



The Maryland Senate
Chair Brian J. Feldman
Education, Energy, and Environment Committee

Written Testimony in Support of SB509

Higher Education - Workforce Pell Grant Program - Implementation

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Good afternoon Chair Feldman, Vice-chair Kagan and members of the Committee. Thank you for the opportunity to testify in support of Senate Bill 509, the Workforce Pell Grant Implementation Bill. My name is Carolyn Fast, and I am Director of Higher Education Policy and a Senior Fellow at The Century Foundation (TCF). The Century Foundation is a progressive, independent think tank.

Congress recently expanded the Pell Grant program to include certain short-term workforce programs. This expansion has the potential to create meaningful new opportunities for students to pursue job training, but also poses risks.¹ Short-term workforce programs have a mixed track record:² while some lead to positive outcomes,³ others do not result in upward economic mobility for completers and even worse, may leave students with debt.⁴ In addition, Workforce Pell programs count toward students' limited Pell Grant eligibility, and students are at risk of using this eligibility for low-quality, expensive, or even fraudulent programs. As a result, it is critical that states establish guardrails for the implementation of Workforce Pell to protect both students

¹ Carolyn Fast et al., "Eight Steps States Should Take to Get Workforce Pell Right for Students and Workers," The Century Foundation, December 3, 2025, <https://tcf.org/content/commentary/eight-steps-states-should-take-to-get-workforce-pell-right-for-students-and-workers/>.

² Doug Irving, "Stackable Credentials: Making College Work for More Students," RAND Corporation, January 11, 2024, <https://www.rand.org/pubs/articles/2024/stackable-credentials-making-college-work-for-more.html>.

³ Monique O. Ositelu, Clare McCann and Amy Laitinen, "The Short-term Credentials Landscape: What We See and What Remains Unseen", May 5, 2021, New America, <https://www.newamerica.org/education-policy/reports/the-short-term-credentials-landscape/academic-outcomes>.

⁴ Ilan Levine, "Interest Surging in Nondegree Credentials but How Do Students Finance Them?," Pew Charitable Trusts, October 23 2025, <https://www.pew.org/en/research-and-analysis/articles/2025/10/23/interest-surging-in-nondegree-credentials-but-how-do-students-finance-them>.

and public investment in the program. Senate Bill 509 does just that. It provides important safeguards that will help limit student risk while maintaining the integrity and value of Maryland's postsecondary education system.

Federal law gives states responsibility for approving programs for eligibility for Workforce Pell. Senate Bill 509 provides four strong protections for Maryland students.

1. Senate Bill 509 prohibits schools from partnering with unaccredited providers

Senate Bill 509 limits the involvement of unaccredited providers in providing instruction for Workforce Pell programs. Typically, colleges and other providers that receive federal funding are required to obtain accreditation by a recognized accreditor. Accreditation is a peer-review quality assurance process which signals that an institution or program has met a minimum set standards. While the federal law establishing Workforce Pell has some guardrails around unaccredited providers, Senate Bill 509 makes it clear that unaccredited entities are prohibited from partnering with schools to provide instruction for Workforce Pell programs. This would ensure that accredited colleges do not outsource instruction to providers that are themselves unaccredited. This guardrail would help preserve quality standards for Workforce Pell programs by ensuring that instruction is delivered by faculty who are directly affiliated with the institution and meet accreditor qualifications.

2. Senate Bill 509 prohibits schools from partnering with private loan companies

Senate Bill 509 protects students from predatory arrangements between schools and private lenders by prohibiting participating institutions from partnering or affiliating with any entity that offers students loans, lines of credit or income share agreements (ISAs) with an interest rate greater than 0 percent. This will help to protect students from private loan products offered as part of arrangements that may benefit the schools' bottom line but risks loading students with burdensome debt. This is an important provision because it ensures that schools will not enter into arrangements that may push up tuition costs and lead to additional debt for students.

3. Senate Bill 509 prohibits schools from charging students more than the maximum Pell Grant amount

In addition, Senate Bill 509 will help protect students seeking workforce training from taking on burdensome debt. The legislation prohibits schools from charging tuition and fees that are more than the maximum amount of Pell Grant funds available to any students in that short-term program. Prohibiting institutions from charging tuition and fees beyond the maximum Pell Grants funds available for any student in a given short term program protects students from incurring additional costs which could drive them to take on student loans or other types of debt that they may struggle to repay. In an earlier expansion of Pell to short-term workforce programs,

which was offered at public two-year colleges, 9 percent of participants took out federal student loans, [averaging \\$4,021](#).⁵ Since the new Workforce Pell program expands eligibility beyond community colleges to more expensive providers, including for-profit providers, an even higher percentage of students may take on debt to attend Workforce programs, and in higher amounts. Senate Bill 509 would help protect Maryland students and workers from taking on burdensome debt to attend Workforce training programs.

Senate Bill 509 offers important safeguards for Maryland students that will help ensure that Workforce Pell programs expand students opportunities without leading students to enroll in low-quality programs or take on risky debts. **Accordingly, we strongly support passage of Senate Bill 509.**

For more information, please contact Carolyn Fast, Director of Higher Education Policy and Senior Fellow, at fast@tcf.org.

⁵ Jaime Thomas et al., "The Effects of Expanding Pell Grant Eligibility for Short Occupational Training Programs: Results from the Experimental Sites Initiative (NCEE 2021–001)," Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, 2021, https://ies.ed.gov/sites/default/files/migrated/nces_pubs/ncee/pubs/2021001/pdf/2021001.pdf.