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SENATE BILL NO. 737

Offered January 16, 2026

A BILL to amend and reenact § 2.2-2037 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 20.2 of Title 2.2 an article numbered 5, consisting of sections numbered 2.2-2058 through 2.2-2064, relating to Department of Workforce Development and Advancement; accreditation of nondegree workforce training programs.

Patron—Diggs

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-2037 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 20.2 of Title 2.2 an article numbered 5, consisting of sections numbered 2.2-2058 through 2.2-2064, as follows:

§ 2.2-2037. Powers and duties of Department.

The Department shall have the power and duty to:

1. Promulgate regulations necessary or incidental to the performance of duties or execution of powers conferred under this chapter.

2. Establish a mission, goals, and objectives for the Department that align with the purpose of this chapter, to create a unified system of workforce development for the Commonwealth.

3. Develop a strategy that shall inform and engage with the business and organized labor communities to coordinate the workforce development programs offered by the Department, identify labor market needs, and ensure alignment of the Department's offerings to the needs of employers and the needs of the Commonwealth.

4. Jointly with the State Council of Higher Education for Virginia develop and implement strategies, and collaborate with employers and higher education institutions, to grow and expand the Innovative Internship Program established pursuant to § 23.1-903.4. The strategy shall include key measures of success and they shall jointly develop an annual progress report that shall include information on the number of students placed in internship programs, type of internship programs, and the number and type of participating employers. The report shall be delivered to the General Assembly, the Secretary of Education, and the Secretary of Labor annually by September 30.

5. Regularly track metrics relating to workforce development programs and establish a mechanism to help assess the adequacy of Department services and programs.

6. Develop specific strategies or steps the Department will take to modify policies, procedures, or processes to ensure effective and efficient administration of workforce development programs.

7. Develop a strategy for clearly communicating to customers changes to key workforce development programs.

8. Develop a strategy for clearly communicating important workforce development program information to Department staff, the public, and the General Assembly.

9. Identify other tactical actions to be taken to ensure the continuity of workforce development programs and customer service.

10. Establish an accreditation pathway for nondegree workforce training programs in accordance with Article 5 (§ 2.2-2058 et seq.).

Article 5.

Accreditation of Nondegree Workforce Training Programs.

§ 2.2-2058. Definitions.

A. As used in this article, unless the context requires a different meaning:

"Employer-verified on-the-job learning" means documented workplace training with supervisor confirmation of tasks and hours.

"Nondegree workforce training program" means an open-to-the-public course or program that does not award an academic degree and prepares individuals for an occupation identified within the framework of the O*NET occupational information.

"O*NET" means the U.S. Department of Labor's Occupational Information Network, a federal occupational information system organized by standard occupational classification codes and used as a reference framework for curriculum, task, and performance expectations.

"Recognized third-party performance body" means an independent organization that verifies performance standards meeting criteria set by the Department.

§ 2.2-2059. Accreditation of nondegree workforce training programs.

59 A. The Department shall establish an accreditation pathway for nondegree workforce training programs
60 in order to align the skills of the Commonwealth's workforce with the needs of industry in the Commonwealth
61 and to provide a workforce entrance pathway for underserved populations in the Commonwealth.

62 B. The Department shall accredit nondegree workforce training programs that meet the requirements of
63 this article and Department regulations.

64 C. The Department shall adopt regulations to implement the provisions of this article.

65 **§ 2.2-2060. Scope of article.**

66 A. Accreditation under this article shall confer eligibility for state workforce recognition and funding
67 alignment in accordance with the provisions of § 2.2-2064 and shall satisfy any overlapping nondegree
68 criteria for programs administered by another state agency.

69 B. Accreditation under this article shall not be considered academic accreditation or authorize a program
70 to confer degrees. Such an accreditation shall not, by itself, qualify a program for eligibility for financial aid
71 under Title IV of the federal Higher Education Act of 1965, as amended.

72 C. Nothing in this article shall authorize the Department to accredit any elementary or secondary school
73 or program subject to the requirements for accreditation or otherwise under the jurisdiction of the
74 Department of Education or any degree-granting program or institution subject to the requirements for
75 accreditation or otherwise under the jurisdiction of the State Council of Higher Education for Virginia.

76 D. The Department shall enter into a memorandum of understanding with the Department of Education
77 and the State Council of Higher Education for Virginia to prevent duplicative oversight and to refer
78 providers appropriately when a provider seeks degree authority.

79 **§ 2.2-2061. Minimum standards.**

80 A. The Department shall establish minimum standards for accreditation of nondegree workforce training
81 programs. Such standards shall require a program to:

- 82 1. Define curriculum, task lists, and performance requirements within the O*NET framework;
- 83 2. Provide not less than 40 percent of total instructional hours as hands-on laboratory or tool time with
84 supervised repetition to build motor and muscle memory;
- 85 3. Use qualified instructors holding (i) relevant trade licensure or credentials where required by law or
86 (ii) at least five years of recent, verifiable occupational experience;
- 87 4. Embed safety and code instruction applicable to the trade;
- 88 5. Provide employer-verified on-the-job learning or structured work-based learning with documented
89 tasks and hours; and

90 6. Provide adequate consumer protections, which shall include requirements for publishing tuition and
91 fees, a refund policy, truthful advertising, maintenance of student records, and financial protection.

92 B. The Department may rely on one or more recognized third-party performance bodies to verify that a
93 nondegree workforce training program meets the minimum standards and to validate program performance.

94 **§ 2.2-2062. Admissions.**

95 A. A program seeking accreditation shall require applicants to meet published admissions criteria. Such
96 criteria shall allow individuals 16 years of age or older, including students attending public or private
97 schools and students receiving home instruction pursuant to § 22.1-254.1, may participate in accredited
98 programs, subject to provider safety rules. An applicant without a high school diploma or recognized
99 equivalent shall be required to have achieved a passing score on a Department-approved assessment of basic
100 skills.

101 B. Accredited programs shall implement appropriate supervision, insurance, and worksite agreements for
102 participants under 18 years of age.

103 **§ 2.2-2063. Reporting requirements.**

104 A. An accredited program shall report, at a frequency set by the Department, credential attempts and
105 passes, job placements, starting wages or salary ranges, and retention rates at 90 days and at 12 months.

106 B. The Department shall publish aggregate data by occupation and region.

107 **§ 2.2-2064. Funding alignment.**

108 A. The Department may designate accredited programs as eligible for state workforce grants and may
109 recommend listing on the eligible training provider list for federal Workforce Innovation and Opportunity
110 Act funding where permissible. The Department may adopt outcomes-based holdbacks or bonuses tied to
111 verified placements and retention and may withhold or condition state funds for noncompliance.

112 B. Any accredited program approved by the Governor as an eligible workforce program shall be fully
113 eligible to participate in the federal Workforce Pell and any similar federal workforce financial assistance
114 program, subject to federal requirements.

115 C. No agency of the Commonwealth shall limit eligibility for federal or state workforce financial
116 assistance to only institutions accredited by the State Council of Higher Education for Virginia when a
117 nondegree workforce training program is accredited by the Department and has been approved by the
118 Governor as an eligible workforce program under federal Workforce Pell regulations.

119 D. The Department and any other administering state agency shall publish procedures, forms, and
120 guidance to ensure that accredited programs are able to access Workforce Pell, Workforce Innovation and

121 *Opportunity Act Individual Training Accounts, state workforce grants, and supportive-services funding on*
122 *terms equal to public institutions of higher education.*
123 *E. State and local workforce grants, tuition assistance, and supportive services awarded to students*
124 *enrolled in accredited programs shall be administered and coordinated in a manner that does not disqualify*
125 *such students from receiving federal Pell Grants under 34 C.F.R. § 690. State agencies shall structure*
126 *awards as last-dollar funding or otherwise coordinated assistance to prevent the loss of Pell eligibility due to*
127 *nonfederal aid equaling or exceeding cost of attendance.*

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