Arnold Ventures

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Opportunities for Governors to Lead on Career Pathways and Higher Education



CAREER PATHWAYS & HIGHER EDUCATION

Introduction and Contents

By the 2030s, nearly three-quarters of jobs will require some sort of credential beyond a traditional high school diploma. While a reputable bachelor's degree continues to be the surest path to the middle class on average, for too many students, a college credential will not provide long-term economic opportunity. Far too many students graduate with credentials for which there is little economic demand, while others pay too much compared to what they get. Still others are seeking a broader set of pathways to economic mobility.

These resources can support new governors to leverage Career Pathways & Higher Education policy as a tool for opportunity and prosperity.

Career Pathways Overview | Pg 4

Higher Education Overview | Pg 6

Career Pathways & Higher Education - Credentials of Value Model EO | Pg 8
This order directs the state to build a shared, statewide definition of "credentials of value." Designated agencies must index existing quality standards and funding streams, define high-demand occupations, and weigh labor market demand, wage outcomes, and return on investment.

Career Pathways & Higher Education - Enhanced Wage Records Model EO | Pg 11
This order directs the agency responsible for unemployment insurance records, with higher education and workforce agencies, to recommend enhancements to state wage records. These would add fields such as total wages, occupation, hours worked, and workplace location, supported by data sharing agreements. The agencies then use the records to measure return on investment, inform students and families, and guide program approval and review.

Career Pathways - WIOA Model EO | Pg 13
This order gives new governors visibility of their authority under WIOA and creates opportunities to leverage that authority in advance of federally required reporting cycles, which impact state strategy and state spending for a four-year window.

Career Pathways - Return on Investment Model EO | Pg 17
This order creates a statewide inventory of publicly funded non-degree education and training programs and their funding streams across K–12, postsecondary, and workforce systems. It establishes a return-on-investment methodology that considers participant costs, state investment, time to completion, and post-program wages.

Career Pathways - Unified Talent Strategy Model EO | Pg 20
This order establishes a Chief Career Pathways Officer in the Governor's Office to coordinate fragmented talent development programs. The Officer convenes a cross-agency Working Group that develops a statewide Talent Strategy within one year. The strategy covers definitions of high-value programs, labor supply and demand gaps, performance metrics, ROI methodology, and funding and governance reforms.

Higher Education - Program Approval and Review Model EO | Pg 24
This order requires the state higher education agency to review every academic program at public colleges and universities every five years. The agency must consider graduates' wage and employment outcomes and publish ROI benchmarks at least as rigorous as the federal low-earning outcome benchmark.

Higher Education - Evidence Based Reform Model EO | Pg 25
This order directs the state higher education agency to submit recommendations on piloting, evaluating, and scaling evidence-based reforms at higher education institutions. Proposed reforms must show a statistically significant effect, or a strong research-based rationale, for improving completion rates, student return on investment, or other outcomes.

Higher Education - Outcomes Based Funding Recommendations Model EO | Pg 26
This order directs the higher education agency to develop an Outcomes-Based Funding Formula Proposal that maximizes the state's return on appropriated funds. The formula must use performance metrics tied to the state's strategic plan and to student return on investment.

Higher Education - Three-Year Degrees Pilot & Evaluation Model EO | Pg 27
This order directs the state agency to publish rules that allow public institutions to pilot three-year (approximately 90 credit hour) bachelor's degrees. The pilots are meant to lower costs for students and taxpayers and to ease workforce shortages. The agency must also rigorously evaluate the programs, including graduates' earnings and employment, and publish results in ways that protect student privacy.

Career Pathways: Driving Economic Opportunity in the AI Age

Technological change, rising income inequality, high cost of living, declining economic mobility, and severe workforce shortages have heightened labor market uncertainty for Americans. Research shows how impactful some career training pathways can be, but outcomes vary widely. For incoming governors, this moment presents both an urgent challenge and a unique opportunity to lead.

Strengthening pathways to economic opportunity must be a top priority for governors; the challenge is not simply to do *more*, but to do *better*. That is, policy should support the programs that deliver stronger outcomes while improving or moving away from programs that don't.

Career pathways span career and technical education (CTE), apprenticeships, and other workforce training. Across these areas, governors can set quality **standards**, align **incentives** — including funding — with outcomes, and build **evidence** on what works. Governors have near-term opportunities to act through federal funding plans, budgets, appointments, program reviews, and formula changes.

Expanding High-Quality Career and Technical Education

CTE integrates academic and career training in secondary and postsecondary courses, including dual enrollment. 85% of high school graduates take at least one CTE course, and community colleges award over 500,000 CTE-related credentials per year. States invest tens of billions annually in CTE, which creates leverage over which programs expand. States also control program approval and accountability. And while federal resources are smaller — the Perkins Act provides approximately $1.4 billion annually — state Perkins plans are a key lever to set priorities and standards.

WHAT THE EVIDENCE SAYS: Intensive CTE in high-wage, high-demand fields can improve earnings and employment, but results vary a lot by field, credential, and program design.

WHAT GOVERNORS CAN DO: Set minimum standards for programs and credentials, and incentivize stronger offerings, such as by limiting accountability credit to high-value credentials and calling for weighted funding formulas to help schools offer higher-value programs.

WHO IS DOING THIS: Ohio and **Maryland** updated their list of approved CTE credentials to focus on those with high labor market value. **Tennessee** weights its high school CTE funding so that programs aligned to high-demand, high-wage jobs get more funding per enrolled student.

Scaling Outcomes from Registered Apprenticeship

Registered apprenticeships combine paid on-the-job training with mentorship, instruction, and wage progression. Common in the skilled trades, apprenticeship is growing in industries such as manufacturing, education, and healthcare. More than 700,000 apprentices are active nationwide, but completion rates are under 50%. Public support for apprenticeships has largely come through scattered competitive grants — useful for innovation, but not for building a system that delivers outcomes at scale.

WHAT THE EVIDENCE SAYS: The evidence base is still emerging but promising. Early research suggests value in predictable, milestone-based funding that combines support for starting programs and onboarding apprentices with incentives for longer-term outcomes.

WHAT GOVERNORS CAN DO: Incentivize apprenticeship outcomes, not just enrollment. Move funding from scattered competitive grants to predictable, milestone-based funding that pairs up-front support with incentives for wage progression, completion, or post-completion outcomes.

WHO IS DOING THIS: South Carolina and **California** use funding incentives to reward both apprenticeship starts and outcomes.

Strengthening the Public Workforce System

States manage billions of dollars in workforce training funds, primarily through the federal Workforce Innovation and Opportunity Act (WIOA). Nationally, there are more than 75,000 approved programs, making outcomes transparency and provider standards essential — especially because results to-date are poor. States have broad, but often underutilized, authority to set stronger minimum standards for funding eligibility and to fund programs that best serve workers.

WHAT THE EVIDENCE SAYS: Many approved programs prepare participants for low-wage work: more than 40% of WIOA trainees earn less than $25,000 annually. Most jobs targeted by WIOA programs have low employer demand or low wages, a growing concern as AI reshapes the labor market.

WHAT GOVERNORS CAN DO: Publish outcomes for all publicly funded training programs, set minimum outcomes standards, and use performance-based funding incentives to scale strong programs, such as evidence-based sectoral training programs that are designed around employer partnerships in specific, high-wage and high-growth industries.

WHO IS DOING THIS: Texas ties programs' eligibility for public funding to earnings and credential attainment and requires all programs to target high-wage jobs. **New Jersey** publishes a "quality assurance scorecard" for all publicly funded programs and actively manages performance.

How Arnold Ventures Can Support Better Policy

Arnold Ventures works with state leaders and researchers to translate evidence into policy, test promising approaches, and scale reforms that improve outcomes and the ROI from public investment. Our work includes:

- **Policy design:** Development of policy options and research on exemplars
- **Implementation:** Evidence-based guidance and opportunities for states to learn from implementation experience
- **Research and evaluation:** Funding to evaluate the impacts of policies and programs

More Resources

For more detail on the above, see:

- *The U.S. Isn't Ready to Help Workers Through the AI Disruption*: *Wall Street Journal* op-ed from Arnold Ventures Co-Founder and Co-Chair John Arnold on what policymakers need to do now
- *Fund What Pays*: *Five Actions for States to Get Results from Workforce Funding*
- *Career, Technical, and Workforce Education*: *The State of the Evidence*

Higher Education: Delivering Greater Value for Students

Higher education supports economic growth by developing skilled workers, advancing research and innovation, and helping businesses adopt new technologies. Colleges and universities are practical levers for attracting investment, meeting workforce needs, and expanding economic opportunity. Aligning education with regional labor markets — and helping students complete valuable credentials — can support both business competitiveness and residents' earning potential.

Governors should focus not only on college affordability, but also on whether public investments deliver results for students and taxpayers. Strong completion rates, manageable debt, and credentials that lead to better employment outcomes are central to that return on investment (ROI). Early priorities can include setting clear accountability **standards**, establishing **incentives** that reward colleges when their students succeed, and translating **evidence** into action.

Towards Greater Accountability

Governors should look beyond college affordability to ask whether students and taxpayers receive a meaningful ROI. A low price alone does not ensure that a program delivers value: students need credentials that improve their economic prospects, and taxpayers need public spending to support those outcomes. Affordability remains important, but pairing it with greater accountability for low-outcomes programs gives governors a stronger basis for deciding which programs to support and where improvements are needed.

WHAT THE EVIDENCE SAYS: Leaders of both parties have long recognized that the upfront costs of college are only part of the equation: college programs that lead to well-paying jobs provide greater value to students and to local economies.

WHAT GOVERNORS CAN DO: Treat the federal Do No Harm standard as a floor, not the goal, for your state's higher education accountability efforts. Direct state higher education leaders to evaluate programs using both graduates' earnings and the price students pay, and use those measures to align incentives with meaningful ROI rather than mere compliance.

WHO IS DOING THIS: **Texas** is leading the way in looking not just at the cost of tuition, but at whether graduates earn a self-sufficient wage and how that wage compares to the cost of tuition.

Academic Program Reviews

One way states can provide greater accountability is by regularly reviewing colleges' programs to ensure that they leave students better off. Programs that fail the Do No Harm test should be substantially reformed or, if unable to be reformed, sunset. This can help restore the public's confidence in the value of higher education.

WHAT THE EVIDENCE SAYS: Low-outcomes programs — for example, programs that fail the Do No Harm test — have been shown to have negative impacts on students, often leaving them with high amounts of student debt and low earnings. A robust program review policy can weed out these programs.

WHAT GOVERNORS CAN DO: States can establish clear minimum baselines (with some room for flexibility) for new and existing programs. State agencies can also establish regular review cadences for existing programs. Policymakers will likely have to invest in data infrastructure in order to evaluate programs based on employment outcomes. Finally, state-level authorities can be given authority to sunset low-performing programs.

WHO IS DOING THIS: The State of **Washington** uses degree authorization for private and out-of-state institutions operating in the state, reviewing factors such as financial stability, accreditation, academic programs, and faculty qualifications. **Utah** recently adopted quantitative and qualitative accountability requirements for approving and reviewing academic programs.

Outcomes-Based Funding

States are increasingly using outcomes-based funding — also called performance-based funding — to tie a portion of public higher education appropriations to measurable results rather than relying only on enrollment or historical funding. This creates stronger incentives for colleges to help students succeed and sets a clear agenda for higher education. .

WHAT THE EVIDENCE SAYS: In some states, current financial incentives seem to be large enough to drive some changes, though this can be highly dependent on how much funding is put at stake.

WHAT GOVERNORS CAN DO: Governors should set clear goals for higher education that can be measured and rewarded in the funding formula. The budget request should put enough money at stake in outcomes-based funding formulas to incentivize colleges to meet these goals. Finally, state agencies should monitor colleges to ensure they meet or exceed their baselines.

WHO IS DOING THIS: Since 2010, **Tennessee** has used outcomes-based funding that rewards colleges for helping more students complete credentials and includes bonuses for supporting adult and low-income students. Officials are now moving to provide bonuses for the degrees that have been proven to have a positive ROI for students.

More Resources

For more detail on the above, see:

- Beyond "Do No Harm": The Next Era of Value-Based Accountability Policy *(American Enterprise Institute)*
- What's the Harm in "Do No Harm"? *(American University PEER Center)*

DEFINING AND ALIGNING CREDENTIALS OF VALUE FOR THE STATE OF [STATE]

Overview:

- The United States has more than 1.85 million unique credentials offered by more than 134,000 providers. Policy infrastructure provides some quality assurance for postsecondary degrees, but it is often insufficient. Moreover, many states don't have any rigorous quality assurance for occupational and nondegree credentials, badges, certificates, micro-credentials, and certifications—despite promoting and investing in these credentials.
- AdvanceCTE reports that forty-four states have a publicly available list of industry-recognized credentials, and states consider employer recommendations, educator recommendations, and occupational demand more frequently than they consider the expected labor market outcomes of holding the credential.
- States fund degree and nondegree credentials through state funds, federal funds, or a combination of both, totaling over $150 billion. Yet, because both funding and governance are fragmented across K-12, postsecondary, and workforce agencies and programs, it is difficult to assess whether public dollars are supporting credentials that deliver any real value for students.
- The rise of artificial intelligence adds urgency to this policy problem. Early research suggests that workers ages 22–25 in highly AI-exposed occupations may be experiencing weaker employment growth than similarly aged workers in less-exposed occupations.
- The purpose of this Order is to establish shared standards for identifying credentials of value, inform public investment in those credentials, and provide students and workers with information about their value before they commit time, money, and effort.

WHEREAS, the State of **[STATE]** recognizes that high-quality workforce development and career pathways improve affordability, support economic growth, enhance competitiveness, and build communities; and

WHEREAS, every **[STATE DEMONYM]** should have the opportunity to develop their talents and turn their interests into fulfilling careers that offer lasting financial stability in an evolving economy; and

WHEREAS, certain credentials have real labor market value and measurably improve the lives and livelihoods of credential holders; and

WHEREAS, multiple federal and state funding streams support credential attainment without recognizing the differences in cost, labor market demand, wage outcomes, and quality of different credentials; and

WHEREAS, the State of **[STATE]** requires a shared vision, aligned standards, clear decision-making, and strategic resource allocation to effectively collaborate across our public-school systems, higher education institutions, local workforce development boards, and employer partners, among others, on credentials of value; and

WHEREAS, [STATE DEMONYM] should know the value of a credential before they commit their time, money, and effort in pursuit of it; and

NOW, THEREFORE, I, [**GOVERNOR NAME],** Governor of **[STATE],** acting under the authority conferred by **[APPLICABLE CONSTITUTIONAL AND STATUTORY PROVISIONS]**, direct the following:

1. Within 90 days of this Executive Order, the **[STATE WORKFORCE BOARD, DEPARTMENT OF LABOR, OR OTHER DESIGNATED AGENCY]** in collaboration with the **[HIGHER EDUCATION DEPARTMENT], [ECONOMIC DEVELOPMENT AGENCY], [DEPARTMENT OF HUMAN SERVICES],** and the **[STATE PERKINS ADMINISTRATOR]** shall index existing state and federal definitions of quality, eligibility requirements, and funding streams that apply to credentials.
2. Within 120 days of this Executive Order, the **[DESIGNATED AGENCY]** in collaboration with the **[ECONOMIC DEVELOPMENT AGENCY]** shall recommend a statewide definition for high-demand occupations and sectors, leveraging existing state efforts such as preparations for implementation of Workforce Pell.
3. Within 120 days of this Executive Order, the **[DESIGNATED AGENCY]**, in collaboration with the [**HIGHER EDUCATION DEPARTMENT], [ECONOMIC DEVELOPMENT AGENCY], [DEPARTMENT OF HUMAN SERVICES]**, and the **[STATE PERKINS ADMINISTRATOR],** shall develop a statewide definition for credentials of value. For the statewide definition of credentials of value, the agencies shall identify the specific indicators, definitions, thresholds, and other methodological elements used to classify credentials and establish a transparent methodology and process for applying those indicators and thresholds consistently. The agencies may consider differences in the baseline characteristics of the typical credential seeker and the setting in which the credential seeker is pursuing the credential when developing their definition. In developing the definition, these agencies must consider, at a minimum, whether the credential demonstrates:
    a. Sufficient labor market demand;
    b. Meaningful labor market outcomes including either self-sustaining or family-sustaining wages four quarters after attainment;
    c. Alignment to high-demand occupations and sectors;
    d. Meaningful opportunities for career advancement within the field;
    e. Return on investment based on the average cost to students to attain the credential against their expected wages as a credential holder;
    f. Return on investment based on the average cost to the state to subsidize the credential against the expected wages of the credential holder.
4. By **[DATE],** the **[DESIGNATED AGENCY]** shall submit to the Governor a plan to incorporate the definition of high-demand occupations into applicable state policy and federal plans that fund or oversee credentials. The plan shall cover, but not be limited to, the Workforce Innovation and Opportunity Act State Plan, Perkins State Plan, and Workforce Pell.

5. By **[DATE]**, and annually thereafter, the **[DESIGNATED AGENCY]** shall publish a list of credentials that satisfy the definition created in Part 3 of this Order. The **[DESIGNATED AGENCY]** shall also develop recommendations to the Governor for promoting and incorporating credential of value standards into state and federally funded programs through statutory, regulatory, and administrative levers within the legal authority of the Executive Branch. The **[DESIGNATED AGENCY]** may also develop legislative recommendations to further promote consistent identification of valuable credentials supported through public dollars.

This Order is effective immediately and shall remain in force until amended or rescinded.

Enhanced Wage Records Data Collection and Coordination

Overview:

- States invest billions in education and workforce training but often cannot answer a basic question: Do these programs lead to good jobs in the intended fields?
- Traditional wage records show earnings, but often not what job someone holds, how much they earn per hour, or where they work, making it harder to measure program outcomes and workforce needs.
- States including Alaska, Louisiana, South Carolina, Texas, Virginia, and Washington are strengthening wage records to provide employers, students, and policymakers with better information about employment outcomes.
- This Order directs state agencies to develop a plan to enhance wage records and put that information to use.

WHEREAS, the [**State**] must ensure that public investments in higher education and career training produce strong economic returns for students, taxpayers, and the state economy;

WHEREAS, aligning postsecondary education with current and emerging workforce needs is essential to [**State**]'s economic competitiveness and long-term prosperity;

WHEREAS, comprehensive wage related data, when properly collected and appropriately safeguarded, improves return on investment, informs academic program review, and supports evidence-based decision-making by institutions and legislative leaders;

WHEREAS, it is in the public interest for [**State**] and its relevant state agencies to evaluate data-driven strategies that improve student outcomes, institutional accountability, and the effective use of public resources.

NOW THEREFORE, [**Governor**] hereby order as follows:

1. The [**State Agency responsible for unemployment insurance records**], in coordination with the [**Higher Education Agency**] [and the **Workforce Development Agency**, if different from the State Agency responsible for UI**]**, shall develop recommendations for the enhancement of wage records to connect education and training program data to real wage outcomes for purposes of improving postsecondary and workforce training return-on-investment, workforce alignment, allocation of state resources, and student outcomes analysis.

2. The recommendations shall analyze the implementation of, and potential use cases for, adding the following fields to state wage records:

    a. Total wages earned;

    b. The occupation or job classification of the individual graduate or attendee;

c. The number of hours worked; and

d. The geographic location of the workplace, including the zip code of the employee's primary place of employment.

3. In accordance with applicable law, the [**State Agency responsible for unemployment insurance records]**, shall enter into data sharing agreements with the [**Higher Education Agency**] and **[Workforce Agency]** and other entities necessary to carry out these efforts.

4. The [**Higher Education Agency**] and **[Workforce Agency]** shall develop and execute a strategy for using these Records to:

a. conduct or improve reports and analyses;

b. measure and improve students' and taxpayers' returns on investment;

c. inform students and their families as to higher education's historical or projected outcomes, disaggregated by institution and academic program;

d. develop or improve methodologies for identifying academic and workforce training programs that provide graduates with a positive return on investment, that lead to a self-sustaining wage, or that meet other, more stringent thresholds; and

e. inform, alongside other metrics as appropriate, the development, approval, and review of academic programs.

5. Recommendations shall be made to the Governor by **[DATE].**

This Order is effective immediately and shall remain in force until amended or rescinded.

IMPROVING THE PERFORMANCE OF THE PUBLIC WORKFORCE SYSTEM OF THE STATE OF [STATE]

Overview:

- The federal and state governments spend tens of billions of dollars each year on workforce training, but they rarely hold programs accountable for whether participants reach wages they can live on.
- Evidence continues to build that certain job training programs can be highly effective, but the public workforce system is not scaling what works: the typical participant in job training under the main public workforce system (the Workforce Innovation and Opportunity Act, or WIOA, system) exits into a job paying roughly 30% less than the income required for a single adult with no children to be self-sufficient.[1] Most jobs that the system targets either have low employer demand or low wages.
- States have significant authority through the Workforce Innovation and Opportunity Act to set minimum performance standards for WIOA-subsidized programs; lead on required federal planning to promote integrated service delivery and strategy; and deploy certain reserves of funding toward programs that have evidence of improving the labor market outcomes of participants.
- The purpose of these Executive Orders is to give new governors visibility of their authority under WIOA and to create opportunities to leverage that authority in advance of federally required reporting cycles, which impact state strategy and state spending for a four-year window. These Executive Orders can be separated and combined based on a state's unique circumstances and a governor's strategic goals.

WHEREAS, [STATE DEMONYM] deserve workforce training that leads to sustained employment, meaningful earnings, and economic opportunity, and employers deserve a workforce equipped for in-demand occupations; and

WHEREAS, public investment in training must be judged by the results it delivers for participants, not merely by enrollment, expenditures, or the continued operation of a program; and

WHEREAS, placement on the Eligible Training Provider List (ETPL) should carry the weight of a public endorsement of program quality and labor-market relevance, and eligibility for public training dollars should be earned through credible evidence of results rather than treated as an entitlement; and

WHEREAS, the Workforce Innovation and Opportunity Act (WIOA) and its implementing regulations authorize the Governor to establish minimum performance standards for initial and continued training-provider eligibility, subject to applicable procedures and exceptions; and

WHEREAS, combined planning for WIOA and career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006, as amended (Perkins), can align workforce and education investments around a shared strategy while preserving each program's legal requirements; and

WHEREAS, performance-based contracting and coordinated purchasing of training can help expand access to effective providers, strengthen local capacity, and improve the value of public investments;

NOW, THEREFORE, I, [**Governor Name],** Governor of **[STATE],** acting under the authority conferred by **[applicable constitutional and statutory provisions]**, direct the following:

(a) It is the policy of this State to raise the bar for publicly supported workforce training. **[STATE]** shall seek to ensure that an ETPL listing is a meaningful signal of quality to participants, employers, and taxpayers. The State shall not equate the availability of a training seat with the availability of a worthwhile opportunity.

(b) The **[STATE WORKFORCE BOARD]** shall lead implementation of this Order, working with the Department of **[DEPARTMENT]** and the agencies responsible for WIOA and Perkins. The Department of **[DEPARTMENT]** shall carry out fiscal and administrative actions within its authority. The **[STATE WORKFORCE BOARD]** shall make recommendations to the Governor where gubernatorial approval is required; this Order does not transfer statutory authority vested in another agency or governing body.

DIRECTIVE – ETPL PERFORMANCE STANDARDS

(a) Within 120 days of this Order, the **[STATE WORKFORCE BOARD]** shall submit to the Governor recommendations for meaningful minimum performance standards for initial and continued ETPL eligibility. The recommendations shall improve the quality of the list, not merely ratify existing performance. To develop them, the **[STATE WORKFORCE BOARD]** shall evaluate providers and individual programs on the ETPL, identify current eligibility standards and gaps in performance information, and assess whether existing standards adequately protect participants and taxpayers.

(b) The evaluation and recommendations shall address, at a minimum: minimum performance criteria for programs and providers for federally required performance indicators, a minimum earnings standard for program completers four quarters after program exit based on the median wages of exiters, and the minimum rate of wage growth for participants based on pre-enrollment wages in the second through the fifth calendar quarters immediately preceding the quarter of enrollment, excluding those with zero income, as compared to the median wages four quarters after program exit. The **[STATE WORKFORCE BOARD]** shall distinguish required federal indicators from additional State criteria and recommend the appropriate application of each to initial and continued eligibility. This Order does not itself establish final numerical eligibility thresholds.

(c) The **[STATE WORKFORCE BOARD],** pending approval from the Governor, shall incorporate these standards into the WIOA State Planning process and follow required federal procedures to solicit public comment from local workforce development boards and training providers on performance minimums, including opportunities for business, labor, participants, and community organizations.

(d) The framework shall apply consistently to covered public and private education and training providers, institutions of higher education, joint labor-management organizations, and adult education and literacy providers participating on the Eligible Training Provider List. It shall preserve the distinct federal eligibility and reporting treatment of registered apprenticeship programs and other applicable training exceptions.

DIRECTIVE – WIOA & Perkins Combined State Planning

(a) The **[STATE WORKFORCE BOARD]** shall lead development of a WIOA Combined State Plan that includes Perkins programs and establishes a genuinely integrated strategy for the 2028 planning cycle, not separate plans assembled under a common cover. The joint planning process shall include all WIOA core-program agencies and the State entities responsible for Perkins, including the appropriate eligible agency and secondary and postsecondary career and technical education authorities.

(b) Within 90 days of this Order, the **[STATE WORKFORCE BOARD]** shall establish, with those entities, a joint governance structure and planning calendar identifying the lead entity for each required component, the applicable approval authorities, and the process for obtaining necessary concurrence. The **[STATE WORKFORCE BOARD]** shall coordinate preparation of the Combined State Plan for submission by the Governor and other legally responsible entities under applicable federal requirements.

(c) Combined planning shall align labor-market analysis; priority industries and occupations; career pathways; secondary-to-postsecondary transitions; work-based learning; participant supports and referrals; provider-quality information; and investment priorities. The participating entities shall reconcile performance definitions where permitted and crosswalk distinct measures where federal requirements differ. Local WIOA plans, regional strategies, and applicable Perkins local needs assessments and planning shall inform this work.

(d) Each program shall retain its statutory governance, eligibility rules, accountability measures, required consultations, fiscal controls, and approval requirements. Combined planning shall not authorize unrestricted pooling of WIOA and Perkins funds. Each expenditure shall be charged only to a legally allowable source. If a legal or approval barrier prevents inclusion of Perkins on the intended schedule, the Commission shall promptly report the barrier and corrective action to the Governor while continuing joint planning.

DIRECTIVE – WIOA Governor's Reserve

(a) Subject to available, unobligated funds and applicable law, within 120 days, the **[STATE WORKFORCE BOARD]** shall submit to the Governor a costed deployment plan for utilizing the WIOA Governor's Reserve funds to address three priorities: (1) allowable WIOA costs of combined WIOA–Perkins planning, including coordination, data analysis, and shared implementation tools; (2) pay-for-performance or performance-based contracting readiness and implementation support; and (3) regional or multi-board bulk contracting for training with providers demonstrating strong outcomes. For each priority, the plan shall separately identify appropriate amounts, funding authority, responsible entities, milestones, and expected outcomes. This Order does not obligate funding unless otherwise authorized by the Governor.

(b) The **[STATE WORKFORCE BOARD]**'s plan shall include strategies to support allowable activities that encourage and incentivize local boards to adopt pay-for-performance or performance-based contracting strategies, including feasibility analysis, technical assistance, contract design, outcome measurement, evaluation, and implementation capacity. The **[STATE WORKFORCE BOARD]** shall develop an application and award framework prioritizing local boards with credible implementation plans, measurable outcome commitments, and strategies for serving participants with barriers to employment. No award shall finance an activity that is not allowable under the identified funding source.

(c) Direct incentives to local boards for implementing WIOA pay-for-performance or performance-based contracting strategies shall be funded with non-federal funds, not the WIOA reserve. Within 90 days, the **[STATE WORKFORCE BOARD]** and **[DEPARTMENT]** shall recommend a complementary non-federal incentive pool of **[INSERT DOLLAR AMOUNT]**, identify a lawful available source, and propose award conditions. If additional appropriations are needed, the recommendation shall identify that need; no payment shall be made before lawful funding is available.

(d) The bulk-contracting strategy shall support access in areas with limited high-quality offerings by identifying opportunities to purchase cohort-based training for multiple participants in in-demand industries or occupations and coordinating demand across local boards. Provider selection shall rely on verifiable employment, earnings, completion, credential, cost, and population-specific outcomes. Contracts shall establish clear deliverables, prices, outcome measures, reporting, monitoring, and remedies for nonperformance.

(f) The strategy shall preserve consumer-choice protections and local boards' legally required determinations and procurement responsibilities. Demonstrated outcomes alone shall not be treated as authority to bypass contracting requirements. Contracts used instead of individual training accounts shall satisfy an applicable exception under 20 CFR 680.320, including the exception for training multiple individuals in in-demand industries or occupations where appropriate.

(g) The Commission shall recommend expansion only where evidence supports effectiveness and fiscal sustainability. To inform that decision, the deployment plan shall propose pilots, technical assistance, and a process for evaluating participant outcomes, cost per successful outcome, employer and participant satisfaction, geographic reach, and implementation burdens.

(##) This Order is effective immediately and shall remain in effect until amended or rescinded.

EVALUATING THE RETURN ON INVESTMENT OF PUBLICLY FUNDED CAREER-PATHWAY PROGRAMS

Overview:

- The federal and state governments spend tens of billions of dollars each year on education and training meant to support constituents along a career pathway. Research shows that some programs are great pathways to economic mobility, but many are dead ends. States and schools often don't know which are which, and as a result, resources are rarely directed toward programs that produce the strongest outcomes.
- Moreover, career pathway investments are frequently fragmented—funding streams come from multiple federal and state agencies, and programs have different goals and eligibility criteria.
- This Executive Order creates a map of career pathway funding streams and calls for a statewide return-on-investment analysis across career-connected K–12, postsecondary, and workforce programs, emulating states like CO, GA, LA, and FL that are working to bring transparency to outcomes, make more strategic use of often-fragmented funding streams, and align better with employer demand and statewide priorities.

WHEREAS, every **[STATE DEMONYM]** should be able to find employment that supports their personal, professional, and financial goals;

WHEREAS, education and training that support **[STATE DEMONYM]** along a career pathway should help people gain the skills they need to secure rewarding employment, and advance toward lasting economic security;

WHEREAS, generative artificial intelligence may reshape job tasks, creating new market opportunities and uncertainties and underscoring the need to assess whether publicly funded career pathway programs prepare participants for rewarding employment;

WHEREAS, public investment in these career pathway programs must be judged by the results they deliver for participants, not merely by enrollment, expenditures, or historical availability;

WHEREAS, the State of **[STATE]** serves not only as a funder of career pathway programs but also as a perceived assurer of program quality: by directing public resources to specific programs, promoting them, or simply making them more accessible, the State can signal to constituents that those programs offer value, even without an explicit endorsement;

WHEREAS, coordinated planning, transparent information, and credible evidence should guide decisions about how the State of **[STATE]** responsibly invests in and promotes career pathway programs; and

WHEREAS, programs with a strong return-on-investment leave constituents better off for having participated in the program; and such programs support economic advancement and meet living costs in participants' regions;

NOW, THEREFORE, I, [**Governor Name],** Governor of **[STATE],** acting under the authority conferred by **[applicable constitutional and statutory provisions]**, direct the following:

1. Within six months of issuing this Executive Order, the **[STATE LEAD AGENCY, OFFICE, OR OFFICIAL]** shall work with the **[STATE WORKFORCE DEVELOPMENT BOARD], [DEPARTMENT OF LABOR], [DEPARTMENT OF EDUCATION AND/OR HIGHER EDUCATION], [ECONOMIC DEVELOPMENT AGENCY], [DEPARTMENT OF HUMAN SERVICES]**, and the **[STATE PERKINS ADMINISTRATOR]** and other relevant partners to create and keep current a statewide inventory of publicly funded non-degree education and training programs and the providers accessing funding to deliver the programs. The inventory shall:
    a. Span K–12 and postsecondary career and technical education, workforce development, career pathways programs, pre-apprenticeships, apprenticeships, incumbent worker training, and related activities;
    b. Document the federal, state, and local funding sources of programs, eligibility criteria, intended population, and the entities responsible for administration;
    c. Be made available through a public website in a format designed to support ease of navigation, clarity and accessibility of the information, and transparency;
    d. Inform the state's workforce plan under the Workforce Innovation and Opportunity Act, career and technical education plan under the Perkins Act, and related cross-agency planning.
2. The **[STATE LEAD]**, with the participating agencies, shall establish a methodology to determine whether programs and providers listed in the inventory demonstrate a return on investment for participating constituents and the State. The return-on-investment methodology shall, at a minimum:
    a. Consider the average consumer cost to participate in the program, including tuition and fees where the data are available;
    b. Consider the average state investment in the program per participant;
    c. Consider the average time it takes for a participant to complete the program and the wages foregone during that time;
    d. Consider the average wages of program exiters based on real participant wages two, four, and eight quarters after exit where available, or, if the data are not available, based on the expected earnings of the occupation with which the program aligns; and
    e. Use rigorous statistical approaches, where feasible, to compare participants with comparable nonparticipants and distinguish program effects from other influences on outcomes.
3. No later than **[DATE],** the **[STATE LEAD]** shall report to the Governor a return-on-investment analysis and recommendations to improve the allocation and effectiveness of resources through service integration, funding realignment, and identification of offerings

that warrant expanded or reduced investment. Recommendations shall also identify steps to improve offerings with weak returns and identify policy and administrative changes needed to improve participant outcomes and the overall return for programs and providers.

4. The participating agencies shall work with the **[STATE LEAD]** to complete the inventory and assessment and support resulting improvements. They shall:
    a. Supply timely program, funding, and outcome information in the form requested by the **[STATE LEAD];**
    b. Coordinate the collection, exchange, matching, and deidentification of individual-level education and workforce records as permitted by applicable state and federal law, including privacy requirements, to support the assessment and ongoing policy development;
    c. Provide the capacity and resources needed to fulfill their responsibilities under this Order;
    d. Support implementation of resulting recommendations through appropriate changes to agency policies, operating processes, and procedures, and through the preparation of legislative proposals.

This Order takes effect upon issuance and continues in effect unless amended or rescinded by the Governor.

ESTABLISHING A STATEWIDE TALENT STRATEGY

Overview:

- Preparing constituents for good jobs is an economic, social, and political imperative for every governor. Talent development supports every other policy priority. To support skill development, credential attainment, and job seeking, the federal government, states, and local communities invest in a range of programs and services.
- Talent development encompasses a broad range of activities, including work-based learning, registered apprenticeships, career and technical education, adult literacy and basic education, unemployment support, postsecondary education, industry-recognized credentials, and certifications and licensure. Constituents access these activities through a range of providers and administrators, such as schools, institutions of higher education, training associations, community-based providers, and benefits administrators.
- This breadth has an unintended consequence: constituents face a system that is difficult to navigate, and governments face a system that is difficult to govern.
- This Executive Order designates a role within the Governor's Office—the Chief Career Pathways Officer—to bring multiple state agencies together around shared strategies, performance metrics, and goals. The CCPO will oversee development of a unified talent strategy that provides an overarching structure for coordinated action across programs. The CCPO will also build legislative support to further strengthen governance. Although the mechanics will vary by state, this approach emulates and improves on best practices from gubernatorial action in other states—for example, Gov. Polis' EO in CO, Gov. Lee's EO in TN, Gov. Whitmer's EO and State Workforce Plan in MI, and Gov. Kemp's recent legislative push in GA.

WHEREAS, the State of **[STATE]** is committed to ensuring every learner, worker, and job seeker has the resources they need to be successful and economically secure;

WHEREAS, the State has a portfolio of resources to support constituents through education, skill development, and job search support;

WHEREAS, these resources are fragmented—and constituents navigate different rules, procedures, eligibility, costs, and outcomes;

WHEREAS, the State's authority over these programs is diffuse, and coordinated oversight and visibility into program performance and constituent outcomes are necessary to guide a statewide Talent Strategy; and

WHEREAS, generative artificial intelligence may reshape job tasks, creating new market opportunities and uncertainties and underscoring the need to assess whether publicly funded career pathway programs prepare participants for rewarding employment;

NOW, THEREFORE, I, **[GOVERNOR NAME],** Governor of **[STATE],** acting under the authority conferred by **[APPLICABLE CONSTITUTIONAL AND STATUTORY PROVISIONS]**, establish a Chief Career Pathways Officer within the Office of the Governor and hereby direct the following:

1. Within 120 days of this Executive Order, the Chief Career Pathways Officer shall convene a Career Pathways Working Group composed of the following Cabinet members and executive branch agency leaders:
    a. **[DEPARTMENT OF LABOR];**
    b. **[DEPARTMENT OF PUBLIC INSTRUCTION];**
    c. **[STATE HIGHER EDUCATION OFFICER];**
    d. **[CHANCELLOR OF THE COMMUNITY COLLEGE SYSTEM];**
    e. **[STATE PERKINS DIRECTOR];**
    f. **[DEPARTMENT OF COMMERCE OR ECONOMIC DEVELOPMENT];**
    g. **[DEPARTMENT OF HUMAN SERVICES];**
    h. **[DIRECTOR OF THE STATE WORKFORCE BOARD];**
    i. **[ANY OTHER DESIGNATED AGENCIES];**
2. Within one year of this Order, the Working Group shall develop and submit to the Chief Career Pathways Officer for approval a statewide Talent Strategy that includes, but is not limited to:
    a. A definitional framework for "high-wage" and "in-demand" occupations and "high-value" programs and credentials;
    b. An assessment of the gap between the supply of skilled labor and demand for skilled labor in **[STATE]** and a plan to build education and training capacity to support stronger alignment between talent development and the needs of our state;
    c. A list of industries critical to the economic success and competitiveness of the state, and the high-wage occupations that support their growth and success;
    d. An inventory of publicly funded training programs and providers, including performance criteria associated with the distribution of state funds to providers;
    e. Recommendations to improve transparency for students, workers, and job seekers on the expected outcomes of participating in publicly funded education or training services, including expected wage outcomes, program completion rates, and program costs;
    f. Standard performance metrics for comparing program outcomes among similar participant groups, with defined comparison groups, reporting periods, and treatment of differences in participant characteristics; and a common methodology for assessing return on investment for all publicly funded programs and providers, including approaches to measuring costs and benefits and any data limitations;

g. Recommendations for minimum performance standards for state-approved education and training programs or for access to state-operated funding, to the extent allowable under applicable state and federal law;

h. Opportunities to direct or redirect discretionary spending to incentivize:

   i. The growth of high-performing programs and providers,

   ii. The development of new programs in response to the gap analysis conducted in part 2(b), and

   iii. The adoption of evidence-based practices in education and training programs;

i. Necessary reforms to improve linking data on programs and state subsidies to measurable constituent outcomes;

j. Opportunities for administrative and legislative reform that would improve the experience of **[STATE DEMONYM]** in accessing public services for talent development, such as an evaluation of current state workforce governance structures that support oversight and accountability of publicly funded initiatives;

k. Recommendations for streamlining duplicative efforts, reducing bureaucratic barriers, and braiding funding for high-quality programs through executive or administrative actions or legislative changes.

3. Following approval of the Talent Strategy, the Chief Career Pathways Officer, in consultation with the Working Group, shall maintain an implementation plan identifying responsible agencies, milestones, and measures of progress. The Officer shall submit an annual progress report to the Governor identifying accomplishments, implementation barriers, and recommended updates to the Talent Strategy.

4. Each member of the Working Group shall remain responsible for the actions of his or her agency and shall work cooperatively with the other members. Members shall be individually and collectively responsible to the Governor for the successful implementation of the items named in this Order. The Chief Career Pathways Officer shall coordinate the activities of the Working Group, ensure that it fulfills the responsibilities established by this Order, and have final authority to approve the statewide Talent Strategy on behalf of the Working Group. The Governor shall exercise available authority under applicable state and federal law to require cooperation among entities within the state that utilize federal or state funding for workforce development activities.

5. Nothing in this Order shall alter the statutory authority or responsibilities of any agency, board, or commission. The Talent Strategy shall inform coordination across existing state and federal plans and shall not replace any plan, approval, or public participation process required by applicable law.

6. The Chief Career Pathways Officer, in collaboration with the **[STATE WORKFORCE BOARD]**, shall assist the Governor in carrying out required responsibilities under the federal Workforce Innovation and Opportunity Act, successor legislation, and amendments.

7. To ensure continuity of the Talent Strategy across career pathways activities, the Chief Career Pathways Officer shall serve as the Governor's designee on the following boards and commissions only where such designation is authorized by applicable law and the governing instruments of the relevant body. Service shall be subject to all applicable eligibility, designation, appointment, and confirmation requirements, and this Order shall not independently create a seat or confer voting rights:
    a. **[STATE SPECIFIC—MAY REQUIRE SEPARATE APPOINTMENTS OR CONFIRMATION PROCESSES].**

This Order takes effect upon issuance and continues in effect unless amended or rescinded by the Governor.

ACADEMIC PROGRAM REVIEW AND APPROVAL

WHEREAS, the [**State**] must ensure that public investments in higher education and career training produce strong economic returns for students, taxpayers, and the state economy;

WHEREAS, aligning postsecondary education with current and emerging workforce needs is essential to [**State**]'s economic competitiveness and long-term prosperity;

WHEREAS, it is in the public interest for [**State**] and its relevant state agencies to evaluate data-driven strategies that improve student outcomes, institutional accountability, and the effective use of public resources.

NOW THEREFORE, [**Governor**] hereby order as follows:

1. The [**State Agency**] shall review each academic program at [**colleges and universities under the agency's authority**] every five years.
2. To the extent permitted by law, the [**State Agency**] shall consider student wage and employment outcomes when approving new academic programs, reviewing existing programs, or evaluating whether to continue, modify, or sunset academic programs at public institutions of higher education. In doing so, the [**State Agency**] shall develop and publish one or more return-on-investment benchmarks, that are at least as rigorous as the low-earning outcome benchmark under U.S.C. § 1087d, against which it will evaluate these programs.
3. The [**State Agency**] shall withhold or terminate approval of any program that meets the definition of a low-earning outcome program under U.S.C. § 1087d, fails to meet the established return-on-investment benchmarks, or otherwise leaves graduates financially worse off than similar students who did not enroll in higher education. The [**State Agency**] shall not grant approval unless it receives documentation demonstrating that the program is being restructured or being sunset.
4. Within 180 days, the [**State Agency**] shall provide the Governor's office with recommendations for additional scrutiny and restrictions regarding academic programs that do not provide an adequate return-on-investment to students or taxpayers, including limiting such programs' eligibility to participate in state financial aid programs.

FEASIBILITY STUDY REGARDING SCALING EVIDENCE-BASED REFORMS

WHEREAS, the high cost of higher education is a barrier to students; and

WHEREAS, low completion rates and low-value programs increase the cost of higher education for both students and taxpayers; and

WHEREAS, students, employers, and institutions of higher education will benefit from statewide efforts to improve higher education affordability and completion rates through the piloting, evaluation, and scaling of evidence-based reforms; and

WHEREAS, the [**State Agency**] is charged with setting the state's higher education policy agenda and is uniquely equipped to lead an assessment of the statewide impacts of evidence-based reforms; now, therefore,

NOW THEREFORE, [**Governor**] hereby order as follows:

1. That the [**State Agency**] shall, within 180 days, submit to the Governor and [**General Assembly**] recommendations for piloting, evaluating, and scaling evidence-based reforms or practices at higher education institutions.
2. That the proposed evidence-based reforms or practices demonstrate a statistically significant effect on improving student completion rates, student return-on-investment, or other relevant outcomes or demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve student outcomes or other relevant outcomes.
3. That these recommendations shall include: a plan for implementation; estimated costs, including start-up costs and long-term sustainability needs; projected impacts; an overview of the evidence and research relied upon; and other relevant information.

OUTCOMES-BASED FUNDING RECOMMENDATIONS

WHEREAS, the [**State**] must ensure that public investments in higher education and career training produce strong economic returns for students, taxpayers, and the state economy;

WHEREAS, aligning postsecondary education with current and emerging workforce needs is essential to [**State**]'s economic competitiveness and long-term prosperity;

WHEREAS, it is in the public interest for [**State**] and its relevant state agencies to provide financial incentives to its public institutions of higher education to improve student outcomes and the effective use of public resources.

NOW THEREFORE, [**Governor**] hereby order as follows:

1. The [**Higher Education State Agency**] shall develop an Outcomes-Based Funding Formula Proposal designed to maximize the State's return on investment for funds appropriated to Higher Education. The Formula Proposal shall clearly identify performance metrics aligned to the state's higher education strategic plan, aligned to measurable return on investment for students; and aligned to any other performance metrics the [**Higher Education State Agency**] identifies as important to the overall success and competitiveness of the state's institutions of higher education.
2. The Formula Proposal shall distinguish between those academic programs that provide a positive return on investment to students and those that do not. The Formula Proposal shall not award funding for degrees or certificates that do not provide a positive return on investment.
3. The Formula Proposal shall be submitted to the Governor and [**General Assembly**] by November 1, 2027.

PILOTING REDUCED-CREDIT (THREE-YEAR) BACHELOR'S DEGREES

WHEREAS, reduced-credit bachelor's degrees may reduce costs to students and taxpayers, thereby improving their respective returns on investment; and

WHEREAS, reduced-credit bachelor's degrees may reduce the time required for students to earn degrees, thereby alleviating workforce shortages in critical, high-need occupations; and

WHEREAS, reduced-credit bachelor's degrees may necessitate adjustments to the processes, plans, and practices of institutions of higher education, accrediting agencies, licensing agencies, and employers; and

WHEREAS, students, employers, and institutions of higher education will benefit from statewide guidance and recommendations that help students evaluate whether to enroll in a reduced-credit bachelor's degree program, that help employers evaluate the qualifications of a graduate from a reduced-credit bachelor's degree program, and that help institutions of higher education evaluate the effects of offering reduced-credit bachelor's degree programs; and

WHEREAS, the [**State Agency**] is uniquely equipped to coordinate higher education policy and spur innovation, lead an assessment of the statewide impacts of reduced-credit bachelor's programs, is charged with setting the state's higher education policy agenda, serving as an agent of education transformation, and reviewing and, as appropriate, approving new academic degree programs to be offered at public institutions of higher education; now, therefore,

NOW THEREFORE, [**Governor**] hereby order as follows:

1. That the [**State Agency**] shall, within 180 days, publish rules that permit the piloting of bachelor's degree programs that require three years (approximately 90 total credit hours) at public institutions.
2. That the [**State Agency**] ensure any such reduced-credit bachelor's program is rigorously evaluated, including studies related to: analyzing students' earnings and employment, funding such evaluations; summarizing, aggregating and publishing in ways that protect students' privacy; and ways in which these evaluations may be made available to the public so as to assist prospective students in making informed decisions.