only for direct loans. The statute requires that all of these programs are approved prior to receiving Title IV aid. And here we have added a new romanette (iv) for an eligible workforce program as defined under 34 CFR 690.92. And that is, as I mentioned before, the foundational definition for an eligible workforce program. The last one that is in this section is romanette V for the first eligible prison education program offered at the first two additional locations that an institution offers those. And I'll pause for comments.

MS. MACK: Thank you. Dave. Committee members, I invite comments or questions about this section under topic two. Aaron, please get us started.

MR. LACEY: Just a comment and a question, I guess. Just -- I think you've answered this,

but I just want to clarify first of all, just to confirm that this is, this is -- there would be no opportunity for self-certification. Like, the idea here is these programs have to run the process, and they're approved, they have to show up. I'm going to assume on the ECAR through some sort of application process, there could be some other mechanism for that. And it's only after, after the Department has approved that you would be able to start packaging awarding.

MR. MUSSER: That's, that's correct.

MR. LACEY: Okay. And then taking a step back philosophically, I'm just interested -- the statutory language seems to contemplate to me, I'm not saying it's suggesting it's directing this, but just when you read it, it sort of suggests the creation of a new funding concept, the Workforce Pell Grant. Right? I mean, they actually refer to the Secretary shall order grants called Workforce Pell Grants, the section in the statute is Workforce Pell Grant program. But it seems like the Department's approach really is, we're going to define a new kind of academic program for which traditional Pell Grants are available. We're not creating a new instrument called a Workforce Pell Grant. And I just want to make sure, you know, as we look through all of these regulations, that I'm understanding that correctly, that

you guys are really harnessing the existing Pell Grant program. You're not creating a new type of Pell Grant. And we're really focused on just defining a new program and approving that program for which traditional Pell grants will be available.

MR. MUSSER: Yeah, that's an excellent point. And yes, you are correct. It is the Department's strong assertion that Pell grants offered under the Workforce Pell statutory authority are Pell grants. But they are -- they have different eligibility conditions.

MS. MACK: Thank you, Aaron. Thank you, Dave. Rachael, please.

MS. PARKER: Thank you. A question regarding programs serving incarcerated individuals and how those are treated here. Understanding it may be unlikely to be a particularly large number of programs, but many states do have programs where community colleges or other providers are providing programs that could otherwise potentially qualify for Workforce Pell, with some other notes I'll get to as we address later topics. Just a question on process here. Would programs that want to qualify for Workforce Pell serving incarcerated individuals have to go through this process, and the existing process, particular to those programs under Pell Grants or just the Workforce Pell process?

MR. MUSSER: They would have to qualify under both sets of conditions. And our Federal student aid colleagues are already thinking through how that works in, in reality in our eligibility system. But yes, they would have to meet both sets of requirements. And depending on the circumstance, whether it's the first prison education program offered by the institution that they, you know, they may have to be approved before, before -- they would always have to be approved before becoming Title IV eligible, but, but they'd have to go through both, both sets of requirements.

MS. PARKER: Thank you.

MS. MACK: Thank you, Dave. Thank you, Rachael. Eric?

MR. ATCHISON: To build off something Aaron mentioned a second ago, not only are we creating another extension of the Pell down towards that lower level of offering, but would Pell and all subsequent aid programs that are eligible for students that meet certain requirements under Pell, like a COG, also be available under Workforce Pell?

MR. MUSSER: So I will let Jake add to this if I, if I get anything wrong here. But the statute provides for this authority specifically for Pell grants. And it doesn't extend the eligibility for these short

programs to other, other types of Federal student aid like FSEOG or Direct Loans. And there are other statutory provisions that dictate the minimum program length for those programs, but that do not apply to programs under the Workforce Pell statutory requirements.

MR. ATCHISON: And so to further this discussion thread, Federal Pell and SEOG were both enacted under the Education Amendments Act of 1972 together, even though Pell was referred to as Basic Education Opportunity Grant then, I believe that would be important to reconsider in however the rulemaking process goes to extend it to SEOG. Because SEOG is available to students who are at the highest need that qualify under Pell. Second, if I may, to build off of the comment on prison education, there's also transition education programs. And that's something that I'm very concerned about. Students in our transitional education programs that have intellectual disabilities. Any workforce training can help them enter the workforce in, in general. They may not appear on high-wage, high-demand type of occupations, but individuals with intellectual disabilities may not qualify under Workforce Pell based on the parameters that we're going to discuss later today and this week. But I do believe strongly that if there can be some exception or addition for individuals in

those programs at postsecondary institutions that fall under all other approvals here, that their lives would be made better in terms of being able to participate in the workforce. And just a constituent group, maybe that, that I represent, that we might want to also consider they are eligible for Pell under I think it's 668 subpart 230 something. Yeah. Thank you.

MS. MACK: Please, Jake.

MR. LALLO: Yeah. Just to respond to both points, I think if you have any specific language you'd like us to consider, please send it. I think when we're talking about overlapping eligibility for different programs, student aid programs are kind of circles within circles, right? Sometimes they overlap, sometimes they don't. Sometimes they're a circle within a circle within a circle, which is like what the prison Workforce Pell would be. To that extent, if you have any hypotheticals or questioning, you know, how the eligibility works, please send it to us in writing, we can look at all of those, but we don't want to necessarily make quick answers about how those things would work, because we don't want to be wrong about them. And, you know, I think maybe we could set some time up to talk through how each thing interplays, but it might not be most productive for us to just run through them one by one, because we don't

want to be wrong.

MS. MACK: Thank you, Jake. Thank you, Eric. Jeff, please.

MR. ARTHUR: Are we at the point where we're talking about Department approving programs?

MR. MUSSER: Yes.

MR. ARTHUR: Okay. I have a concern with that. If a program's passed the Governor's review process and is basically ready to go, the Department's approval process, are you envisioning that being the traditional, adding the program to your ECAR?

MR. MUSSER: Yes, that's correct. And we'll talk a little bit more about this when we get to the governor approval section. But the Department contemplates that the state governors will certify that the program meets all of their requirements and that they have approved it. The Department's over -- oversight is limited to the requirements spelled out in statute that we are overseeing. Meaning that, for example, program length, the completion and placement rates, we will be ensuring that all of those conditions are met. But the states will be certifying that their pieces of the, of the requirements have been met.

MR. ARTHUR: Could you consider if an institution submitted a package that demonstrated all of

that -- those requirements be met to allow them to continue with the traditional ten-day notice? But, but here's my biggest concern. That process I've experienced taking 12 to 24 months to complete. And we're talking about something that needs to be -- you need to have some kind of a streamlined process. And I'm not -- I get that the Department, we will get these things approved quickly. You know, you can say that. But then we leave the door open for a, for a, -- for any particular Department or Administration to stiff-arm institutions that they may want to stiff-arm and exclude them from the process just by administrative processes.

MR. MUSSER: So, yeah, we're open to suggestions. If you guys have ideas about how else you think this could work. We'll take a look.

MS. MACK: Thank you both. That is all the comments and questions on this particular section. Perhaps we move to the next.

MR. MUSSER: On to the next one. All right. And starting on the second section, that's amended under this topic. Now we've moved on to part 668, the Student Assistance General Provisions Regulations and 34 CFR 668.5 Written Arrangements to Provide Educational Programs. So, just some general context about this particular section of the regulations. This has to do

with arrangements that eligible institutions make in the earlier subsections dealing with other eligible institutions and in subsection (c) that we're dealing with here, written arrangements between an eligible institution and an ineligible institution or organization for that ineligible entity to provide a portion of the program. And there are some very specific limits that the Department has set over time on those written arrangements, such that an eligible institution must provide generally at least 50% of a program under these conditions. So we did make a change to this section that is specific to eligible workforce programs. And that is the regulations permit an ineligible entity to provide up to 25% of an eligible program. And that the eligible workforce program also falls under that limit. So under the -- under this change, an institution could contract with an ineligible entity for the ineligible entity to offer up to 25% of the program. Now, there's a, there's a separate authority that you see here under (3) romanette (ii), where if an eligible institution's accrediting agency specifically approves the arrangement and the eligible institution and the ineligible entity are not owned and controlled by the same individual or partnership or corporation, then the, the ineligible entity can offer between 25 and 50% of the program. Here

we have, we have prevented eligible workforce programs from, from being part of those arrangements where an eligible entity can offer between 25 and 50% of, of the program. This is, this is largely because the Department, as I've mentioned before, is concerned with the newness of these programs. We recognize that, that many employers and other partners in industry want to assist with these programs. And that's why we left the 25% option for them to participate with an eligible institution. But we are concerned that offering up to 25% of the program will expand the program substantially in ways that we may not have contemplated yet. So we have -- we right now under this, under this regulatory language that that would be prevented. So I'll pause now for, for questions and comments.

MS. MACK: Thank you, Dave. Committee members, do we have any questions or comments about this particular section? Preston will begin with you.

MR. COOPER: I wonder if you could provide some additional context on just how the Department assesses whether less than 25 or more than 25% of a program is offered by an ineligible partner.

MR. MUSSER: So elsewhere in these regulations, it establishes that the institution must have a contractual agreement, a written agreement with

either an eligible institution or, in this case, an ineligible entity that spells out exactly how much of the program is offered by each, and that contract is what specifies the specific amount of, of the program. There are also regulatory requirements that we didn't display here, but that are, that are in that same section that, that explains how that amount is calculated. And, and I have to go back and take a look at the exact language there. But essentially it's a, it's, it's a reflection of the number of credits in the program versus the total number and, and which entity is generally responsible for the instruction for those, for those courses. So not all partnerships involve instruction. This is the key point here. There may be partnerships that involve some types of support that do not rise to the level of instruction. But the regulations specify that once the ineligible entity is actually providing instruction for some of the coursework in the program, then it falls under these requirements.

MS. MACK: Thank you, Preston. Thank you, Dave. David, please.

MR. KAFAFIAN: Thank you very much. I'm curious, how does the Department think about, I'll say, clinical programs or things specifically within healthcare where you are looking for training on specific

usage of devices or other things that are directly corresponding to somebody's ability to go through one of these programs and become productive in the workforce? How do you think about that, interacting with what you just described?

MR. MUSSER: That is a highly complicated topic that is actually addressed in some part in these regulations as well. It's an excellent question. So there is a limited exception in these regulations for clinical partnerships that meet certain criteria, that are -- that have specific accrediting agency requirements. We can, we can talk about that if you guys want to get into more detail. That exception is quite limited, however, and only applies in those conditions. Generally speaking, if, if there is a -- if the school is not responsible for the supervision, supervision of the coursework, and the coursework is not part of a, of an accrediting agency requirement, these, these requirements still apply. So it could apply to what is commonly called a clinical arrangement, or it may not. There's -- there isn't a, there isn't a Title IV regulatory definition of a clinical arrangement. So it cuts both ways.

MR. KAFAFIAN: Helpful. Are you open to considering additional language there that clarifies that?

MR. MUSSER: Yes. Yeah, we can, we certainly can.

MS. MACK: Thank you, David. Thank you, Dave. Randy?

MR. STAMPER: Thank you. Thinking about the proper way to express this. For the purposes of, of the regulations, I think we were talking about 25% of instruction, but this says 25% of the educational program. Is that explicitly instruction? And, and the reason, let me go ahead and give you a context, the reason I say that is because the usage of, of third-party providers, the usage of ineligible institutions entities, is a particularity of workforce development that I think is much more common than your traditional academic education. And it is -- it's because of several reasons. Cost efficiencies, the highly technical nature of equipment, those sorts of things. So if it is 25% or less of the educational program as opposed to instruction, it's probably even less than 25%. And I'm wondering if the, if the Department is open to other ideas about the percentage that would increase the potential percentage of an educational program that is provided through an agreement with another organization.

MR. MUSSER: Well, first, let me pause and give a very specific explanation for how we calculate

the percentage of a program. And to do this, I'm going to recite or at least paraphrase the actual regulatory requirement. So, under 668.5 (g), we explain how the percentage of a program is calculated for these purposes. But essentially it comes down to a course is provided by an ineligible institution or organization. If the organization with which the institution has a written arrangement has the authority over the design, administration, or instruction in the course, including, but not limited to, one establishing the requirements for successful, successful completion of the course, two delivering instruction in the course, or three assessing student learning. Those are the including but not limited to conditions. We, we can certainly consider your suggestions here. I will say that the Department does not intend to open up our general requirements for assessment of, of contracts between institutions and ineligible entities. But if you have something that's specific to Workforce Pell, we can certainly consider it.

MR. STAMPER: Thank you very much.

MS. MACK: Thank you, Randy. Thank you, Dave. Jake, did you want to add to that?

MR. LALLO: Yeah. Just for an additional point of clarification, the term educational program is defined in regulations in 34 CFR 600.2. And

subparagraph (2) of that definition says that the Secretary doesn't consider or does not consider that an institution provides an educational program if the institution does not provide the instruction itself. And so I think that's really the salient point here. You know, obviously, all the calculation points that Dave raises there are very important in figuring out what all goes into the educational program. But the definition of an educational program incorporates the idea of instruction and who's providing it.

MS. MACK: Thank you, Jake. Tamar, you have the floor.

MS. HOFFMAN: Thank you. So my question was actually probably the inverse of what Randy was trying to get at. It seems like these Workforce Pell programs are just so short that I'm trying to understand in what world does 25% of the educational program to be outsourced for a program that is about eight weeks in length. And maybe if there's some examples or something that could help us understand why even 25% would be necessary.

MS. MACK: Jeff, please.

MR. ANDRADE: Yeah, I think those would be examples where they were capital-intensive equipment training as part of that, part of that program

that the institution may not have, but would utilize the facilities and the staff at those facilities. So the students and the trainees get hands on experience with it.

MS. MACK: Thank you, Jeff. Please.

MR. STAMPER: If I may, I can give a probably a pretty good example that a lot of folks -- a handful of our colleges provide truck driver training. They have their own trucks, they have their own facilities, their own maintenance, and that sort of thing. But the vast majority of colleges cannot afford to do that. So we have contractual arrangements with truck driving schools whereby they are on our campuses providing instruction on our behalf through very specific sharing agreements and those sorts of things. But it's not just limited to truck driving. There are any number of very expensive programs that we would use an outside provider for.

MS. MACK: Thank you, Randy. Go ahead, Dave.

MR. MUSSER: So just one thing I want to mention before we leave this topic, the Department considered a variety of approaches when we discussed this particular issue. And there are -- the Department could have taken the position that this, you know, we weren't

going to make any changes to this section, and we would have just left the, left the limit at 50% under those conditions. We also considered, you know, not permitting written arrangements at all for these programs, but we decided that we'd start with a middle position because although we have concerns about the risk to students and taxpayers that these programs could present, depending on the extent of these arrangements, we believe that the arrangements could also be beneficial and that industry and employers may have very legitimate interests in joining institutions and offering portions of the program. So we, we, we started in the middle, but we are, we are open to ideas on either side of that.

MS. MACK: Thank you again for the comments. Questions, oh, Preston, please.

MR. COOPER: Yeah, just more of a comment. I just want to say I think the Department did a very good job striking the balance here that that leaves, that leaves the door open for those 25% ineligible providers to provide instruction when there is a need to outsource certain components of the course. But while requiring, you know, the bulk of instruction to be offered by the eligible institution. I think when we're dealing with a completely new program like Workforce Pell, it makes sense to adopt a degree of caution and go

slow. And perhaps in the future we can revisit these regulations. But for now, I think the current proposal strikes a good balance.

MS. MACK: Thank you, Preston. David?

MR. KAFAFIAN: I tend to agree with Preston. I would ask that we can maybe just reserve time to come back to this. I'm still looking to get in touch with some additional employer constituents, on this, given the timing. I want to make sure that I'm not advocating for a position that is not actually that practical. But I do know that specifically in healthcare, where, frankly, the vast majority of open seats are within BLS today and growing, that there are plenty of instances where outside employer influence, additional devices are needed, and that this could be a potential issue, and maybe want to push on the 50%. But again, I want to come back to this practically.

MS. MACK: Thank you, David. No other questions or comments at this time. Should we move on to the next section under topic two?

MR. MUSSER: I think we can move on to the next section. All right then. So now we've moved into 34 CFR 668.8, which describes all of the different types of eligible programs that can qualify for assistance under the Title IV programs under the HEA. So I think we

can actually scroll down to the bottom here. This is largely a technical change because we've addressed this in other parts of the regulations, but we are adding under other eligible programs here an eligible Workforce Program as defined under 690.92. Just pause here for any questions or comments on this.

MS. MACK: Get us started, Aaron, please.

MR. LACEY: I just want to confirm that because this is a separate definition of eligible program that does not include, for example, the phrase, gainful employment, that the Department is contemplating, that the accountability framework that is applied to Workforce Pell programs is the framework that we're discussing this week, which is, you know, all the things that have to be approved by the governor and the Department, etc., the variable rate, all those types of things. That's the accountability framework, essentially, that applies to these programs and not what we would, or at least not the existing regulatory framework, because of the way this is defined.

MR. MUSSER: So actually, no, and that's a really good point. The, the statute when it defines general requirements for institutions for proprietary institutions and postsecondary educational

institutions, which would -- which include all programs less than a year in length, which would include these all, both the statute requires that the program leads to gainful employment in a recognized occupation, and therefore those provisions would apply to eligible workforce programs and Workforce Pell in addition to the other statutory requirements that we will discuss as part of these specific regulations. So when we get into discussion of the new accountability framework in, in our January session, one thing that everyone should keep in mind is that eligible workforce programs are included under that framework.

MR. LACEY: Thank you.

MS. MACK: Seeing no other questions or concerns or comments at this time, Dave, may we move to the next section?

MR. MUSSER: Yep, we can move on.

Okay, so this section 34 CFR 668.20 has to do with limitations on remedial coursework that is eligible for Title IV HEA program assistance. So, if Aaron can scroll down just a little bit here. We've added a new subsection (g) that deals with specifically with eligible workforce programs. Here, we say an institution may not take into account any non-credit or reduced credit remedial courses, 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. Now there is an extensive explanation for the -- for how -- why we wrote it in this very specific way. So I'm going to pause and give that explanation before we get into our discussion on the topic. So we have within -- internal at the Department, we've talked about the, the issue of non-credit coursework for quite some time. As, as many of you may know non-credit programs are an important component of, of workforce programs in the United States. There are many programs that do not lead to academic credit currently that, that, that do lead to important pathways to, to good careers. The, the statute that we are looking at for this, for this provision essentially says that, that under Workforce Pell, the provisions of HEA section 401 (d) (2) do not apply. And I just want to, before we get into anything else, I want to recite what (d) (2) says so that folks understand how, how we got to this explanation. So (d) (2) says non-credit remedial courses study abroad. Nothing in this section shall exclude from eligibility courses of study which are non-credit or remedial in nature, including courses in English language instruction, which are determined by the institution to be necessary to help the student be prepared for the

pursuit of a first undergraduate, baccalaureate degree, or certificate, etc. So that statutory provision has to do with coursework that is assisting a student to be ready to engage in the actual coursework for an undergraduate program. And the way that the Department has implemented that statute over time is that in a credit hour program, it permits institutions to calculate the amount of credit hours that would be associated with a particular remedial course that could be added to the student's Pell Grant eligibility. And therefore qualifies a student for more Pell Grant or more direct loan funds under the, under these provisions. That only applies in a credit hour program. In a clock hour program, every single clock hour of instruction has to count toward completion of the program. There is no provision for other, other coursework counting toward the student's Title IV eligibility. You can have other kinds of coursework, but if it's not required for completion of the program, it's not going to count toward, for example, the student's Pell Grant eligibility. Now, if you have a credit hour program by definition, the program has to lead to academic credit at your institution in order for the Department to be able to, to -- in order for the institution to calculate the student's award amount. So any credit hour program has to, has to assign credit that

the institution uses to calculate a Pell Grant. And this takes different forms depending on the type of program. Graduate programs have a different definition than undergraduate programs, for example. But, but you have to have some amount of credit offered for the program to qualify. That is not true of clock hour programs. And this is an area where we've heard a lot of, of confusion and we've heard a lot of different input from, from stakeholders throughout, throughout the country, wondering what it is, what, what, what it is that, that we mean when we talk about a non-credit program. But clock hour programs from the very, from the very beginning, throughout the history of the Title IV programs, have not necessarily led to what is traditionally considered academic credit. They are often occupational in nature. They're offered by, by institutions that may not have a concept of academic credit. And the same thing is true in this context. So an institution can offer a clock hour program that does not lead to academic credit at that institution. Now, as we'll talk about later, under the state governor requirements, it has to lead to academic credit at some institution, but not necessarily at the institution where it's offered. So what that brings me to, finally, is, a program can be non-credit under Workforce Pell if it is

offered in clock hours. It cannot be non-credit if it's offered in credit hours. And the provision in the statute that says that the non-credit remedial courses that may be offered, what that means for our purposes is that if you have an eligible workforce program that's offered in credit hours, you can't add in those remedial courses for the students' Pell Grant eligibility. So now I will pause for the inevitable questions that, that I'm sure I'll get.

MS. MACK: I'd like to invite everyone to utilize their cards if they have a comment or question. Aaron, please get us started.

MR. LACEY: Well, I'm not going to wade into all of that. I just had a drafting note. I just wanted to suggest leading in with in determining a student's enrollment status and cost of attendance comma. Because it's not nested, there's no lead in in this regulatory section that would clarify that.

MR. MUSSER: Yeah. We would be interested to, to see that suggestion. Thank you. Any other questions or comments?

MS. MACK: Please, David.

MR. KAFAFIAN: Just a point of clarification on chance that I'm the only one confused. In this subpart (g), is the idea that these courses

cannot be considered part of determining eligibility or part of determining the award amount as well, or both?

MR. MUSSER: Well, it's both.

Ultimately, it's a factor of eligibility. For example, in a credit hour program, you could be enrolled in just a three credit remedial course that had no academic credit and still qualify for Pell. But in this context, that would make the student entirely ineligible if they didn't -- if they weren't taking any coursework that counted for credit toward the completion of their program.

MR. KAFAFIAN: Got it. So then, just to put a finer point on it, for a program that was eligible for all other considerations and a student that was eligible for all other considerations, student A is not taking remedial coursework associated with this, student B is, they both would be eligible for the same exact amount, or the student that was taking the remedial coursework would actually potentially get a higher dollar amount by virtue of the proration, I'll call it?

MR. MUSSER: I understand your example correctly. Let's, let's actually do the numbers. So let's say we've got a student who is enrolled in -- we've got two students, each of them are enrolled in six credit hours that count for credit toward completion of the program. Student A is not enrolled in any remedial

coursework. Student B is enrolled in one remedial course that's non-credit, but that the student -- the school might otherwise calculate three credits of eligibility for. Those students are -- if they are otherwise eligible for Pell, they would both qualify for exactly the same amount of Pell Grant funds if they are enrolled in an eligible workforce program.

MS. MACK: Thank you, David. Thank you, Dave. Aaron, did you have an additional question or comment? Okay. That is all that I'm seeing at this juncture. Would we like to move into another? Perfect. Dave, I'll hand it to you.

MR. MUSSER: Thank you. Let's give Aaron a second again. Okay. So now we're heading into 34 CFR 668.32, Student Eligibility. And this section details the specific requirements for an individual to qualify for the various Title IV programs. You'll even see some, some old favorites, ACG and SMART academic competitiveness that have not yet come out of the regulations. They're still in the authorizing statute, so we left them there for now, so we can scroll down here. So here we have this is the first place where we, where we deal with specific requirements for individuals to qualify for Pell Grants in an eligible workforce program. And here we've added a paragraph under, can you scroll

back up just a little bit, Aaron, make sure I get the sections right, under 668.32 (c) (2) romanette (i) (b) (2), the student -- if the student is enrolled in an eligible workforce program, again, we point to the, the new definition in 34 CFR 690.92, and they are not enrolled or accepted for enrollment in a program of study that leads to a graduate credential, and they, and they have not attained a graduate credential, they can qualify under this provision. Now, note that this provision, there's two, there's A and B here. Under A, the individual cannot have a baccalaureate or first professional degree and still qualify for Pell Grants. Under B, a student can have a baccalaureate or first professional degree and qualify for a Pell Grant. And these are the only two conditions in which the student can, can receive Pell in that circumstance. They either are enrolled in a postbaccalaureate teacher certificate or licensing program, which has a very specific definition, or they are enrolled in an eligible workforce program that, that meets these conditions, and sorry, and the student meets these conditions. So I will pause now and hear comments from the group.

MS. MACK: Thank you, Dave. Jeff, let's begin with you.

MR. ARTHUR: Yeah. I'm wondering why

you clarified eligibility for persons that have obtained a bachelor's degree, the traditional Pell Grant eligibility rule, And if, if this did require clarification, is it your take that it may be -- you may have the statutory authority to allow Workforce Pell for people with -- that have at that level?

MR. MUSSER: So yes the and I will make sure that if Jake has anything to add, he certainly can. But the Department interprets the statute to permit individuals with a bachelor's degree or a first professional degree to qualify for Workforce Pell even if they have those, those, those credentials.

MR. ARTHUR: So my second comment then would be applicable. It seems to me we may have a lot of people that have earned a bachelor's degree that has not led them to successful employment, and they may be unemployed, they may need a Workforce Pell to, to -- for this opportunity to restart in a different field or something and I, I -- it doesn't seem to me appropriate to exclude that scenario.

MS. MACK: Jake, please.

MR. LALLO: So just as a matter of statutory authority, in terms of Pell Grants, you know, the Secretary has the authority to allow Pell Grants to be made at the postbaccalaureate level on a case-by-case

basis. You know, if you watched last neg reg, we spent a lot of time talking through what a professional degree is and what a professional degree isn't. I think the, and I don't want to speak to the policy part of this, Dave, you're welcome to jump in here. You know, I think we have the authority to pick and choose where, you know, Pell should be allowed to be dispensed at the graduate level. And, you know, the exclusion of professional degrees here is a judgment call based on, you know, the need of a student to do it. A professional degree, as we previously stated, is a degree that gets you licensure, and it kind of achieves kind of what the intent of Workforce Pell is, but in a much higher level, I guess. So it would be duplicative, and it cuts into almost double benefits. And again, Dave, if you have any more to add, I think that's the logic.

MR. MUSSER: So, yeah, I can express from a policy perspective what the Department's intent is here. And we read the statute to, to make Pell available to individuals that, that have a baccalaureate or first professional degree under certain circumstances. So, however, the, the statute specifically says has not attained a graduate credential. And I think looking at this, it might make sense for us to say, or professional credential here, to make that clear. We can take that

back and take a look at it. Yeah. But, but we'll take a note here to, to take another look.

MR. ARTHUR: I would just attest that we have a number of students that come to our institution with bachelor degrees in whatever, and either want to layer on some computer science skills. It's one of our expertise areas, and they come to us to take a certificate or diploma in a in computer science that normally I would say I wouldn't think that particular program, given AI and everything, would lead anywhere to employment. But when you pair it with a bachelor degree, it's an incredible opportunity. And it could be that a shorter program may even get them there too.

MS. MACK: Any follow-up there before I move on? Go ahead, Jeff, please.

MR. ANDRADE: Just be clear, Jeff, the, the way this is written, it would -- the scenario that you just described would be allowable. I just want to make sure we're on the same page.

MR. MUSSER: Yeah. Yeah, sorry. I think there might have been some confusion there, but the Department does interpret that an individual that has a bachelor's degree. So, for example, if an institution had a program where a student finishes their, their, their baccalaureate degree and then, then realizes they need

some additional skills in a particular area, seeks to enroll in an eligible workforce program, they could do that as long as they don't already have a graduate credential or and the, and the thing that they're applying to is not also a graduate credential.

MR. ARTHUR: So they just can't be enrolled in one of those programs. I still would see people with graduate degrees in a similar situation, but yeah.

MS. MACK: Thank you all. Preston, thank you for your patience. Please.

MR. COOPER: Thank you. I very much understand and appreciate the Department's rationale for allowing people with, with who have bachelor's degrees but not graduate degrees to still access Workforce Pell dollars to enroll in workforce programs. I guess I would encourage the Department to consider how this might interact with the value-added earnings test for Workforce Pell under 690.95. So, the value-added earnings test we'll get to this later, basically says that the median earnings of a program's graduates have to exceed 150% of the poverty line, plus the cost of attendance. That's a pretty low bar. I mean, that's going to be between a \$25, \$30,000 bar for most programs. That I think was a earnings standard designed with high school graduates,

people who don't have postsecondary education in mind. And I do wonder if allowing students with bachelor's degrees into the Workforce Pell program might artificially inflate the value-added earnings that are being measured by the Department to determine eligibility for Workforce Pell Grant programs. So I would just encourage a little bit more thought about that potential problem.

MS. MACK: Thank you, Preston. Aaron, you are next.

MR. LACEY: Yeah, I was just, is there a definition of graduate credential? I wasn't clear if we're talking about graduate degree specifically, postbaccalaureate certificates, graduate certificates, because in my mind, there's some material distinction there.

MR. MUSSER: Yeah, that's what I was referring to a little bit earlier. I think we might need a little bit of work on that, on that language. So we'll take that back.

MS. MACK: Thank you, Aaron. Thank you, Dave. Eric, you have the floor.

MR. ATCHISON: Thank you. Two things, students are more likely to receive Pell as they age out of dependent status and into independent status. And so

there is a likelihood that students could become Pell eligible as they proceed through the bachelor's degree program and potentially have Pell eligibility even after they graduate with that bachelor's degree. And so I'm trying to frame this out in my head as to how they would then be able to use it for Workforce Pell post-graduation. So just an observation. I might ask for some data about that from the Department. Number two, under subpart (2), romanette (i), it says is not enrolled or accepted for enrollment. How does the Department operationalize whether or not a student is accepted for enrollment in a program of study that leads to a graduate credential? Because from an, from an institutional standpoint, we, we have very clear delineation between applied, admitted except, you know, those sorts of things. How do we, how do we manage that statement?

MR. MUSSER: So currently we, we do have a definition of enrolled in 34 CFR, I believe it's 668.2. I don't believe we specifically defined acceptance for enrollment right now. The traditional interpretation is that the institution has extended, you know, an admission offer to the, to the student and the institution, and the student has accepted it. But we can take a look at that if you, if you have a specific concern about that.

MS. MACK: Please.

MR. ATCHISON: I do, because this is under the student eligibility section. And so this is based on the student, not on the institutions. And so a student could be pursuing multiple avenues, right, and accepted for enrollment at one institution, going somewhere else to do Workforce Pell training, somewhere else. Just trying to understand the complexities of how students move through these programs.

MR. MUSSER: Yeah, we definitely would be interested in, in your thoughts about a way to define that more clearly.

MS. MACK: Thank you, Dave. Thank you, Eric. David, let's go to you.

MR. KAFAFIAN: Sorry, I realized I misread something.

MS. MACK: No worries. Kristin?

MS. HULTQUIST: Thank you. Eric, may I work with you on that, please? Because a number of states are moving towards a direct admission. And so statewide dual enrollment between high school students and colleges is happening. And yet we don't want to dissuade students from accelerating their progress. So that would be great if we could work together.

MR. ATCHISON: As a caucus now or

later?

MS. HULTQUIST: Oh. I don't know anything about caucuses.

MS. MACK: Thank you, Kristin. Thank you, Eric. Tamar?

MS. HOFFMAN: Thank you. I apologize, I just, before we go too far away and it's okay if now's not the right time, but I did want to ask if we could circle back to some of the non-credit issues. Just because, sorry, it took me a little minute to wrap my head around it, truthfully. Thank you for humoring me. Sorry. It's just a little bit confusing. I guess what I would appreciate at this point is if you could explain a little bit about what would be a non-credit program that is measured in, that is measured in hours, and basically, how -- whether Pell Grants currently fund those programs, and if not, like, why are -- why should they be funded now?

MS. MACK: Jeff, did you want to take this?

MR. ANDRADE: Sure. You could have a number of programs that are shorter than 600 hours, for example, that you have currently, say in the IT space, where you're getting an IT certification. And so what, what the student is actually being measured by is

actually the attaining of skills as opposed to specific academic credit semester hours or quarter, quarter credit hours. And so that's, that's an example. So it's programs that are under the current threshold and are generally skills-based.

MR. MUSSER: And I want to clarify something about the Title IV approach to such programs. So, today, let's say, if you have a program that is 600 hours and offered over at least 15 weeks, and does not lead to any kind of academic credit as we traditionally define it, but does lead to a recognized credential, and the program is, is, is part of the institution's accreditation and authorized by part of the student's authorization by a state, that program qualifies for Title IV aid if it meets all of those conditions. And so clock hour programs have been in that category for a very long time. And in fact, some of them are already sort of interspersed in the, in the workforce programs of some states and institutions. What, really, the Workforce Pell is allowing for programs that are shorter than that 600 hour threshold. But that -- and that meet some additional requirements to also qualify. So one of the things that is important here is that what we know is that there are accrediting agencies that don't necessarily look, look at programs that are non-credit, and in order for such

programs to qualify for Title IV aid, the, the accrediting agency will have to include those programs in an institution's accreditation. Like I said, there are already cases where that's happening, but not, not -- it's not happening in every single circumstance. So there are some cases where non-credit programs do not qualify for Title IV aid. And that's like, like I said, largely because either the institution itself has not sought to, to have those programs be Title IV eligible or because the accrediting agency has not reviewed them or does not, does not currently include them in the institution's accreditation.

MS. MACK: Thank you, Jeff. Thank you, Dave. Tamar, do you have any follow-up?

MS. HOFFMAN: Yes, please. Given this response, which is helpful, I appreciate you walking me through it, I'm curious if maybe we could hear from the representative for the accreditors a little bit about how accreditors think about this issue, just so we can get a fuller sense of what's at play here. Sorry to put you on the spot.

MS. MACK: Card was up anyway. Perfect segue.

MR. MCCOMIS: I thought you never asked. No, I mean, there are several programs that, for

example, an agency such as the one that, that I am with, but others as well, that do recognize, approve, and in some cases, in programmatic agencies, accredit programs that are clock hour programs. Examples include cosmetology programs, barbering programs, massage therapy programs, a lot of tech programs in the allied health field, flight instructor, or our pilots are governed by the FAA, but those are our programs. And so, as Jeff had pointed out, I think, Jeff or Dave, that typically clock hour programs aren't measured in using the same formula or viewed in the same way, insofar as typically the student has to complete all of the clock hours in order to obtain the credential, particularly if that credential is one that leads to licensure. So a cosmetologist who's attending a 1500 clock hour program has to attain all 1500 clock hours before they can go and sit for the exam, in that state. That's typically the case. A potential a, a flight student would have to have all of their hours logged in order to be able to obtain the FAA certifications. So it's typically a measure along those lines, and some of those programs are already eligible just by virtue of their length of 1500 clock hour program or 900 clock hour program. Some are not like truck driving programs that could be as short as 180 hours. Some that are, that are longer because they, they might

reach the 300 hour threshold or even the 600 hour threshold. So, so there are varying ranges. But an agency such as the one that I'm with, and others, have a separate approval process. It's a program that's included within their scope of accreditation, which makes them eligible for Federal financial aid. How they are calculated is a, a magic that I'm not particularly familiar with. By design, we leave that to the Department. But for our purposes, we have a whole host of approval mechanisms for clock hour programs.

MS. MACK: Thank you, Michale. Last word, and then I'm going to move us to lunch since we've entered into that. Please.

MS. HOFFMAN: I'm so sorry. So just very briefly, then can, can you please help us understand maybe where the accreditation requirement is in the text and how we make sure that there's some measure of accountability for these non-credit programs?

MR. MUSSER: Sure. So the, the requirement for accreditation appears elsewhere in the regulations under 34 CFR 600.4, 5, and 6. Those are the, are the different types of institutions. Eligible workforce programs, just because of the way that the Department has written the regulations over time, fit into only the 600.5 and 600.6 regulations. But all of

them require accreditation. And those are the definitions of the different types of eligible institutions. The Department considers an eligible institution to be the sum of all of its eligible programs. So, therefore, we have always required every program to, to be accredited or to be included in the institution's accreditation. And so those are the requirements that we do not intend to change that would apply. And that's why accreditors have to include the programs in an institution's accreditation in order for them to be Title IV eligible.

MS. MACK: Thank you, Dave. Thank you, Tamar. We are now a couple of minutes into our scheduled lunch time, so this is probably a good time to break. We're set to come back right at 1:00. Is there any desire or need to tack on any additional time, or will we be good to circle back at one? We'll be back here at one. During your lunch, please check your emails. The facilitation team has distributed a series of documents and proposals. Magnus, you've been added to that list. If, for any reason, you don't get it, please let us know. We look forward to seeing you all back here at 1:00 p.m.