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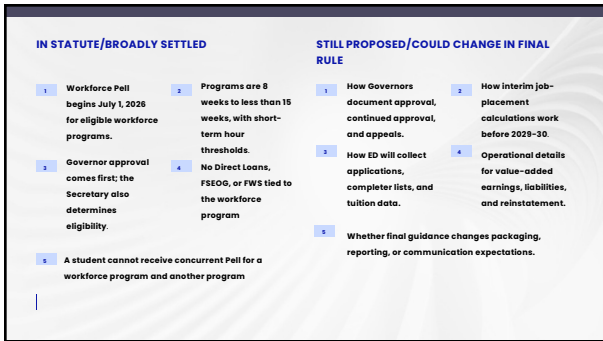
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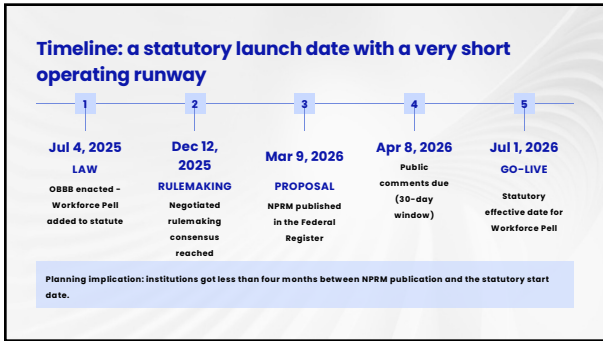
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**Which programs can qualify?**

**Core program requirements**

- Duration: At least 8 weeks, but less than 16 weeks of instruction.
- Hours: 150-599 clock hours, 4-15 semester/trimester hours, or 6-23 quarter hours.
- Credential: Stackable and portable across more than one employer—or the single recognized credential for that occupation.
- Pathway: Must prepare students to continue into certificate/degree study and award academic credit that will count toward that future program.
- History: Program must have been offered for at least 1 year before the Secretary makes a decision.

**Not permitted in the proposed rule**

- Correspondence courses
- Study abroad coursework
- Direct assessment coursework

**Important nuance for credit-hour programs**

The NPRM says students in credit-hour workforce programs can receive Pell only for courses that carry academic credit. In clock-hour programs, whether coursework confers academic credit is not the same issue.

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**Approval Flow**

**Institution**  
Confirms program length, hours, credential design, pathway credit, launch date, and internal data readiness.

**Governor + State Board**  
Evaluates workforce alignment, employer fit, credential quality, and pathway requirements through a public process.

**Governor Certification**  
Sends approval to ED and later provides continued approval tied to the institution's PPA cycle.

**Secretary Review**  
Checks 1-year history, performance thresholds, and value-added earnings / tuition compliance.

**Annual Monitoring**  
Completion, placement, and tuition data continue to matter after initial approval.

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**Important Caveats**

- Governor approval is not the last step; ED/Secretary approval is also required.
- The NPRM ties continued Governor approval to the institution's Program Participation Agreement cycle.
- Governors must make their process public and review high-skill / high-wage / in-demand lists at least every two years.

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### Student Eligibility and Packaging

**Eligibility Basics**

- Standard Pell rules still apply: FAFSA, need analysis, eligible noncitizen/citizenship, SAP, and remaining LEU.
- Students may have a bachelor's degree and still be eligible for Workforce Pell.
- Students may not be enrolled in, accepted into, or already hold a graduate credential.
- Students cannot receive concurrent Pell for a workforce program and another educational program.

**Packaging**

- Enrollment in an eligible workforce program supports Pell only—no Title IV loans, FSEOG, or FWS on the basis of that enrollment.
- If non-Federal grants or scholarships equal or exceed COA for the award year, the student is not eligible for Pell for that year.
- If that fact is discovered before the final Pell disbursement, the school must either reduce the non-Federal aid below COA or return/cancel Pell for that award year.

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### Accountability: the 70% rules are real, but the measurement details phase in

	2028-27 to 2028-29	2029-30 and later
<b>Completion</b>	At least 70% must complete within 150% of normal time to completion. This threshold applies from the start; the Governor certifies using administrative data in the early years.	
<b>Job placement</b>	Interim years: 70% employed during the second quarter after exit.	From 2029-30 forward: 70% of completers employed in the occupation the program prepares for (or a comparable one) during the second quarter after successful completion.
<b>Value-added earnings</b>	Published tuition and fees must not exceed ED's value-added earnings figure. ED says it will publish VAE no later than 3 months before the award year; zero or negative VAE means ineligible.	

VAE-related loss is not an 'immediate' mid-period event; the NPRM ties that loss to the following award year after the VAE release.

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### Loss of eligibility and regaining eligibility: timing differs by failure type

TRIGGER	WHEN LOSS HITS	HOW TO REGAIN
Governor withdraws approval or fails to reapprove	End of the payment period that begins after the Governor action / non-renewal.	Obtain new Governor approval and then satisfy Secretary review again.
Completion or job-placement rate failure	End of the payment period that begins after the Secretary determination; not while under appeal.	Two-year bar on reestablishing the same failing program or a substantially similar one.
Tuition exceeds VAE or VAE is zero/negative	Beginning of the next award year after ED releases VAE; ED also assesses liability for the affected award year.	Reduce tuition, obtain new Governor certification, and request recalculation/reinstatement.

Note: Do not confuse 'end of payment period' with 'next award year.'

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**Operational Action Plan for Financial Aid Offices**

<p><b>6</b></p> <p><b>Fix the training script</b></p> <p>Separate 'law' from 'proposed rule' in every internal talking point, website line, and counselor script.</p>	<p><b>7</b></p> <p><b>Build the program inventory</b></p> <p>Track CIP/SOC, weeks, hours, credential type, launch date, pathway credit, and whether the program has enough 1-year history for approval.</p>	<p><b>8</b></p> <p><b>Update packaging controls</b></p> <p>Create rules for concurrent Pell, Pell-only aid, LEU messaging, and monitoring non-Federal aid through final disbursement.</p>	<p><b>9</b></p> <p><b>Map data handoffs</b></p> <p>Financial aid cannot do this alone: partner with registrar, workforce division, IR, career services, and state reporting owners.</p>
<p><b>10</b></p> <p><b>Create a contingency plan</b></p> <p>Assume final rules, state processes, and ED systems may still change; build flexible communications and exceptions handling.</p>			

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**What to Watch Between Now and July 1**

<p><b>Final rule and subregulatory guidance</b></p> <p>Do not lock a training script until ED finalizes key definitions and reporting mechanics.</p>	<p><b>Governor criteria and timelines</b></p> <p>Each state must publish a process; institutions need to know what evidence and timeline will be required.</p>	<p><b>ED application / approval workflow</b></p> <p>The NPRM points to Secretary approval, but schools still need the operational form, system, and instructions.</p>	<p><b>System changes</b></p> <p>Packaging, disbursement, and student communication workflows may need changes in SIS/ERP/COD-facing processes.</p>
<p><b>Value-added earnings implementation</b></p> <p>Schools need to know when and how the first VAE figures will actually be published and challenged.</p>	<p><b>Appeals, liabilities, and disclosures</b></p> <p>The risk is not just eligibility loss; it is timing, student communications, and possible institutional liability.</p>		

**Recommended stance for spring 2026**

Prepare aggressively, but keep all operational workflows labeled 'pending final rule / state process.'

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**Realistic Planning**

For most schools:

- 2025–26:** Planning, program development, stakeholder engagement
- 2026–27:** Program operation (without Pell), data collection, approvals
- 2027–28:** Earliest likely year for Workforce Pell eligibility

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**For the 26–27 Year**

- **Build or Refine Workforce Programs**
  - Develop short-term programs (8–15 weeks, 150–600 hours)
  - Align to *in-demand occupations* in your state/region
  - Engage employers early (advisory boards, hiring commitments)
- **Start Tracking Outcomes NOW**
  - Completion rates
  - Job placement rates
  - Earnings (if possible)
- **Engage State Leadership Early**
  - Identify your state's approval authority (Governor or designee)
  - Understand state-specific workforce priorities
  - Begin positioning your programs for approval

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**For the 26–27 Year**

- **Build Internal Infrastructure**
  - New packaging approaches (Pell-only environments)
  - Non-term / clock-hour considerations (if applicable)
  - Reporting and disclosure requirements
  - Coordination with academic + workforce divisions
- **Strengthen Campus Partnerships**
  - Continuing education / workforce divisions
  - Career services
  - Institutional research
  - Employer relations
- **Identify "Bridge Funding" (Pell not available)**
  - Explore state workforce grants
  - Budget for Institutional Aid
  - Partner with employers for sponsorships

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**Where Kentucky Is at This Point**

- Introduced state legislation (SB 249, 2026) that directly addresses Workforce Pell implementation<sup>1</sup>. (passed in the Senate)
- What the legislation does:
  - Assigns the Governor (in consultation with the Kentucky Workforce Innovation Board) to:
    - Approve eligible workforce training programs for Workforce Pell
    - Coordinate with other state/federal workforce programs
- Requires the state to:
  - Create a process to evaluate programs
  - Ensure alignment with federal Workforce Pell requirements
  - Avoid duplicative funding

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Questions or Comments?

Thank you!

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