Workforce Pell Grant Workgroup
Meeting Minutes
December 11, 2025; 1 – 2:30 pm EST

IN-PERSON – 500 Mero Street, Frankfort, KY: 3rd Floor Conference Room
Via Zoom Meeting

Attendees: Rajeev Darolia, Johnny Collett, Matt Berry, Sam Keathley, David Potter, Mike Yoder, Brandon Combs, Leslie Sizemore, Miles Feroli, Myra Wilson, Lori Ulrich, Jessie Schook, Becky Gilpatrick, Kendrah Winters Pearson

KWIB Staff: Alisher Burikhanov and Sara Jaggers

1:00 pm Welcome and Introductions

Alisher Burikhanov, Executive Director, Kentucky Workforce Innovation Board (KWIB), welcomed and thanked workgroup members for joining the meeting and outlined the purpose of the workgroup as a kickoff discussion on Workforce Pell. It was noted that a few partners were unable to attend due to scheduling conflicts, though their participation remains important. The group emphasized the need for an inclusive process and welcomed suggestions for additional stakeholders.

Background was provided on Kentucky's 2024 sector-identification work, highlighting the importance of data-driven decision-making, business input, and stakeholder collaboration. Similar principles will guide this workforce talent effort, particularly in light of ongoing federal rulemaking and the goal of supporting Pell recipients in gaining skills aligned with employer needs.

Workforce Pell Background

Rajeev Darolia, Ph.D., Wendell H. Ford Professor of Public Policy & Economics, University Research Professor, University of Kentucky, provided an overview of Workforce Pell legislation, which expands Pell Grant eligibility to short-term, workforce-aligned programs at Title IV institutions. While the law has passed, key implementation details are still being finalized through federal negotiated rulemaking, with final regulations expected in 2026 and state implementation targeted for July 2026. Proposed accountability requirements include federally calculated earnings metrics and state-defined measures such as program completion, job placement, and alignment between employment outcomes and program intent. States are expected to have significant discretion in setting standards, data sources, and performance thresholds.

The group also discussed the rapid rollout of Workforce Pell and potential institutional impacts.. Ongoing uncertainty remains around clock-hour to credit-hour conversions and forthcoming federal guidance.

Discussion highlighted requirements related to stackable or terminal credentials, alignment with high-skill, high-wage, or in-demand occupations, and demonstrated employer value, as well as challenges related to data availability, privacy, small cohorts, and timing delays for new programs.

KYSTATS Data Review

Matt Berry, Ph.D., Executive Director, and Sam Keathley, Senior Workforce Analyst, Kentucky Center for Statistics (KYSTATS), reviewed Workforce Pell legislation from a data and implementation perspective. They

noted that while many data elements align with existing systems, others will require significant clarification, standardization, and coordination across partners. Key concepts in the legislation—such as job placement, value-added earnings, and stackable credentials—were described as conceptually clear but operationally complex due to challenges with cohort definition, comparison groups, and inconsistent data definitions.

Significant uncertainty remains around federal administrative data linkages (including IRS and Department of Education data), interstate wage outcomes, and timing, particularly if federal systems are delayed or do not materialize. Limitations of labor market and longitudinal data were noted, including regional variation, sample-based estimates, limited cost-of-living adjustments, exclusion of self-employed workers, and one-to-many relationships between programs and occupations.

The group emphasized the importance of building durable, transparent, and explainable data frameworks that can support decision-making over time, recognizing tradeoffs and constraints while allowing for iteration as rules and guidance evolve.

Group Discussion

The workgroup discussion focused on clarifying the long-term role of the workgroup under Workforce Pell legislation. It was noted that the legislation requires consultation with the state workforce board, positioning this group to develop consensus-based recommendations on program eligibility criteria, including definitions of high-wage, high-skill, and in-demand occupations, as well as gainful employment considerations.

The anticipated process includes the workgroup developing recommendations, which would be reviewed and voted on by the Kentucky Workforce Innovation Board (KWIB) and forwarded through the appropriate administrative channels for approval. The business-led structure of workforce boards was emphasized as providing validation that program recommendations are supported by employers, reflecting legislative intent to center workforce priorities. .

Questions were raised about alignment with existing state work, including prior key sector identification efforts, and whether federal rules will require states to adopt Perkins-aligned definitions or allow flexibility to establish state-specific criteria. Ongoing federal rulemaking was noted as a key uncertainty that will influence the scope and timing of the workgroup's work.

2:25 pm – Closing Comments and Adjournment

Alisher Burikhanov thanked attendees for their participation and asked everyone to mark their calendars for the next Workforce Pell Grant Workgroup meeting, which will be on Thursday, January 22, 2026.

Workforce Pell Workgroup

Meeting Briefing Book

December 11, 2025

1:00 pm – 2:30 pm EST

Location: Education and Labor Cabinet

3rd Floor Main Conference Room

500 Mero Street

Frankfort, KY 40601

KWIB
Workforce Pell
Workgroup Meeting

AGENDA
December 11, 2025
1:00 pm – 2:30 pm EST

Education and Labor Cabinet
3rd Floor Main Conference Room
500 Mero Street
Frankfort, KY 40601

1:00 pm **Welcome and Introductions**.....*Alisher Burikhanov*
Executive Director
Kentucky Workforce Innovation Board (KWIB)

1:10 pm **Workforce Pell Background**.....*Rajeev Darolia, Ph.D.*
Wendell H. Ford Professor of Public Policy & Economics
University Research Professor
University of Kentucky

1:30 pm **KYSTATS Data Review**.....*Matt Berry, Ph.D.*
Executive Director
Kentucky Center for Statistics (KYSTATS)

Sam Keathley
Senior Workforce Analyst
Kentucky Center for Statistics (KYSTATS)

2:00 pm **Group Discussion**.....*Workgroup Members*

2:30 pm **Adjournment**.....*Alisher Burikhanov*

Workforce Pell Background

Kentucky Workforce Innovation Board Meeting

December 11, 2025

Rajeev Darolia

Professor, University of Kentucky

Senior Fellow, Postsecondary Education & Economics Research Center

Overview

- Background
- Workforce Pell Requirements & Measures
- State Role & Considerations
- Examples of Measures for Other Programs

Background

OBBBA Workforce Pell Overview

- Earlier versions in JOBS Act (2012) and the Bipartisan Workforce Pell Act (2023)
- Extends Pell Grant eligibility to short-term programs
  - Pell Grants are the primary source of Federal grant money ($39B in 2024-25)
  - New eligibility: Programs that provide less than 600 clock hours of instruction, but at least 150 or during a minimum of 8 weeks, but less than 15 weeks
  - Must be offered by Title IV–eligible institutions of higher education
- Law takes effect in July 2026
- Still a lot of implementation details to be decided – some could be determined at "AHEAD" Committee Negotiated Rulemaking
  - Dec. 8-12 and Jan. 5-9
  - Topics: Workforce Pell; Accountability framework (including FVT/GE); changes to Pell eligibility
  - Potential decision points:
    - Overlap between Gainful Employment and OBBBA accountability
    - Whether/how to retain GE and Financial Value Transparency
    - Workforce Pell program eligibility

Expected Timeline for OBBBA Regulations

2025

- July 2025: OBBBA Passed Into Law
- Oct. 2025: RISE Session 1
- Nov. 2025: RISE Session 2 (Consensus)
- Dec. 2025: AHEAD Session 1

2026

- Jan. 2025: AHEAD Session 2
- Q1 2026: RISE NPRM and Public Comment Period (expected)
- Q2 2026: AHEAD NPRM and Public Comment Period (expected)
- June 2026: Final Rules Must Be Out (Both RISE and AHEAD)
- July 2026: Effective Date (most provisions)

RISE committee topics included: Grad PLUS phase-out and new graduate loan limits; Parent PLUS loan limits; implementation of RAP and modified standard plan (including elimination of ICR plans and clean-up of IBR); institutionally set loan limits; changes to loan rehabilitation; changes to deferments and forbearances

Requirements & Measures

MANY DETAILS ARE STILL IN PROGRESS AND SUBJECT TO CHANGE!

Key questions to keep in mind

1. What data and information can/should come from state vs federal sources?

2. To what extent are definitions and measures the same or different?

3. Are the measures setting the bar high enough?

4. Should we measure performance and determine eligibility based on the:
   - Earnings and employment of the industry/occupation, OR
   - Outcomes of program graduates/enrollees?

Workforce Pell Selected Performance Elements Determined by Secretary, Calculated by Secretary

- Published tuition and fees do not exceed the program's "value-added earnings"
  - Value added earnings = Median earnings of completers – 150% of the Federal Poverty Level
    - Earnings from first full tax year following completion
    - Cohorts from 3 years prior
    - Adjustment for geographic differences
    - Considerations
      - Small programs / privacy suppression
      - Time lag for new programs
  - Example
    - Program median completer makes $30,000 per year
    - Published tuition and fees = $3,000 for a certificate
    - 2024 FPL for a single individual = $22,590
    - VAE = $30,000 – $22,590 = $7,410
    - VAE > tuition and fees

Workforce Pell Selected Performance Elements Determined by Secretary, **Calculated by Governor**

- Have at least 70% of students finish the program within 150% of the normal time
  - Considerations:
    - When are students counted as “enrolled” in a program?

- Have at least 70% of graduates find a job within 180 days after finishing
  - Starting with 2028-29 AY – also need to be employed in linked occupation or comparable occupation
  - Considerations:
    - How to count students who continue with additional education, serve in the military, or experience hardship (e.g., in or out of placement calculation?)
    - How to link fields of study to occupations?
    - What are comparable occupations?
    - Which administrative data?
      - Issues with UI coverage: non-covered jobs, migration out of state
      - “Governor’s analysis using administrative data, including wage records”

  - These measures are similar to ST program federal student loan eligibility

Workforce Pell Selected Performance Elements
Determined by Governor

- Leads to a recognized postsecondary credential that is stackable and portable across employers and postsecondary institutions

- Provides an education aligned with the requirements of high-skill, high-wage, OR in-demand industry sectors or occupations
  - Considerations:
    - How to define high-skill? High-wage? In-Demand?
    - AND vs OR
    - Typical wages of workers in industries/occupations versus actual outcomes of students
    - How frequently to review these determinations (every 2 years?)

- Meets the hiring requirements of potential employers in these sectors or occupations
  - Considers competencies; Incorporates direct input from employers; Considers apprenticeships

In-demand industry sector or occupation (neg reg proposed text)

1) An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or

2) An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

Perkins Examples: High Wage

- **Washington, DC**: Occupations that have a 25th percentile wage equal to or greater than the most recent MIT Living Wage Index for one adult in the District of Columbia and/or lead to a position that pays at least the median hourly or annual wage for the Washington, DC, metropolitan statistical area.

- **Nebraska**: An occupation is considered high wage when it pays wages that equal or exceed wages for all occupations in the same region in at least four of the eight wage metrics: average hourly wage, entry wage, experienced wage, 10th percentile wage, 25th percentile wage, 50th percentile wage, 75th percentile wage and 90th percentile wage.

- **Minnesota:** High wage is anything that is above the median wage for all occupations.

Examples are from Advance CTE (2020). Aligning to Opportunity: State Approaches to Setting High Skill, High Wage and In Demand

Perkins Examples: High Skill

- **Washington, DC**: Occupations located within the Washington, DC, metropolitan statistical area with education or training requirements of: completion of an apprenticeship program; completion of an industry-recognized certification or credential; an associate degree; or higher.

- **Nebraska**: All occupations that require an education level of some college or a higher, or that require a high school diploma (or equivalent) plus long-term on-the-job training, an apprenticeship or an internship or residency.

- **Texas:** A program of study demonstrating multiple entrance and exit points into careers including options for exit points from industry-based certifications, postsecondary level one and level two certifications from a technical college or community college, an associate degree and a bachelor's degree to ensure program of study sequences are continual and not job terminal.

Examples are from Advance CTE (2020). Aligning to Opportunity: State Approaches to Setting High Skill, High Wage and In Demand

Perkins Examples: In Demand

- **Washington, DC**: Occupations in the Washington, DC, metropolitan statistical area having more than the median number of total (growth plus replacement) annual openings over a five-year period.

- **Ohio:** Annual growth in the number of jobs greater than the statewide average of 50 and annual job openings greater than the statewide average of 230. (Openings refer to the anticipated number of positions that become available each year, and growth is the projected increase in the total positions for the occupation from one year to the next.)

- **Oklahoma:** An in-demand industry is defined as an occupation in which state, local or regional labor market data show that demand exceeds projected employment supply.

Examples are from Advance CTE (2020). Aligning to Opportunity: State Approaches to Setting High Skill, High Wage and In Demand

State Role & Considerations

State Role & Issues to Consider – Programs

- Develop program review and reapproval process
- Document eligible program pathways into further education or employment
- Verify credit and credential articulation for eligible programs, including eligible noncredit programs

State Role & Issues to Consider – Measures

- Establish and transparently publish methods for
  - Identifying high-skill, high-wage, and in-demand occupations
  - Verifying the hiring needs of employers in covered occupations

- Calculate
  - Completion rates
  - Job placement rates (including in linked or comparable occupations)

- Data infrastructure is key - KY is in a relatively good place because of a strong data system
  - Earnings and employment administrative data sources
    - Coverage of UI data
  - Education to occupation or industry crosswalks (in 2028 and beyond)
  - What about
    - SOC codes in UI data
    - Non-credit program data
    - Apprenticeships

- Time lag before states can observe performance for many programs

- Intersection with other accountability and performance measures (OBBBA, FVT/GE, WIOA, Perkins)
  - Opportunity to consolidate/unify definitions

Other issues

- Role of accreditation/accreditors
- Online/distance education
- Third-party providers
- Apprenticeships

Examples of existing measures

Gainful Employment / Financial Value Transparency: Earnings Premium & Debt-to-Earnings

- Applies to all T4 postsecondary programs, but with different penalties
  - GE: All for-profits, and certificate programs – failure can lead to federal aid loss
  - FVT: Non-profit degree programs – failure leads to other penalties, largely informational

- Measures (Calculated by Secretary)
  - Earnings Premium: Program-level median earnings four years after graduation should be greater than the median earnings of people aged 25 to 34 with high school diploma as highest level of education
    - In labor force and not enrolled in an educational program
  - Debt-to-earnings ratios: Loan payments as a share of earnings or discretionary earnings should not exceed 8% or 20%, respectively

OBBBA: "Do No Harm"

- Applies to all T4 programs except for undergraduate certificate programs

- Measures (Calculated by Secretary)
  - Program-level median earnings four years after graduation should be greater than
    - UG degrees: median earnings of people aged 25 to 34 with a high school diploma as highest level of education
    - Grad certificates and degrees: median earnings of people aged 25 to 34 with a bachelor's degree as highest level of education
  - In labor force and not enrolled in an educational program
  - Some adjustments for programs where most of students come from out of state

Perkins – High Skill, High Wage, or In Demand

- Applies to CTE programs funded by Perkins Grants
- Requires Perkins-funded programs to prepare students for “high-skill, high-wage, or in-demand occupations”
- Wide variation in definitions across states (Calculated by states)

WIOA-Funded

- Median earnings – 2nd quarter after exit
- Employment rate – 2nd quarter after exit
- Employment rate – 4th quarter after exit
- Credential attainment
- Measurable skills gains
- Employer engagement indicator

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Workforce Pell Data Support- What's Possible?

Uniting our data.

Informing our Commonwealth.

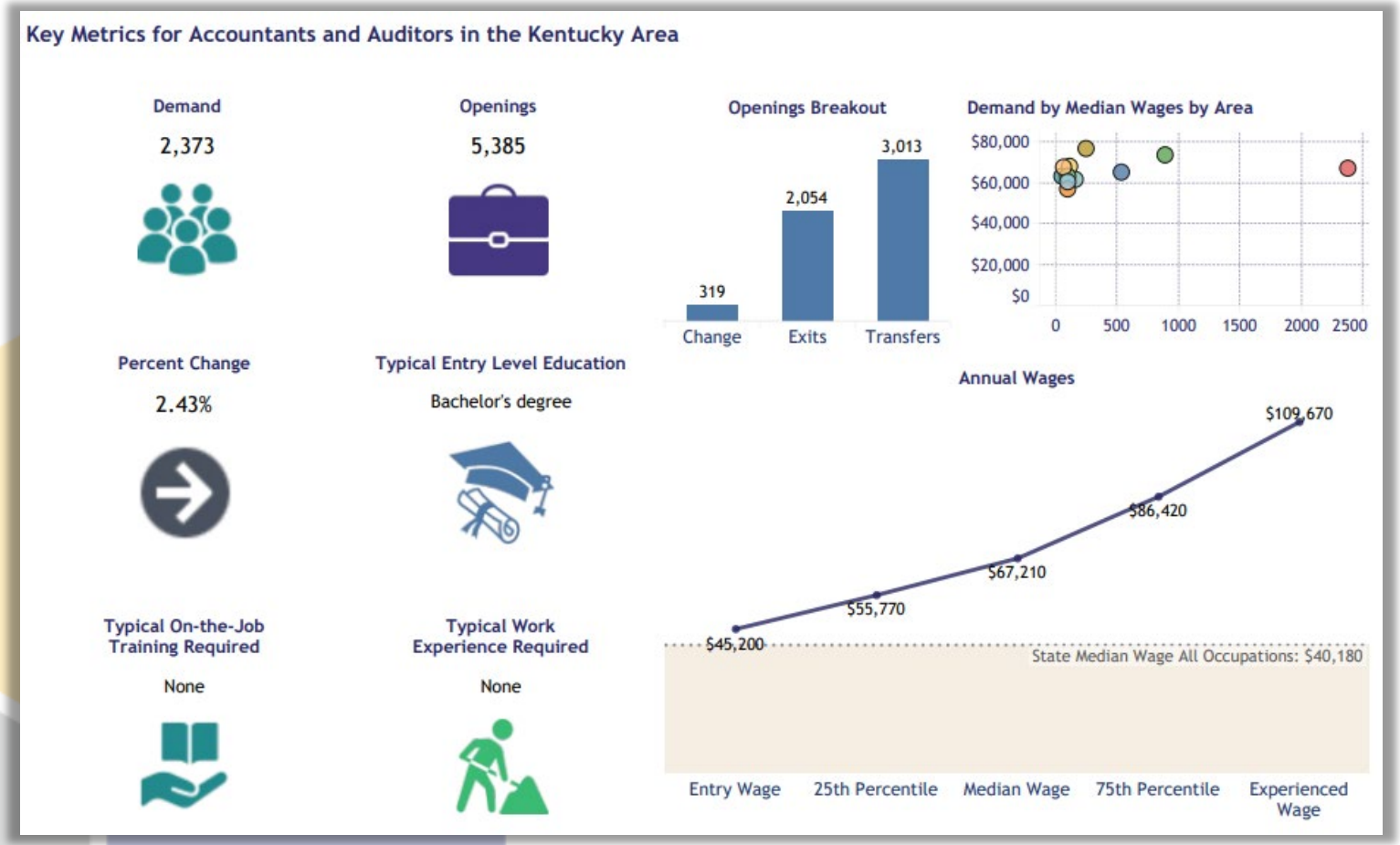
Well-worn territory…

- Credential + occupation alignment
- In-demand, high-wage, high-skill industries/occupations
- Fine-tuning aggregation levels to produce actionable insights

Might get messy…

- Job placement rates
- Value-added earnings
- Stackable credentials
- Comprehensive IRS x DoE administrative data linkage

Labor Market Information



Potential point of entry:

- What occupations typically require short-term credentials and have some combination of desirable outcomes (wages, demand, etc.)?

- Which instructional programs qualify individuals to perform those occupations?

Labor Market Information – Blind Spots / Pitfalls

- Occupational estimates have regionality (LWA), but no linkage to institution. Very little opportunity for CoLi adjustment.
- Sample-based
- Linkages between occupations and instructional programs are sometimes one-to-many. Matters for some occupations, not others:

SOC	SOC Title	CIP	CIP Title
31-9097	Phlebotomists	51.1009	Phlebotomy Technician/Phlebotomist.
15-1231	Computer Network Support Specialists	11.0201	Computer Programming/Programmer, General.
15-1231	Computer Network Support Specialists	11.0501	Computer Systems Analysis/Analyst.
15-1231	Computer Network Support Specialists	11.0701	Computer Science.
15-1231	Computer Network Support Specialists	11.0901	Computer Systems Networking and Telecommunications.
15-1231	Computer Network Support Specialists	11.0902	Cloud Computing.
15-1231	Computer Network Support Specialists	11.1001	Network and System Administration/Administrator.
15-1231	Computer Network Support Specialists	11.1002	System, Networking, and LAN/WAN Management/Manager.
15-1231	Computer Network Support Specialists	11.1003	Computer and Information Systems Security/Auditing/Information Assurance.
15-1231	Computer Network Support Specialists	11.1006	Computer Support Specialist.

Longitudinal Data

Years Post-Completion	Postsecondary Institution(s)	Specific Major	Credential Type	Qualifying Emp: Median Wages	Qualifying Emp: Percent Non-reenrolled Employed
3	Ashland Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 23,143	40.5%
3	Big Sandy Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 33,303	61.5%
3	Bluegrass Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 32,218	78%
3	Elizabethtown Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 38,093	73.5%
3	Gateway Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 39,203	67.8%
3	Hazard Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 25,523	66.1%
3	Jefferson Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 36,353	63.2%
3	Maysville Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 24,539	63.2%
3	Owensboro Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 29,041	59.7%
3	Southeast Ky Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 28,487	62.3%
3	West Ky Community & Technical College	Automobile/Automotive Mechanics Technology/Technician	Certificate	$ 34,700	78.2%

Potential point of entry:

- What are the median in-state earnings of individuals who have earned postsecondary certificates through the KCTCS system?

- How do those wages compare to individuals w/ only a KY HS diploma? Note: this is trickier than it sounds.

Longitudinal Data - Blind Spots / Pitfalls

- Higher aggregations may be needed to sufficiently clear redaction thresholds (e.g. binning years together) per WP legislation.
- For the HS diploma-holder comparison, it would be ideal to compare similar age or time-since-education, but that would require starting with HS cohorts (excluding adult learners).
- While interstate outcomes *are* knowable for some select border states, there are enough moving parts that it takes a substantial amount of time to produce that data. This may be important, especially for border institutions, as research suggests that in- vs. out-of-state wage differences vary substantially by program.
- Wages would come from UI (not Revenue). Meaning, comparatively few self-employed.
- CoLi adjustment?

Major Group	Completer Count	In-State Median Wage	Out-of-State* Median Wage
All	4,764	$30,150	$32,560
Arts and Humanities	734	$32,969	$38,528
Business	379	$41,482	$36,595
Education	67	$23,750	$30,715
Health	2,519	$26,011	$27,851
Social and Behavioral Sciences	204	$25,537	$19,494
STEM	210	$41,062	$49,808
Trades	651	$37,653	$37,669

KYSTATS' Perspective:

- We're here to support! Happy to iterate, a la key sectors.
- From scratch vs. patching holes
- Durable, explainable approach