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April 8, 2026

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

Re: Docket ID: ED-2026-OPE-0133, *Accountability in Higher Education and Access through Demand-driven (AHEAD) Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants*

Dear Mr. Washington:

On behalf of the National Association of Independent Colleges and Universities (NAICU), the more than 1,700 private, nonprofit colleges and universities it represents, and the undersigned associations, I submit the following comments on the Department of Education's Accountability in Higher Education and Access through Demand-driven (AHEAD) Workforce Pell: Pell Grant Exclusion Relating to Other Grant Aid; and Workforce Pell Grants Notice of Proposed Rulemaking (NPRM). We commend the Department and the AHEAD negotiating committee for reaching consensus on regulatory text that implements one of the most significant expansions of the Pell Grant Program in its history.

Our comments are organized into two sections. First, we identify the provisions we support and explain why they serve students and institutions well. Second, we identify the provisions that concern us and explain the nature and magnitude of the risk they pose to private, nonprofit institutions and the students they serve. In addition, for each concern, we offer a specific, actionable recommendation for how we believe the Department could modify the final rule or accompanying guidance to address our concerns. Finally, we provide responses to some of the directed questions in the NPRM throughout.

Our aim is a final rule that achieves the statute's goals of expanded access to high-quality, short-term workforce training with meaningful accountability while avoiding foreseeable harm to the institutions and students the rule is designed to serve.

I. Provisions NAICU Supports

The following provisions reflect the Department's sound policy choices that align the regulatory framework with the statute's intent and foster a positive, student-focused environment for the development of eligible workforce programs.

A. Option to Reduce Institutional Aid to Preserve Pell (§ 690.80(d))

In the event of a student's non-federal grant aid meeting or exceeding their full cost of attendance (COA), institutions would be faced with two options: (1) reduce non-federal aid until it falls below the COA threshold; or (2) return Pell Grant funds and cancel future disbursements. In NAICU's view, this is the most important operational mechanism in the Pell Grant COA exclusion framework. We strongly support the inclusion of the option to



adjust non-federal aid and urge the Department to affirm in the final rule that this option is the expected and preferred institutional response. We address this further in Section II.

Further, there were concerns from some corners of the higher education community about whether the COA exclusion requirement would turn the Pell Grant program into a “last dollar” program, meaning that institutions would be required to determine all other sources of aid funding before applying Pell Grant awards. While NAICU did not share those concerns, we are nonetheless heartened to see the Department propose a structure for this process that would allow institutional financial aid packaging to continue as it has since the early 1970s: with Pell Grants as the first-dollar foundation of student financial aid.

To the maximum extent practicable, we ask that the Department provide guidance to institutions for how this framework interacts with sources of last-dollar grant aid from non-institutional sources when a student crosses the COA exclusion threshold, as well as for other edge case scenarios that may arise. In addition, we ask the Department to include in the final rule preamble a clear statement that students’ Pell Grant Lifetime Eligibility Used (LEU) will be restored in instances where they are deemed ineligible under this authority.

B. Eligibility of Bachelor’s Degree Holders (§§ 668.32(c), 690.6)

NAICU believes the Department’s interpretation that students with bachelor’s degrees may receive Pell Grants for eligible workforce programs is correct as a matter of statutory construction and wise as a matter of policy. Section 401(k)(2)(B) of the Higher Education Act (HEA) bars only students who have a graduate credential or are enrolled in a program leading to one, not those with baccalaureate degrees. This proposal would open workforce programs to mid-career professionals and those displaced by economic downturns who wish to up- or re-skill, a student population that private, nonprofit institutions are well-positioned to serve. The existing Pell Grant LEU limits would provide an adequate safeguard against overuse.

The alternative to this – denying access to these programs to those with a bachelor’s degree – would be unreasonable and significantly limit this program’s ability to serve workforce needs. NAICU is grateful for the Department’s stance on this provision.

C. Secretary Waiver Authority (§ 690.94(c))

The Secretary’s authority to waive completion and placement rate requirements during initial implementation, and to extend flexibility for states that need additional time to build data systems, is essential. Private, nonprofit institutions in states that are slower to establish Governor approval processes should not be penalized for circumstances beyond their control. NAICU encourages the Department to use this authority generously.

D. Governor Process Transparency (§ 690.93(b))

The proposed requirement for Governors to publish written policies for program evaluation, including criteria, timelines, and appeal processes, would provide the predictability institutions need to participate. Additionally, the two-year review requirement, alignment with Workforce Innovation and Opportunity Act (WIOA) State Plan



cycles, and the appeal requirement would jointly provide meaningful oversight, operational efficiencies, and accountability.

E. Narrowed Program Similarity Standard (§ 690.97(a))

The Department's decision to define "substantially similar" programs using both four-digit CIP codes and identical SOC codes, rather than CIP codes alone, is a meaningful improvement over the original proposal. It permits institutions to develop new programs serving different occupations within the same broad field after a program fails an accountability metric or is voluntarily closed. This decision would support innovation while maintaining accountability. NAICU strongly supports this provision, and thanks the Department for its well-reasoned approach.

F. Tuition and Fees Definition (§ 690.91)

The proposed definition of tuition and fees as "institutional charges" rather than total cost of attendance would be the correct approach for the value-added earnings (VAE) test. This definition measures what institutions control – what they charge – and excludes living expenses, transportation, and discretionary costs that vary by student. This is a fair approach that would preserve real limits on program costs without categorically excluding institutions in higher cost-of-living areas.

II. Provisions Where NAICU has Concerns

While the proposed rule is well-constructed, several provisions pose risks that NAICU believes are unintended and correctable. In each case, the concern is not with the Department's policy objective but with a specific regulatory design choice that produces consequences at odds with that objective. We raise these issues because the affected provisions would, if finalized as proposed, discourage institutional participation, penalize programs for the very outcomes the statute is designed to produce, or impose costs disproportionate to the regulatory benefit.

A. The Placement Rate Punishes Programs for Achieving One of the Core Purposes of the Workforce Pell Programs

Under § 690.94(a)(2), a program's job placement rate is calculated as the percentage of completers (or those who exit the program in the initial phase) who are employed during the second quarter after completion, as verified through wage records. Students who complete a workforce program and immediately enroll in a longer credential program rather than entering the labor market will likely not appear in wage records. Thus, these students count against the institution's placement rate.

This creates a structural conflict with the program's own design requirements. Section 690.93(a)(3) requires credentials to be stackable. Section 690.93(a)(4) requires programs to award academic credit transferable to a certificate or degree program. The Department's Regulatory Impact Analysis (RIA) describes workforce programs as an "on-ramp" to further postsecondary education, with the largest effects appearing for low-income students – the very population that stands to gain the most from this program. The statute and regulations are explicitly designed to encourage completers to continue their education. Yet the accountability metric would penalize that exact outcome.



The Department’s concern about exclusions creating gaming incentives is legitimate in the abstract but largely inapplicable here. An institution cannot force a completer to enroll in further education during the earnings measurement period. Enrollment is a voluntary student decision that occurs after program completion. Moreover, the stackability requirement already ensures that institutions are building pathways to further education; the exclusion simply prevents the job placement metric from penalizing them for doing so.

The Department’s rationale that the “primary intent” of workforce programs is employment does not resolve the tension; it merely asserts one purpose over another while the regulatory framework simultaneously requires both. A student who completes a medical coding certificate and immediately enrolls in a health information management associate’s degree program – using the stackable credit the program was required to provide – is a program success, not a placement failure.

Regarding administrative burden: the Department already has access to enrollment data through the National Student Loan Data System (NSLDS), which can identify students enrolled at least half-time during the earnings measurement period. Implementing this exclusion should not require new data collection from institutions.

Recommendations:

While we acknowledge the Department’s stance that the One Big Beautiful Bill Act (OB3) does not explicitly authorize the exclusion of students for the purpose of right-sizing the job placement rate of eligible workforce programs, we believe it is a commonsense approach to implementation to account for the stated purposes of the program itself.

1. Count enrollment in a directly related credential program (as identified by CIP code) as a positive placement outcome. This approach is consistent with how WIOA’s primary indicators of performance treat education under Section 116, and it aligns the placement metric with the statute’s own emphasis on stackable credentials and career pathways.^a
2. Alternatively, exclude from the denominator of the job placement rate any completer who is enrolled at least half-time in a Title IV-eligible program at an eligible institution during the measurement period. This exclusion is consistent with the Department’s longstanding practice in Gainful Employment and College Scorecard earnings calculations, is administrable using existing NSLDS data, and resolves the structural conflict between the placement metric and the stackability requirement.

^a 34 CFR 361.155(a)(1)(iv)(B). [https://www.ecfr.gov/current/title-34/part-361/subpart-E#p-361.155\(a\)\(1\)\(iv\)\(B\)](https://www.ecfr.gov/current/title-34/part-361/subpart-E#p-361.155(a)(1)(iv)(B))



B. The Pell Grant Exclusion Disincentivizes Institutional Generosity (§ 690.5)

We recognize that this provision implements a statutory mandate, and that the Department's regulatory text closely mirrors the language in OB3. Our concern is not with the Department's fidelity to the statute but with how the final rule and accompanying guidance may frame the institutional response. To that end, we urge the Department to recognize that the most significant risk is not that institutions will game the provision – it is that the provision will punish institutions that provide the most generous need-based aid to low-income students and that it will create incentives for those institutions to become less generous.

Private, nonprofit institutions that meet full demonstrated financial need routinely assemble aid packages where institutional grants, state aid, federal aid, and private scholarships approach or meet a student's COA. Under § 690.5, the more generous the aid package is, the greater the risk that a student will lose their Pell eligibility. The provision thus creates a disincentive to institutional generosity. It also creates a binary cliff where a student with non-Federal aid one dollar below COA would receive a full Pell Grant and a student one dollar above would receive nothing, which would penalize the students and the institutions that invest the most in supporting them.

The Department identifies this circumstance in the NPRM and asks for methods to prevent circumvention. NAICU respectfully submits that the more urgent question is whether the Department will permit rational financial aid administration that preserves student access to federal resources. The statute bars Pell when non-federal aid "equals or exceeds" COA. An institution that ensures its students' non-federal aid does not reach that threshold, such as by reducing institutional aid by a nominal amount, is complying with the statute, not circumventing it.

The Department's concern about professional judgment being used to inflate COA is better addressed through existing oversight mechanisms. Professional judgment adjustments under Section 479A of the HEA must be documented on a case-by-case basis with evidence of individual circumstances. The Department can review these adjustments during program reviews. This standard is already in law. New reporting or enforcement mechanisms for a provision whose practical fiscal impact the Department's own RIA does not quantify and explicitly describes as *de minimis* would impose costs disproportionate to any benefit.

Recommendations:

1. In the final rule's preamble, NAICU encourages the Department to state explicitly that an institution's decision to reduce institutional aid to keep total non-federal assistance below COA, thereby preserving the student's Pell eligibility under § 690.80(d)(1), constitutes compliance with the statute, not circumvention. In our view, this is one of the most important clarifications the Department can make in the final rule.

2. NAICU also encourages the Department to avoid imposing additional reporting or oversight mechanisms that would create substantial administrative burden for the purpose of policing a provision whose practical impact on federal spending is likely minimal. The Department's own RIA does not quantify the savings from this provision, which suggests that the number of students whose non-federal aid genuinely exceeds COA without any institutional adjustment is small. Indeed, the Department's own estimates of the number of students impacted nationally is 5,040. Adding new reporting layers to detect a narrow category of behavior is not cost-effective and will impose disproportionate costs on institutions with complex financial aid operations which are, by and large, the institutions providing the most generous aid. Additional compliance machinery is not cost-justified.
3. Lastly, while NAICU believes the procedural flexibility the Department has proposed regarding how institutions must address the Pell Grant COA threshold preclude any possible need to attempt circumventing the requirement, we suggest affirming that professional judgment adjustments to COA must meet existing case-by-case documentation standards under Section 479A and that the Department may review such adjustments during program reviews. This is already the law: restating it would make the Department's firm stance against gaming sufficiently clear.

C. Directed Question: Interim Value-Added Earnings Metric (§ 690.95(a))

NAICU believes the Department should compute and distribute to institutions an interim value-added earnings metric for transparency purposes but should not attach eligibility consequences to it or publish it publicly. The interim metric should serve as an information tool and an early warning system for institutions, not as a punitive accountability mechanism.

We appreciate the concern expressed by several negotiators during rulemaking that a four-year gap without any earnings accountability creates risk. Under the proposed rule, institutions could establish programs that disburse Pell funds for several years' worth of cohorts before being subject to the value-added earnings test. However, imposing binding consequences based on an interim metric, which, by definition, will use imperfect data from an immature program, creates its own risks. Early cohorts are likely to be smaller, drawn from different student populations than later cohorts, and may not reflect the program's longer-term outcomes. Punishing institutions based on preliminary data could deter the institutions that are cautious and deliberate, including many private, nonprofits, from entering the Workforce Pell space at all - particularly smaller private, nonprofit institutions with limited discretionary capital.



Alerting institutions to their programs' interim metric outcomes without eligibility consequences achieves most of the Department's consumer protection objectives. Institutions would be put on notice that their programs' performance will eventually become public and gain a sense of how well, or how poorly their programs will likely fare under the full program implementation. It also has the added benefit that the Department would develop the data infrastructure needed to compute the official metric when it becomes available.

Suggested Data Sources

For the interim metric, the Department should consider using state longitudinal data systems that link education records to unemployment insurance wage data. Many states already report quarterly wage data through the Wage Record Interchange System or its successor, the State Wage Interchange System. These systems are already used by WIOA programs to track workforce outcomes for short-term training and could be adapted for interim Workforce Pell reporting.

The Department could also consider utilizing the Census Bureau's Post-Secondary Employment Outcomes (PSEO) data, which links education records to earnings through the Longitudinal Employer-Household Dynamics program. PSEO data is already used in some institutional research contexts, though coverage varies by state. We note that neither of these sources is as comprehensive as the Internal Revenue Service (IRS) earnings data that will be used for the official metric, which is an additional reason not to attach eligibility consequences to interim calculations.

Recommendations:

1. NAICU encourages the Department to calculate interim VAE measures so institutions can assess during the pre-VAE period whether tuition levels are likely to be sustainable. An interim metric without eligibility consequences would significantly reduce planning uncertainty and allow institutions to adjust tuition, improve placement into higher-wage roles, or redesign programs before the official VAE takes effect. It also provides the Department with the opportunity to stand up the infrastructure necessary to implement the VAE requirement, and iron out any wrinkles in its rollout before consequences are applied to programs.
2. We do not recommend that the Department publish interim VAE metrics because they are not the official accountability metric to which programs will be held to account, and their dissemination may mislead prospective students into thinking the program is at risk of losing Pell Grant eligibility.



If the Department elects to publish an interim metric, it should include a clear disclosure that the metric is preliminary, based on limited data, and does not carry eligibility consequences. The Department should also set a minimum cohort size for publication of interim metrics (we suggest the same threshold of 50 used for the official metric, or at minimum 30) to prevent misleading results from very small programs.

D. Request for Clarity Regarding Potential Retroactive Liability for Value-Added Earnings Failure During Transition Period (§ 690.96(c))

As NAICU understands the liability provisions under § 690.96(c), beginning with the 2030–31 award year, the Department will notify institutions of their programs’ VAE threshold annually, and if a program’s published tuition exceeds this limit in the following award year, the program loses eligibility, and the Secretary assesses a financial liability for all Pell Grants disbursed during the relevant award year. This would seem to align with the regulatory framework in sections 690.95(c)-(d), and 690.96(c)(1)-(2), as well as most of the discussion under the Loss of Eligibility (690.96(c)) section of the NPRM. NAICU appreciates the Department’s advanced notice design.

However, we have some concern about language used in the NPRM regarding potential liability. In the discussion referenced above, there is a sentence that reads, “During negotiated rulemaking, the Department agreed to one negotiator’s request to clarify the regulatory text, stating that if an institution receives Pell Grants in its first award year and fails to meet the value-added earnings requirement, those funds would be treated as a liability against the institution, and the Department would seek to recover them.”

The phrase “first award year” is ambiguous. Read alongside the regulatory text and the illustrative example, we believe this refers to the first award year in which a published VAE applies – not the program’s first year of existence.

Because there is a transition period of several years where an eligible workforce program could receive Pell Grant awards before the proposed first official VAE would be calculated, the “first award year” could be read to suggest that liability attaches retroactively to funds already disbursed in good faith.

We encourage the Department to be as clear as possible in their sub-regulatory guidance when describing potential liabilities, compliance timelines, and other requirements that may impact a program’s eligibility to avoid confusion during implementation.

Recommendation:

1. NAICU recommends the Department confirm in the final rule preamble that no value-added earnings liability under § 690.96(c) attaches for award years preceding the first publication of value-added earnings for a given program. The NPRM’s reference to “first award year” should be clarified to mean the first award year in which a published VAE threshold applies, not the program’s first year of Pell Grant eligibility.



E. The 25% Written Arrangement Cap Limits Employer Partnerships (§ 668.5(c))

The statute envisions workforce programs that are tightly aligned with employer needs, and the Governor approval process requiring evidence of employer hiring demand. Yet the regulation limits the share of an eligible workforce program that can be delivered by an ineligible organization to 25%.

The Department's stated rationale for the 25% cap – that accreditors lack experience evaluating written arrangements for short-term programs, and agreements with higher percentages could encourage the expansion of ineligible entity instruction beyond the statute's intent – are understandable, and NAICU appreciates the agency's caution and desire to ensure high-quality instruction. However, we believe these concerns are misplaced. Eligible workforce programs are, by design, intended to be deeply connected to employer needs. The employers, unions, Registered Apprenticeship sponsors, and industry organizations best positioned to deliver instruction aligned with those needs are frequently not Title IV-eligible institutions. Limiting their participation to one-quarter of the program undermines the labor market alignment that the statute was designed to achieve.

Private, nonprofit institutions are especially well-positioned to serve as the “eligible institution of record” in these arrangements, providing academic oversight, credit articulation, and student services while partnering with employers and industry bodies for technical instruction. Many such institutions already operate successful employer-partnership models in fields such as healthcare, advanced manufacturing, and information technology. Under the proposed 25% cap, an 8-week program (the statutory minimum) could only contract out approximately two weeks of instruction to an employer partner. For a program designed to teach applied and/or practical skills, such as welding, surgical technology, or cybersecurity fundamentals, this is a counterproductive constraint and contrary to the statute's labor-market-alignment emphasis.

With appropriate safeguards, along with Workforce Pell's already-high accountability standards, we believe it is possible to allow a higher level of partnership between eligible institutions and workforce leaders.

Recommendation:

1. NAICU recommends increasing the permissible written arrangement threshold to 49% for arrangements with employers, employer consortia, unions, joint labor-management partnerships, and Registered Apprenticeship sponsors, but not for arrangements with for-profit training companies or other educational institutions. We also recommend conditioning the higher threshold on the eligible institution's retention of full responsibility for academic credit, credential issuance, student services, and reporting. This would also require disclosure of the arrangement to the Governor as part of the approval process under § 690.93.



This approach addresses the Department's legitimate concern about unchecked proliferation while respecting the statute's emphasis on employer engagement. It also avoids relying on accrediting agencies to perform a function the Department has acknowledged they are not yet equipped to execute for short-term programs, instead placing oversight with the Governor and Secretary who are the very entities the statute empowers to evaluate these programs.

We note that this recommendation would not apply to arrangements with other educational institutions or training companies that could and should be seeking their own Title IV eligibility. The safeguard of limiting the higher threshold to genuine employer and labor partners is critical and distinguishes this proposal from a blanket expansion.

F. Bilateral-Only Distance Education Agreements (§ 690.93(h))

NAICU recognizes the Department's expressed interest that eligible workforce programs be primarily focused on intra-state workforce needs, and we believe that the bilateral agreement framework is a reasonable starting point. However, the requirement that cross-state distance education enrollment operates only through bilateral Governor agreements, not multilateral compacts, imposes significant administrative cost on institutions with multi-state enrollment.

Private, nonprofit institutions that offer distance education, including many regional universities and colleges that serve working adults across state lines, face significant operational barriers from the bilateral requirement as proposed. For example, an institution located in Virginia that wishes to enroll students from Maryland, Pennsylvania, and North Carolina in a single eligible workforce program in cybersecurity would need to negotiate three separate bilateral agreements, each requiring the home-state Governor to confirm that cybersecurity is on that state's in-demand occupation list and the host-state Governor to certify the program. This would be workable for a few states at a time, but it becomes administratively prohibitive for institutions with national or multi-regional enrollment footprints. We encourage the Department of Education to draw on lessons from prior state authorization and distance education rulemaking processes to avoid creating incentives for state-based workarounds or other mechanisms that circumvent limits on interstate cooperation through purely bilateral agreements.

The Department's concern about rapid proliferation of distance education programs is well-founded historically but less compelling here due to the accountability safeguards already embedded in the Workforce Pell framework. The 70% completion and placement thresholds, value-added earnings caps, Governor approval, and Secretary approval, are far more robust than anything that existed during the distance education expansion of the 2000s. These outcome-based metrics are the real check on program quality; the number of governors involved in an interstate agreement is not.



Recommendations:

1. NAICU recommends maintaining the bilateral framework for the initial transition period (2026-27 to 2029-30). Beginning in 2030-31, which is when the VAE test goes live, the Secretary should permit multilateral compacts among governors, provided each participating state independently certifies the relevant occupation(s) on its in-demand list and the compact includes data-sharing provisions. Reasonable limits on the number of states involved, if the Department wishes to avoid nationwide compacts, could be placed here as a compromise.
2. In lieu of, or in addition to, the recommendation above, NAICU recommends creating an expedited bilateral or multilateral process for programs training students in occupations designated as nationally critical shortage areas by the Departments of Labor and Health and Human Services, or other relevant federal agencies (e.g., nursing, CDL trucking, cybersecurity). For these occupations, presume the in-demand determination for all states and require only a data-sharing agreement rather than a full de novo review of occupation demand.

We believe this tiered approach respects the Department's caution while recognizing that the bilateral framework, if made permanent without modification, would systematically disadvantage institutions that serve students across state boundaries, who are precisely the institutions that may have the most experience delivering quality short-term credentials to working adults through distance modalities.

G. Directed Question: The 50% Out-of-State Threshold (§ 690.95(k))

When calculating VAE thresholds, if more than 50% of a program's students are out-of-state, the Department would use national price parities (i.e., not adjust the program's earnings) rather than state-level adjustments. In theory, this would more fairly account for regional differences in earning potential. However, in practice, it would appear to structurally disadvantage programs that find success in their bilateral agreements and apply a national standard to the VAE threshold despite bilateral agreements making it extraordinarily difficult to have any kind of national coverage.

If the Department were to allow multilateral agreements for programs, which would allow a program to have a reasonable chance to recruit students nationwide, applying a national-level price parity adjustment would make sense. Under the proposed rule, however, a program would have to maintain dozens of separate agreements and comply with dozens of other states' ever-evolving workforce needs to have anything approaching national coverage.



At the other end of the spectrum, as an example, a program in Arkansas with a single bilateral agreement with Mississippi that has 51% of enrollment from Mississippi would be held to a national standard. In our view, that comparison does not make sense.

Optional Approaches

If the Department has access to the state-level location data for individual completers through the federal agency providing earnings data, the most accurate approach would be to apply state-level price parities weighted by the actual distribution of completers across states. This is computationally straightforward: for each completer whose earnings are included, apply the price parity of the state in which the completer is located, then compute the adjusted median. This avoids the cliff effect entirely.

If this is not technically feasible in the near term, the Department's proposed binary approach is acceptable as an interim measure, but we believe the threshold should be raised from 50 percent to 66 percent. A program where two-thirds of students are out-of-state is more likely to have earnings outcomes that are meaningfully correlated with national price parities than a program where only a bare majority is out-of-state is not.

Further, NAICU supports using the student's address as reported on the FAFSA at the time of enrollment. While FAFSA address data has known limitations, it is already collected, does not impose additional reporting burden on institutions, and provides a reasonable proxy for the student's location during and immediately after the program. Using the student's address at the time of earnings measurement would be more accurate, but would require the Department to obtain updated address data from the federal agency providing earnings data, introducing additional data-sharing complexity. Unless the FAFSA data proves to be unreliable, the marginal accuracy gain from using non-FAFSA data does not justify the administrative cost.

Recommendations:

1. NAICU recommends the Department consider setting a threshold for when national or state-level price parity adjustments apply that more accurately accounts for the recruiting capacity of a program. For programs with a single bilateral agreement, it would be trivial for the Department to apply state-level price parities weighted by the actual geographic distribution of completers across states, rather than using a binary threshold based on enrollment. Our suggestion is that if a program has five bilateral agreements, a national standard may be appropriate.
2. In lieu of the approach above, we recommend raising the enrollment threshold from 50 to 66%. A program where two-thirds of students are out-of-state has earnings outcomes meaningfully correlated with interstate price parities; a program where only a bare majority is out-of-state does not.



III. Conclusion

The Workforce Pell Grant program is a landmark expansion of federal student aid into short-term, high-accountability workforce training. Private, nonprofit institutions are prepared to participate and to bring their institutional strengths – rigorous academic standards, established credit articulation pathways, strong student support services, and deep community relationships – to bear in serving students in these new programs.

The regulatory framework the Department has proposed is largely sound. Taken together, the Governor and Secretary dual-approval process, the 70% completion and placement thresholds, and the value-added earnings cap create a substantial accountability structure. We support this rigor.

Where we have identified concerns, they are not objections to accountability itself but to specific design choices that create unintended consequences such as penalizing generous financial aid, punishing programs that prepare and motivate students to pursue further education, potentially imposing retroactive liability on institutions acting in good faith, constraining the employer partnerships the statute envisions, and creating administrative barriers to multi-state distance education.

Each of our recommendations is designed to be implementable within the Department's existing statutory authority, consistent with OB3's text and intent, and responsive to specific concerns the Department itself raised in the NPRM. We urge the Department to consider their adoption. Thank you for your thoughtful consideration of our comments.

Respectfully submitted,

Barbara

Barbara K. Mistick, D.B.A.

President, National Association of Independent Colleges and Universities

On behalf of:

Alabama Association of Independent Colleges and Universities

Association for Biblical Higher Education

Association of Adventist Universities and Colleges

Association of Catholic Colleges and Universities

Association of Chiropractic Colleges, Incorporated

Association of Independent California Colleges and Universities

Association of Independent Colleges & Universities in Massachusetts

Association of Independent Colleges & Universities of Rhode Island

Association of Independent Colleges and Universities of Pennsylvania

Association of Independent Colleges of Art & Design

Association of Jesuit Colleges and Universities

Association of Presbyterian Colleges and Universities

Association of Vermont Independent Colleges



CINC

Commission on Independent Colleges and Universities in New York

Connecticut Conference of Independent Colleges

Council for Christian Colleges & Universities

Council of Independent Colleges

Council of Independent Colleges in Virginia, Inc.

GICA

Independent Colleges and Universities of Florida

Independent Colleges and Universities of Missouri

Independent Colleges and Universities of Texas

Independent Colleges of Indiana

Independent Colleges of Washington

International Association of Baptist Colleges and Universities

Kansas Independent College Association

Louisiana Association of Independent Colleges & Universities

MAICU

Maryland Independent College and University Association

Michigan Independent Colleges & Universities

Minnesota Private College Council

Network of ELCA Colleges and Universities (NECU)

North Carolina Independent Colleges and Universities

Oregon Alliance of Independent Colleges and Universities

West Virginia Independent Colleges and Universities

Wisconsin Association of Independent Colleges and Universities (WAICU)

Work Colleges Consortium