
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. The legislature finds that ensuring access to
4 federal grants for short-term workforce education and training
5 programs offered by post-secondary institutions for residents of
6 the State is a matter of statewide concern.

7 The purpose of this Act is to establish a comprehensive
8 statewide framework for workforce Pell grant program
9 implementation that:

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



1 (6) Positions the State to respond efficiently to federal
2 regulations and timelines.

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

6 "CHAPTER

7 WORKFORCE PELL GRANT PROGRAM IMPLEMENTATION

8 § -1 **Definitions.** As used in this chapter:

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

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

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

19 "In-demand industry sector or occupation" means an industry
20 sector or occupation identified as in demand by the workforce



1 development council pursuant to the federal Workforce Innovation
2 and Opportunity Act, as amended, and updated at least annually.

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

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

- 11 (1) Is at least eight weeks in length but not more than
12 fifteen weeks in length;
- 13 (2) Consists of not fewer than one hundred fifty and not
14 more than five hundred ninety-nine clock hours, or the
15 equivalent as permitted under federal law;
- 16 (3) Is not a correspondence course; and
- 17 (4) Otherwise meets applicable federal workforce Pell
18 requirements.

19 "Stackable credential" means a recognized postsecondary
20 credential that:



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

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

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

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

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

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

18 (b) The committee shall consist of:

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



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



1 (C) Meets federal requirements relating to program
2 length, accreditation, institutional eligibility,
3 and operational history;

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

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

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

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

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

17 § -3 **Authorization required; prohibited acts.** (a) A
18 participating institution shall not:

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



1 (2) Advertise, market, or represent that workforce Pell
2 grant program funding is available for the short-term
3 workforce education program, unless the program has
4 received authorization from the authorized state
5 entity and all required federal approvals.

6 (b) A violation of this section shall constitute grounds
7 for withdrawal of state authorization under section -5.

8 § **-4 Conditions of authorization; student protections.**

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

11 (1) Instruction is not provided by an unaccredited third-
12 party provider;

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

17 (3) Tuition and mandatory fees charged to a student are
18 reasonable and proportionate to the program length,
19 expected earnings outcomes, and market comparables,
20 and are fully disclosed to students, except where



- 1 excess costs are paid by an employer, labor-management
2 partnership, or other third party;
- 3 (4) The short-term workforce education program has been
4 offered for at least one year prior to application for
5 authorization;
- 6 (5) The institution publicly posts program information,
7 including the credential awarded, occupations prepared
8 for, competencies taught, and any third-party
9 endorsements;
- 10 (6) The institution provides written disclosures to
11 prospective students and obtains documented
12 acknowledgement of receipt;
- 13 (7) Students have access to academic transcripts for
14 completed coursework; provided that nothing in this
15 paragraph shall prohibit an institution from charging
16 a reasonable fee for the processing of official
17 transcript copies; and
- 18 (8) The short-term workforce education program is credit-
19 bearing, or the institution demonstrates how the
20 program will be transcribed and accepted for credit
21 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 to the extent authorized by 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 department of labor and
4 industrial relations may adopt rules pursuant to chapter 91 as
5 necessary to implement this chapter."

6 SECTION 3. This Act shall take effect on January 1, 2077.



S.B. NO. 3282
S.D. 1

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. Authorizes the Department of Labor and Industrial Relations to adopt rules. Effective 1/1/2077. (SD1)

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

