

Negotiated Rulemaking and Workforce Pell

November 2025

Negotiated Rulemaking (NegReg)

NegReg is a collaborative process used by the US Department of Education (ED) where agency representatives and stakeholders negotiate the language of a proposed administrative rule in an attempt to achieve consensus (unanimous agreement, meaning no dissent from any committee member) on the final regulatory text before it is officially proposed.

- NegReg is required by the Higher Education Act (HEA) for all regulations pertaining to Title IV (federal student aid) programs, unless the Secretary of Education deems it impracticable.
- NegReg is a required initial step before an agency can propose new regulations through the traditional Administrative Procedures Act's (APA) "Notice and Comment" process.
 - If the committee reaches consensus, ED is obligated to use that consensus language in the Notice of Proposed Rulemaking (NPRM).
 - If the committee does not reach consensus, ED is free to draft its own proposed rules, informed by the negotiations.

The Process:

- **Notice of Intent:** ED publishes a notice in the Federal Register, announcing the intent to convene a committee and identifying the regulatory issues to be addressed.
- **Public Input:** ED holds virtual or in-person public hearings and solicits written comments to gather initial advice and recommendations from the public.
- **Negotiator Selection:** ED solicits nominations, including from designated constituency groups (e.g., financial aid administrators, institutions, students, public interest groups), and selects a diverse committee (typically limited to 25 members).
- **Negotiations:** Typically consists of two or three multi-day (often four-to-five day) sessions held over the course of several months (e.g., December and January).
 - **Committee Work:** Negotiators discuss Issue Papers drafted by ED, debate policy, and review draft regulatory language developed between sessions.
- **Final Vote:** At the end of the final session, the committee votes on the entire proposed regulatory package in an effort to reach consensus.

Rulemaking:

- **NPRM Publication:** After the Committee finishes its work, ED finalizes the proposed rule and publishes it in the Federal Register for a mandatory public comment period (usually 30–60 days). If the Committee has reached consensus, ED uses that text for its proposed rule. If it has not, ED is free to draft its own proposed rule, though it should be informed by the Committee's work.
- **Final Rule:** ED reviews all public comments submitted in response to the proposed rule, makes adjustments based on those comments, and issues a final regulation that is published in the Federal Register.
 - **Master Calendar Rule:** Typically, in order to take effect on July 1st of a given year (the start of the new award year), final regulations related to Title IV federal financial aid **must** be published by the preceding November 1st.¹

¹ Although the OBBB states that the Workforce Pell provision goes into effect July 1, 2026, given the current committee schedule, which concludes in January 2026, ED will be unable to publish a Final Rule by the Master Calendar deadline (Nov. 1). Under existing law, a final rule published after November 1, 2025 should not take effect until July 1, 2027.

Overview of the Workforce Pell Proposal

Authorized under the **One Big Beautiful Bill Act (OBBB)** (Public Law 119-21), signed July 4, 2025, the Workforce Pell provisions expand Pell Grant eligibility to students enrolled in high-quality, short-term career training programs. Grants will be prorated based on program length and intensity, and any Workforce Pell funding used will count against the student's 12-semester Pell Grant Lifetime Eligibility Used limit. The provision goes into effect July 1, 2026.

Key Program Eligibility Requirements:

- **Duration:** Programs must be at least **150 clock hours** in length and span a minimum of **eight weeks** but no more than **15 weeks**.
- **Outcome Protections:** Programs must meet a:
 - Minimum **70% completion rate** by 150 percent of program time;
 - Minimum **70% job placement rate** (measured 180 days post completion); and
 - **Value-added earnings requirement** (graduates' median wages minus 150% of the federal poverty level must exceed the cost of tuition and fees for the program).
- **Credentialing:** Programs must lead to a recognized postsecondary credential that is **stackable and portable** or be the terminal credential needed for an occupation.
- **Alignment:** Training must align with **high-skill, high-wage, or in-demand** industry sectors or occupations, as identified and approved by the Governor or state workforce board.

The Workforce Pell NegReg (AHEAD Committee)

Committee: The Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee was assembled by ED to negotiate the rule. It is responsible for negotiating both the Workforce Pell Grant program *and* related accountability provisions from the OBBB.

- **Session 1:** December 8, 9, 10, 11, and 12, 2025.
- **Session 2:** January 5, 6, 7, 8, and 9, 2026.

Open Topics for Negotiators:

- **Defining Statutory Requirements**
 - **High-Skill/High-Wage/In-Demand:** Establishing clear, standardized guidelines and criteria for states to use in defining these terms and determining program alignment.
 - **Recognized Credential:** Clarifying what constitutes a "recognized postsecondary credential" (e.g., non-credit certificates, occupational licenses) and ensuring it is either stackable/portable or truly the only necessary credential for an occupation.
- **Data Collection and Accountability Mechanisms**
 - **Data Source:** Identifying acceptable, high-quality, and low-burden data sources for verified earnings and job placement outcomes (e.g., state administrative data systems) so institutions do not have to rely on student surveys.
 - **Measurement Implementation:** Developing the precise methodology for calculating the 70% completion and job placement rates and the required value-added earnings metric. For the value-added earnings metric, also defining the time period at which earnings will be measured.

- **Program Eligibility and Appeals:** Clarifying program approval guidelines, including allowable changes, application requirements, and amount of outcomes data needed in initial three years of program existence. Also, defining processes for programs that fail to meet outcomes or need to appeal an eligibility decision.
- **Identifying State and Institutional Roles**
 - **Program Approval:** Clarifying the distinct roles and responsibilities of the institutions, state workforce boards, governors' offices, accreditors, and ED in the program approval and accountability processes.
 - **Financial Aid Packaging:** Creating clear guidance on how to (1) use Pell Grants and Workforce Innovation and Opportunity Act (WIOA) funding together to fund a student's program; and (2) accurately prorate Pell Grant awards based on program length, cost of attendance, and credit/clock hour equivalency, especially for non-credit programs.