

House GOP introduces PELL Act



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By Matthew Dembicki January 26, 2023

Key House Republican on Wednesday introduced a bill that would extend Pell Grant eligibility to qualifying short-term workforce education programs. Among the eligibility requirements is a formula to determine if programs “provide a positive return on investment.”

H.R. 496, the [Promoting Employment and Lifelong Learning \(PELL\) Act](#), was introduced by [House Education and the Workforce Committee](#) Chair Virginia Foxx (North Carolina), House Republican Conference Chair Elise Stefanik (New York), [Agriculture Committee](#) Chair “GT” Thompson (Pennsylvania), Jim Banks (Indiana) and Ashley Hinson (Iowa).

“The PELL Act will expand the use of the Pell Grant to skills-based programs that provide the type of high-quality credentials that students want and our economy demands. Americans are seeking flexible, short-term learning options that lead to career advancement. Taxpayer dollars need to be more effective in aligning education opportunities with our workforce needs. The PELL Act will help do just that. Connecting workers with the skills job creators seek will help workers, families, and the economy flourish,” the group said in a release.

The [American Association of Community Colleges](#) is reviewing the bill and will soon provide an analysis for member colleges.

What’s in it

According to a summary of the PELL Act, the bill would amend the Higher Education Act to add short-term programs, those of at least 150 clock hours of instruction, but not more than 600 clock hours of instruction (or an equivalent number of credit hours), offered during a minimum of eight weeks, but not more than 15 weeks, to the list of eligible programs.

The PELL Act also would require an accreditation agency or association recognized by the U.S. Education Department (ED) to determine programs’ eligibility based on several criteria. Eligible programs must:

- Provide education aligned with the requirements of in-demand industry sectors or occupations.
- Meet the hiring requirements of potential employers in those sectors or occupations.
- Have been offering instruction for not less than one year before an accreditor determines eligibility.
- Have a completion rate of 70%, within 150% of normal time of completion, and a job placement rate of at least 70%.

Expected return

In addition, ED would have to determine whether a program is eligible based on a “positive return on investment.” That would be based on published tuition and fees that do not exceed the “value-added earnings boost” the credential provides in the labor market. The earnings boost would be the difference between the median earnings of students receiving federal financial aid and 150% of the federal poverty line for a single individual.

Value-added earnings would be measured three years after program completion and adjusted for geographic wage differences using the U.S. Bureau of Economic Analysis’s Regional Price Parity Index.

“This ensures that the price of the credential is aligned with economic value such that the typical graduate is able to recoup their investment within three years,” the summary says.

The PELL Act also would require ED to publish program costs and outcomes on the department’s [College Scorecard](#).