

## STATEMENT OF EMERGENCY

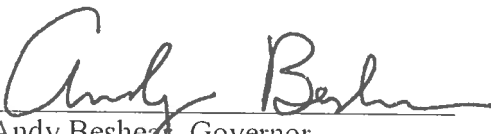
787 KAR 2:050E

This emergency administrative regulation is being promulgated pursuant to KRS 13A.190(1)(a) and is necessary to meet an imminent deadline for the promulgation of an administrative regulation that is established by federal law and state statute and prevents an imminent loss of federal funds.

On May 19, 2026, the United States Department of Education issued a final rule, 34 CFR 690.90, *et seq.*, to create the new Workforce Pell grant program beginning on July 1, 2026. The Act was passed by Congress and signed into law on July 4, 2025. In addition, SB 249 RS 26 codified as KRS 151B.138 requires that the Commonwealth of Kentucky does not impose requirements more restrictive than or inconsistent with the federal rule and creates an emergency.

Ordinary administrative regulation procedures are inadequate to comply with federal and state law. Therefore, this emergency regulation is necessary to establish the legally required framework for the creation of a Workforce Pell program to comply with federal and state law.

This emergency regulation is temporary in nature and will be replaced by an ordinary administrative regulation and the companion ordinary administrative regulation is identical to this emergency regulation.

  
Andy Beshear, Governor  
Commonwealth of Kentucky

  
Michael Yoder, Commissioner  
Department of Workforce Development

1 EDUCATION AND LABOR CABINET

2 Department of Workforce Development

3 Office of Kentucky Workforce Innovation Board

4 (New Emergency Regulation)

5 787 KAR 2:050E. General provisions for operation of the Workforce Pell Program.

6 RELATES TO: KRS 151B.015, 151B.017(4), 20 U.S.C. 1070a, 34 C.F.R. 690, *et seq.*, SB 249  
7 RS26, codified as KRS 151B.138.

8 STATUTORY AUTHORITY: KRS 151B.017(4), KRS 13A.100

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 151B.017(4) requires the secretary of the  
10 Education and Labor Cabinet for the Commonwealth of Kentucky to promulgate administrative  
11 regulations that are necessary to implement programs mandated by federal or state law, or to  
12 qualify for the receipt of federal funds, and that are necessary to cooperate with other state and  
13 federal agencies for the proper administration of the cabinet and its programs. This administrative  
14 regulation establishes further guidance and clarification, in addition to the minimum federal  
15 requirements established in 34 CFR 690, *et seq.*, necessary for the operation of a Workforce Pell  
16 program.

17 **Section 1. Definitions.**

18 (1) “Articulation agreement” means a formal contract between two education institutions  
19 which guarantees that specific courses, credits, or entire programs completed at the first school  
20 will be seamlessly transferred and applied toward a degree at the receiving institution.

(2) “Credential competencies” are the specific knowledge, skills, and abilities included in a credential.

(3) “High-skill occupation” means an occupation which requires technical or vocational training, related on-the-job experience, completion of an apprenticeship, or an associate’s degree or higher.

(4) “High-wage occupation” means an occupation which has a median wage that meets or exceeds the overall median wages for all occupations within its relative area (either at the local workforce area or state level).

(5) “Kentucky Workforce Innovation Board (KWIB)” is the state board defined in 34 CFR 690.91 pursuant to Executive Order 2020-857.

(6) “In-demand occupation” is:

(a) One whose projected annualized employment growth rate is at least as large as the annualized projected growth rate for all occupations within its relative area (either at the local workforce areas or state level); or

(b) One that is projected to account for at least 0.4% of the total demand for all occupations within the relative area (either at the local workforce areas or state level), where demand is defined as the projected job openings expected to be produced by economic growth and exits of workers from the labor force; or

(c) One that the Governor has identified to be emerging or critical to the state’s economic growth because of investment in the commonwealth.

(7) A “portable credential” is a credential that is widely recognized by educational institutions and employers that allow the credential holder to seamlessly transfer that credential and apply it toward a degree at the receiving institution.

(8) “Related technical instruction (RTI)” is the formal classroom or online education component of a registered apprenticeship program.

(9) A “stackable credential” is a combination of courses into diplomas or certificates that students may complete on the way toward a related degree.

## **Section 2. Methods.**

(1) In determining whether the expected competencies for which the recognized postsecondary credential intends align with the competencies needed in such high-skill, high-wage, or in-demand sectors and occupations, the Governor shall receive input from employers and stakeholders through the KWIB structure, which encompasses business and industry, registered apprenticeship providers, and joint labor-management training providers, during the application review process.

(2) Occupations and industry sectors that are considered high-skill, high-wage or in-demand shall be reviewed and updated, at least every two years, concurrent with the Workforce Innovation and Opportunity Act (WIOA) state plan submission, which will be published on the KWIB website.

(3) Whether the credential is stackable, shall be determined based on the evidence provided by the institutions in the application. Institutions are required to provide evidence of program specific articulation agreements either with their own academic programs or other institutions that demonstrate noncredit to credit transfers.

(4) Whether the credential is portable shall be determined by reviewing, the valid industry certification list available at: <https://kwib.ky.gov/career-technical-education-resources/Pages/Career-&-Technical-Education-Certification-Processes.aspx>. If a program is not on the valid industry certification list, then the credential will be evaluated for portability by reviewing the application to determine if more than one employer recognizes the credential in the hiring process.

**Section 3. Information required in the application.** An institution requesting a determination by the Governor shall apply to the Office of the Kentucky Workforce Innovation Board (KWIB) on the portal on the KWIB website. The Kentucky "Workforce Pell Application," June 2026, shall be incorporated by reference consistent with Section 7.

**Section 4. Review process of an application.**

(1) Within 30 days of the receipt of a complete application, the application shall be reviewed by the Office of the KWIB for completeness and compliance with state and federal law.

(2) The Office of the KWIB shall also review all written agreements, including established articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, or similar arrangements to determine that such credit will be accepted at one or more eligible institutions.

(3) Once the Office of KWIB's review is complete, the application shall be forwarded to the Governor for review.

(4) If the application is not approved by the Governor, the applicant may appeal as set forth in Section 6.

(5) Six months prior to the expiration of an institution's program participation agreement, the institution shall reapply for a determination using the process set forth in this Section. If the institution and the program meet the requirements, the Governor may, in his discretion, provide a certification of continued approval.

(6) If the program is determined not to be eligible, the institution shall have an appeal right as outlined in Section 6.

**Section 5. Reporting.**

(1) For each award year after the date that the eligible workforce program is approved, the institution shall report to the Kentucky Center for Statistics (KYSTATS) within nine months after the end of the award year. The form they will use, "Workforce Pell Reporting", July 2026, shall be incorporated by reference consistent with Section 7.

(2) Individual level data shall not be provided to other agencies as set forth in KRS 151B.134(3)(a).

(3) For state eligibility requirements, KYSTATS shall produce reports annually for in-demand and high-wage occupations that will be provided to the Office of the KWIB and posted publicly on <https://kwib.ky.gov/Pages/index.aspx>.

(4) For federal eligibility requirements, specifically for initial programmatic requirement of 70% completion and 70% job placement, KYSTATS shall produce custom reports using the most current administrative data for the use by the Office of the KWIB to evaluate aggregate program completion and job placement.

(5) To calculate value-added earnings, KYSTATS shall produce custom reports using the most current administrative data to aggregate information for existing and approved Workforce Pell programs.

(6) In all instances, the KYSTATS reports shall strictly be used for evaluation by the Office of the KWIB for final approval by the Governor in consultation with the KWIB.

(7) KYSTATS shall provide to the Governor upon request aggregate data on the Workforce Pell program in compliance with KRS 151B.134(3)(a).

(8) If the program does not report as required, the Governor may withdraw approval but the institution would have an appeal right as outlined in Section 6.

## **Section 6. Appeal.**

(1) If the Governor denies a request for determination or withdraws approval, he or she shall issue a notice of denial or withdrawal which informs the institution of the specific reason for the action.

(2) A written request for an appeal shall be filed with Governor within twenty (20) calendar days of the date of the notice of determination or withdrawal of approval. This request shall be sent to the Office of the Kentucky Workforce Innovation Board, at the address indicated on the notice.

(3) If the request for an appeal is not timely filed, the notice of determination or withdrawal of approval shall be effective upon the expiration of the time for the applicant to request an appeal.

(4) The Governor shall issue a decision within sixty (60) days of receiving the appeal from the Office of the Kentucky Workforce Innovation Board.

**Section 7. Incorporation by Reference.** (1) The following materials are incorporated by reference:

(a) "Workforce Pell Application", July 2026; and

(b) "Workforce Pell Reporting", July 2026.

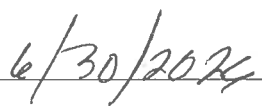
(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Office of the Kentucky Workforce Innovation Board, 500 Mero Street, 4th Floor, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

(3) This material is also available at <https://kwib.ky.gov>.

787 KAR 2:050E. General provisions for operation of the Workforce Pell Program

As approved by:

  
\_\_\_\_\_  
Michael Yoder, Commissioner, Department of Workforce Development

  
\_\_\_\_\_  
Date



## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on August 31, 2026, at 1:00 pm, at Mayo-Underwood Hearing Room 133CE, 500 Mero Street, Frankfort, KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Chelsea Fallis, Administrative Specialist Senior, 500 Mero Street, Third Floor, Frankfort, KY 40601, 502-564-0757, [chelsean.fallis@ky.gov](mailto:chelsean.fallis@ky.gov).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

787 KAR 2:050E. General provisions for operation of the Workforce Pell Program.

Contact Person: Chelsea Fallis, Administrative Specialist Senior, 500 Mero Street, Third Floor, Frankfort, KY 40601

Phone: 502-564-0757

Email: [chelsean.fallis@ky.gov](mailto:chelsean.fallis@ky.gov)

Subject Headings: Economic Development, Education: Career and Technical, Education: Vocational and Technical

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation outlines the requirements for the workforce pell program in compliance with federal law and SB 249 RS26 codified as KRS 151B.138.

(b) The necessity of this administrative regulation: KRS 151B.017(4) requires the Secretary of the Education and Labor Cabinet to promulgate administrative regulations that are necessary to implement programs mandated by federal law.

(c) How this administrative regulation conforms to the content of the authorizing statute: This administrative regulation conforms to federal and state law because it sets forth the eligibility determination process for the workforce pell program.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation governs the eligibility determination process for the workforce pell program.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new regulation.

(c) How the amendment conforms to the content of the authorizing statute: This is a new regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new regulation.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? Yes, this proposed amendment implements Senate Bill 249 RS26.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Kentucky has 24 public universities and colleges with 156,000 full time equivalent enrolled students. Kentucky also has 18 independent colleges and universities with an enrollment equivalent to 60,000 students.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: The entity seeking certification /approval of their workforce pell program will have to apply and report as outlined in the administrative regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs to any person or entity.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated individuals will understand how to request a determination that their program qualifies for workforce pell funding.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment: None is needed.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There are no fees or funding requested.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish fees or directly or indirectly increase any fees.

(10) TIERING: Is tiering applied? Tiering is not required in this administrative regulation because it applies equally to all affected entities.

## FISCAL IMPACT STATEMENT

787 KAR 2:050E. General provisions for operation of the Workforce Pell Program.

Contact Person: Chelsea Fallis, Administrative Specialist Senior, 500 Mero Street, Third Floor, Frankfort, KY 40601

Phone: 502-564-0757

Email: [chelsean.fallis@ky.gov](mailto:chelsean.fallis@ky.gov)

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: 20 USC 1017a, 34 C.F.R. 690.90, *et seq.*; KRS 151B.015, 151B.017(4); KRS 13A.100; SB 249 RS26, codified as KRS 151B.138.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: This act is authorized by KRS 13B.170 and SB 249 RS26, codified as KRS 151B.138.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: Office of the Kentucky Workforce Innovation Board is the promulgating agency. It will also impact the Kentucky Center for Statistics.

(b) Estimate the following for each affected state unit part, or division identified in (3)(a):

1. Expenditures:  
For the first year: None  
For subsequent years: None
2. Revenues:  
For the first year: None  
For subsequent years: None
3. Cost Savings:  
For the first year: None  
For subsequent years: None

(4)(a) Identify affected local entities (for example; cities, counties, fire departments, school districts): None.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:  
For the first year: None  
For subsequent years: None

2. Revenues:  
For the first year: None  
For subsequent years: None
3. Cost Savings:  
For the first year: None  
For subsequent years: None

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): None.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:  
For the first year: None  
For subsequent years: None
2. Revenues:  
For the first year: None  
For subsequent years: None
3. Cost Savings:  
For the first year: None  
For subsequent years: None

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a) and (5)(a):  
Not applicable.

(a) Fiscal impact of this administrative regulation: None.

(b) Methodology and resources used to reach this conclusion: Not applicable.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact,” as defined by KRS 13A.010(13): This proposed amendment will not have a major economic impact.

(a) The methodology and resources used to reach this conclusion: Not applicable.

## SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

The following material is incorporated by reference:

- (1) “Workforce Pell Application” is the information required to be completed by an institution seeking a determination of eligibility regarding their workforce pell program. 34 CFR 690.90, *et seq.*, requires the Governor to establish how an institution seeks a determination regarding the eligibility of their workforce pell program. This form collects the institution’s information needed for the eligibility determination process.
- (2) “Workforce Pell Reporting” is the information required to be completed by an institution to report the student outcomes for continued certification of the workforce pell program.