



State of Tennessee State Workforce Development Board

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State Workforce Development Board Policy: Workforce Pell Grant Framework

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Purpose

This policy establishes Tennessee's framework for reviewing, approving, monitoring, and maintaining eligible Workforce Pell Grant programs. Workforce Pell expands Pell Grant eligibility to certain short-term workforce training programs, subject to federal requirements and state-level certification. This policy outlines the criteria and processes the Tennessee Department of Labor and Workforce Development, the Tennessee Higher Education Commission, and the State Workforce Development Board will use to determine whether programs prepare students for in-demand or high-skill/high-wage occupations, are validated by employers, lead to recognized and portable credentials, support continued postsecondary progression, meet required completion and job placement outcomes, and remain aligned with workforce needs. It also describes institutional application requirements, approval procedures, ongoing reporting, appeals, re-application, reciprocal agreements, and public transparency obligations.

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1. Workforce Pell Program Application & Eligibility

Eligible institutions of higher education must submit an application to the State Workforce Development Board (SWDB), which acts on behalf of the Governor for purposes of certifying Workforce Pell program eligibility.¹

Application submission requirements are summarized in supplemental guidance.

See [pending URL] for the online application form.

Institution and Program Eligibility

To be considered for Workforce Pell eligibility, a program must meet the following minimum requirements:

- The institution must be Title IV eligible, as approved by the U.S. Department of Education (ED) to administer Pell Grant funds.
 - Institutions may enter written arrangements to allow up to 25 percent of the program instruction to be offered by a non-Title IV-eligible institution. Non-eligible institutions may provide more than 25 percent, but less than 50 percent, if the non-eligible institution is the provider of the related instruction for a Registered Apprenticeship Program.
- The institution must be authorized by the Tennessee Higher Education Commission (THEC) to operate in the State or be exempt.
- The program must:
 - Be between 8-14 weeks of instruction;
 - Meet one of the following length requirements:
 - Between 150-599 clock hours;
 - Between 4-15 semester or trimester hours; or
 - Between 6-23 quarter hours.
 - Not be a correspondence, study abroad, or direct assessment program, and must not include remedial or English as a second language coursework.
- The program must have been in existence for at least 12 months and must have met all applicable length, duration, completion rate, and job placement rate requirements during that period.

¹ Workforce Pell is an expansion of the long-standing Pell Grant program, originally established under the Higher Education Act, through provisions included in the Working Families Tax Cuts Act of 2025. This expansion allows for short-term training programs to be Pell-eligible.

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- The program must meet all eligibility criteria established in Sections 2–7 of this policy. Program eligibility criteria are summarized in supplemental guidance.

Application Review & Approval

THEC and/or the Tennessee Department of Labor and Workforce Development (TDLWD) will conduct initial eligibility screening, data verification, and evaluation of application materials, and will provide a recommendation to the SWDB. The SWDB will make final approval determinations, including deliberation on criteria requiring policy judgment.

Following SWDB approval, the institution must submit required program information to the U.S. Department of Education (ED) for final consideration and approval.

If an institution is found to have intentionally provided false or misleading information in its program application, the SWDB will deny the application. If such information is identified after approval, the SWDB will immediately withdraw the program's Workforce Pell eligibility.

Student Eligibility

Students receiving Workforce Pell funding must meet all applicable federal Pell Grant eligibility requirements, including completion of the Free Application for Federal Student Aid (FAFSA). Workforce Pell funds may only be awarded to students enrolled in eligible programs that do not lead to a graduate-level credential. Student eligibility criteria are summarized in supplemental guidance.

Note: Workforce Pell Grant assistance counts toward an individual's lifetime maximum award for Pell Grants.

Workforce Pell Decision Flow

The Workforce Pell program application, review, and approval process is outlined in supplemental guidance.

2. In-Demand or High-skill / High-wage Criteria

The SWDB may approve a program for Workforce Pell Grant eligibility only if the program prepares students for employment in an occupation that is determined by the State to be in-demand or high-skill / high-wage.

In-Demand Occupations

For purposes of this policy, an in-demand occupation must:

- Have median wage which is at least 80 percent of the median wage for the region and an employment threshold of at least 0.04 percent of the region's total employment;² and
- Meet at least two of the following labor market indicators:³
 - Ratio of job postings to employment at or above the regional median;
 - Ratio of hires to employment at or above the regional median; or
 - Ratio of projected annual openings to employment at or above the regional median.⁴

Strategic Priority Exception for In-Demand Occupations

Notwithstanding the criteria above, the SWDB may designate an occupation as in-demand on a case-by-case basis for purposes of Workforce Pell program eligibility if the Board determines that the occupation is of strategic importance to the State's economic development, workforce priorities, or critical public service needs.

Such determinations must be supported by documentation demonstrating the occupation's relevance to State priorities, which may include emerging industries, key economic sectors, or occupations identified as essential to the State's workforce.

High-Skill / High-Wage Occupations⁵

For purposes of this policy:

- A high-skill occupation requires postsecondary education or training leading to a recognized postsecondary credential.
- A high-wage occupation has wages at least 20 percent above the median wage for the region.

² See [Academic Supply for Occupational Demand Report](#)

³ See [Academic Supply for Occupational Demand Report](#)

⁴ Based on regional projections for the period 2020-2030; for statewide analysis, projected annual job openings cover 2022 to 2032.

⁵ See [State Plan for Strengthening Career and Technical Education](#)

Registered Apprenticeship Programs

Programs that provide the related instruction for a Registered Apprenticeship Program are deemed to automatically meet the in-demand or high-skill / high-wage criteria.

Application Requirement

The institution must submit:

1. The six-digit Classification of Instructional Programs (CIP) code of the program; and
2. The six-digit Standard Occupational Classification (SOC) code(s) aligned with the program (if known).

3. Employer Validation Criteria

The SWDB may approve a program for Workforce Pell Grant eligibility only if the program is validated by employers in the associated high-skill/high-wage or in-demand industry sectors or occupations.

For purposes of this policy, employer validation includes an attestation from employers that:

1. The competencies and credential(s) students are expected to gain from the program are aligned with the competencies and credential(s) required, preferred, or recognized by employers in the relevant occupation(s); and
2. There is a current or anticipated hiring need for the identified occupation(s) and employers would consider hiring qualified completers from this program for future relevant employment opportunities.

This validation must include signed attestation from:

1. At least two employers in the region that represent the relevant industry sector;
2. An employer representative for a relevant industry association, program advisory board, sector partnership, or other employer-led industry group; or
3. An industry intermediary.

An *Employer Validation Form*, which must be used for the employer validation and attestation, is included in supplemental guidance.

Registered Apprenticeship Programs

Programs that provide the related instruction for a Registered Apprenticeship Program are deemed to automatically meet the employer validation criteria and are not required to submit the completed *Employer Validation Form*.

Application Requirement

The institution must submit *Employer Validation Form(s)* as described above.

The SWDB may establish additional guidance or evaluation criteria, including scoring rubrics, to assess employer alignment, including by analyzing job postings for the relevant occupation(s).

4. Credential Criteria

The SWDB may approve a program for Workforce Pell Grant eligibility only if the program meets one of the following requirements:

1. The program leads to a recognized postsecondary credential⁶ that is both stackable and portable, as determined by the SWDB based on criteria established by the Board; or
2. The program prepares students for employment in an occupation for which there is only one recognized postsecondary credential, as determined by the SWDB, and provides students with that credential upon completion of the program.

Definitions

For purposes of this policy:

- Stackable credentials are postsecondary awards that possess standalone labor-market value and are designed to build on one another to help students progress into and through a clearly defined career field. To qualify as stackable, each credential must (1) result in a meaningful step forward by enabling advancement in the workforce and progression into an additional credential, and (2) contribute to expanding the breadth of skills and competencies within the same occupational pathway. Together, these credentials must form a clearly defined sequence that supports purposeful, career-aligned advancement.

⁶ Defined as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of a Registered Apprenticeship Program, a license recognized by the State or Federal Government, or an associate or baccalaureate degree.

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- Portable means a credential that is:
 - Recognized, considered, or required for employment by more than one employer in the field of study; or
 - Recognized, considered, or required for employment in more than one Local Workforce Development Area.

Application Requirement

The institution must submit:

1. A list of the credential(s) students are expected to earn upon completion of the program; and
2. If the credential is not the only recognized credential required for employment in the associated occupation:
 - a) Evidence of how the credential is both stackable and portable; and
 - b) If available, evidence of student attainment of subsequent credentials.

Detailed definitions of “stackable” and “portable”, in addition to examples of evidence of stackability, are included in supplemental guidance. The SWDB may establish additional guidance or evaluation criteria, including scoring rubrics, to assess credential alignment.

5. Postsecondary Progression and Credit Articulation Criteria

The SWDB may approve a program for Workforce Pell Grant eligibility only if the program:

1. Prepares students to pursue one or more related certificate, diploma, or degree programs at one or more institutions of higher education; and
2. Ensures that a student who completes the Workforce Pell program and subsequently enrolls in such a program will receive academic credit that is accepted toward meeting certificate or degree requirements.

Application Requirement

The institution must submit:

1. A description of the related postsecondary program(s) students can pursue upon completion of the program; and
2. Formal articulation agreement(s) demonstrating that academic credit will be accepted toward a certificate or degree program at one or more institutions of higher education.

The SWDB may establish additional guidance or evaluation criteria, including scoring rubrics, to assess the efficacy of the program’s postsecondary progression and credit articulation.

6. Completion Rate & Job Placement Rate Criteria

The SWDB may approve a program for Workforce Pell Grant eligibility only if the program demonstrates:

3. A completion rate of at least 70 percent; and
4. A job placement rate of at least 70 percent.

Completion Rate

The completion rate is defined as the percentage of students who complete the program within 150 percent of the normal time to completion.

For this purpose, the cohort consists of students who began the program during the 12-month period preceding the date of application. Only students for whom 150 percent of the normal time to completion has elapsed as of the date of application may be included in the completion rate calculation.⁷

Job Placement Rate

The job placement rate is defined as the percentage of students who are employed during the second full calendar quarter after exiting the program.⁸

For this purpose, the cohort consists of students who exited the program during the 12-month period preceding the date of application. Only students for whom the second full calendar quarter after exit has elapsed as of the date of application may be included in the job placement rate calculation.⁷

⁷ A student is not included in the completion rate or job placement rate calculation if they die, experience the onset of a medical condition that prevents employment, are ordered to service in the uniformed services, or become incarcerated.

⁸ Beginning in the 2029-30 award year, job placement rates will be based on the percentage of students who *complete* the program *and* are employed in the occupation(s) for which the program prepares the student or in a comparable high-skill/high-wage or in-demand occupation.

Application Requirement

The institution must submit:

1. The number of students in the completion rate cohort;
2. The published normal time to completion and the corresponding 150 percent time threshold;
3. The number of students in the completion rate cohort who completed the program within 150 percent of normal time; and
4. A list of students in the job placement rate cohort (i.e., exited during 12-month period preceding application date), including necessary identifying information (such as social security numbers), for use by TDLWD in verifying employment outcomes using Unemployment Insurance (UI) wage records.

The SWDB may establish additional guidance or methodologies for calculating and verifying completion and job placement rates.

7. Program Cost, Anticipated Wages, & Value-Added Earnings

As part of its Workforce Pell program application review, the SWDB must consider the cost of the program in relation to the anticipated wages of the occupation(s) for which the program prepares students, based on criteria established by the Board. TDLWD will support this review by analyzing wage data for the associated occupation(s).

Application Requirement

The institution must submit the program's currently published tuition and fees.

The SWDB may establish additional guidance or methodologies for considering the relationship between program cost and anticipated wages.

Value-Added Earnings

Beginning in the 2030–31 award year, Workforce Pell programs must meet the value-added earnings requirements established by the U.S. Department of Education (ED) to maintain eligibility.⁹

The SWDB may establish additional policy or guidance to implement these requirements at the State level.

⁹ The value-added earnings measure compares the median earnings of program completers to the program's cost plus 150 percent of the Federal poverty level, using earnings observed in the years following program completion.

8. Program Approval Determination

TDLWD and THEC will review each submitted Workforce Pell program application in accordance with the criteria outlined in this policy and determine whether to recommend approval to the SWDB. TDLWD and THEC will provide joint recommendations for all complete applications received since the previous SWDB meeting no later than 15 calendar days prior to the next regularly scheduled quarterly board meeting.

The SWDB will make approval determinations on all recommended applications at that meeting. Applications received fewer than 15 calendar days prior to a regularly scheduled board meeting will be deferred and considered at the subsequent meeting.

The SWDB will provide a written approval determination to the applying institution within 30 calendar days following the board meeting.

Certification of Approval

For approved programs, the institution will receive an official certification of approval from the Governor or the Governor's designee, such as the SWDB. The institution must submit this certification to ED, along with any other required program information, in accordance with federal requirements and formats.

The certification of approval letter must include the following:

1. The name of the program;
2. The 6-digit Classification of Instructional Programs (CIP) Code of the program;
3. The Standard Occupational Classification (SOC) code(s) for which the program prepares individuals for employment;
4. A signed statement that the program was approved by the SWDB on behalf of the Governor and that the program currently meets, and has met for the 12 months immediately preceding the certification, the eligibility requirements established in Sections 2-7, above;
5. The date the eligible workforce program was approved;
6. If applicable, a certification that the State determined that the program meets alternative completion and placement standards under 34 CFR 690.94(a)(3)(i);
7. An agreement that, upon request of the Secretary of Education or Secretary of Labor, the SWDB will make available the policies and process that govern Workforce Pell program eligibility and approval;
8. An agreement that the SWDB will inform the Department of Education and Department of Labor and the institution within 15 calendar days of its final decision to withdraw approval of the eligible workforce program; and

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9. A certification that the SWDB takes into consideration the cost of the program and the anticipated wages of the industry or occupation.

Continued Approval

Approval of a Workforce Pell program expires upon the expiration of the institution's Program Participation Agreement (PPA) with the ED. Prior to the expiration of the PPA, the SWDB must review each Workforce Pell program offered by the institution and provide a certification of continued approval for each eligible program, in accordance with requirements and processes established by ED.

9. Reporting, Continued Eligibility, and Withdrawal of Eligibility

A Workforce Pell program may retain eligibility only if it continues to demonstrate:

10. A completion rate of at least 70 percent; and
11. An annual job placement rate of at least 70 percent.

Annual Reporting

For each award year (July 1–June 30) following initial approval, institutions must report program outcomes in accordance with the format, process, and timeline established by the SWDB.

Cohort Definitions for Annual Reporting

For purposes of annual reporting under this section:

- The completion rate cohort consists of students who began the program during the award year; and
- The job placement rate cohort consists of students who exited the program during the award year.

Only students for whom 150 percent of the normal time to completion has elapsed (for completion rate) and the second full calendar quarter after exit has elapsed (for job placement rate) may be included in the calculation of those rates.

Annual Reporting Requirements

The institution must submit:

1. The number of students in the completion rate cohort;
2. The published normal time to completion and the corresponding 150 percent time threshold;
3. The number of students in the completion rate cohort who completed the program within 150 percent of normal time; and
4. A list of students who exited the program during the award year, including necessary identifying information (such as social security numbers), for use by TDLWD in verifying employment outcomes using Unemployment Insurance (UI) wage records.

The rates must be calculated only after sufficient time has elapsed for the applicable completion and job placement measurement periods. The SWDB may establish additional guidance or methodologies for calculating and verifying completion and job placement rates.

Loss of Eligibility

The SWDB may withdraw Workforce Pell eligibility if:

1. The program fails to meet the required completion rate or job placement rate; or
2. The occupation for which the program prepares students is no longer determined by the State to be in-demand or high-skill / high-wage.

Periodic Review of In-Demand and High-skill / High-wage

At least every two years, in coordination with Tennessee's WIOA State Plan updates, the SWDB will review and update the list of occupations determined to be in-demand or high-skill / high-wage using the most recent labor market information.

Notification to ED

The SWDB must notify ED within 15 calendar days of a final decision to withdraw a program's approval. The process for formally withdrawing program eligibility will be carried out in accordance with requirements established by the SWDB and ED.

10. Appeals Process

If an institution believes that their Workforce Pell program eligibility was wrongfully denied or withdrawn, the institution may appeal to the SWDB. The institution must submit a written appeal that includes the basis for the appeal and any supporting documentation. To be successful, an appeal must adequately demonstrate that the program meets all criteria specified in this policy.

Appeal Review and Determination

Upon receipt of an appeal, the SWDB will review the submission and determine whether sufficient information has been provided to make a decision. If no additional information is required, the SWDB will issue a written decision to the institution within 90 calendar days of receipt of the appeal. The decision will either approve the program or uphold the denial or withdrawal, and will include a justification for the determination.

Requests for Additional Information

If the SWDB determines that additional information is required, the SWDB will request such information within 30 calendar days of receiving the appeal, and the institution must respond within 30 calendar days of the request.

Following receipt of all requested information, the SWDB will issue a written decision within 60 calendar days. The decision will either approve the program or uphold the denial or withdrawal, and will include a justification for the determination.

The decision of the SWDB on an appeal is final.

11. Regaining Eligibility

An institution whose Workforce Pell program eligibility has been withdrawn for failing to meet the criteria established in this policy may reapply once the program can demonstrate compliance with those criteria, in accordance with the requirements established by ED.

12. Re-Application for Program Changes

Institutions that make significant changes to a Workforce Pell program—including changes to the Classification of Instructional Programs (CIP) code, credential(s), delivery method, program length, or cost—must notify the SWDB and ED and provide details of the changes.

The SWDB will determine whether the changes require re-approval of the program and will instruct the institution on any required re-application process.

13. Bilateral Reciprocal Agreements

Tennessee institutions may not award Workforce Pell Grant funds to students who reside outside the State of Tennessee unless the State has entered into a reciprocal agreement with the student’s state of residence.

A student who resides in the State of Tennessee may not receive Workforce Pell Grant funds for enrollment in a program offered by an institution in another state unless that state has entered into a reciprocal agreement with the State of Tennessee.

14. Public Transparency

The SWDB must ensure that the following information is made publicly available on a State government website:

1. A list of all eligible Workforce Pell programs in the State, including the institutions offering such programs;
2. This *Workforce Pell Grant Framework* policy, including program eligibility and approval requirements; and
3. Processes, procedures, and guidance related to the Workforce Pell program application, reporting, and administration.

Governance

The SWDB will conduct ongoing monitoring activities, including periodic reviews of participating institutions; validation of reported student outcomes (completion, placement, and earnings); and regular review of program alignment with in-demand or high-skill / high-wage occupations using current labor market data. Institutions must maintain supporting sufficient to support all reported data, credential quality, employer alignment, and credit articulation, as applicable, and must provide such documentation upon request.

The SWDB will develop and disseminate processes, procedures, and other guidance documents governing how specific aspects of Workforce Pell will be administered in Tennessee.

References

Working Families Tax Cuts Act of 2025; 34 CFR Parts 600, 668, and 690.

Contact

For any questions related to this policy, please contact State Workforce Development Board at Workforce.Board@tn.gov.