

Workforce Pell Standards & Definitions Brief: IN-DEMAND INDUSTRY SECTORS OR OCCUPATIONS

In March 2026, the Department of Education (ED) released [draft Workforce Pell regulations](#), giving governors flexibility to define a number of key standards. This brief is part of a series on key implementation terms, focused on quality. **Final details and these draft recommendations may change when ED issues final regulations this spring.**

WORKFORCE PELL REQUIREMENT

An eligible program “[...] provides an education aligned with the requirements of high-skill, high-wage...or in-demand industry sectors or occupations; [...]” (iii) The terms ‘in-demand industry sector or occupation’... have the meanings given such terms in section 3 of the [WIOA](#).”

ED’S PROPOSED REGULATION

Defines **in-demand industry sector or occupation** as:

1. An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the state, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; OR
2. An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate. [[§ 690.9, p.14-15](#)]

The proposed regulation requires states create a process for an institution to request a determination for whether a program meets this standard. That process includes the criteria, including the methodology and periodic review (at least every two years alongside WIOA plan creation and modification). [[§ 690.93, p.18](#)]

WHERE TO FIND EXISTING DEFINITION(S) ACROSS WORKFORCE FUNDING

A definition or list of occupations/sectors may be found in: a [WIOA State Plan](#), [Eligible Training Provider List](#), or [related documents](#); a state’s [workforce council or board](#); a [Perkins V state plan](#) or [related documents](#); financial aid programs such as [free community college programs](#) limited to **in-demand sectors**; [critical occupations lists](#); [job vacancy goals](#); [reported labor market data](#); [workforce development glossaries](#); [intermediaries](#) in the state; and [state funding formulas](#).

KEY CONSIDERATIONS/OPTIONS FOR HIGH-QUALITY IMPLEMENTATION

Governors could consider:

- **Defining self-sufficiency**, for example as a [living wage](#). This could include an appeals process if programs meet critical needs and put individuals on a path to living wage if a significant share of graduates later attain further valuable credentials and move into higher wage occupations.
- **Defining employer demand/talent supply gaps** to ensure the state has a standard threshold for when misalignment warrants a state workforce investment. For example, the number of job postings exceeds projected retirees each year, or job postings remain open for a period of time beyond a standard. Employer outreach should confirm job postings analysis [is accurate](#).
- **Creating tiers to guide workforce investments holistically**. For example, a star rating system¹:
 - ★ Meets certain wage and job vacancy rate thresholds or demand/supply gap thresholds.
 - ★★ Meets certain raw numbers of job openings (e.g., above 250, 500, 1,000).
 - ★★★ Meets both demand/supply thresholds and a raw number of job openings.

¹ While one star may be enough for Workforce Pell, two or three may be required for limited WIOA funds.