

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 with high reliability and validity
8 that is determined by third-party research and that may be administered in
9 person or online;

10 (b) "Accredited provider" means an entity that is currently accredited by one
11 (1) of the seven (7) regional accreditation organizations or any successor
12 entity;

13 (c) "Approved program provider" means a public, nonprofit, or other entity
14 that meets the requirements of this section and does not receive federal or
15 state funding or private tuition for a student in the program;

16 (d) "Average cost per graduate" means the total program funding dispersed to
17 an approved program provider divided by the total number of graduates for
18 a cohort calculated twelve (12) months after the close of the cohort;

19 (e) "Career pathways coursework" means one (1) or more courses that align
20 with the skill needs of industries within the state or region and assist
21 students to enter into or advance within a specific occupation or
22 occupational cluster;

23 (f) "Career placement services" means services designed to assist students in
24 obtaining employment, including career interest self-assessments, job
25 search skills, resume development, and mock interviews;

26 (g) "Cohort" means students who enter the program between July 1 and June
27 30 of each program year;

1 (h) "Employability skills certification" means a certificate earned by
2 demonstrating professional nontechnical skills through assessment and
3 shall include the program standards of the United States Department of
4 Labor's Skills to Pay the Bills: Mastering Soft Skills for Workplace Success
5 curriculum;

6 (i) "Fund" means the Adult Workforce Diploma Pilot Program fund
7 established in subsection (3) of this section;

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

10 (k) "Graduation rate" means the total number of graduates from a cohort
11 divided by the total number of students from the same cohort calculated
12 twelve (12) months after the close of the cohort multiplied by one hundred
13 (100);

14 (l) "Graduation requirements" means course and credit requirements needed
15 to earn a high school diploma from an approved program provider;

16 (m) "High school diploma" means a diploma that is issued by an accredited
17 provider and that is recognized as a secondary school diploma by this state
18 and fits within the definition of a Tier 1 education credential as defined by
19 the United States Department of Defense;

20 (n) "Industry-recognized credential" means an education-related or work-
21 related credential that verifies an individual's qualification or competence
22 and that is issued by a third party with the authority to issue the credential;

23 (o) "Learning plan" means a documented plan that both:

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

26 2. Identifies the courses and credits that are needed for a student to
27 complete the program and that are approved program provider

1 graduation requirements;

2 (p) "Milestones" means objective measures of progress for which payment is
3 made to an approved program provider under this section, including earned
4 units of high school credit, earned industry-recognized credentials, and
5 earned high school diplomas;

6 (q) "Program" means the Adult Workforce Diploma Pilot Program;

7 (r) "Stackable credential" means a third-party credential that is part of a
8 sequence of credentials that can be accumulated over time to build up an
9 individual's qualifications to advance along a career pathway;

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

13 (t) "Transcript evaluation" means a documented summary of credits that were
14 earned in previous public or private accredited high schools compared with
15 program and approved program provider graduation requirements; and

16 (u) "Unit of high school credit" means a credit that is awarded based on a
17 student's demonstration that the student has successfully met the content
18 expectations for the credit area as defined by subject area standards,
19 expectations, or guidelines.

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

25 (3) (a) There is hereby created a trust and agency account called the Adult
26 Workforce Diploma Pilot Program fund to be administered by the
27 Education and Labor Cabinet for the purpose of funding approved program

1 providers in accordance with subsection (6) of this section.

2 (b) The fund shall contain moneys received from the general fund, federal
3 funds, and any other proceeds from contributions, gifts, or grants made
4 available for the purposes of the fund.

5 (c) Moneys deposited in the fund are hereby appropriated for the purposes
6 under this section.

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

9 (4) The Education and Labor Cabinet shall create a standardized form for use by
10 accredited providers. On or before August 15 of each year, to be designated as an
11 approved program provider able to participate in the program, an accredited
12 provider shall submit a form to the Education and Labor Cabinet showing that
13 the accredited provider:

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

15 (b) Has the ability to develop a learning plan for each student that integrates
16 graduation requirements and career goals;

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

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

20 1. Remediation opportunities in literacy and numeracy;

21 2. Career pathways coursework;

22 3. Preparation for industry-recognized credentials and stackable
23 credentials;

24 4. Career placement services; and

25 5. Academic skills intake assessments and transcript evaluations.

26 (5) On or before October 15 of each year, the Education and Labor Cabinet shall
27 approve all accredited providers who meet the requirements in subsection (4) of

1 this section and place all approved program providers on an approved program
2 providers list. Approved program providers shall begin enrolling students on or
3 before November 15 of each year. Approved program providers shall maintain
4 approval status unless the approved program provider is removed from the
5 approved program providers list pursuant to subsection (11) of this section.

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

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

9 1. Completed half unit of high school credit;

10 2. Completed employability skills certification; and

11 3. Earned industry-recognized credential or stackable credential that
12 requires less than fifty (50) hours of training;

13 (b) Five hundred fifty dollars (\$550) for each earned industry-recognized
14 credential or stackable credential that requires at least fifty (50) hours but
15 not more than one hundred (100) hours of training;

16 (c) Eight hundred twenty-five dollars (\$825) for each earned industry-
17 recognized credential or stackable credential that requires more than one
18 hundred (100) hours of training; and

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

21 (7) Approved program providers shall submit monthly invoices to the Education and
22 Labor Cabinet not later than the tenth calendar day of each month for milestones
23 met in the previous calendar month. The cabinet shall pay approved program
24 providers in the order in which invoices are submitted until all available monies
25 are exhausted. The cabinet shall provide a written update to the approved
26 program providers on or before the last calendar day of each month, including
27 the aggregate total dollars that have been paid to approved program providers to

1 date and the estimated number of enrollments still available for the program year.

2 (8) An approved program provider shall only invoice for courses and credits required
3 to earn a high school diploma which may include additional courses that meet
4 workforce credential requirements.

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

7 (a) The total number of:

8 1. Students who were funded through the program;

9 2. Earned credits;

10 3. Earned industry-recognized credentials or stackable credentials
11 earned for each tier of funding; and

12 4. Students who graduated through the program; and

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

15 (10) The Education and Labor Cabinet shall compile the reports received from each
16 approved program provider in accordance with subsection (9) of this section and,
17 by December 15 of each year, shall provide an annual report to the Kentucky
18 Board of Education, the Secretary of State, and the Legislative Research
19 Commission for referral to the Senate Committee on Economic Development,
20 Tourism, and Labor and House Committee on Economic Development and
21 Workforce Investment.

22 (11) (a) Beginning July 1, 2026, and each July 1 thereafter, the Education and
23 Labor Cabinet shall review data from each approved program provider to
24 ensure that each provider is achieving minimum program performance
25 standards, including:

26 1. A graduation rate of at least fifty percent (50%) beginning with the
27 second cohort; and

1 2. An average student cost per graduate of seven thousand five hundred
2 dollars (\$7,500) or less.

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

5 (c) If the program is extended by an act of the General Assembly, the
6 Education and Labor Cabinet shall revoke an approved program provider's
7 authorization to participate in the program if the approved program
8 provider does not comply with the requirements of paragraph (a) of this
9 subsection within two (2) years. If the cabinet has revoked an approved
10 program provider's authorization, the provider shall be removed from the
11 program provider list.

12 (12) On or before November 1, 2026, the Education and Labor Cabinet shall
13 promulgate administrative regulations necessary to carry out this section,
14 including but not limited to:

15 (a) The form required by subsection (4) of this section;

16 (b) Performance measures to evaluate the performance of adult education and
17 workforce development programs offered by approved program providers
18 that:

19 1. Allow for a comparable evaluation across adult education and
20 workforce development programs;

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

23 3. Include:

24 a. Measurements of adult learner progress toward earning a high
25 school diploma;

26 b. The number of high school diplomas earned;

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

- 1 d. The number of adult learners or graduates who have
2 matriculated at an institution of higher learning or
3 postsecondary educational institution;
4 e. The number of adult learners or graduates who have newly
5 acquired employment, went on to earn higher wages, or who
6 have obtained a better job or a promotion; and
7 f. Other relevant measures identified by the Education and Labor
8 Cabinet; and
9 (c) A compliance process for approved program providers.
10 (13) This section shall expire on and have no force or effect after July 1, 2028, unless
11 extended by an act of the General Assembly.