After a Historic Year, Three Questions Loom Large

Workforce Pell, 'Do No Harm' measures, and student loan changes could impact enrollment at community colleges.

BY CARRIE WARICK-SMITH

AS I CONTEMPLATED THE TOPIC FOR THIS FIRST COLUMN of 2026, I realized that the word count of this magazine department can't accommodate everything that happened in higher education last year. To say, "just a few things happened," tongue firmly in cheek, does not begin to capture a year that saw more significant policy shifts than during every year of the previous decade combined.

There were some significant highs: Workforce Pell finally became law, and community colleges led growth in all three enrollment reports from the National Student Clearinghouse. And there were big changes, particularly the generational shift in student loan structure along with a new "Do No Harm" accountability measure for degree programs to be loan eligible. Colleges also faced significant uncertainty as the U.S. Department of Education set its funding priorities, revoked funds for projects mentioning diversity, equity, and inclusion, and signed interagency agreements transferring education functions to other agencies.

What I have found myself pondering is how these seismic changes could affect enrollment, so here I will consider three shifts most likely to impact community colleges.

Will launching Workforce Pell increase enrollment at community colleges?

Allowing students to use Pell dollars for workforce programs is beneficial, as more students can access those programs and become lifelong learners who continue to progress through their careers. While increases in enrollment numbers will begin in 2026, larger expansion will take more time.

With the program beginning July 1, and only six months to work through regulatory processes at the federal and state levels leading to that date, colleges may onboard a smaller number of programs in 2026 and expand offerings in 2027. The July 1 date is the starting line, not the deadline, for program participation.

Enrollment momentum is likely to continue, and Workforce Pell positions community colleges to expand their role as accessible pathways to economic mobility.

Colleges must also communicate the availability of the new aid to potential students — not just to interested students who arrive on campus asking what their options are, but also via outreach to individuals who may not be considering any postsecondary education or training because they assume it's too costly and time consuming.

Will accountability impact enrollment trends?

In 2025, when President Trump signed H.R. 1 into law, he didn't only create the Workforce Pell program, but also the first-ever accountability program tying outcomes to federal student aid eligibility. Referred to as the "Do No Harm" approach, the new measure requires the majority of degree recipients from a program to earn more than high school graduates without any college education. An analysis by Michael Itzkowitz of The HEA Group, published on its blog at theheagroup.com on January 5, finds that only 2% of associate and bachelor's degree programs would fail this test. However, 29% of undergraduate certificate programs overseen by the related Gainful Employment test do not meet the mark.

For associate programs, this new accountability measure should not significantly impact enrollment. With only 2% of programs possibly failing, and only 11% of community college students borrowing with federal loans, the number of students who land in the middle of the Venn diagram of borrowing for failing programs will be minute.

On the certificate programs side, the impact could be larger. The field has been facing implementation of gainful employment measures since the Obama Administration first introduced the idea. However, each administration has changed the rule since its creation. Until the final regulation is released, we won't know how this administration will approach gainful employment for certificate programs. If it keeps this earnings metric, and ties it to both loans and Pell eligibility, the impact on enrollment could be larger.

Will student loan changes impact enrollment trends?

The final section of H.R. 1 that could impact enrollment involves shifts in the structure of student loans. There are new limits on undergraduate borrowing, particularly through the Parent PLUS loan program. This has led many colleges to ask whether they may see a bump in enrollment as students seek more affordable options. While these perceptions may drive some students, I spoke with Preston Cooper of the American Enterprise Institute to get a better idea of what percentage of undergraduate students have parents who borrow over the new cap. His short answer: "My instinct is that any enrollment impacts on community colleges would be minor."

Cooper broke down the numbers as follows: Only 10% of dependent undergraduates have parents using PLUS loans, and of those, only one-third currently borrow above the new $20,000 limit in the One Big Beautiful Bill Act. So only 3% of students will plausibly be impacted, and those are mostly at private nonprofit schools. Given that they primarily attend private nonprofits, these students could receive more aid, or their families may consider private loans.

Cooper concluded that "the numbers of students we're talking about here just aren't enough for there to be a meaningful increase in enrollment in the community college sector broadly, though it's possible the story could be different for some individual schools."

Closing Thoughts

As community colleges navigate 2026, the sector finds itself in a unique position of opportunity. Enrollment momentum is likely to continue, and Workforce Pell positions community colleges to expand their role as accessible pathways to economic mobility.

Community colleges have always been an important element of America's workforce development strategy. Not only is that valuable role increasing, but it's also becoming generally recognized. As community college leaders meet with their elected officials during the National Legislative Summit this year, it's time to seize the moment and ensure Congress continues the federal investment in our colleges so they can continue to support both individual students and their regions.

Carrie Warick-Smith is vice president for public policy at ACCT. She can be reached at cwsmith@acct.org.

CREDIT: ILLUSTRATION BY JIM FRAZIER