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 C.F.R. 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
MICHAEL YODER, Commissioner

EDUCATION AND LABOR CABINET
Department of Workforce Development
Office of Kentucky Workforce Innovation Board
(New Emergency Administrative Regulation)

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

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

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

CERTIFICATION STATEMENT:

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

Section 1. Definitions.

(1) "Articulation agreement" means a formal contract between two education institutions which guarantees that specific courses, credits, or entire programs completed at the first school 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 C.F.R. 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.

COMPILER'S NOTE: 2025 RS HB 6, enacted by the General Assembly on March 27, 2025, altered the information to be provided at the time an administrative regulation is filed. Aside from formatting changes necessary to upload the regulation into the LRC's publication application, this regulation has been published as submitted by the agency.

MICHAEL YODER, Commissioner

APPROVED BY AGENCY: June 30, 2026

FILED WITH LRC: June 30, 2026 at 3:10 p.m.

PUBLIC HEARING AND 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, Kentucky 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, Kentucky 40601, 502-564-0757, chelsean.fallis@ky.gov.