

1 AN ACT establishing the Adult Workforce Diploma Pilot Program.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Academic skills intake assessment" means a criterion-referenced
7 assessment of numeracy and literacy skills that is determined by third-party
8 research to be highly reliable and valid and that may be administered in
9 person or online;

10 (b) "Accredited provider" means a public, nonprofit, or other entity that is
11 currently:

12 1. a. Accredited by one (1) of the seven (7) regional accreditation
13 organizations or any successor entity; or

14 b. Approved or certified by the Kentucky Board of Education or the
15 Kentucky Department of Education; and

16 2. Does not receive funds for adult education or literacy programs:

17 a. From the federal Workforce Innovation and Opportunity Act, 29
18 U.S.C. sec. 3101 et seq.; or

19 b. Established in conjunction with the Office of Adult Education of
20 the Education and Labor Cabinet pursuant to KRS 151B.401 to
21 151B.420;

22 (c) "Approved program provider" means an accredited provider that is selected
23 to serve one (1) or more counties pursuant to subsection (5) of this section;

24 (d) "Career pathways coursework" means one (1) or more courses that align
25 with the skill needs of industries within the state or region and assist
26 students to enter into or advance within a specific occupation or
27 occupational cluster;

1 (e) "Career placement services" means services designed to assist students in
2 obtaining employment, including career interest self-assessments, job
3 search skills, resume development, and mock interviews;

4 (f) "Cohort" means students who enter the program between July 1 and June
5 30 of each program year;

6 (g) "Employability skills certification" means a certificate earned by
7 demonstrating professional nontechnical skills through assessment and
8 shall include the program standards of the United States Department of
9 Labor's Skills to Pay the Bills: Mastering Soft Skills for Workplace Success
10 curriculum;

11 (h) "Fund" means the Adult Workforce Diploma Pilot Program fund
12 established in subsection (3) of this section;

13 (i) "Graduate" means a student who has successfully completed all state and
14 approved program provider requirements to earn a high school diploma;

15 (j) "Graduation rate" means the total number of graduates from a cohort
16 divided by the total number of students from the same cohort calculated
17 twelve (12) months after the close of the cohort multiplied by one hundred
18 (100);

19 (k) "Graduation requirements" means course and credit requirements needed
20 to earn a high school diploma from an approved program provider that are
21 equivalent to the minimum requirements for high school graduation set by
22 the Kentucky Board of Education in accordance with KRS 156.160, except
23 no state-mandated testing or physical education credit shall be required;

24 (l) "High school diploma" means a diploma that:

25 1. Is issued by an accredited provider;

26 2. Is recognized as a secondary school diploma by this state; and

27 3. Fits within the definition of a Tier 1 education credential as defined by

1 the United States Department of Defense;

2 (m) "Learning plan" means a documented plan that:

3 1. Is designed to prepare a student to succeed in the program and the
4 student's future endeavors; and

5 2. Identifies the courses and credits that are needed for a student to
6 complete the program and are approved program provider graduation
7 requirements;

8 (n) "Milestones" means objective measures of progress for which payment is
9 made to an approved program provider under this section, including earned
10 units of high school credit, earned industry-recognized credentials, and
11 earned high school diplomas;

12 (o) "Program" means the Adult Workforce Diploma Pilot Program;

13 (p) "Student" means a participant in the program who is at least twenty-one
14 (21) years of age, a Kentucky resident, and has not earned a high school
15 diploma;

16 (q) "Transcript evaluation" means a documented summary of credits that were
17 earned in previous public or private accredited high schools compared with
18 program and approved program provider graduation requirements;

19 (r) "Unit of high school credit" means a credit that is:

20 1. Awarded based on a student's demonstration that the student has
21 successfully met the content expectations for the credit area as defined
22 by subject area standards, expectations, or guidelines; and

23 2. Equivalent to one (1) full academic year or two (2) semesters of study
24 in a time-based system; and

25 (s) "Workforce credential" means a third-party credential that:

26 1. Is part of a sequence of credentials that can be accumulated over time
27 to build an individual's qualifications to advance along a career

1 pathway and results in an industry-recognized certificate; or

2 2. Verifies an individual's qualification or competence and is issued by a
3 third-party with the authority to issue the credential.

4 (2) The General Assembly hereby establishes the Adult Workforce Diploma Pilot
5 Program administered by the Education and Labor Cabinet to assist a person
6 who is at least twenty-one (21) years of age in earning a high school diploma and
7 developing critical employability and career and technical skills to prepare the
8 person for employment.

9 (3) (a) There is hereby established in the State Treasury a trust and agency
10 account to be known as the Adult Workforce Diploma Pilot Program fund.
11 The fund shall consist of moneys received from the general fund, federal
12 funds, and any other proceeds from contributions, gifts, or grants made
13 available for the purposes of the fund.

14 (b) The fund shall be administered by the Education and Labor Cabinet.

15 (c) Amounts deposited in the fund shall be used for the purpose of funding
16 approved program providers in accordance with subsection (6) of this
17 section and for no other purpose.

18 (d) Notwithstanding KRS 45.229, moneys in the fund at the close of a fiscal
19 year shall not lapse but shall be carried forward to the next fiscal year.

20 (4) The Education and Labor Cabinet shall create a standardized application for use
21 by accredited providers. To be designated as an approved program provider able
22 to participate in the program, on or before August 15 of each year, an accredited
23 provider shall submit an application to the Education and Labor Cabinet
24 identifying the counties in which the accredited provider is seeking to become an
25 approved program provider and showing that the accredited provider:

26 (a) Is operating a regionally accredited high school diploma-granting entity;

27 (b) Has the ability to develop a learning plan for each student that integrates

1 graduation requirements and career goals;

2 (c) Provides a course catalog that includes all courses that are necessary to
3 meet graduation requirements; and

4 (d) Has the ability to provide the following:

5 1. Remediation opportunities in literacy and numeracy;

6 2. Career pathways coursework;

7 3. Preparation for workforce credentials;

8 4. Career placement services; and

9 5. Academic skills intake assessments and transcript evaluations.

10 (5) On or before October 15 of each year, the Education and Labor Cabinet shall
11 select one (1) accredited provider who meets the requirements in subsection (4) of
12 this section for each county. The Education and Labor Cabinet shall publish a
13 list of all approved program providers and the county or counties where the
14 provider is permitted to serve as the sole approved program provider. Approved
15 program providers shall begin enrolling students on or before November 15 of
16 each year. Approved program providers shall maintain approval status unless the
17 approved program provider is removed from the approved program providers list
18 pursuant to subsection (11) of this section.

19 (6) The Education and Labor Cabinet shall pay approved program providers the
20 following amounts for each student who completes the following milestones:

21 (a) Two hundred seventy-five dollars (\$275) for each:

22 1. Completed one (1) unit of high school credit;

23 2. Completed employability skills certification; and

24 3. Earned workforce credential that requires less than fifty (50) hours of
25 training.

26 An approved program provider shall receive a maximum of four thousand
27 nine hundred fifty dollars (\$4,950) for each student under this paragraph;

1 **(b) Five hundred fifty dollars (\$550) for each earned workforce credential that**
2 **requires at least fifty (50) hours but not more than one hundred (100) hours**
3 **of training;**

4 **(c) Eight hundred twenty-five dollars (\$825) for each earned workforce**
5 **credential that requires more than one hundred (100) hours of training;**
6 **and**

7 **(d) One thousand one hundred dollars (\$1,100) for each earned high school**
8 **diploma.**

9 **An approved program provider shall receive a maximum amount of seven**
10 **thousand five hundred dollars (\$7,500) for each student under this subsection.**

11 **(7) Approved program providers shall submit monthly invoices to the Education and**
12 **Labor Cabinet not later than the tenth calendar day of each month for milestones**
13 **met in the previous calendar month. The cabinet shall pay approved program**
14 **providers in the order in which invoices are submitted until all available monies**
15 **are exhausted. The cabinet shall provide a written update to the approved**
16 **program providers on or before the last calendar day of each month, including:**

17 **(a) The aggregate total dollars that have been paid to approved program**
18 **providers to date;**

19 **(b) The aggregate number of students currently enrolled in the program that**
20 **have had a previously invoiced milestone;**

21 **(c) The aggregate number of newly enrolled students that have not been**
22 **included in a previous invoice;**

23 **(d) The estimated number of enrollments still available for the program year;**
24 **and**

25 **(e) The estimated timeframe remaining until all available moneys are**
26 **exhausted based upon available information.**

27 **(8) An approved program provider shall only invoice for courses and credits required**

1 to earn a high school diploma which may include additional courses that meet
2 workforce credential requirements.

3 (9) On or before October 30 of each year, each approved program provider shall
4 report the following to the Education and Labor Cabinet:

5 (a) The total number of:

6 1. Students who were funded through the program;

7 2. Earned credits;

8 3. Earned workforce credentials earned for each tier of funding; and

9 4. Students who graduated through the program; and

10 (b) The information required by the performance measures established by the
11 Education and Labor Cabinet pursuant to subsection (12) of this section.

12 (10) The Education and Labor Cabinet shall compile the reports received from each
13 approved program provider in accordance with subsection (9) of this section and,
14 by December 15 of each year, shall provide an annual report to the:

15 (a) Kentucky Board of Education;

16 (b) Secretary of State; and

17 (c) Legislative Research Commission for referral to the Interim Joint
18 Committee on Economic Development and Workforce Investment.

19 (11) (a) Beginning July 1, 2027, and each July 1 thereafter, the Education and
20 Labor Cabinet shall review data from each approved program provider to
21 ensure that each provider is achieving minimum program performance
22 standards, including a graduation rate of at least fifty percent (50%)
23 beginning with the second cohort.

24 (b) The Education and Labor Cabinet may implement a process to bring an
25 approved program provider into compliance.

26 (c) If the program is extended by an act of the General Assembly, the
27 Education and Labor Cabinet shall revoke an approved program provider's

1 authorization to serve as an approved program provider if the provider does
2 not comply with the requirements of paragraph (a) of this subsection within
3 two (2) years. If the cabinet has revoked an approved program provider's
4 authorization, the provider shall be removed from the approved program
5 provider list. Within sixty (60) days following removal of a provider, the
6 Education and Labor Cabinet shall elicit applications and select a new
7 accredited provider to serve the county or counties previously served by the
8 removed provider in the same manner as the initial selection.

9 (12) On or before September 1, 2026, the Education and Labor Cabinet shall
10 promulgate administrative regulations in accordance with KRS Chapter 13A
11 necessary to carry out this section, including but not limited to:

12 (a) The application required by subsection (4) of this section;

13 (b) Performance measures to evaluate the performance of adult education and
14 workforce development programs offered by approved program providers
15 that:

16 1. Allow for a comparable evaluation across adult education and
17 workforce development programs;

18 2. Take into consideration the variety of learning levels of adult learners
19 entering the programs; and

20 3. Include:

21 a. Measurements of adult learner progress toward earning a high
22 school diploma;

23 b. The number of high school diplomas earned;

24 c. The number of industry-recognized credentials earned;

25 d. The number of adult learners or graduates who have
26 matriculated at an institution of higher learning or
27 postsecondary educational institution;

1 e. The number of adult learners or graduates who have newly
2 acquired employment, went on to earn higher wages, or who
3 have obtained a better job or a promotion; and

4 f. Other relevant measures identified by the Education and Labor
5 Cabinet; and

6 (c) A compliance process for approved program providers.

7 (13) (a) The Education and Labor Cabinet shall:

8 1. Implement this section to the extent that funds are available. If funds
9 are inadequate to provide the program in each county, the Education
10 and Labor Cabinet may select a limited number of representative
11 counties to implement the program and an approved program provider
12 for each county selected;

13 2. Provide to the approved program provider no more than a combined
14 aggregate of two hundred thousand dollars (\$200,000) per county
15 served in each fiscal year in moneys from the Adult Workforce
16 Diploma Pilot Program fund. If an approved program provider does
17 not reach the combined aggregate of two hundred thousand dollars
18 (\$200,000) in the first fiscal year of the pilot program, the remainder
19 may be added to the two hundred thousand dollar (\$200,000)
20 limitation in the second fiscal year of the pilot program; and

21 3. Notify an approved program provider when it is reasonably anticipated
22 that the approved program provider will submit invoices that would
23 cause the approved program provider to exceed the maximum payment
24 restrictions in subparagraph 2. of this paragraph or subsection (6) of
25 this section.

26 (b) Selection of an accredited provider as an approved program provider for
27 one (1) or more counties under subsection (5) of this section provides no

- 1 guarantee of funds available for payment upon submission of an invoice
2 pursuant to subsection (7) of this section.
3 (14) This section shall expire on and have no force or effect after July 1, 2029, unless
4 extended by an act of the General Assembly.