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# A BILL FOR AN ACT

RELATING TO THE WORKFORCE PELL GRANT PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the United States  
2 Congress has authorized a federal workforce Pell grant program  
3 under title IV of the Higher Education Act of 1965, as amended,  
4 to expand access to short-term workforce education and training  
5 aligned with in-demand and high-wage occupations. The federal  
6 workforce Pell grant program assigns the states a formal role in  
7 identifying and approving eligible short-term workforce  
8 education programs and requires coordination among state  
9 workforce agencies, postsecondary institutions, and the United  
10 States Department of Education.

11       The legislature further finds that effective participation  
12 in the federal workforce Pell grant program requires clear state  
13 definitions, a transparent authorization process, safeguards to  
14 protect students and taxpayers, and secure data-sharing  
15 mechanisms to meet federal performance and accountability  
16 requirements. The legislature believes that Hawaii must  
17 modernize its workforce credential pathways and data systems to



1 ensure that residents can access federal workforce Pell grant  
2 funding and that participating programs remain eligible under  
3 federal law.

4 The purpose of this Act is to establish a comprehensive  
5 statewide framework for workforce Pell grant program  
6 implementation that:

- 7 (1) Creates a formal state authorization and approval  
8 process for workforce Pell-eligible programs;
- 9 (2) Defines key terms for the implementation of the  
10 workforce Pell grant program, including in-demand and  
11 high-wage occupations and stackable credentials;
- 12 (3) Requires stackable credential pathways within the  
13 university of Hawaii system;
- 14 (4) Enables secure, privacy-protected data sharing and  
15 outcomes reporting;
- 16 (5) Establishes student and consumer protections  
17 consistent with federal intent; and
- 18 (6) Positions the State to respond efficiently to federal  
19 regulations and timelines.



1       SECTION 2. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4                               **"CHAPTER**

5                               **WORKFORCE PELL GRANT PROGRAM IMPLEMENTATION**

6       §   -1 **Definitions.** As used in this chapter, unless the  
7 context clearly requires otherwise:

8       "Authorized state entity" means the workforce development  
9 council, acting through the workforce Pell grant program  
10 approval committee established pursuant to section §   -2.

11       "Correspondence course" shall have the same meaning as in  
12 title 34 Code of Federal Regulations section 600.2.

13       "High-wage occupation" means an occupation for which the  
14 median wage in the relevant geographic region of the State is at  
15 or above the statewide median wage for all occupations, as  
16 determined annually by the department of labor and industrial  
17 relations.

18       "In-demand industry sector or occupation" means an industry  
19 sector or occupation identified as in demand by the workforce  
20 development council pursuant to the federal Workforce Innovation  
21 and Opportunity Act, as amended, and updated at least annually.



1 "Participating institution" means a title IV-eligible  
2 postsecondary institution that offers a short-term workforce  
3 education program in the State or enrolls a resident of the  
4 State in such a program, regardless of whether the institution  
5 maintains a physical presence in the State.

6 "Short-term workforce education program" means an education  
7 or training program offered by an accredited, title IV-eligible  
8 institution that:

9 (1) Is at least eight weeks in length but no more than  
10 fifteen weeks in length;

11 (2) Consists of not fewer than one hundred fifty and not  
12 more than five hundred ninety-nine clock hours, or the  
13 equivalent as permitted under federal law;

14 (3) Is not a correspondence course; and

15 (4) Otherwise meets applicable federal workforce Pell  
16 requirements.

17 "Stackable credential" means a recognized postsecondary  
18 credential that:

19 (1) Is industry-validated and portable across more than  
20 one employer;



(2) Articulates for academic credit into a certificate, associate degree, or baccalaureate degree within the university of Hawaii system; and

(3) Is part of a documented career pathway approved by the authorized state entity.

"Title IV" means the title IV of the Higher Education Act of 1965, as amended.

"Workforce Pell grant program" means the federal workforce Pell grant program established under title IV of the Higher Education Act of 1965, as amended.

**§ -2 Workforce Pell grant program approval committee; establishment; composition; duties.** (a) There is established within the workforce development council, constituted pursuant to section 202-1, the workforce Pell grant program approval committee.

(b) The committee shall consist of:

(1) The director of labor and industrial relations, or the director's designee;

(2) The president of the university of Hawaii, or the president's designee;



- 1           (3) The superintendent of education, or the  
2           superintendent's designee;
- 3           (4) Two employer representatives, to be appointed by the  
4           chair of the workforce development council; and
- 5           (5) The members of the senate and the house of  
6           representatives of the legislature who serve on the  
7           workforce development council, who shall serve in a  
8           nonvoting advisory capacity.
- 9           (c) The committee shall:
- 10          (1) Establish an application and review process for short-  
11          term workforce education programs seeking workforce  
12          Pell grant program eligibility;
- 13          (2) Review programs submitted by participating  
14          institutions and determine whether each program:
- 15               (A) Prepares students for an in-demand or high-wage  
16               occupation;
- 17               (B) Confers a stackable credential;
- 18               (C) Meets federal requirements relating to program  
19               length, accreditation, institutional eligibility,  
20               and operational history;



(D) Satisfies applicable educational prerequisites for professional licensure or certification in industries where such licensure or certification is required or customary; and

(E) Is supported by employer validation of required skills and competencies;

(3) Recommend approved programs to the governor for submission to the United States Department of Education;

(4) Require annual renewal or update of state authorization; and

(5) Conduct ongoing monitoring and review of authorized programs.

**§ -3 Authorization required; prohibited acts.** (a) A participating institution shall not:

(1) Disburse workforce Pell grant program funds for a short-term workforce education program to a student residing in the State; nor

(2) Advertise, market, or represent that workforce Pell grant program funding is available for the short-term workforce education program, unless the program has



1 received authorization from the authorized state  
2 entity and all required federal approvals.

3 (b) A violation of this section shall constitute grounds  
4 for withdrawal of state authorization under section § -5.

5 **§ -4 Conditions of authorization; student protections.**

6 The authorized state entity shall not authorize a short-term  
7 workforce education program unless the entity determines that:

8 (1) Instruction is not provided by an unaccredited third-  
9 party provider;

10 (2) The participating institution does not offer or  
11 promote private education loans or income-share  
12 agreements for the program, except for institutional  
13 no-interest payment plans;

14 (3) Tuition and mandatory fees charged to a student are  
15 reasonable and proportionate to the program length,  
16 expected earnings outcomes, and market comparables,  
17 and are fully disclosed to students, except where  
18 excess costs are paid by an employer, labor-management  
19 partnership, or other third party;





- 1           (4) The short-term workforce education program has been  
2           offered for at least one year prior to application for  
3           authorization;
- 4           (5) The institution publicly posts program information,  
5           including the credential awarded, occupations prepared  
6           for, competencies taught, and any third-party  
7           endorsements;
- 8           (6) The institution provides written disclosures to  
9           prospective students and obtains documented  
10          acknowledgement of receipt;
- 11          (7) Students have access to academic transcripts for  
12          completed coursework; provided that nothing in this  
13          paragraph shall prohibit an institution from charging  
14          a reasonable fee for the processing of official  
15          transcript copies; and
- 16          (8) The short-term workforce education program is credit-  
17          bearing, or the institution demonstrates how the  
18          program will be transcribed and accepted for credit  
19          toward the next credential in the pathway.



1       **§ -5 Withdrawal of authorization.** The authorized state  
2 entity shall withdraw authorization if a participating  
3 institution:

4           (1) Fails to submit required annual updates or renewals;

5           (2) No longer satisfies any condition of authorization  
6 under this chapter; or

7           (3) Is found by a court, administrative tribunal, or the  
8 attorney general to have engaged in an unfair or  
9 deceptive act or practice related to the program.

10       **§ -6 University of Hawaii; stackable credential**

11 **pathways; establishment.** (a) The university of Hawaii shall  
12 develop and maintain system-wide stackable credential pathways  
13 linking short-term workforce credentials to higher-level  
14 certificates and degrees.

15           (b) The university of Hawaii shall annually publish  
16 pathway maps by industry sector and report updates to the  
17 workforce development council.

18       **§ -7 Data sharing; outcomes reporting; confidentiality.**

19           (a) The department of labor and industrial relations shall,  
20 pursuant to written data-sharing agreements and applicable  
21 privacy protections, provide wage record data to the university



1 of Hawaii for workforce Pell grant program compliance and  
2 evaluation.

3 (b) The university of Hawaii shall collect and report  
4 program-level data on enrollment, completion, job placement, and  
5 earnings as required under applicable federal law.

6 (c) The workforce development council shall publish an  
7 annual workforce Pell grant program outcomes report; provided  
8 that outcomes may be aggregated where necessary to protect  
9 student privacy or comply with federal disclosure limitations.

10 (d) Information produced pursuant to this section and  
11 designated as confidential shall be protected from public  
12 disclosure consistent with chapter 92F.

13 **§ -8 Early warning system; corrective action.** (a) The  
14 university of Hawaii shall monitor program performance against  
15 federal workforce Pell grant program benchmarks, including  
16 completion, job placement, and earnings thresholds, as defined  
17 under applicable federal law and regulations.

18 (b) Programs at risk of noncompliance shall submit  
19 corrective action plans within sixty days.

20 **§ -9 Program limitations; requirements.** Nothing in this  
21 chapter shall be construed to impose or increase occupational



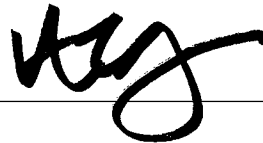
1 licensing or certification requirements beyond those otherwise  
2 required by law.

3 § -10 Rulemaking authority. The workforce development  
4 council may adopt rules pursuant to chapter 91 as necessary to  
5 implement this chapter."

6 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'H. J.', written over a horizontal line.

JAN 27 2026



# H.B. NO. 2383

**Report Title:**

Workforce Development; Workforce Pell Grant Program; University of Hawaii; Department of Labor and Industrial Relations

**Description:**

Establishes a statewide framework for the implementation of the federal Workforce Pell Grant Program to provide financial aid for certain short-term workforce education and training programs. Establishes a Workforce Pell Grant Program Approval Committee within the Workforce Development Council.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

