# The Missing Mandate

How governors and legislatures can responsibly and fairly advance postsecondary value

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# Introduction

Higher education can be a key component of a state's strategy for economic growth, through its role in growing an educated and skilled citizenry. Highly skilled residents draw industry to a state, and governors consistently describe postsecondary education as central to their state's economic future.

Still, institutions have not always been set up for success in connecting the work of educating students to the outcomes those students expect. There are many benefits to higher education, and not all of them are economic. But the value proposition most often made on higher education's behalf—to students, to the policymakers who fund it, and to the public—is that a credential pays: that it is economically valuable to the individual who earns it and, by extension, to society.

State leaders have both an interest and a role in making good on that proposition. This report offers concrete steps they can take to increase the value states receive from their postsecondary institutions, without cheapening the learning experience or cutting back on what makes American higher education worth defending. In reviewing several state approaches, we found a consistent pattern: most states already hold the authority to ask whether a credential delivers lasting value as part of their authority as authorizers. However, this authority is often used in a limited way at the front door of authorization—to confirm that an institution is a legitimate credential-granting entity—and is rarely substantively revisited thereafter. Where states do reach further for greater oversight, they often do so narrowly in ways that don't focus squarely on the question of value to students.[1] Three things are often missing: 1) direction about which outcomes count and for which students, 2) the capacity to act on that direction, and 3) the coordination to move information across the agencies that already hold it. This report examines how each of six state levers could be used to advance postsecondary value, and what state leaders would need to do to position themselves for effective action.

# Overview

States have considerable opportunity to shape how students receive value in postsecondary education, ensuring that learners earn credentials that are meaningful in life beyond college[2].

Institutions of postsecondary education generally must be authorized by a state to operate lawfully and grant credentials; that authorization is also tied to eligibility for federal student aid and often to state financial aid or other state resources. This element of oversight is foundational to the broader infrastructure of state policymaking as it relates to postsecondary education. Through this authority and other related policy levers, states have substantial ability to advance postsecondary value, and they exercise it in various ways—sometimes quite conscientiously, and other times in ways that are under-developed.

**This report examines how states use six levers to advance postsecondary value: initial institutional approval, periodic reauthorization, new program approval, risk-based reviews for veterans programs, statewide coordination, and state financial aid tied to outcomes**. We focus on these six because each represents an existing point of state leverage over postsecondary value—whether via direct authority over whether institutions and programs may operate, or control over how a state coordinates oversight and directs public funding. In other words, these are places where states already have standing to act, whether or not

[1] There are some key exceptions here among several states that have recently enacted large-scale reforms to their postsecondary oversight systems (Texas, Florida, Tennessee, for example) with varying results and challenges, but these remain exceptions rather than the norm.

[2] By "value," we mean the degree to which a credential leaves students better off—through completion, earnings, manageable debt, licensure, and durable labor-market demand—while recognizing that value is not captured by earnings alone and that what counts as a good outcome can vary by field and by student. Because program-wide averages can mask wide differences across groups of students, we treat attention to how particular populations fare as part of what it means to assess value responsibly.

[3] For a fuller articulation of these six levers and how they relate to one another, see EducationCounsel, "Six State-Level Levers to Advance Value in Postsecondary Education," https://educationcounsel.com/our_work/latestcounsel/six-state-level-levers-to-advance-value-in-postsecondary-education.

they currently use it to advance value.[3] While several states have used funding models to advance notions of return-on-investment or "outcomes" via "outcomes-based funding" and those models have been thoroughly debated, these other levers are less discussed and generally available through existing structures that already exist within states. This work is especially relevant now, as public sentiment focuses more squarely on whether and how postsecondary institutions provide value to students and the broader public that supports them.

In more closely examining the ways in which states exercise these levers to advance postsecondary value, we also outline conditions that might make it more likely for them to do so responsibly and fairly. We did so through a review of the literature, interviews with higher education leaders in six states[4], and a review of relevant state laws and regulations.

### Key Idea

States serve an important and necessary role in basic consumer protection by confirming that postsecondary institutions are legitimate credential-granting entities via the authorization to operate in the state. However, there is meaningful opportunity to use state authority to go further and press for credentials that hold real value for students, through the six levers examined here.

Ideally, this would occur through a clear mandate from governors and legislatures that supplies three things:

**Direction** — which outcomes count, for which students, and how to weigh them fairly across fields and credential types.

**Capacity** — the staff, expertise, and data systems to act on that direction.

**Coordination** — structures that facilitate sharing information across relevant agencies and make it easier to act upon that information in coordinated ways.

# Background

State authorization is one of the primary ways states decide which institutions and programs may enroll students, expand, continue operating, and draw on public subsidies. In a policy environment increasingly focused on whether higher education is delivering value, state authorization deserves to be understood as a key governance tool to make institutions of higher education work better for individuals.

At the same time, the literature makes clear that state authorization does not exist as a uniform policy regime. States differ widely in statutory requirements, institutional coverage, staffing, agency structure, data access, and enforcement capacity (Ness, Baser, and Dean, 2021; Hall-Martin, 2021; Baser et al., 2025). In some states, authorization functions mainly as basic licensure. In others, it is part of a broader oversight framework that can incorporate consumer protection, financial review, program approval, outcomes monitoring, or coordination across agencies.

An important recent contribution to this literature is work released in 2025 by the State Higher Education Executive Officers Association (SHEEO), which helps move the conversation from generalities to a more concrete understanding of how states actually structure reauthorization and related oversight. That work reinforces several points that recur across other studies as well: states vary widely in capacity; responsibility is often fragmented across multiple agencies; and many states still

[4] The six states we interviewed were Connecticut, Kentucky, Nebraska, Oregon, Virginia, and Washington.

do not make robust use of student outcomes or labor market data in authorization and reauthorization decisions (Baser et al., 2025; Burns, 2025).

At the same time, the literature identifies a set of emerging practices that suggest real potential: some initial use of student success data, labor market information in program approval, more deliberate cross-agency coordination, and more targeted approaches to oversight where capacity is limited. The SHEEO study's accompanying analysis (Burns, 2025) is appropriately cautious about causality, but it does suggest that more developed reauthorization policies may be associated with better student outcomes in at least some areas.

Broadly speaking, the existing literature agrees that state authorization is an underexplored area of higher education accountability with the potential for highly effective and nuanced oversight. States are already positioned to shape postsecondary value because they control the terms on which institutions and programs operate, yet many have not built the capacity, coordination, or policy architecture to use that authority fully.

Based on our literature review and interviews, it is clear that many states take their oversight responsibilities seriously in concrete ways: reviewing the financial stability of private institutions, requiring evidence that providers have qualified faculty and adequate facilities, monitoring complaints, scrutinizing closures and teach-out risks, and helping public institutions consider demand for proposed programs. Yet there are gaps remaining in many state infrastructures to advance value in postsecondary education. These remaining gaps are not simply shortcomings of state agencies; in many cases, they reflect policy choices about what agencies have been directed, funded, and empowered to review. While some states are beginning to move policy toward incentivizing credentials of value, this action is largely nascent, uneven, and limited to a handful of states.[5]

# Methodology

This report is based on a review of existing literature on state authorization and postsecondary oversight, a survey of SHEEO offices, and follow-up interviews with officials in six states. The literature review focused on prior research on state authorization, reauthorization, program approval, veterans program oversight, cross-agency coordination, and state financial aid. We used the survey instrument to identify whether and how states appeared to be using the six levers examined in this report. We then conducted deeper interviews with selected states whose survey responses or known practices suggested activity worth further exploration. We also reviewed state laws, regulations, and public materials to better understand the legal and policy context for the practices described by interviewees.

The findings should be read as a qualitative exploration of how states can use these levers to advance postsecondary value, rather than as a comprehensive assessment of how and whether all states currently do so. The states interviewed were selected to illuminate potential approaches, barriers, and policy design questions, not to produce a nationally representative sample. For this reason, the report focuses on recurring themes, practices, and constraints identified through the literature review and interviews with these states.

[5] For example, New Jersey has enacted performance quality standards for career-oriented programs; Texas has shifted community college funding toward outcomes, credentials of value, and high-demand fields; Florida's REACH Act uses a Master Credentials List to direct state and federal workforce funds toward approved credentials of value; and Virginia's public planning process and program-approval structures increasingly incorporate labor-market and economic-development considerations.

# Where States Act: Initial Approval, Reauthorization, and New Program Approval

In our interviews, initial institutional approval, periodic reauthorization, and new program approval emerged as the most developed state oversight functions. These are the points at which states determine whether an institution may operate, whether it may continue operating, and whether it may add new offerings for students. They are also the points at which the limits of current state oversight are most visible. In the states interviewed for this project, these functions were real and often consequential, but they were usually divided by sector and purpose. For the states we interviewed, public institutions were typically reviewed through program approval, while private institutions were more often reviewed through institutional authorization and reauthorization. That division shapes what states look for, what they measure, and how they understand their own role.

## Public Institutions and Program Approval

For **public institutions**, **state approval** generally does not operate as a recurring judgment about whether the institution itself should continue to have permission to operate in the state. Public colleges and universities are usually established by statute, governed through public systems, and otherwise treated as standing parts of the state's higher education landscape (notwithstanding mergers and closures). As a result, the more meaningful oversight questions are not solely focused on whether the public institution should continue to be authorized as an institution, but also whether a proposed new program is needed, whether an existing program is drawing sufficient enrollment, and whether the program fits within the state's broader public higher education offerings. Interviewees described review processes that consider student demand, duplication with existing programs, resource needs, faculty capacity, clinical or licensure requirements, and, in some cases, whether a proposed program would cannibalize enrollment from other public institutions.

Workforce alignment appears most clearly in this public program-approval context. Several states described asking institutions to demonstrate labor-market needs through employer letters, industry consultation, workforce board input, state labor-market information, proprietary labor-market tools, or evidence from student and employer surveys. One state described a more formal review of existing programs using workforce-demand data, while another described a seven-year review process in which programs that fail to meet completion thresholds must justify their continued need, including through labor-market evidence. Another state described using longitudinal data to show public institutions whether graduates appear to be working in relevant fields and whether programs seem to be paying off for students. These examples show that labor-market considerations are not absent from many state approval processes. However, they are usually incorporated as part of a broader qualitative review rather than as a standardized statewide rule requiring programs to be created, expanded, reduced, or closed based on a fixed labor-market formula.[6]

In this way, it is not that public program approval offers no insight into workforce alignment, but that it is often occurring in a less rigid format. One might think of these functions less as consumer protection in the narrow sense and more as public stewardship: states are asking whether public institutions are using public resources responsibly, meeting student and employer demand, avoiding unnecessary duplication, and maintaining a coherent statewide portfolio of programs. In some fields, particularly career-oriented, technical, clinical, or licensure-linked programs, this review can be meaningfully connected to workforce needs. In other fields, especially more traditional academic programs, the connection to labor-market data may be looser, and states appear more likely to consider enrollment, academic quality, institutional mission, and the judgment of system or campus leadership. The resulting picture is of an oversight function that *can* ostensibly support more concrete notions of postsecondary value, but that often does so through planning and coordination rather than through direct outcomes-based accountability.

[6] Of course, there are exceptions to this broad principle. See, e.g., the previous footnote.

## Private Institutional Authorization and Reauthorization

**Private institutional oversight** usually looked different in the states we examined. For private providers, state authorization is more often understood as a consumer-protection function. Interviewees described initial approval processes focused on whether the institution is a legitimate and capable educational provider: whether it has qualified faculty, adequate facilities, appropriate academic policies, sufficient administrative capacity, clear enrollment agreements, a student complaint process, refund policies, and the financial resources to deliver what it promises. Several states described attention to audited financial statements, surety bonds, tuition and enrollment patterns, financial distress indicators, teach-out planning, and risks associated with abrupt institutional closure (though this is often a new and emerging concern across states). In this context, the authorizer's role is to determine whether students can safely enroll in the institution without facing obvious risks of fraud, instability, poor academic infrastructure, or sudden disruption.

Periodic reauthorization follows the same basic pattern. In some states, private institutions must return on a regular cycle to demonstrate continued compliance with state standards. In others, accreditation can substitute for some or much of the state's reauthorization review, particularly for long-standing or (formerly) regionally accredited institutions. Some states review changes in ownership, new locations, changes in degree offerings, institutional policies, financial solvency, complaints, retention, completion, or other indicators. But reauthorization is often still anchored in compliance, financial viability, and consumer protection rather than in a systematic review of whether students are completing, earning sufficient wages, repaying loans, or achieving strong labor-market outcomes across all demographic groups. Several interviewees said that poor outcomes could trigger closer scrutiny, and at least one state described having taken action where outcomes were extremely weak. Those are important examples that demonstrate states' *technical* ability to move in this direction, responsibly, if the right policy conditions exist.

The interviews also suggest that program-level review is generally less developed for private institutions than for public ones. In at least one state, this distinction was a direct consequence of statute: the authorizer described being able to conduct more vigorous labor-market review for public programs while being legally constrained from considering duplication or state need for private programs. Some states do require private institutions to seek approval for new programs, new locations, or substantial changes, and some use subject-matter experts or programmatic accreditors to assess academic quality. But several interviewees indicated that private program review is more limited, more focused on whether the program meets baseline academic standards, or largely left to the institution and its accreditor once the institution has been authorized. This again reflects the different theory of oversight. For public institutions, program approval can be a state planning function. For private institutions, authorization is more often a gatekeeping and consumer-protection function, with program review used to ensure legitimacy and quality rather than to manage the state's overall mix of offerings.

## Student Outcomes: The Least Developed Piece

**Across both sectors, the least developed part of the approval and reauthorization process is the use of student outcomes**. The literature already suggests that student-success metrics are less commonly incorporated into reauthorization than academic, organizational, or consumer-protection requirements, and the interviews were consistent with that finding. Some states collect or review graduation rates, retention rates, licensure results, job placement, default data, repayment information, or publicly available federal data. Some are building stronger student-level or longitudinal systems. ***But few described outcomes as a regular and decisive part of authorization.***

Some interviewees also raised concerns about overreliance on earnings measures, particularly for programs leading to lower-paid but socially important work such as child care, education, or public service. States that choose to incorporate outcomes into authorization should also consider whether overall program-level results conceal substantially weaker outcomes for particular student populations. Where data and sample sizes permit, authorizers could be directed to ask whether students receiving Pell Grants, first-generation students, adult learners, veterans, or other identified groups are completing credentials or degrees, repaying loans, obtaining licensure, or securing employment at rates that raise concerns about the value of the program.

On these first three levers, states have significant authority, but are often circumspect in how they choose to leverage that authority.

**Public program approval** can be a meaningful tool for aligning higher education with student and workforce demand, but it is usually not designed to align as tightly with labor-market needs so much as student demand.

**Private authorization and reauthorization** can be a meaningful tool for protecting students from low-quality or unstable providers, but it is usually not designed as a comprehensive student-outcomes review, and can sometimes be treated as closer to approving a business license than authorizing an institution of higher education.

The interviews also suggest that stronger outcomes and labor-market review should not depend on entrepreneurial state policy executives or staffers—that is, the onus cannot be solely on policy staff to develop outcomes-oriented value policy that is durable and lasting beyond any single administration. Where this kind of action happens without explicit legislative direction, it tends to reflect a particular leader's initiative rather than a pressure-tested expectation—which means it can recede when that leader leaves. This reality leaves most authorizers without the legal cover, data, or staffing to attempt it at all. A stronger focus on outcomes as part of a postsecondary value agenda will therefore require the three things named at the outset: direction about which outcomes count and for which students, the capacity to act on that direction, and coordination across the agencies that hold the relevant information—supplied through statute and regulation that make value a formal part of the approval charge.

# Where Authority Sits Unused

If the first three levers show states using their authority well but narrowly, the next three show authority that largely sits unused. Each could be utilized more effectively to advance value—but in the states we examined, they mostly do not, because they depend on coordination, data, or statutory direction that is not yet in place.

The remaining three levers examined in this report—risk-based reviews for veterans programs, statewide coordination, and state financial aid tied to outcomes—appeared less central to the daily work of state authorizers than institutional approval, reauthorization, and program approval. Yet they are still meaningful tools. Each can help states identify risk, align public dollars with public priorities, and surface information that may otherwise remain siloed. In practice, though, these levers often sit in adjacent systems, depend on different agencies, or require authority that authorizing offices do not independently control. Their greatest near-term value may be as connective tissue: helping states move information from one oversight function to another and act earlier when students face risk.

## Risk-Based Reviews for Veterans Programs

Before a program can enroll students using GI Bill and other veterans education benefits, it must be approved by a State Approving Agency (SAA) acting on behalf of the U.S. Department of Veterans Affairs. Rather than reviewing every program with the same intensity, risk-based reviews concentrate scrutiny on programs that show signs of elevated risk to students—an approach intended to focus limited oversight capacity where students are most exposed. Risk-based reviews for veterans programs appear to have improved in recent years. Interviewees described a shift away from a more routine compliance-review model toward a process that can involve closer scrutiny of institutional finances, administrative capability, program information, and other indicators of potential student harm. This is a useful development, enabled by federal law: the Colmery Act authorized VA to use State Approving Agencies for risk-based surveys, and the Isakson and Roe Act of 2020 established the requirements that govern them. Veterans and military-connected students who have access to large amounts of federal aid have historically been targets for low-quality providers, and given states' limited resources, a more substantive review process can help identify institutions that merit closer attention to protect students from low-quality institutions using publicly available indicators of risk.

The main limitation is that this lever is largely federally designed, because GI Bill dollars are governed by federal statute that vests oversight authority in the Federal Veterans Administration (VA). State Approving Agencies may carry out reviews and site visits, but the VA appears to drive the criteria for identifying high-risk institutions and assigning reviews. That limits the ability of states to use local knowledge, complaint patterns, financial monitoring, closure concerns, ownership changes, or other state-specific warning signs to decide where review resources should go. A stronger model would preserve transparent federal standards broadly indicating how institutions are deemed to be risky while giving State Approving Agencies discretion to identify some institutions for enhanced review based on risks known to the state. That would make veterans program oversight a more active part of the state consumer-protection system instead of a parallel process shaped primarily by federal assignment.

## Statewide Coordination

Coordination can be a useful way to advance value by engaging various state entities responsible for postsecondary education and oversight in the work to focus on helping learners gain value from their postsecondary experiences. Because oversight responsibilities are typically spread across several agencies—authorization, financial aid, workforce, and state GI Bill program approval among them—statewide coordination can refer broadly to the mechanisms a state might use to connect those functions, whether through a formal body, shared agency structure, or routine communication. A dedicated task force is one such mechanism, but not the only one.

The interviews provided limited evidence of formal statewide task forces. Coordination exists, but usually through agency structure, informal relationships, or issue-specific collaboration. In some states, multiple oversight functions sit within a single higher education agency or commission, reducing the need for a separate coordinating body. In others, authorizers communicate with workforce boards, labor agencies, financial aid agencies, veterans approving bodies, public systems, or governor's offices as needed. A few states described emerging or preexisting P-20 or workforce coordination efforts, though these were generally broader in scope than authorization-type oversight alone.

The states that expressed relatively higher confidence in their abilities in this area had more formally integrated functions that made regular communication easier, such as the relevant agencies all being housed within a single department. Interviewees described examples of how oversight improved when agencies routinized the process of sharing warning signs and clarity about which entity has responsibility to act. If a veterans approving agency sees risk, if a financial aid agency notices unusual patterns, or if an authorizer sees financial deterioration, there should be a known path for escalating that information. Right now, those connections often depend on personal relationships. States would benefit from more formal protocols for sharing data, coordinating reviews, and deciding when a concern in one part of government should trigger scrutiny elsewhere.

## State Financial Aid Tied to Outcomes

State financial aid tied to outcomes played a more limited role among the states interviewed. In several states, private institutions were ineligible for state aid or participated only in limited ways, so in those cases, tying aid to outcomes often was only of relevance to public institutions. For those public institutions, state operational and financial aid dollars were more often connected to enrollment while a smaller percentage of funding would depend on outcomes, typically completion. Some states did have scholarship or grant programs targeted to high-need occupations, though the utility of this approach in advancing value on a broad scale is not fully understood. Some interviewees expressed caution about using certain outcomes as the basis for state aid eligibility. In particular, several expressed concerns about conditioning state aid on earnings outcomes for socially valuable programs including child care, education, public service, and health support roles.

Taken together, risk-based reviews for veterans programs, statewide coordination, and state financial aid tied to outcomes are best understood as supports for the core approval system. Risk-based veterans reviews can identify institutions that deserve closer scrutiny. Coordination can move information across agencies before problems become visible through formal reauthorization. State aid can reinforce public priorities by directing subsidies toward programs with stronger evidence of both social need and value. But the interviews suggest that these levers are not yet deeply integrated into the primary tools of authorization and program approval.

# Lessons for Policymakers

The central lesson from this project is that state authorizers already serve an important consumer-protection function as one leg of the triad that determines access to federal student aid, but they are often not sufficiently expected and empowered by state law, regulation, and funding to conduct oversight that focuses more on value to students. Across all six levers, the pattern is the same: the authority exists, but the direction, capacity, and coordination needed to turn it toward value are not yet reliably in place.

Acting on that lesson means supplying the three things a mandate has to provide: direction about which outcomes count and for which students; the capacity—staff, expertise, and data systems—to act on that direction; and coordination across the agencies that already hold the relevant information.

As described above, state officials take these oversight responsibilities seriously. However, there are gaps where authorizers are not actively ensuring that approved institutions and programs continue to produce strong outcomes for students over time. If policymakers want authorizers to review earnings, debt, completion, licensure, loan repayment, or continuing labor-market demand—and whether those outcomes are materially weaker for low-income students, first-generation students, adult learners, minority students, veterans, or whether there are identifiable gaps by race or gender—that expectation needs to be written into state law or regulation and backed with staffing, data systems, and political support.

> **State legislatures and governors should give oversight agencies explicit authority, clear metrics, and the resources to conduct systematized reviews on that basis. They should also make clear how those metrics should be used in program approval, institutional planning, funding conversations, public reporting, and within institutional shared governance considerations. In an environment where students, families, and the broader public are asking more directly whether credentials pay off, states should fairly and responsibly make the value of approved institutions and programs a more explicit part of authorization.**

In addition to this central lesson, three other key takeaways emerged:

**1** *Student outcomes should be thoughtfully incorporated into authorization in a way that makes sense for each state*. The interviews showed that some states look at graduation, retention, licensure, placement, default, repayment, or wage data, but these measures rarely operate as regular triggers for approval, reauthorization, or program review. That is a missed opportunity, particularly for programs that continue enrolling students despite weak completion, poor job placement, or limited evidence of labor-market demand. At the same time, interviewees were right to be cautious about shutting down programs based only on earnings: states still need childcare workers, teachers, social workers, mental health counselors, and many other professionals who make modest wages. State legislatures are well positioned to craft policies that both direct authorizers to prioritize review of high-risk programs *and* also consider how state financial aid and other subsidies support high-needs fields.

Several interviewees also suggested that states should not let imperfect data become a reason for inaction; labor-market and outcomes data can be directionally useful even when it is not precise enough to be the decisive factor in making authorization or approval decisions. States should work to craft legislation that balances a set of outcomes by field and credential type (that could include completion, licensure, job placement, earnings, debt, repayment, employer demand, and public need). This would allow states to identify programs that are struggling to provide meaningful value to students without conditioning state program approval solely on earnings or other individual metrics.

**2** *Financial monitoring is one of the more mature consumer-protection practices states already have, but it can still be strengthened*. State officials repeatedly described financial viability as a central concern for private institutions because abrupt closures can leave students with debt, lost credits, devalued degrees, and no clear path to completion. Some states have developed more active approaches, including review of audited financial statements, surety bonds, enrollment trends, refund obligations, teach-out plans, and internal financial-risk indicators. This is an area where states are already beginning to take more concrete action. State policymakers could build on that strength by modernizing financial review standards, requiring institutions to furnish more timely financial information, and giving authorizers more explicit authority to act when warning signs emerge. Federal policymakers can help by improving the usefulness and timeliness of federal financial-risk data, including measures that states currently rely on but often view as lagging indicators.

3 *Federal policy should empower states' ability to protect their students and taxpayers when states' local judgment demonstrates intervention is warranted*. This came through most clearly in the discussion of veterans program approvals. Interviewees described risk-based reviews as more substantive than older compliance exercises, but also indicated that the process is largely driven by the federal VA, which uses an unclear process to determine which institutions are identified for closer review—institutions which often differ from those that appear to be most risky based on publicly available outcomes data. The federal government should preserve national standards while giving State Approving Agencies some discretion to select institutions for enhanced review based on state-level warning signs, such as complaints, financial distress, ownership changes, closure risk, or concerns surfaced through other oversight channels. The same principle applies more broadly. If federal policy relies on states as consumer-protection partners, states need access to usable federal data, flexibility to apply local knowledge, and ideally resources that reflect the work being assigned to them. Given that states already hold responsibility as authorizers as part of the "triad" of federal financial aid oversight, this kind of support could meaningfully improve states' ability to act in ways that advance value for students.

SIDEBAR

## Workforce Pell Readiness

At the time of our interviews, conducted ahead of the program's July 1, 2026 effective date, there was broad agreement that implementation planning for the new Workforce Pell program was underway and progressing on schedule. In most cases, respondents indicated that the governor's office or other relevant state leadership had already taken the initial required steps to engage the state workforce board and begin establishing the processes needed to review and approve eligible programs. State officials consistently expressed confidence that their state would be administratively prepared to carry out its role by July 1, 2026.

At the same time, respondents were generally skeptical that a large number of programs would be ready for approval on that date, or even in the few months immediately following that date. Officials pointed to the practical demands of the new framework, including the need for institutions and programs to satisfy multiple requirements and, in many cases, secure accreditor action before state approval can move forward. For that reason, the prevailing expectation was that early implementation may be relatively modest even in states that are themselves fully prepared. Most interviewees anticipated that a larger pipeline of programs would become ready later in 2026, particularly by the fall or end of the calendar year, even as they remained confident that their state would be positioned to act when programs are ready.

Given the requirements related to outcomes (particularly completion, job placement, and earnings), the ongoing implementation presents an important opportunity for states to exercise the muscle of reviewing programmatic outcomes and intervening quickly with coordinated oversight when early indicators of risk emerge.

# Conclusion

Taken together, the six levers tell a consistent story. States already hold substantial authority over postsecondary value, and they use it seriously to keep illegitimate providers out of the market. The opportunity is to extend that same seriousness to the question of whether approved institutions and programs keep delivering value to the students they enroll—and to do so in a way that looks beneath program-wide averages to how particular groups of students actually fare. That shift will not come from asking authorizers to do more with the authority they have. It depends on governors and legislatures supplying three things: 1) direction about which outcomes count and for which students, 2) the capacity to act on that direction, and 3) the coordination that lets information move across the agencies that already hold it.

The rollout of Workforce Pell offers states a near-term, concrete occasion to build exactly this muscle: its orientation toward outcomes and labor-market value gives states a reason to stand up the data, coordination, and review structures that could, over time, inform authorization far more broadly.

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**AI Use Disclaimer:** We conceived of this project ourselves. We completed the interviews personally and confidentially. We used AI to help synthesize insights across the interviews, to ensure the draft read cleanly across multiple authors' writing styles, to copyedit and check citations and factual claims against primary sources, which we then verified ourselves, to generate candidate titles and section headings from which we selected and revised, and to design and format this document. The final work product, analysis, and framing are the result of our own thinking and final editorial processes.

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