

WORKFORCE PELL GRANT PROGRAM ELIGIBILITY & PERFORMANCE

1.0 OVERVIEW

This policy establishes the program eligibility and approval processes governing the administration of Workforce Pell Grants to eligible short-term workforce training programs in South Dakota. The Workforce Pell initiative expands federal Pell Grant eligibility to high-quality, career-focused programs and supports state efforts to meet workforce needs, increase labor participation, and accelerate credential attainment.

2.0 GOALS

1. Increase access to workforce training through affordable, short-term, skill-based training in high-demand, high-wage occupations offering stackable credentials to support lifelong learning, multiple career pathways, and direct employment.
2. Bridge alignment between education and workforce demands through system-wide coordination across higher education, labor, employers, and state agencies.
3. Build a data-driven, outcomes-focused workforce development system measured by completion, placement, and return on investment.

3.0 PROGRAM ELIGIBILITY REQUIREMENTS

Federal law sets the minimum eligibility and performance requirements for every Workforce Pell program. To be eligible, a program must:

- Be offered by an accredited Title IV-eligible institution that has not been subject to suspension, emergency action, or Title IV program termination in the five years preceding the determination. A Title IV school is an accredited educational institution authorized by the U.S. Department of Education to administer federal student financial aid (such as Pell Grants) under Title IV of the Higher Education Act.
- Have met all federal Workforce Pell requirements for at least 12 months before applying for state approval.
- Provide 8 to 14 weeks of instruction within the federal range of instructional hours (150 to 599 clock hours; 4 to 15 semester or trimester credit hours; or 6 to 23 quarter hours).
- Not include or be offered as a correspondence, study abroad, or direct assessment course.
- An eligible institution may work through a written agreement with an ineligible institution to provide no more than 25% of the program instruction. If this ineligible institution provides the related instruction for a registered apprenticeship program, the amount of this instruction cannot exceed 49% of the educational program. The eligible and ineligible institution cannot be owned or controlled by the same individuals, partnership, or corporation. Institutions with such an agreement in place must provide such agreements as supporting documentation during the application process.
- Have a completion rate of at least 70 percent within 150 percent of normal time to completion.
- Have a job placement rate of at least 70 percent, measured as completers employed during the second quarter after exiting the program. Starting in the 2029-2030 award year, placement must reflect employment in the specific occupation the program prepares students for, or in a comparable high-skill, high-wage, or in-demand occupation.
- Have Value-Added Earnings standard: total tuition and fees must be less than the median earnings of completers three years after completion, minus 150 percent of the federal poverty line and adjusted for regional price parities. This measure will be determined by the U.S. Department of Education and takes effect in the 2030-2031 award year.
- Align with high-skill, high-wage, or in-demand sectors or occupations as defined by the state.
- Meet employer hiring requirements in those sectors or occupations.
- Lead to a recognized postsecondary credential that is stackable and portable, or, where only one recognized credential exists for the target occupation, prepares students for that occupation and awards that credential upon completion.

- Ensures students receive academic credit that will be accepted toward at least one certificate or degree program at one or more eligible institutions.

Additional federal requirements are codified at 34 CFR Part 600, 668, and 690. Institutions are responsible for reviewing and complying with all of them.

4.0 STATE DEFINED PROGRAM ELIGIBILITY REQUIREMENTS

Federal regulations require Governors, in consultation with the state workforce development board, to establish a publicly available process through which institutions can request a determination that their program meets specific federal criteria. The Governor or Secretary of Labor, as designated in South Dakota, approves programs before submission to the U.S. Department of Education and attests annually that approved programs continue to meet all Workforce Pell requirements.

Within this process, the Governor has discretion to define how the state evaluates the following four federal requirements:

- 4.A. Labor market alignment and demand;
- 4.B. Employer hiring requirements;
- 4.C. A recognized, stackable, and portable postsecondary credential; and
- 4.D. Articulation to credit.

Each section defines the concept, what institutions must submit, and how reviewers evaluate the submission.

4.A. Labor Market Alignment

A program must align with at least one occupation that South Dakota classifies as high-skill, high-wage, and in-demand. South Dakota recognizes qualifying occupations through two pathways: Labor market information thresholds (4.A.1.), has strategic designation by the Governor (4.A.2.), or a registered apprenticeship program (4.A.3.). The South Dakota Department of Labor and Regulation will maintain a publicly available list of qualifying occupations, updated at least every two years.

4.A.1. Labor Market Information Thresholds. Using labor market data published by the South Dakota Department of Labor and Regulation, an occupation qualifies if it meets high-skill, high-wage, and in-demand.

- A **high-skill** occupation is assigned an O*NET Job Zone of 3 or higher, indicating medium, considerable, or extensive preparation, typically including a postsecondary credential or degree.
- A **high-wage** occupation pays an average wage at or above the state median wage across all occupations, based on the most recent Occupational Employment and Wage Statistics data.
- An **in-demand** occupation has a positive projected change in employment combined with projected annual openings above the statewide average across all occupations.

If an institution believes the State's qualifying occupation list or labor-market data does not adequately reflect workforce needs, it may submit employer-validated evidence for consideration by the Governor or Secretary of Labor.

4.A.2. Strategic Designation. An occupation also qualifies as in-demand when the Governor designates it as strategically important to the state economy, with the rationale publicly documented.

4.A.3. Registered Apprenticeship Program. A program that serves as a related instruction component of a Registered Apprenticeship Program is considered to meet the Labor Market Thresholds identified in 4.A.1.

4.B. Employer Hiring Requirements

A program must align with employer hiring practices and the competencies and proficiency levels employers expect on the job.

Every application must include at least three completed **Employer Validation Forms** from South Dakota employers or industry association in the target industry or occupation. The State provides a standardized form that asks each employer to verify that:

1. The employer currently hires for the target occupation in South Dakota, or anticipates doing so within the next year.
2. The credential the program awards is valued or required in the employer's hiring practices for the target occupation.
3. The competencies, proficiency levels, assessments, and development pathways described in the program's Competency Review accurately reflect what the employer expects of new hires.

Before contacting employers, the institution completes a **Competency Review Form** documenting each competency the program develops, the required proficiency level, the assessment method, and the courses or units that build the competency. The institution shares this review with each of the three validating employers.

Registered Apprenticeship Program. A program that serves as a related instruction component of a Registered Apprenticeship Program is considered to meet the Employer Hiring Requirements.

4.C. Recognized, Stackable, and Portable Postsecondary Credential

A program must result in a recognized postsecondary credential (4.C.1) that is both stackable (4.C.2) and portable (4.C.3).

4.C.1. Recognized Postsecondary Credential. A program meets this requirement when it awards one or more of the following, as further defined in the U.S. Dept. of Labor, [Training and Employment Notice 25-19](#):

- An industry-recognized certificate.
- An industry-recognized certification.
- A certificate of completion of a Registered Apprenticeship.
- An occupational license recognized by the State or federal government.
- Prepares students for employment for which there is only one recognized post-secondary credential (e.g., CDL, CNA).

4.C.2. Stackable. A credential is stackable when it supports continued progression along a career pathway. The **Articulation to Credit Review Form** submitted under Section 4.D. satisfies this requirement when it confirms that credit transfers toward a related higher certificate or degree program.

4.C.3. Portable. A credential is portable when it supports employment across more than one employer in the target occupation. The three **Employer Validation Forms** submitted under 4.B satisfy this requirement when they confirm that the credential is valued or required in hiring across the three submitting employers.

4.D. Articulation to Credit

A program must lead to academic credit (4.D.2.) that applies toward a related certificate or degree program (4.D.1.) at one or more eligible institutions, including the institution offering the Workforce Pell program. Each institution must document the articulation pathway on the **Articulation to Credit Form** submitted with the application and attach supporting materials as appropriate.

Articulation must be supported by formal written documentation that clearly identifies which credits transfer, the number of credits, and how they apply to the receiving program. Acceptable documentation includes articulation agreements, transfer-of-credit agreements, consortium or partnership agreements, and credit-for-prior-learning policies.

For articulation within the same institution, comparable written documentation of the specific pathway is acceptable. Examples include a board-approved or curriculum-committee-approved credit map or a published catalog statement that outlines how the credit applies.

4.D.1. Related Program. A receiving program qualifies as related when at least one of the following is true:

- The two programs share a two-digit Classification of Instructional Programs (CIP) family.
- The two programs share a substantive connection documented through shared learning outcomes, common competencies, or formal pathway agreements.

4.D.2. Credit Toward Program Requirements. Credit must apply toward required courses or program-specific coursework in the receiving program, not solely toward general education or open elective credit.

5.0 PERFORMANCE MONITORING & CONTINUED ELIGIBILITY

To evaluate a program's ability to meet these thresholds, the State requires available historical performance data (5.A.). Historical performance data show reviewers how the program has performed and inform the approval decision.

5.A. Historical Performance Data

When available, institutions must provide the following for the three most recent cohorts on all three measures. If three cohorts are not yet available, institutions submit data for as many cohorts as exist and explain why three are not available.

1. Completion rate, calculated as the percentage of enrolled students who completed within 150 percent of the program's normal time to completion.
2. Job placement rate, calculated as the percentage of completers employed during the second quarter after exiting the program.

Students who meet one of the following are excluded from the completion rate and job placement rate performance indicators:

- Deceased;
- Incarcerated;
- Documented active-duty uniformed services for a period of 30 days or more; or
- Documented onset of a medical condition that prevents employment.

To validate performance, institutions will submit the following reporting elements with the initial and continued annual program application through SDWORKS, see Section 6.0 Application Submission and Determination.

Reporting Elements

- *Total Number of Individuals Served* – The total number of students in the program of study in the reporting period.

- *Total Number of Individuals Exited* – The total number of students who completed, withdrew, or transferred from this program of study in the reporting period, along with corresponding Program Start Date and *Program Exit Date*.
- *Total Number of Individuals Completed* – The total number of students who completed (did not withdraw or transfer out) from this program in the reporting period.
- *Credential Attainment Rate* – The total number of students who completed the training program AND attained a credential associated with the program of study.
- *Social Security Number* - Include the social security numbers of students for the purpose of direct unemployment insurance wage record match or supplemental wage information conducted by DLR.

5.B. Corrective Action & Disqualification

- Programs failing to meet federal performance standards must implement a corrective action plan, with state monitoring and quarterly reporting.
- If issues remain unresolved, the program may be withdrawn from Workforce Pell eligibility and may reapply for consideration in two years.

6.0 APPLICATION SUBMISSION & DETERMINATION

Institutions interested in seeking initial or continued workforce Pell program eligibility will submit an application through Adobe Sign, complete an Eligible Training Provider List (ETPL) application in SDWORKS, and upload supporting documentation through SDWORKS. This application will also seek placement consideration for the [Eligible Training Provider List](#) (ETPL), allowing the program to be eligible for Workforce Innovation and Opportunity Act funding for eligible participants. The application window and determination dates will be as follows.

Application Window	Determination Date
March 1 – April 30	June 30
September 1 – October 31	December 31

For the inaugural year starting July 1, 2026, the following application and determination date will apply.

Application Window	Determination Date
July 1 – August 31, 2026	October 30, 2026
September 1 – October 31, 2026	December 31, 2026

The DLR Workforce Development Division, in coordination with a subcommittee of the Workforce Development Subcommittee, will review applications for eligibility.

- If eligible, the application will be submitted to the Governor or Secretary of Labor for approval. If approved, a favorable Workforce Pell Program Determination will be issued to the training provider to submit to the U.S. Dept. of Education for their review and consideration.
- If not eligible, a determination will be issued to the training provider with a reason the application lacks eligibility.

7.0 GOVERNANCE

Workforce Pell program guidance and oversight are provided by the Department of Labor and Regulation, in partnership with the State Workforce Development Council and the Governor.

Individual student eligibility for Workforce Pell is determined and overseen by the training institution.

8.0 APPEAL PROCESS

If a program is not approved for inclusion in Workforce Pell at the state level, the provider has the option to appeal. A written request for appeal and a statement of justification, explaining why the provider should receive a recommendation for consideration by the U.S. Department of Education. This can be submitted via e-mail to dlrwfappeals@state.sd.us within 15 business days from the date of Program Determination. Written appeals should not exceed one page.

The training provider will be contacted within 15 business days of DLR's receipt of the appeal to schedule a hearing with the Workforce Pell appeals board. The board will consist of a DLR Labor Program Specialist and the Workforce Development Director. The Board will issue a final decision within 60 business days of the hearing date. If denied, a program will be unable to reapply for two years from the date of final notification.

34 CFR Parts 600, 668, 690