

April 8, 2026

Mr. Aaron Washington
Office of Postsecondary Education
400 Maryland Ave. SW
Washington, DC 20202

Re: Docket ID ED-2026–OPE–0133

Dear Mr. Washington:

On behalf of the American Council on Education (ACE) and the undersigned higher education associations, we write to offer comments on the Department of Education’s (Department) Notice of Proposed Rulemaking (NPRM) titled, “Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants.” This NPRM would implement key elements of H.R. 1, the One Big Beautiful Bill (OBBB) Act, which was signed into law on July 4, 2025.¹ Passage of the OBBB represented a major overhaul of the nation’s student loan and repayment systems, institutional accountability framework, and federal student aid programs.

This NPRM focuses primarily on the new Workforce Pell Program created in OBBB and the changes to how the Pell Grant is calculated for students when higher education institutions package aid. While there are policy provisions in OBBB that we do not fully support, these comments focus on the Department’s implementation of the law rather than the underlying statutory provisions.²

Before we offer our comments, as we have shared before, we urge the Department to allow more time for future negotiated rulemakings.³ We strongly believe that the experts selected by the Department to serve as negotiators should have an adequate amount of time to understand the issue, communicate with their stakeholders, present well-informed arguments at the table, and participate with a goal of consensus.⁴

In addition, we would like to reiterate the importance of ensuring a comprehensive representation of institutions of higher education on the negotiated rulemaking committee. At the very least, we strongly encourage the Department to include the following representation:

- Institutions of higher education eligible to receive federal assistance under Title III, parts A, B, and F, and Title V of the Higher Education Act (HEA), which include Historically Black Colleges and Universities, American Indian Tribally Controlled Colleges and Universities, Hispanic-Serving Institutions, Alaska Native and Native Hawaiian-Serving Institutions, and

¹ Congress.gov. (2025, July 4). *H.R.1 - One Big Beautiful Bill Act*. <https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf>

² Any matters of concern with the policies in OBBB should be directed to Congress.

³ More detailed comments around this were shared in ACE’s comment letter regarding the RISE NPRM that can be found here: <https://www.acenet.edu/Documents/Comments-ED-RISE-030226.pdf>

⁴ Section 492(b) of the HEA shares that the Secretary shall provide for a comprehensive discussion and exchange of information.

other institutions with a substantial enrollment of needy students as defined in Title III of the HEA;

- Two-year public institutions of higher education;
- Four-year public institutions of higher education;
- Private, nonprofit institutions of higher education;
- Private, proprietary institutions of higher education; and
- Financial aid administrators at postsecondary institutions.

With this in mind, we offer the comments below.

Students Enrolled in a Program Should Not Count in the Job Placement Rate

The statute states that after a governor decides that a potential Workforce Pell Program meets certain requirements, the Secretary of Education (Secretary) must determine that the program has a verified job placement rate of at least 70 percent measured 180 days after completion for each award year. Because this program is new, data does not yet exist on how this measurement will impact the ability of Workforce Pell Programs to access the Pell grant. However, we believe that students who choose to continue their education after completing a Workforce Pell Program should not be counted in the job placement rate.

Because the eligibility standards of a Workforce Pell Program are high, we fear that many institutions will be disincentivized to participate. To qualify, programs at institutions of higher education must (1) meet a 70 percent completion rate and job placement rate; (2) pass a value-added earnings test; (3) be approved through a process by the governor in a state; and (4) be approved through a process by the Secretary. The preamble states that job placement rates are calculated as the “percentage of students who are employed in the occupation(s) for which the program prepares students . . . or in a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program.”⁵

When using discretion to implement this provision, we strongly believe that an exception should be made for students who continue their education after completing a Workforce Pell Program. Recent data shows that certificate holders that continue their education to obtain an associate degree increased by 28 percent over the last decade, and 63 percent of completers with a certificate continue on with their education.⁶ Institutions have no way of controlling the decisions of the students who complete the program, and continued education ideally should be rewarded, especially given Congressional intent for Workforce Pell students to pursue future postsecondary educational opportunities, as indicated by the stackability requirements for the programs. An institution should not suffer a lower job placement rate if students choose to enroll in another program post-completion when the program is designed to facilitate this.

⁵ Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants, 91 F.R. 11400 (proposed March 9, 2026) (to be codified at 34 CFR Parts 600, 668, and 690). <https://www.govinfo.gov/content/pkg/FR-2026-03-09/pdf/2026-04520.pdf>

⁶ National Student Clearinghouse Research Center. (2025, April 10). *Undergraduate degree earners: Academic year 2023-24*. <https://nscresearchcenter.org/undergraduate-degree-earners/>

Basic Elements of an Appeals Process Should be Standardized

The NPRM requires the governor of a state to establish a process to determine whether a future Workforce Pell Program meets four key metrics. Throughout this process, an institution is given the ability to request a determination by the governor and to appeal that determination. While we appreciate the ability to appeal a determination, we fear that because the regulation does not set a standard for appeals, we could end up with 50 different processes for institutions, which could be especially tricky considering branch and online campuses.

We believe that the regulation should, at the very least, standardize the basic elements of an appeals process to ensure that institutions have a better idea of what to expect in each state.⁷ As a baseline, an appeals process should be established in regulation that allows for institutions to appeal (1) the job and completion rate data; (2) the determination by the governor, with the ability to provide alternative data and documentation where relevant; (3) the value-added earnings calculation by providing alternative earnings data; and (4) any determination by the Secretary that is separate from the governor. In addition, institutions should be given a minimum of 30 days to submit any additional data and/or documentation in any appeals process.

We appreciate the language in the NPRM stating that the appeals process at the state level must have “clear, transparent and timely procedures that are applied consistently and equitably at all eligible institutions.”⁸ We agree with this statement and encourage the Department to ensure that no governor allows for institutional bias when implementing an appeals process and certifying future Workforce Pell Programs.

Students Should Have Access to the Pell Grant

Currently, over 7 million students access the Federal Pell Grant.⁹ The statute altered the way that institutions can package the Pell Grant by requiring financial aid administrators to consider all non-federal scholarship and grant aid first to determine whether that aid meets or exceeds the cost of attendance for a program before allowing a student access to the Pell Grant. In implementing this provision, the Department requires institutions to either lower the amount of non-federal scholarship or grant aid or completely return all Pell Grant funds awarded to the students for the full award year, plus cancel any future Pell Grant disbursements, if the non-federal grant aid met or exceeded the cost of attendance for a program.

While we understand that the Department is trying to close any potential loopholes and ensure that Pell Grant dollars are not flowing improperly to students, we fear that this proposed language would present problems for future Pell Grant recipients. For instance, the proposed rule suggests that a student could be on their second disbursement for the academic year, but a determination has been made that that student, ahead of the second disbursement, has received non-federal grant or scholarship aid that meets or exceeds the cost of attendance. If this is the case, this could trigger an institutional overpayment of the Pell Grant and require the student to return all Pell Grant dollars

⁷ Institutions can hold locations in multiple states.

⁸ Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants, 91 F.R. 11434 (proposed March 9, 2026) (to be codified at 34 CFR Parts 600, 668, and 690). <https://www.govinfo.gov/content/pkg/FR-2026-03-09/pdf/2026-04520.pdf>

⁹ U.S. Department of Education. (2025). *Student financial assistance: Fiscal year 2026 budget request*. <https://www.ed.gov/media/document/fy-2026-congressional-justification-student-financial-assistance-110145.pdf>

that the student has received for the academic year and would be ineligible for any future Pell Grant disbursements for that academic year.

Students who use the Pell Grant are the very students that we want to receive the level of funding needed to access postsecondary education and persist through to completion. Making students liable for repaying all their Pell Grant dollars for the year and potentially cutting off all Title IV funding until the matter is resolved would be extremely burdensome on the student with significant negative consequences for their ability to complete.

The Department Should Abide by the Master Calendar

The Department states in the preamble that if there is a conflict between a general provision and a specific provision, the specific provision prevails.¹⁰ This statement is in relation to the implementation timeline for OBBB; however, whenever Congress has historically wanted to waive the master calendar requirements, their intention to do so has been specifically stated in the statute.¹¹

Given this, the final rules issued in 2026 should have an implementation date of July 1, 2027, at the earliest.¹² Abiding by the master calendar gives institutions the proper amount of time to prepare for the changes implemented by the Department, adequately inform students and families of the changes to their student aid, and plan for the smoothest possible transition.

Thank you for your careful consideration of this response. We hope that the Department addresses our concerns and works with us to improve the regulatory text.

Sincerely,



Ted Mitchell
President

On behalf of:

AACTE-American Association of Colleges for Teacher Education
ACPA-College Student Educators International
American Association of Colleges and Universities
American Association of Colleges of Nursing
American Association of Collegiate Registrars and Admissions Officers

¹⁰ Also known as the General/Specific Canon perspective.

¹¹ For example, the last bill to reauthorize the HEA was the Higher Education Opportunity Act (HEOA) and this bill included direct instructions to waive the master calendar requirements. More information on ACE's position regarding the master calendar can be found in the comment letter to the Department regarding the Reimagining and Improving Student Education (RISE) NPRM: <https://www.acenet.edu/Documents/Comments-ED-RISE-030226.pdf>

¹² The Department has the authority in Section 482(c)(2) of the HEA to designate any regulatory provision as one that may be implemented early at the discretion of the entity that is subject to the regulation.

American Association of State Colleges and Universities
American Association of University Professors
American Association of Veterinary Medical Colleges
American Council of Learned Societies
American Council on Education
American Indian Higher Education Consortium
Association for Institutional Research
Association of American Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Independent California Colleges and Universities
Association of Independent Colleges and Universities in Massachusetts
Association of Independent Colleges and Universities of Pennsylvania
Association of Independent Colleges and Universities of Rhode Island
Association of Schools and Programs of Public Health
Career Education Colleges and Universities
Complete College America
Connecticut Conference of Independent Colleges
Council for Opportunity in Education
Council on Social Work Education
EDUCAUSE
Hispanic Association of Colleges and Universities
Maryland Independent College and University Association
Middle States Commission on Higher Education
NASPA-Student Affairs Administrators in Higher Education
National Association for College Admission Counseling
National Association of College and University Business Officers
National Association of Colleges and Employers
National Association of Diversity Officers in Higher Education
National Association of Student Financial Aid Administrators
National Council for Community and Education Partnerships
New England Commission of Higher Education
North Carolina Independent Colleges and Universities
UPCEA-The Online and Professional Education Association