

# JOBS Act Frequently Asked Questions (FAQ)



## The JOBS Act aims to better support today's students by making high-quality, shorter-term education and training programs eligible for federal Pell Grants.

Pell Grants are the federal bedrock of equity and access in postsecondary education. When the program was created in the 1970s, it was designed to tackle inequity in our postsecondary system and enable access to college for all students regardless of income. Pell Grants were created with more traditional students in mind — those who are younger, dependent, and able to attend school full-time<sup>1</sup>. As a result, Pell Grant students must be enrolled in postsecondary programs that are at least 600 clock hours over 15 weeks of instruction.

Since the creation of the Pell grant, the profile of today's students has evolved along with the types of postsecondary education and training programs students look to enroll in. Today, 37 percent of all postsecondary students are 25 years of age or older, 68 percent work full-or-part-time while attending school, and 26 percent have children or dependents<sup>2</sup>. While many of these students enroll in longer-term degree programs, a significant number seek out shorter-term, workforce-oriented training programs that lead to in-demand jobs or stack to longer-term education pathways. These short-term programs allow them to advance their education and skills in a manner that works with their life situation of working and caring for children and other dependents. Without such programs, many of these students cannot devote the four plus years that many part-time students must spend to get an associate's degree or six plus years to earn a four-year degree.

Ensuring access to a variety of postsecondary programs has become even more critical in light of the COVID-19 pandemic. As of the end of 2020, more than 10 million Americans were unemployed, and 3.7 million of those individuals have suffered permanent job loss.<sup>3</sup> These workers will need access to postsecondary education and training to reskill and reenter the workforce. Notably, according to a poll conducted by Strada in June of 2020, Americans strongly prefer nondegree and skills-training programs over degree programs as a way to access postsecondary credentials during and after the pandemic<sup>4</sup>.

Given the central role short-term education and training programs play in the lives of students and workers and in our nation's long-term economic recovery, it is critical for Congress to pass the JOBS Act.

## What does the JOBS Act aim to accomplish?

The Jumpstart Our Businesses by Supporting Students (JOBS) Act was reintroduced by Senators Tim Kaine (D-VA) and Rob Portman (R-OH) in March 2021. This bipartisan bill aims to amend the Higher Education Act (HEA) to make high-quality programs that are at least 150 clock hours and 8 weeks in length Pell eligible.

Currently, a program must be at least 600 clock hours and 15 weeks in length to be eligible for Pell Grants (a full academic year is generally 900 clock hours). As a result, students enrolled in short-term education and training programs at public institutions of higher education (IHEs)—including those leading to industry-

recognized credentials or certifications, licenses, and certificates—are not eligible for vital needs-based federal aid.

## Why do students enroll in short-term programs?

In today's economy, approximately 80 percent of all jobs require some form of postsecondary education or training beyond the high school level—a reality that has driven up the number of nontraditional students enrolling in postsecondary programs. Considering that short-term programs, 54 percent of which take one year or less to complete, fit more seamlessly into the lives of nontraditional students, they are frequently used as a way for people to quickly gain the skills they need to get new jobs or further their career pathways. For these reasons, credentials achieved through short-term programs make up 24 percent of all postsecondary awards in the U.S. today—a noteworthy jump from 8 percent in 1980<sup>5</sup>.

In light of the current pandemic, demand for short-term programs is expected to grow even more. Recent surveys conducted by Strada have shown that people considering engaging in education and training within the next five years are leaning toward more nontraditional postsecondary education pathways. The majority (59%) of adults considering enrolling in an education or training program in the near future prefer nondegree programs, and their motives are divided evenly among reskilling, upskilling, and pursuing personal interests.<sup>6</sup>

In addition to serving as a launching pad into the workforce, shorter-term credentials can represent a foot in the door to postsecondary education for individuals facing academic, financial, and logistical barriers. In Virginia's New Economy Workforce Grant, three-fourths of participants who completed a short-term program offered at a community college had never pursued postsecondary education before. A 2016 academic research article by Di Xu and Madeline Tribble noted that "due to open-door admissions, flexibility, and low cost at community colleges, certificate programs at these institutions have disproportionately enrolled many of the lowest-performing students and low-income adults, potentially providing a pathway to economic opportunity for these populations who have been under-represented in higher education and are most at risk of being left behind by ongoing changes in the labor market."<sup>7</sup>

The ability to stack credentials is also appealing for many students. In 2015, *The Chronicle of Higher Education* published an article on stackable credentials featuring Erin B. Chavez, a student at Ashland Community and Technical College, in Kentucky. Ms. Chavez is a single mother who had largely been employed in the fast food industry since graduating high school six years prior. With the goal of ultimately becoming a registered nurse, Ms. Chavez opted for a path that was more feasible academically and financially. By first completing a certificate in basic health care foundations, Ms. Chavez can qualify to be a certified nursing assistant while working toward her associate degree. By offering multiple on-ramps and off-ramps, stackable credentials can help adults build skills and earning potential in a flexible manner.<sup>8</sup>

## What quality assurance provisions are included in the JOBS Act to protect students?

To help ensure program quality, short-term programs would only be Pell eligible under the JOBS Act if they:

- Are at least 150 clock hours over 8 weeks of instruction;
- Provide training aligned with the requirements of employers in a state or local area;
- Award program completers with a recognized postsecondary credential;
- Satisfy applicable prerequisites for licensure or certification;

- Are evaluated by an accrediting agency for quality and student outcomes;
- Are offered by an eligible training provider, as defined in the Workforce Innovation and Opportunity Act (WIOA), which now provides a [public dashboard](#) on the employment and wage outcomes of eligible training programs;
- Are offered by a public institution of higher education (proprietarys are excluded);
- Articulate for a longer-term program if the student seeks an additional credential or degree; and
- Meet the reporting requirements under the Gainful Employment rule.

Notably, the JOBS Act also creates an inter-agency data-sharing agreement between the Department of Labor and Department of Education to share WIOA performance outcomes metrics, such as median earnings and completion.

## What types of short-term programs would be Pell-eligible under the JOBS Act?

All access to federal financial aid is contingent on programmatic eligibility. Given the parameters set forth in the JOBS Act, short-term programmatic eligibility will be tied to available in-demand sectors within a region or locality. Common programs that may be eligible could include:

### Health Care

Certified medical administrative assistant  
 Certified pharmacy technician  
 Medical billing and coding  
 Phlebotomy Technician  
 Dental Assistant  
 Patient care technician  
 Emergency medical technician

### Manufacturing and Skilled Trades

(CCNA) CCENT I & CCENT II  
 Wastewater management  
 Applied manufacturing certificate  
 Welding technology  
 CDL  
 CCNP Route and Switch

### Building Trades & Construction

HVAC maintenance technician certificate  
 Home Inspection Certificate  
 Electromechanical technology

## What are the outcomes for shorter-term programs?

Overall, completion rates for students enrolled in certificate programs are generally higher than those in associate degree programs.<sup>9</sup> The earnings premium associated with a certificate can vary based on field of study; however, a recent study by Strada Education Network, Gallup, and the Lumina Foundation found that adults without a postsecondary degree who hold a certificate or certification have a median income

that is \$15,000 higher than individuals without a certificate or certification. Those non-degree individuals with a certificate or certification also have higher rates of full-time employment.<sup>10</sup>

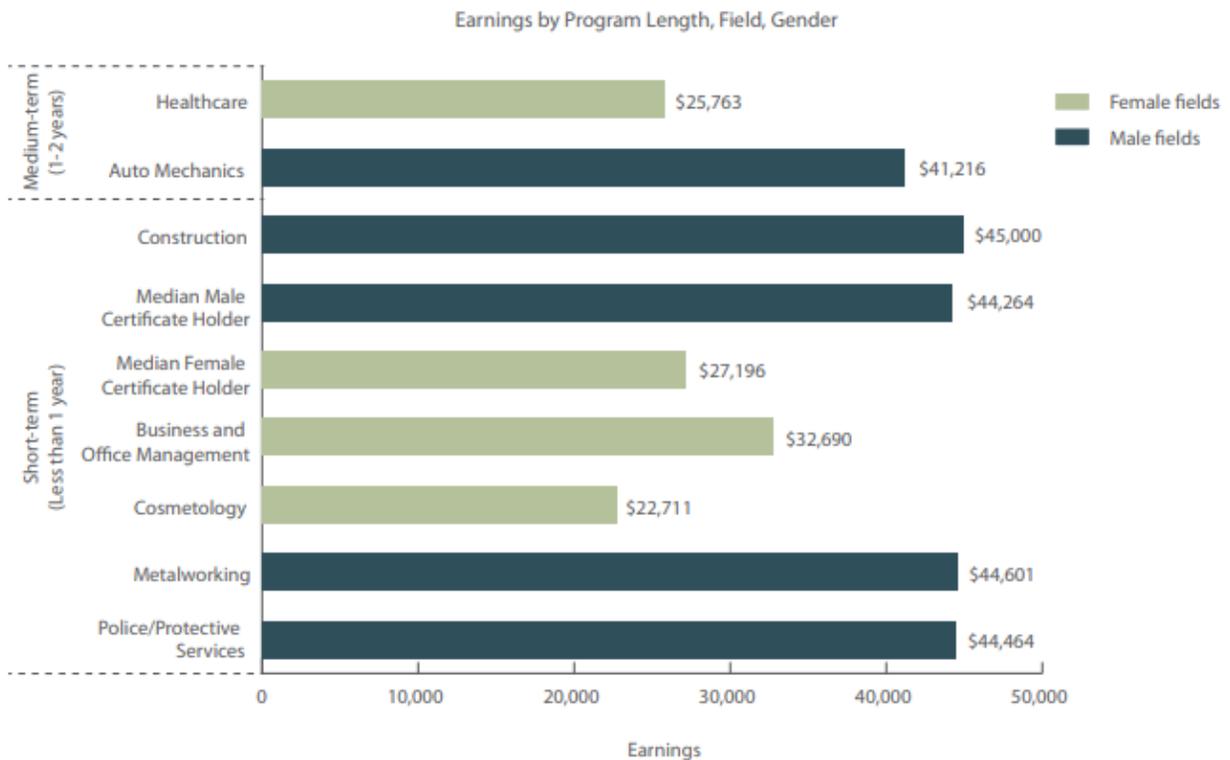
Median Personal Income for Non-degree Adults by Occupation and Credential Status

JOB CATEGORY OF WORK	WITHOUT CERTIFICATE OR CERTIFICATION	WITH CERTIFICATE OR CERTIFICATION	CERTIFICATE/ CERTIFICATION PREMIUM
Security and Protective Services	\$ 35,000.00	\$ 60,000.00	\$ 25,000.00
Architecture or Engineering	\$ 65,000.00	\$ 85,000.00	\$ 20,000.00
Computer and Mathematical	\$ 55,000.00	\$ 74,000.00	\$ 19,000.00
Construction or Mining Worker	\$ 36,000.00	\$ 55,000.00	\$ 19,000.00
Community and Social Services	\$ 30,000.00	\$ 45,000.00	\$ 15,000.00
Installation, Maintenance, or Repair Worker	\$ 40,000.00	\$ 55,000.00	\$ 15,000.00
Farming, Fishing, or Forestry Worker	\$ 25,000.00	\$ 38,000.00	\$ 13,000.00
Manager, Executive, or Official	\$ 54,000.00	\$ 65,000.00	\$ 11,000.00
Manufacturing or Production Worker	\$ 34,000.00	\$ 45,000.00	\$ 11,000.00
Sales Worker	\$ 30,000.00	\$ 41,000.00	\$ 11,000.00
Arts, Design, Entertainment and Media	\$ 35,000.00	\$ 45,000.00	\$ 10,000.00
Business, Financial, Insurance, Real Estate	\$ 50,000.00	\$ 60,000.00	\$ 10,000.00
Military	\$ 35,000.00	\$ 45,000.00	\$ 10,000.00
Personal Care and Service Worker	\$ 20,000.00	\$ 30,000.00	\$ 10,000.00
Small Business Owner	\$ 60,000.00	\$ 70,000.00	\$ 10,000.00
Transportation Worker	\$ 45,000.00	\$ 54,000.00	\$ 9,000.00
Building and Grounds Cleaning and Maintenance	\$ 22,000.00	\$ 30,000.00	\$ 8,000.00
Legal	\$ 53,000.00	\$ 60,000.00	\$ 7,000.00
Food Preparation or Service	\$ 18,000.00	\$ 25,000.00	\$ 7,000.00
Life, Physical and Social Sciences	\$ 34,000.00	\$ 40,000.00	\$ 6,000.00
Healthcare	\$ 30,000.00	\$ 35,000.00	\$ 5,000.00
Office and Administrative Support Worker	\$ 36,000.00	\$ 40,000.00	\$ 4,000.00
Education, Training, and Library	\$ 25,000.00	\$ 27,000.00	\$ 2,000.00

Source: Strada-Gallup Education Consumer Survey

Despite generally positive outcomes in earnings premiums, demographic and programmatic disparities do exist. However, these disparities are not associated with program length. Overall, women and African Americans are overrepresented in programs with some of the lowest wage premiums. African-American women have the lowest wage premium of all categories, with certificate holders experiencing an 11 percent wage premium increase compared to African American women with a high school diploma or equivalent. However, Hispanics experience the largest wage premium increase across all groups. Hispanic men have a 44 percent wage premium increase compared to high school educated workers, while women have a 41 percent increase.<sup>11</sup>

**Figure 14: Short-term certificates do not guarantee low pay, while medium-term certificates do not guarantee high or average pay.**



Source: Survey of Income and Program Participation (SIPP) and Integrated Postsecondary Education Data System. For full detail of methodology, see Appendix J.

It is noteworthy that these data on wage premiums are inclusive of all sectors of higher education, including the for-profit sector. A 2018 paper by the National Bureau of Economic Research found “that for-profit certificate students experience lower earnings and employment post college than their public-sector counterparts, a result that holds even after accounting for differences in student demographics and fields of study. Relative to their matched public sector counterparts, for-profit students are 1.5 percentage points less likely to be employed and, conditional on employment, have 11 percent lower earnings after

attendance than students in public institutions.”<sup>12</sup> Short-term programs at for-profit colleges are not eligible under the JOBS Act.

Additionally, states with tuition assistance programs to serve adult learners have seen strong returns on wages. Program completers of Iowa’s GAP Tuition Assistance Program, a program designed by 60 sector partnerships and representing more than 300 employers that prepares workers to enter in-demand occupations, saw an average quarterly wage gain of 37 percent. Virginia’s New Economy Workforce Grant Program saw an average wage gain of 25 to 50 percent after participants attained their credential and see an overall enhancement in their quality of life from not having benefits or steady work schedules to receiving benefits such as paid leave, health insurance, and set salaries and schedules.

## **Will the JOBS Act help increase racial equity in postsecondary programs and employment opportunities?**

Expanding Pell grants to high-quality, short-term programs could help more underrepresented adults of color earn postsecondary credentials by making education and training more affordable for them. This is especially important given the racial wealth gap and the smaller amount of financial resources available to Black and Latinx families specifically, meaning that people of color have less family financial support and often must borrow more money for education. These short-term programs exist today, but by limiting their access to public dollars, Congress is perpetuating standards that make it more difficult for people of color to access educational opportunity.

An evaluation of the Department of Education’s Experimental Sites Initiative to expand Pell Grant eligibility to short-term programs found that enrollment and completion rates were higher for students who received aid for these short-term programs than those who did not; program completion increased by nearly 20% when students had access to aid, and students were 15% more likely to enroll in additional education than students who did not receive the offer.<sup>13</sup> By providing students with financial aid to cover costs of high-quality, short-term programs, the JOBS Act creates a connection to postsecondary education for students who have been excluded.

## **How does the JOBS Act help employers?**

Businesses, especially during the current economic crisis, cannot wait for a pipeline of occupational talent and are driving institutions offering short-term programs that nimbly and rapidly respond to real-time industry need. Expanding Pell to short-term programs means more workers have in-demand skills, more rapidly.

Prior to the pandemic, 64% of business leaders said it would help their business to make federal financial aid available to people seeking skills training, not just those seeking degrees. Similarly, the National Association of Student Financial Aid Administrators (NASFAA) leveraged surveys, focus groups, interviews and program data on short-term programs to find that institutions agree on the benefit short-term credential programs have to local economies and adult learners and that businesses are the driving force behind the development of these programs.<sup>14</sup>

## **Shouldn't WIOA or another workforce program assist students who are looking to enroll in short-term, workforce-oriented education and training programs?**

The Workforce Innovation and Opportunity Act (WIOA) provides federal funds to states to help job seekers, workers, and businesses with comprehensive career services, which can include job training. The WIOA Title I Adult Program aims to serve disadvantaged adults by targeting public benefit recipients and others with substantial barriers to employment.

Under WIOA, individuals in need of training can qualify for an Individual Training Account (ITA), which helps them cover the cost of participating in a WIOA-funded training program. Unlike Pell Grants, ITAs do not function as an entitlement, are not needs-based, and can only be provided to eligible participants who have been assessed and determined to have specific skill-related barriers to employment.

WIOA is not intended as a way to provide training to a general population of low or middle-wage earners or to broadly address skill shortages for employers. Additionally, since 2001, federal WIOA funding has been cut by approximately 40 percent, which has resulted in drastic limitations for WIOA services.<sup>15</sup> Lastly, unlike ITAs, Pell grants are readily accessible for an individual to build upon that first short-term credential when they need to advance their skills to grow or maintain their employment without the need for continued assessment under the WIOA system.

It is important to ensure that student aid is equitable and that access to that aid is straightforward for students. Students enrolled in shorter-term programs are college students, and allowing them to access Pell avoids unnecessary barriers to financing their education.

## **Has Congress extended Pell eligibility to short-term programs in the past?**

In 2011, the Department of Education (ED) began a pilot program to allow income-eligible students to obtain Pell Grants for short-term education and training programs that were at least 150 clock hours over 8 weeks of instruction. This experimental Pell eligibility expansion ran until 2017.

During the experiment, eligible students at participating institutions were randomly assigned either to be offered or not offered experimental Pell Grant funds in their financial aid award packages. Students had about a 60 percent chance of being offered experimental Pell Grant funds. At the end of 2020, ED published findings from the experiment and concluded that offering Pell for short-term programs increased enrollment and completion.<sup>16</sup>

Outside of this pilot program, Pell eligibility has not been extended to education and training programs that are under 600 clock hours by Congress or ED.

## **How much would the JOBS Act cost?**

In 2019, the Congressional Budget Office (CBO) estimated the JOBS Act would cost \$190 million per year. Currently, the federal government spends an estimated \$30 billion per year on the Pell grant program. Therefore, the JOBS Act is estimated to increase federal Pell grant spending by 0.6% per year—a minimal cost to increase postsecondary program access for thousands of students across the country.

## Who supports the JOBS ACT?

The *JOBS Act* is endorsed by the National Skills Coalition (NSC), the Association of Community Colleges and Trustees (ACCT), the American Association of Community Colleges (AACC), the Center for Law and Social Policy (CLASP), Opportunity America, Jobs for the Future, Association for Career and Technical Education (ACTE), Advance CTE, Rebuilding America’s Middle Class (RAMC), Higher Learning Advocates, Business Roundtable, and the Virginia Community College System.

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<sup>1</sup> <https://www.luminafoundation.org/looking-back-to-move-forward-3>

<sup>2</sup> [https://www.acct.org/files/ACCT8151%20%28Joint%20Legislative%20Agenda%20Online%29v1%20%281%29\\_0.pdf](https://www.acct.org/files/ACCT8151%20%28Joint%20Legislative%20Agenda%20Online%29v1%20%281%29_0.pdf)

<sup>3</sup> <https://www.nationalskillscoalition.org/blog/higher-education/the-jobs-act-would-make-short-term-training-work-for-americas-workers-and-businesses/>

<sup>4</sup> <http://stradaeducation.org/wp-content/uploads/2020/06/pv-one-pager-062420.pdf>

<sup>5</sup> <https://www.nationalskillscoalition.org/wp-content/uploads/2020/12/Putting-Pell-Grants-to-work-for-working-students-1.pdf>

<sup>6</sup> <http://stradaeducation.org/wp-content/uploads/2020/04/Public-Viewpoint-Report-Week-5.pdf>

<sup>7</sup> <https://journals.sagepub.com/doi/full/10.3102/0162373715617827>

<sup>8</sup> <https://www.chronicle.com/article/Stack-Those-Credentials/232985>

<sup>9</sup> <https://journals.sagepub.com/doi/full/10.3102/0162373715617827>

<sup>10</sup> <https://bit.ly/2HAIaA1>

<sup>11</sup> <https://bit.ly/2HAIaA1>

<sup>12</sup> <https://www.nber.org/papers/w22287.pdf>

<sup>13</sup> <https://ies.ed.gov/ncee/pubs/2021001/index.asp>

<sup>14</sup> [https://www.nasfaa.org/uploads/documents/Analysis\\_Existing\\_Short-Term\\_Postsecondary\\_Programs.pdf](https://www.nasfaa.org/uploads/documents/Analysis_Existing_Short-Term_Postsecondary_Programs.pdf)

<sup>15</sup> <https://www.nationalskillscoalition.org/wp-content/uploads/2020/12/CIAW-Invest-in-AW.pdf>

<sup>16</sup> <https://ies.ed.gov/ncee/pubs/2021001/index.asp>