

Outcome Metric Exception Proposed Language Submit 12 10 25 (Submitted by Rachael Stephens Parker)

Submitted by: State Workforce Agencies and Workforce Development Boards; State Higher Education Executive Officers; Public Institutions; Students; Employers

Regarding: Section 690.94 Components determined by the Secretary

Allowing that some programs may be assessed for completion and job placement in some years, but not in others, with a threshold for years of inactivity for a program to be established and administered by the Secretary. Allowing that certain students will be exempted from the job placement measure. Allowing that prison education programs will be exempted from the job placement measure.

Rationale: Workforce Pell is a new program, and it will be funding educational and training programs that do not fall into the traditional higher education calendar, scheduling, frequency, or demand for delivery. Consequently, any outcome metrics should acknowledge and account for how programs designed and delivered to address industry and employer demand should be supported to do so in a manner that is reflective of the cyclical nature of the need for workforce development programs, which are much more agile and responsive to shifting labor-market realities.

The proposed language to require 70% job placement to achieve and maintain eligibility is not in dispute. However, workforce development programs are offered in direct response to regional demand within a training provider's service region, and with close consultation with the employers who depend on those providers to spin up programming to respond to hiring demands. It is not at all unusual for a program to operate at peak capacity for a period of time in order to meet demand, and then to scale down for a subsequent period of time. If there is not a demand for workers in a given occupation, there is not a rationale to run a program that will not lead to employment for its graduates.

Workforce divisions address this reality by allowing programs to go "inactive" or "dormant" during periods when their employer partners in a particular industry have met their needs for skilled workers and do not anticipate any further hiring in an occupation or occupations for a period of time. Many colleges and state authorizing agencies of higher education account for this by allowing for such inactivity or dormancy for a period of time (usually somewhere between 3 and 5 years) without discontinuing a program that may need to spin up again a year or two later. If such inactivity exceeds a set period of time, programs are discontinued, not in small part because with the rapid pace of change in required occupational competencies, technology, and equipment advancements, a program will need to be substantively updated after several years if it is to again meet the needs of employers.

Therefore, it is proposed that the language surrounding the job placement rate metric for initial and ongoing eligibility be amended to account for such ebbs and flows in demand so that programs and institutions are not penalized for delivering on-time, on-demand education and training when needed to meet hiring demands, and then pausing delivery during periods when to train and produce students for jobs that do not exist would be anathema to the intent of workforce Pell.

Additionally, there are several factors outside of institutional control and unrelated to program quality that can impact job placement rates. It is recommended that these factors constitute exemptions from both the numerator and denominator of the job placement rate measure.

In addition, prison education programs should not be held to this standard. Even with strong programming, employment outcomes for people leaving prison are shaped by many factors outside the control of an educational provider:

- unpredictable release dates,
- structural and legal barriers,
- occupational licensing restrictions,
- employer hesitancy,
- and local labor-market conditions.

Applying the same placement threshold used for community-based Workforce Pell programs will systematically disadvantage high-quality programs serving incarcerated students and could have the unintended effect of discouraging institutions from delivering valuable and impactful programs to this population at all. Workforce Pell was not intended for programs to “cream” and avoid serving those facing barriers to employment, including those incarcerated who stand to benefit.

§ 690.94 Components determined by the Secretary

(a) After the Governor determines that the program meets the requirements under 34 CFR § 690.93, the institution must submit to the Secretary documentation that—

(2) The program meets placement and completion rate requirements, **except as provided in paragraph (d) -**

(i) For the 2026-27 and 2027-28 award years only, as determined through a certification from the Governor, based on the Governor’s analysis using administrative data, including wage records, that the eligible workforce program meets the following standards—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time to completion, **to be calculated based on programs that are active during the year in which the calculation is made**; and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students that are employed during the second quarter after exiting the program, **to be calculated based on programs that are active during the year in which the calculation is made.**

(ii) For each award year after the 2027-28 award year—

(A) A completion rate of at least 70 percent, within 150 percent of the normal time of completion, as determined under 34 CFR 668.8 (f), **to be calculated**

based on programs that are active during the year in which the calculation is made; and

(B) A job placement rate of at least 70 percent, calculated as the percentage of students who are employed in the occupation for which the program prepares students (as identified through the process established under 34 C.F.R. 690.93 (b)) or a comparable high-skill, high-wage, or in-demand occupation during the second quarter after successfully completing the program, as determined through a certification from the Governor, based on the Governor's analysis using available administrative data, including wage records, and to be calculated based on programs that are active during the year in which the calculation is made.

(iii) In all award years, a student may be excluded from both the numerator and the denominator of the job placement rates calculation if the institution has verified using valid and reliable means that—

(y) The student died;

(y) The student is enrolled in additional postsecondary training or education, including a program within the career pathway of the eligible program in which they were previously enrolled;

(y) The student is unable to work in a training-related field due to active military service;

(y) The student unable to work in a training-related field due to a documented medical condition including disability, pregnancy, or child birth; or

(y) The student is incarcerated.

(d) For an eligible prison education program as defined in § 668.236, such program does not have to meet the placement rate requirements.