
H.R. 6585 Bipartisan Workforce Pell Act Fact Sheet

On December 5, 2023, a bipartisan coalition led by Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) and Ranking Member Robert C. “Bobby” Scott (D-VA), along with Rep. Elise Stefanik (R-NY) and Rep. Mark DeSaulnier (D-CA), introduced H.R. 6585, the Bipartisan Workforce Pell Act. The bill swiftly moved through the House Committee on Education and the Workforce, marking a significant step towards expanding Pell Grant eligibility.

Current restrictions on Pell Grant use, limiting eligibility to programs exceeding 15 weeks, hinder student access. The proposed legislation aims to remove this barrier, extending Pell Grant eligibility to encompass shorter-term, high-quality workforce programs. This expansion targets closing the skills gap by delivering essential job training and credentials crucial for thriving in high-demand fields. The bill further introduces robust economic value measures, setting a stringent standard for program eligibility.

Below is a summary of the changes proposed in the bill:

- **Program Eligibility**
 - Programs must be at least 150 clock hours but less than 600 clock hours and offered between 8 weeks to 15 weeks.
 - Allows programs at proprietary institutions to be eligible for grants if they meet all requirements.
 - Allows online programs to be eligible for grants if they meet all requirements.
 - Programs must have been in existence for one year prior to being considered for eligibility.

- **Evaluation Criteria & Process**
 - For a program to be eligible for Workforce Pell Grants, several stakeholders must evaluate it and determine if they meet specified criteria.
 - State Workforce Board Assessment must determine:
 - Alignment with high-skill, high-wage, or in-demand industry sectors or occupations.
 - Compliance with hiring requirements of potential employers.
 - Satisfaction of applicable educational prerequisites for licensure or certification.
 - Recognized Accreditor Evaluation must determine:
 - Program leads to recognized postsecondary credential stackable towards certificates or degrees and portable across multiple employers.
 - Public disclosure on the institution website of credential details.
 - Ensures students have access to transcripts without a fee.

- The Department of Education (ED) Verification must determine:
 - Completion Rate: Verified 70% within 150% of normal time of completion.
 - Job Placement Rate: Verified at least 70%, measured 180 days after completion.
 - Positive Return on Investment (ROI):
 - Total amount of tuition and fees must not exceed value-added earnings one-year post-completion.
 - Value-added earnings calculated as the difference between median earnings and 150% of federal poverty line, adjusted for the institution's location.
 - Workforce Pell Grant recipients must, for two of the last three award years, earn median incomes in their state equal to or higher than high school graduates between the ages of 25 – 34.
 - Includes claw back provision if ED determines the program has submitted inaccurate earnings data.

- **Data Collection & Dissemination**
 - Requires ED to use current administrative data maintained by ED, matched with the Internal Revenue Service income data, to implement the data collection requirements and all necessary calculations included in the bill.
 - Requires ED to annually collect, verify, and make publicly available on the College Scorecard data related to each Workforce Pell Grant program.

- **Appropriations & Mandatory Offsets**
 - Authorizes \$40 million for fiscal year 2025 and \$30 million for the four subsequent fiscal years to ED for bill implementation.
 - To offset the costs of implementation and the growth in the Pell Grant program, the bill contains mandatory offsets:
 - It restricts institutions, subject to an excise tax on investment income, from offering certain federal loans to eligible students or parents of Pell Grant recipients.
 - For an institution to receive funding under the Federal Supplemental Educational Opportunity Grant program, institutions must cover Pell Grant recipients' attendance costs, with potential aid from institutional, external grants, and scholarships.
 - Requires institutions to maintain or increase Pell Grant enrollment annually.