

JAN 30 2026

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;



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

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

11 § -2 Workforce Pell grant program approval committee;
12 establishment; composition; duties. (a) There is established
13 within the workforce development council, constituted pursuant
14 to section 202-1, the workforce Pell grant program approval
15 committee.

16 (b) The committee shall consist of:

17 (1) The director of labor and industrial relations, or the

18 director's designee;

19 (2) The president of the university of Hawaii, or the

20 president's designee:





§ -3 Authorization required; prohibited acts. (a) A

15 participating institution shall not:

16 (1) Disburse workforce Pell grant program funds for a
17 short-term workforce education program to a student
18 residing in the State; nor
19 (2) Advertise, market, or represent that workforce Pell
20 grant program funding is available for the short-term
21 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.

7

INTRODUCED BY: Damon Williams



S.B. NO. 3282

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.

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