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The Version of Short-Term Pell Congress Can't Afford to Pass



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House Republicans passed a party-line higher education reconciliation bill this week that includes a revamped “workforce Pell” proposal. Workforce Pell, often called short-term Pell, would open need-based federal Pell Grant funding to career training programs as short as eight weeks. The concept has broad appeal, and several short-term Pell bills have been introduced in recent Congresses with bipartisan support. As Third Way has outlined, debates on these prior bills diverged around the type of guardrails necessary to ensure that short-term Pell dollars go to high-quality programs that deliver a return on investment for students. The short-term Pell proposal included in the House reconciliation bill casts all such guardrails aside, creating the most extreme and riskiest version—for both students and taxpayers—that we’ve seen yet. Short-term Pell will likely become law this Congress, and possibly through this package. This version is one Congress cannot afford to pass.

It would open the floodgates to fraud, waste, and abuse.

We've heard the talking points about this reconciliation package offering an answer to wasteful government spending. Unfortunately, this short-term Pell proposal is far from aligned with that worthy goal. Its purported "quality assurance" measures are guardrails in name only—for example, requiring programs to show 70% completion and job placement rates and pass a value-added earnings test. For programs less than four months in length, a 70% completion rate is not a high bar, and job placement rates are notoriously difficult to measure and easily gamed. Prior bipartisan bills included a high school earnings test in addition to the less robust value-added earnings measure, prohibited risky for-profit institutions and exclusively online programs from participating, and limited eligibility to students who have not yet earned a bachelor's degree. Under this new proposal, programs that are offered by for-profit colleges, are taught fully online, and/or are delivered by *unaccredited* providers would be eligible for workforce Pell dollars, and students who already have four-year degrees could benefit.

Each of these watered-down guardrails opens federal aid to unnecessary and avoidable risk. Poor outcomes are not limited to any one sector in higher education, but ignoring for-profit colleges' historical track record of abuse and aggressive recruiting when granted access to new federal aid puts student and taxpayer investment in jeopardy. Exclusively online modalities are not always compatible with the hands-on, practical training needed to prepare students for careers in fields that commonly offer short-term programs, like health care or commercial driving. They can also be scaled up more quickly than programs with an in-person component, creating a perfect storm for predatory providers looking to capitalize on an influx of available federal dollars. And this proposal introduces an entirely new level of risk by opening a backdoor for unaccredited providers to gain access to short-term Pell. Although accreditation is required to enter into a Program Participation Agreement to be eligible to disburse federal financial aid, the language in the reconciliation bill would allow providers to skirt that provision. Paradoxically, if a provider *was* accredited and had its accreditation revoked, that adverse action could delay or prevent its workforce Pell eligibility—but if a provider *was* never accredited in the first place (perhaps even because it could not find an agency willing to accredit it), it could still be eligible. This provision represents a notable policy change to federal aid eligibility that, if included in the Senate reconciliation bill, should be raised under the Byrd rule.

It could undermine workforce goals by reducing aid to proven programs while expanding it to unproven ones.

The bill would make other eligibility changes affecting Pell, including increasing the number of credits that students must take per term to receive the maximum Pell Grant. Students taking 12 credits per semester (which the [National College Attainment Network estimates](#) to be a quarter of Pell recipients) are currently eligible for the maximum Pell award of \$7,395. Under the House reconciliation bill, students would have to take 15 credits to qualify as full-time and be eligible for the maximum award. A maximum Pell recipient taking 12 credits would see their grant reduced to \$5,916 according to NCAN's analysis, and students enrolled less than half-time would be excluded from Pell eligibility altogether.

Students enrolled part-time or less are more likely to be working adults, have parenting or caregiving responsibilities, or be reskilling to enhance their job prospects. Many are enrolled at community colleges, pursuing career-relevant certificates and associate degrees. Lawmakers' commitment to short-term Pell shows a sincere interest in supporting these student populations in obtaining useful career training. Limiting opportunity for Pell recipients to use their aid at high-quality certificate and associate degree programs that will help them advance in the workforce is in direct conflict with that interest. And allowing some students to access *more* aid than other Pell recipients to pursue unproven, very-short-term programs would be nonsensical.

It would exacerbate the Pell shortfall—and could lead to more spending.

The Pell Grant program is facing a looming shortfall, with Congressional Budget Office projections pointing to a \$2.7 billion shortfall in Fiscal Year 2025, \$10.3 billion in Fiscal Year 2026, and nearly \$100 billion a decade from now. This risk is only elevated by the inclusion of workforce Pell in the reconciliation bill. While the Pell Grant is one of very few programs that would see a funding increase under the bill, the added funding would not be nearly enough to cover the shortfall for even the year ahead. The costs of short-term Pell, while comparatively modest, are also notably difficult to model accurately—especially in the context of wide-open doors for unaccredited providers and online programs with rapid growth potential. The more programs that become eligible for short-term Pell, and the more students they enroll, the higher the costs of funding those Pell Grant commitments. Without effective quality assurance mechanisms in place to prevent aggressive recruiting tactics, unchecked growth of online training programs, and an influx of alternative providers, the costs associated with workforce Pell could far exceed prior estimates. This would place further strain on the Pell Grant program—which is already facing instability for the six million students who rely on it to

pay for college—and pave the way for deeper eligibility cuts that threaten access and affordability, particularly for community college students and working adults looking to upskill.

Conclusion

Any expansion of Pell to short-term programs must include meaningful guardrails to ensure that students receive valuable workforce training and that their time, personal resources, and taxpayer-funded aid dollars aren't wasted on ineffective programs or predatory providers. By reneging on established bipartisan safeguards against wasteful spending, the version in the House reconciliation bill heightens the risk that students will be steered toward low-quality training while taxpayers subsidize unaccountable programs that fail to deliver strong outcomes.