

Short-Term Education and Training Programs as Part of a Career Pathway

The Case for Pell Eligibility

Background

Postsecondary education is more important than ever. Since the Great Recession ended, 99 percent of new jobs have gone to workers with postsecondary training.¹ Furthermore, the labor market value of postsecondary education is not limited to bachelor's degrees, or even associate's degrees. Many good jobs have "middle skill" requirements that can be met through post-high school, non-degree training. This often takes the form of short-term education and training programs that lead to an industry-recognized credential.² The best designed short-term programs are embedded in a longer-term career pathway program and enable students to "stack" credentials. This helps students secure jobs more quickly, pursue additional credentials throughout their careers, and earn family supporting wages. These programs are also an important postsecondary on-ramp and equity lever for nontraditional students. Justifiably, Pell grants should be authorized for short-term programs that meet these standards and outcomes.

For many of today's students, the path to a postsecondary credential begins through sub-baccalaureate on-ramps, with stops along a career pathway as diverse as upskilling to industry certifications to two- and four-year degrees and beyond. These outcomes play an important role in today's workforce and global knowledge economy. However, postsecondary education policies and systems have not kept pace, as reflected by inadequate support for the diversity of today's students and their postsecondary needs.³ This is particularly the case with short-term programs, defined as those less than one year long and fewer than 15 weeks or 600 clock hours in a semester. Without federal financial aid, specifically Pell grants, from the Higher Education Act (HEA), students can only access these types of programs by paying for them out of pocket, with all too rare employer assistance or state, local, or institutional support.^{4,5} The disconnect between policy and reality has drawn critics from both sides of the aisle and across sectors, but disagreements around quality, accountability, and aid eligibility persist.⁶ As Congress considers reauthorization of HEA, these matters are front and center.

Reach, impact, and quality

Short-term programs fill a need for a large segment of the adult population with limited access to traditional, lengthier degree paths. Many come from populations that are historically underserved and have limited resources to pay for postsecondary education.⁷ When well designed, short-term programs offer training that meets employer demand, and provide a career pathway to further credentialing and greater earning potential.⁸ However, the expansive needs of students and employers across sectors, and their geographic, cultural, and economic diversity can lead to a wide variation in program design, delivery, and consequently, quality and outcomes, making it difficult to prescribe a "one-size fits all" success model without the necessary flexibility to respond to these nuances. While some programs are carefully designed to put students on a career pathway with a family supporting wage, and articulate to advanced levels of training, others fall short of that model for an assortment of reasons, some of which are imposed by policy.^{9, 10}

The quality standard for short-term training programs is to ensure that they are integrated into a comprehensive, well-designed career pathway that includes supports and multiple on- and off-ramps for students to join the workforce and subsequently return to additional training to advance their career.¹¹ When well designed, these programs are effective in terms of employment outcomes and earnings,¹² further demonstrating the worthwhile argument for making these programs eligible for Pell grants.

Current rules make it difficult to get financial aid for short-term programs. However, some institutions (such as those in the Oregon Community College System and Wisconsin Technical College System) have overcome eligibility barriers by embedding short-term programs in longer-term training programs.¹³ This allows students to earn short-term credentials and “stack” them toward further credentialing.

Research in Wisconsin shows that students enrolled in embedded short-term programs are more likely to persist towards an associate’s degree.¹⁴ However, the complexity of aligning industry and curriculum standards, maneuvering state and institutional governance structures, and bridging silos within and across institutions and employers can make this process daunting.¹⁵ The onerous process limits the model’s scalability, but its successful outcomes make a compelling case for removing federal aid restrictions.

Unfortunately, the lack of federal aid eligibility and systematized regulation can make assuring quality standards across programs a challenge. Since the interests of and incentives for students, employers, and institutions can differ, opportunities for programs to become exploitive, whether unintentionally or not, present a real dilemma. For employers, meeting workforce demands can supersede interests in credit or noncredit portability. For institutions, it’s challenging to build and get approval for programs with industry, institutional, and accreditor input. That’s why many choose to provide noncredit opportunities, which have less procedural bureaucracy.¹⁶

Without the pathway model standard, articulation is forgotten and financial aid loses its return. More importantly, the most vulnerable students are at the greatest risk of enrolling in short-term programs with poor outcomes.¹⁷ The implications by race and gender are also disparate, with men gaining a much higher earnings premium than women, and African Americans having the lowest earnings gain from short-term certificates.¹⁸

Program quality and accountability are key points of contention in the debate on short-term program and aid eligibility.¹⁹ For low-income and working-class communities, the need is urgent.²⁰ At the same time, people are questioning whether longer-term postsecondary programs are worth the increasing cost of attendance.²¹ With legislative and regulatory decisions on the horizon, the reach and quality of short-term programs are being fiercely debated. We need to critically examine financial aid rules restricting access to short-term programs that meet students’ needs and lead to good jobs.

Translation to policy

A disconnect between policy goals and implementation

In 2014, overwhelming bipartisan majorities approved the Workforce Innovation and Opportunity Act (WIOA). The law requires state and local programs to use federal WIOA funding to better support individuals with the greatest barriers to employment. That means promoting postsecondary and career pathways, aligning systems to enhance service delivery, improving accountability and attention to outcomes, and tying workforce services to identified occupational demand from specific industry sectors.²² However, these positive provisions are only as strong as the workforce system’s ability to leverage resources from other federal, state, and local programs.^{23,24} The emphasis on career pathways, in which model short-term programs are embedded, needs to better align with federal financial aid policy. The resulting disconnect

means that there are few levers for accessing Pell grants for short-term training opportunities, which are essential for economic mobility for low-income workers.

This alignment can build on the identical definition of career pathways in the federal WIOA and HEA laws.^{25,26} This common definition supports a shared objective of postsecondary attainment of industry-recognized credentials that enables economic success, particularly for those with the greatest barriers to employment. At their best, career pathway programs target occupations in growing fields with family-supporting employment, collaborating with employers to develop skilled workers. They often include first steps that don't meet duration requirements for federal financial aid. This leaves two options for student and institutions 1) pay for initial training without title IV funds; or 2) enroll the student in more credits than are necessary to complete the training, enabling them to access federal student aid funds. The first option threatens access to a program with proven employment outcomes. The second is a waste of both students' time and taxpayers' resources, and further, needlessly decreases the student's remaining lifetime eligibility for Pell Grants.²⁷

Short-term programs have been shown to be successful. Additionally, federal innovation grants to institutions have demonstrated success where federal aid has fallen short. Community-Based Job Training grants, Health Profession Opportunity Grants, and Trade Adjustment Assistance Community College and Career Training grants have strengthened higher education institutions' ability to prepare workers for high-wage, high demand occupations. They have also documented the efficacy of support services for low-income, less educationally prepared participants.²⁸ Regardless, congressional approval is needed to remove title IV barriers for short-term programs and align aid eligibility with guardrails based on best practices in career pathway models.

Reform proposals and costs

Since the last reauthorization of the HEA in 2008, several policymakers have suggested making short-term programs eligible for Pell grants. The bipartisan Jumpstart Our Businesses by Supporting Students (JOBS) Act, introduced by Senators Tim Kaine (D-VA) and Rob Portman (R-OH), proposes expanding Pell Grant eligibility to students in high-quality, short-term job training programs that: are at least eight weeks long and 150 clock hours; lead to industry-recognized credentials that match local and regional employer demand; and are part of an eligible career pathway.²⁹ The bill would eliminate on-ramp barriers that exist under current law.³⁰ The Pell Grant Preservation and Expansion Act—comprehensive Pell reform legislation introduced in 2017—also includes many of the JOBS Act provisions.³¹

The JOBS Act would fill training gaps while ensuring quality guardrails. Conversely, House Republicans' 2017 HEA reauthorization bill—the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act—would allow aid eligibility for short-term programs while eliminating safeguards. Moreover, the bill does not require these programs to be connected with career pathways, meet completion or job placement standards, or provide student supports.³² This provision raises serious concerns about accountability. The PROSPER Act could open up aid eligibility to programs and institutions with a history of predatory recruitment of low-income students, poor success rates, and selling credentials at a high cost with little or no earning power. The result is a payday for bad actors and backbreaking, undischageable debt for the most vulnerable students.

This same theme is echoed in both the 2019 Presidential Budget and Infrastructure Plan to an extent, as the proposal to extend Pell eligibility to "high-quality, short-term programs" does not reference any standards for quality.^{33,34} While making high quality, short-term programs eligible for Pell grants, it is essential that they meet quality standards that set students up for postsecondary and economic success, rather than exploiting their vulnerability.

Pell grants should only be authorized for short-term programs if we hold programs accountable for their students' success. Congress should require that short-term programs:

- Be at least 150 clock hours of instruction over at least 8 weeks;
- Be a part of a career pathway;³⁵
- Lead to industry recognized and stackable credentials embedded in longer awards;
- Be developed in collaboration between institutions and employers and have demonstrable value in the labor market, as reflected by hiring requirements of multiple employers in the field for students with licenses, certifications, or credentials;
- Lead to gainful employment; and
- Be offered by Title IV eligible institutions.

Because other federal and state resources are scarce, Pell grants would provide the largest resource available to fund these programs.³⁶ Just 4 percent of Pell dollars go to students in short-term programs, yet sub-baccalaureate credentials comprise 25 percent of all postsecondary awards.³⁷ A Congressional Budget Office cost study of the PROSPER Act estimates that expanding Pell access to short-term programs would increase Pell spending by \$343 million over the next 10 years, which is just a fraction of overall Pell spending.³⁸ However, that number would likely be reined in if quality guardrails *not currently in the bill* were applied, meaning even lower costs and likely better outcomes.

A critical moment for today's students

Federal higher education policy must change with the times. Today's students, as well as their postsecondary needs, are increasingly diverse. The traditional model of higher education will not sustain the workforce of the future. To create fair opportunities for economic mobility and to ensure a consistent pipeline of skilled workers, America needs a diverse, accessible system of postsecondary pathways.

Short-term programs fill an important economic need, offering opportunities to build skills and ascend toward greater earning potential. For nontraditional students, low-income students, first-generation students, and individuals with significant barriers to employment, these programs are an important equity lever. It's essential that these programs are adequately supported and prioritized, and even more essential that our postsecondary and workforce systems support the students whose economic mobility depends on them.

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Endnotes

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