



# Short-Term Pell Grants and What They Mean for Colleges

By Daniel C. Vock



**C**ongress has approved an extension of Pell Grants to cover programs running between eight and 15 weeks long — a long-debated policy shift aimed at increasing access to fast, affordable pathways into the work force. The new law sets out eligibility requirements for program length, completion rates, earnings outcomes, and institutional reporting, prompting colleges to evaluate which of their existing nondegree offerings might qualify — and whether to build new ones. It will push them to align more closely with work-force needs, provide aid to hundreds of thousands of students per year, and bring funds to the institutions that offer these quick, increasingly popular programs. But bringing policy to life will demand sustained effort — and implementation depends on coordinated action by the U.S. Department of Education, states, and colleges themselves.

- > What are short-term Pell Grants?
- > Who will be eligible?
- > Why have advocates been pushing for this change?
- > What could this mean for colleges?
- > What are the potential benefits?
- > What are the potential challenges?

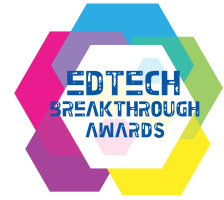


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This Explainer will unpack the new rules, explore how colleges are rethinking and redesigning programs, cover key policy uncertainties and equity and quality concerns, and explore the broader implications of this change.

## What are short-term Pell Grants?

Congress first created the program now known as Pell Grants, which provide federal financial aid for low-income undergraduates, in 1965. The federal stipends were available to students pursuing bachelor's degrees and professional training in courses that were [at least 600 clock hours and 15 weeks long](#).

Many community-college leaders and work-force development proponents have tried for more than a decade to expand the scope of the Pell Grants to shorter programs, arguing that shorter courses could help boost the income and job prospects of workers. They won the support of both Democratic and Republican lawmakers but could not get short-term Pell Grants to the president's desk.

But this past July, congressional Republicans passed a massive spending-related bill, known as the One Big Beautiful Bill Act, that authorized short-term Pell Grants for the first time. The law will allow those grants to be awarded starting in July 2026.

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## Who will be eligible?

Low-income students enrolled in qualifying programs may receive Workforce Pell Grants. The grant amounts are prorated depending on the length of enrollment, meaning someone who gets a grant to cover a short vocational course will get less than a full-time student receiving a traditional Pell Grant.

The Congressional Budget Office [estimated](#) that an earlier but similar version of the Workforce Pell Grant legislation would allow about 100,000 new recipients to receive grants of about \$2,200 each in the next decade.

The law lays out several criteria for programs that have to be met for their students to receive the new aid. Those include:

- The programs have to be offered by accredited higher-education institutions. That includes both nonprofit and for-profit providers. Online courses with regular interactions with an instructor could be eligible, but correspondence classes are not.
- The courses can be both for-credit and noncredit classes that lead to a professional credential. Those credentials have to be both “stackable” and “portable across more than one employer,” unless the credential being awarded at the completion of the course is the only recognized postsecondary credential awarded for that occupation.
- The governor in the state has to certify that the program enables students to practice a “high-skill, high-wage” or “in-demand” occupation. The governor also has to certify that the programs meet the needs of local employers.
- The program has to have been in operation for at least a year, with 70 percent of students completing the course and 70 percent of graduates finding a job within six months of finishing the course. The Education Department also has to certify that the program’s tuition and fees do not outweigh their increased earnings over three years.

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## Why have advocates been pushing for this change?

Supporters of Workforce Pell Grants have argued for years that expanding financial-aid options to students in short-term vocational programs could help them quickly develop skills that are in demand by local employers.

In a recent [letter](#) to Education Department officials, Maria Flynn, president and chief executive officer of Jobs for the Future, a nonpartisan nonprofit that advocates for equitable economic advancement, wrote that “if implemented effectively,” these grants could “be a powerful tool in promoting accessible and affordable options for learners and workers — especially those without prior postsecondary education or training.”

Workers in health care, information technology, and trades like welding could increase their earning potential, while companies in their area could find talented employees more quickly, advocates say.



“To see this come to fruition feels like a big accomplishment and a big step forward for students who are pursuing shorter-term programs that haven’t traditionally been eligible for financial aid,” says Lindsey Reichlin Cruse, director of research for the National Skills Coalition, which advocates for work-force development policies. “We know they’re spending their resources — time, money, and effort — into these programs because they want to advance their careers. But because they haven’t previously been eligible for much financial aid, a lot of that has come out of their own pockets.”

Financial aid for shorter vocational programs is available in a handful of states and through the Workforce Innovation and Opportunity Act (WIOA), but critics [contend](#) that that WIOA grants in particular have become too administratively burdensome and provide only limited benefits to participants.

Proponents of Workforce Pell Grants hope the new grants will cover a wider swath of potential students and encourage the creation of programs that will respond more quickly to changes in the economy.

## What could this mean for colleges?

The American Association of Community Colleges [called](#) the creation of short-term Pell Grants a “hard-earned victory for community colleges.”

In a [letter](#) to Sen. Bill Cassidy, a Louisiana Republican who chairs the Senate Committee on Health, Education, Labor and Pensions, the group explained, “The program’s additional cost to Pell Grant expenditures is tiny in relation to the size of the overall program — less than 1 percent. Also, the eligibility criteria that will be applied to programs are extremely exacting and far exceed anything even contemplated for all other Title IV programs.”

But the ultimate success of the new programs will depend on how well and how quickly individual colleges can create new programs or tailor existing programs to meet the law's requirements.

Jennifer Stiddard, the senior director for government affairs at Jobs for the Future, which has advocated for short-term Pell Grants, says states and institutions have to consider how to ensure that courses that qualify for the work-force grants can be stackable and help students build skills over time.

Some courses might have a logical endpoint, such as helping a student acquire a commercial driver's license, she says. But someone who is training to become a certified nurse aide might want to eventually become a registered nurse or a licensed practical nurse. Administrators should be thinking of questions like, "Is there a pathway for that student? And is that pathway transparent? Is there financial aid available? Can they avoid retaking courses and credit?" Stiddard says. "That's one of the biggest challenges out there."

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Another hurdle, Stiddard says, for institutions and government regulators will be to find earnings data that shows that program graduates increased their income, a requirement under the new law. Institutions might not have that data available, she says, especially for the three years after graduation as required under the law, because until now institutions didn't need to track that information.

Wesley Whistle, the project director for student success and affordability in the higher-education initiative at New America, a progressive policy organization, says even community colleges will have to work to ensure that short courses that qualify for Pell Grants lead to higher incomes for students. "It's really hard to get skills in eight weeks that lead to a middle-class job. Proponents might tout the benefits in, for example, becoming a welder, he adds, "but the good welding jobs out there, they require you to go through a longer program, like an associate degree in welding."

## What are the potential benefits?

Proponents of Workforce Pell Grants hope that the relatively small amount of financial aid could go a long way to increasing the earning potential of lower-income workers around the country. The programs are supposed to be tailored to help workers get jobs that are already available in their area, with companies that are established there. Colleges are likely to create or expand short-term programs to qualify for the new grants, Whistle says, because it will be relatively "easy money" at a time when college budgets are tight.

Beyond boosting their bottom lines, colleges could also benefit from having more diverse sources of revenue from a wider variety of course offerings and better partnerships with local industries.

## What are the potential challenges?

One of the biggest concerns that even supporters of short-term Pell Grants worry about is the potential for unscrupulous companies to take advantage of students by offering expensive programs that overpromise and underdeliver on their ability to boost applicants' job prospects.

Those worries come in the wake of several scandals involving for-profit colleges. In 2019, for example, the [University of Phoenix](#) agreed to pay \$191 million after the Federal Trade Commission accused it of using false and misleading ads to attract students. In 2016, [DeVry University](#) agreed to pay \$100 million in another FTC action, which accused the provider of falsely claiming that 90 percent of DeVry graduates landed a job in their chosen field within six months. The Education Department also blocked one of the largest for-profit colleges in the country — [ITT Technical Institute](#) — from accessing federal aid in 2015, for mismanaging federal financial-aid money, a move that eventually led to the closure of all of ITT's 130 campuses.

In a blog post for the Institute for College Access & Success, Christopher Madaio, a senior adviser for the institute, cited those examples and more, [concluding in June](#) that short-term “bootcamps” or college programs “have been a locus of troubling promises and broken student trust.”

According to Madaio, “The common through-line with each of these actions is that they involved violations of law that harmed students who enrolled at schools they would not have otherwise attended and incurred loans, exhausted Pell Grants, or wasted GI Bill and other veterans’ benefits. Predatory institutions have been harming students for years, and it is evident that stopping this misconduct necessitates a strong commitment to enforcing the law.”

Over the years, some proposals to create short-term Pell Grants would have barred for-profit entities from the program. But this year, the Republicans who drafted the massive spending bill chose to allow for-profit programs to participate. Their initial

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draft also would have included nonaccredited institutions. Eventually, the Senate parliamentarian forced them to narrow the scope of the new initiative, and the final version only allows accredited schools, which already can receive Pell Grant money for longer-term students, to participate.

Putting state governors in charge of vetting programs could also lead to vastly different criteria for determining if a vocational program meets the needs of students and employers from one state to the next.

States such as Indiana, Iowa, Louisiana, Michigan, Ohio, and Virginia have already created their own financial aid or taken other steps to encourage workers to take short-term training courses. They might have to adjust their criteria to match the new federal law or regulations from the Education Department. But other states will have to develop their own expertise and criteria for evaluating short vocational programs.

“It will absolutely be the case that a program that would be eligible in one state might not be in another state,” says Clare McCann, the managing director of policy and operations for the Postsecondary Education & Economics Research (PEER) Center. “It will be up to those state agencies to make sure they’re implementing this in a way that works for their constituencies and works for the students and workers in their state.”

Stephanie Riegg Cellini, a public policy and economics professor at George Washington University who studies higher-education policy, warns that some of the accountability requirements laid out by Congress for qualifying programs could be easily manipulated. Colleges could choose to pass students who might not meet program requirements in order to boost completion rates, and job-placement data is “problematic” because there’s no clear definition of what it means for someone to find a job “in their field,” she says. Cellini said the earnings threshold in the law is a “low bar.”

Meanwhile, Congress set up an ambitious timeline for the rollout for the new grants. It gave the Education Department, states, and institutions just one year to get the program up and running. At the same time, though, the Trump administration has tried to [cut the staffing levels](#) at the Department of Education in half, leading to hundreds of layoffs at the agency even as courts consider lawsuits over whether they were legal.

Observers have expressed concern about the “[alarming](#)ly” short implementation timeframe, worrying that the Education Department’s capacity to roll out the program will be affected by the recent staff reductions and budget cuts. They question whether the department will be able to ensure quality measures — especially those related to wage gains — and stress that states will need to play a larger role in protecting students.

McCann, the managing director at the PEER Center, also raises concerns about the inclusion of noncredit courses in the program. Colleges must follow more stringent rules when offering for-credit courses than for noncredit courses, which means that they are likely to roll out new noncredit courses earlier than for-credit options. “Noncredit programs typically fall outside the scope of accreditation” for a college, she says, “and so in a sense, it is a back-door way to provide programs that do not necessarily comply with accreditor standards that are still being offered by an accredited school. That’s a murky area.”

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