Implementation and Guardrails for the Workforce Pell Grant Program

SECTION I: DEFINITIONS.

For purposes of this act, the following definitions apply:

1. The Workforce Pell Grant Program: means the federal program by which Pell Grants may be awarded to students enrolled in Short-term Programs, pursuant to Section 83002 of H.R. 1, also known as the One Big Beautiful Bill Act.
2. State Workforce Board: shall have the meaning given in Section 3 of the Workforce Innovation and Opportunity Act. [*Replace with or refer to existing State Board.*]
3. Short-term Program: means a program of study that is at least 150 clock hours of instruction, but less than 600 clock hours of instruction, or an equivalent number of credit hours, offered by a Postsecondary Institution during a minimum of 8 weeks, but less than 15 weeks.
4. Postsecondary Institution: means a school or other institution that offers an educational program in the State for students who have graduated from or left elementary or secondary school. [*Replace or refer to any existing definition that includes all institutions regardless of whether they award degrees, certificates, or both.*]

Section II: APPROVAL AND REVOCATION OVERVIEW.

1. The purpose of this section is to implement the Workforce Pell Grant Program in the State.
2. The Governor, after consulting with the State Workforce Development Board, shall determine whether a Short–Term Program offered at a Postsecondary Institution meets the requirements of this section.
3. Subject to paragraph (4), a Postsecondary Institution, regardless of having or not having a physical presence in the state, may not: (i) disburse Workforce Pell Grant Program funds to a student in the State or, (ii) advertise, market, or inform students in the State about the availability of Workforce Pell Grant Program funds for a Short–Term Program.
4. Subparagraph (3) does not apply if a Postsecondary Institution regardless of having a physical presence in the State, obtains: (i) the approval of the

Governor under this section for each Short–Term Program for which the Postsecondary Institution seeks to disburse Workforce Pell Grant Program funds; and (ii) a determination from the Secretary of the U.S. Department of Education that the Postsecondary Institution meets the requirements of the Workforce Pell Grant Program for each Short–Term Program for which the Postsecondary Institution seeks to disburse Workforce Pell Grant Program funds.

5. For the approval to remain effective, every 2 years a Postsecondary Institution shall provide information verifying that the Short–Term Program remains in compliance with this section and any other requirements of the Workforce Pell Grant Program.
6. If the Attorney General or a court of appropriate jurisdiction finds the Postsecondary Institution engaged in unfair, deceptive, or abusive trade practice pursuant to (*insert relevant state consumer protection law*) related to a Postsecondary Institution's operation of a Short-Term Program receiving Workforce Pell Grant Program funds, the Governor shall revoke the program's approval.

Section III: APPROVAL PROCESS, PROHIBITED CONDUCT, AND DATA COLLECTION

1. A Short–Term Program seeking approval under this section shall:
    a. Provide an education aligned with the requirements of:
        i. A high–skill or high–wage occupation as identified by the State under the Carl D. Perkins Career and Technical Education Act; or
        ii. An in–demand industry sector or occupation;
    b. Meet the hiring requirements of employers in the sectors or occupations identified under item (i) of this paragraph;
    c. (i) Lead to a recognized postsecondary credential that is stackable and portable across more than one employer; or (ii) Prepare students enrolled in the Short–Term Program for employment in an occupation for which there is only one recognized postsecondary credential and that awards students with the credential on completion of the Short–Term Program; and

   d. Prepare students to pursue one or more certificates or degrees at a Postsecondary Institution by ensuring that: (i) On completion of the Short–Term Program and enrollment in a related certificate or degree program, a student will receive academic credit that a Postsecondary Institution will accept toward that certificate or degree; and (ii) The academic credit described under subparagraph (i) will be accepted toward meeting the certificate or degree program requirements.
2. In addition to the requirements of paragraph (1) of this subsection, a Postsecondary Institution seeking approval under this section shall provide:
   a. Documentation that, for the 12 months preceding the date on which the Postsecondary Institution applied for approval, the Postsecondary Institution offered the Short–Term Program and the Short–Term Program met all requirements of this section;
   b. Documentation that the Short–Term Program has a completion rate of at least 70% within 150% of the normal time for completion for each federal aid award year;
   c. Documentation that the Short–Term Program has a job placement rate of at least 70% after 180 days of completion for each federal aid award year;
   d. Documentation that the tuition and fees for the Short–Term Program are in compliance with the requirements of the Workforce Pell Grant Program; and
   e. Any information the State Workforce Development Board requests to verify compliance with this section and the Workforce Pell Grant Program, including any data about the current students enrolled in the program.
3. The State Workforce Development Board, or other agency as relevant under state policy, may collect an application fee to complete the evaluation.
4. In the operation of a Short–Term Program that is authorized under this section, a Postsecondary Institution may not:
   a. Partner, contract, or affiliate with, an entity, institution, company, or service provider to offer instruction for the Short-term Program that is not accredited by an accrediting agency recognized and approved by the United States Department of Education;
   b. Offer, or affiliate with any company that offers, financing for the Short-term Program using a private educational loan, including an income

share agreement or any similar type of credit product, other than loans or payment plans that charge no interest to the student;

c. Charge tuition and fees to any student enrolled in the Short-term Program that are greater than the maximum amount of Pell Grant funds available for any student in the Short-term Program, as established by the Secretary of Education, for the period of time that the Short-Term Program is offered;
d. Offer courses as a part of a Short-Term Program that are not reviewed by an accrediting body recognized and approved by the United States Department of Education; or
e. Include remedial or developmental education courses (both non-credit and for-credit) as a part of the Short-Term Program.

5. For each Short–Term Program approved under this section, the Postsecondary Institution shall report to the State Workforce Development Board on any data requested and further defined related to the Short-term Program, which must include but is not limited to:
   a. Program-level data:
      i. Name of program;
      ii. Classification of Instructional Program (CIP) Code and Title;
      iii. For a Postsecondary Institution with a physical presence in the State, the total number of students that enrolled in the Short-term Program during the previously completed federal financial aid award year, with their state of residence, and the number of students who completed the Short-term Program;
      iv. For a Postsecondary Institution without a physical presence in the State, the total number of students living in the State that enrolled in the Short-term Program during the previously completed federal financial aid award year and the number of students who completed the Short-term Program;
      v. The total cost of attendance, the total tuition and fees, and the average net price of the Short-term Program;
      vi. Such information, if requested by State Workforce Development Board, that will allow it to calculate the median earnings and share of graduates who are employed; and,
      vii. If known by the Postsecondary Institution, the number of completers of the Short-term Program that are employed in a position related to the Short-term Program and a list of the

positions and employers that are considered as included in the program's field of study.

   b. Student-level data:
      i. Student demographic information, including student identifiers, name, date of birth, and race and ethnicity; and
      ii. Student financial aid information, including dependency status, family income, aid amounts (federal, state, institutional), Pell status, net cost, tuition and fees.

6. For Short–Term Programs approved under this section, the State Workforce Development Board may enter into and/or update data sharing agreements with postsecondary entities to include, but not be limited to, the following data:
   a. Pre- and post-Standard Occupational Classification (SOC) Code and Title, if available;
   b. Pre- and post-North American Industry Classification System (NAICS) Code and Title, if available;
   c. Pre-enrollment and post-enrollment employment status and employer; and
   d. Pre-enrollment and post-enrollment earnings data

SECTION IV. STATE WORKFORCE PELL ADVISORY BOARD

1. The State Workforce Board shall ensure that it has the expertise to review potential Short-Term Programs seeking approval for the Workforce Pell Grant Program and recommend, either to Postsecondary Institutions or the Governor, necessary processes and policies, including, but not limited to: data collection and reporting; program approval and denials; how to manage student transitions when programs are deemed ineligible for funding; and designating an entity to manage student complaints.
2. The State Workforce Board may obtain input from the following entities or individuals:
   a. State workforce development board, including appropriate committee and/or subcommittee chairs;
   b. State workforce development agency;
   c. Sate workforce development association;
   d. State commerce agency;

e. State higher education executive officer(s) agency, including those with governance, oversight, and/or coordination of the public four-year sector, public two-year sector, independent/nonprofit sector, and for-profit sector;
f. State higher education financial aid agency;
g. State private proprietary institution agency;
h. Community college association;
i. Four-year college and/or university association;
j. State independent, nonprofit association;
k. State education agency;
l. State human services agency;
m. State economic development agency;
n. Industry leaders;
o. Nonprofit leaders; and
p. Other representative(s) designated by the governor.

SECTION V. STATE ADMINISTRATIVE PROCEDURE ACT – The State Workforce Board may adopt rules and regulations necessary to effectuate the provisions of this act.

SECTION VI. IMPLEMENTATION – This act shall take effect on July 1, 2026 *(or earlier if possible).*