



Realizing the Potential for Rapid Reskilling

**Practitioner-Informed Policy Considerations and Commitments for
Short-Term Credentialing Programs**

July 2021

Authored by the Policy Leadership Trust

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About JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works.

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About The Policy Leadership Trust

The Policy Leadership Trust is a select group of community college practitioners convened by JFF. Together they draw on their expertise and experience to provide practical insights on what good policy looks like in education and workforce development. Learn more at

www.JFF.org/trust.

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Policy positions of the Policy Leadership Trust represent the prevailing viewpoints of its membership and do not necessarily reflect the perspectives of all individual members.

Introduction

Call to Action

The pandemic has upended business as usual in America. Millions of people remain out of work, and many are increasingly being made dispensable by automation and changes in business practices and consumer habits. They are struggling reenter the workforce and find employment that provides family-sustaining wages and benefits, job security, and advancement opportunities. Meanwhile, millions of students are falling through cracks of our education system and are questioning the relevance, time commitment, and costs of traditional courses of study. It is time for employers, education providers, and policymakers to hit the reset button and reconsider traditional approaches to developing talent and ensuring shared security and prosperity in today's rapidly changing economy.

Short-term credentialing programs can serve an important function in rapidly retraining unemployed workers for better career prospects. These programs also appeal to students interested in shorter bursts of skill building throughout their educational experience. In addition, short-term credentials provide a critical first rung on the ladder to upward economic mobility for individuals who have been underserved and marginalized in the labor market and our educational system.

Yet, despite rising interest in short-term credentials, concerns persist about the value and quality of these programs. After all, some programs and credentials have led to low-wage jobs with little opportunity for career advancement, or to fields that are at high risk of disappearing due to automation. Meanwhile, short-term credentials that lead to employment and wage gains and provide pathways for economic advancement remain out of reach for many of the people who would benefit the most, especially individuals from low-income households and Black, Latinx, and Indigenous populations. Many cannot access short-term credentialing programs because they cannot afford to attend or because such programs are not offered in their local areas.

These challenges are not insurmountable if policymakers, employers, and practitioners join together to affect meaningful and lasting change to longstanding approaches to education and employment. Fortunately, there are numerous innovative short-term training programs and policy approaches across the nation that are yielding results. We should learn from what is working—and what is not—for students, workers, and employers. As leaders of community colleges, the Policy Leadership Trust, came together with JFF to reflect on the lessons and

evidence of our efforts and to offer key considerations and commitments to guide federal and state policy action for short-term credential programs.

What Do We Mean by Short-Term Credentials?

The programs discussed in this document are short-term workforce-oriented programs that are offered by institutions of higher education and that result in a credential that holds value in the labor market. They may be delivered as for-credit or noncredit programs, and they may be very short (e.g., a matter of a few weeks, like a micro-credential) or longer (e.g., one or two semesters in length) but generally do not exceed an academic year in length.

Key Commitments for Policy Design

As state and federal policymakers consider their role in scaling and supporting short-term credential programs, it is important that solutions are grounded in key commitments to ensuring strong participant outcomes. The Policy Leadership Trust recommends the following key commitments for guiding policy development:

Equity

Equity must be at the center of policy and program design for short-term workforce-oriented programs—ensuring that postsecondary programs, institutions, and systems help a greater number of Black, Latinx, and Indigenous learners, as well as students from low-income backgrounds, to advance economically. Short-term programs should help close equity gaps in employment by creating opportunities for today’s learners and workers to attain the skills and credentials necessary for success in the labor market. If not thoughtfully implemented, short-term programs run the risk of exacerbating equity gaps by tracking individuals into low-wage jobs without opportunity for mobility.

Economic Mobility

Economic mobility must be a core objective of policy design to ensure that short-term workforce-oriented programs lead to career and economic advancement and do not put individuals on stagnant pathways in low-wage jobs. Credentials should also be stackable, so that one credential leads directly to the next. This ensures that systems encourage and enable students to come back for continued skills training that will lead toward further credentials and advanced degrees and help them meet their career goals.

Alignment with Employers and the Workforce Development Ecosystem

Institutions of higher education cannot do this work alone. Comprehensive partnerships should be prioritized with local employers and industries so that program designs and offerings align with in-demand career opportunities.

Key Considerations for Policy Design: An Overview

Reflecting upon what it takes to uphold equity, economic mobility, and systems alignment through short-term credential programs, the Policy Leadership Trust considered federal and state policy conditions related to program accountability, student access and success, and institutional structures and capacity. Policy Leadership Trust suggests four key policy recommendations, which are explored in further detail in this report:

1. Ensure that short-term credential programs adhere to quality standards.
2. Appropriately measure—and make transparent—outcomes of short-term credential programs, through enhanced data systems.
3. Address institutional funding constraints and disincentives for expanding short-term postsecondary options.
4. Increase the affordability and accessibility of short-term credential programs for students and workers in their communities.

Ensure that Short-Term Credential Programs Adhere to Quality Standards

Quality remains a significant point of contention when it comes to short-term programs. While these programs are increasingly popular because of their flexibility and alignment to the job market, concerns are frequently raised about initial and longer-term outcomes for those who hold these credentials. There are specific concerns regarding how these programs serve Black, Latinx, and Indigenous populations, as well as students from low-income backgrounds.

Programs and credentials should leave individuals better off at the end of their training. Determining whether people are better off requires a holistic and relative approach to assessing quality. A holistic approach to quality considers multiple dimensions, including individual indicators of success and positive community outcomes. Just as important, quality should be measured in terms of the differences these programs make in the lives of individuals and the communities in which they live. What amounts to an individual being “better off” is different based on their starting point in income, employment, educational experience, and cost of living, as well as the cost of program participation and any debt incurred.

Policy Recommendations

Essential Steps:

- Create and adopt state-level quality criteria:** States should develop statewide quality criteria that ensure that programs lead to credential attainment, in-demand employment, and family-sustaining earnings, assessed in terms of both wage thresholds and relative wage growth. Measuring earnings by relative wage growth will allow for the consideration of an individual's work experience and the impact of gaining a foothold in a new career, even if the initial job doesn't provide a family-sustaining wage. State policy should also ensure that quality thresholds are adjusted to fit the local environment to ensure that states are accounting for disparities in job opportunities and the cost of living across communities. Additionally, to validate a credential's value, it is important to embed employers in the process of creating state-level quality benchmarks.
- Federally recognize and invest in what works:** As states continue to create short-term credential programs and some are seeing promising results, federal policy should adopt quality measures that have resulted in strong outcomes to date (e.g., Virginia's FastForward program and the JOBS Act).
- Ensure stackability:** Policy should promote the development and use of stackable credentials. This is especially important to ensure that individuals are not stalled in entry-level jobs but can clearly see pathways to higher-level credentials and careers. To promote truly stackable credentials, a number of policies must be in place, including those that ensure credit articulation and credit for prior learning, regardless of program type. Implementation of prior-learning assessments should be encouraged so that individuals can receive credit for and build upon work experience and prior skills attainment.

What is Stackability?

Stackable credentials are those that are part of a sequence of credentials that can be accumulated over time and move an individual along a career pathway or up a career ladder.

Transformational Changes:

- Create universal and aligned standards across postsecondary programs:** Federal and state policy should evolve to create aligned and strong outcome measures across higher education, workforce development, and human service systems to ensure equitable outcomes across all types of skill development opportunities. These outcome measures should move beyond job placement and wages to consider other critical measures, such as career advancement, job benefits, and improvements to an

individual's quality of life (e.g., life expectancy, prosperity measures, and health measures).

- **Eliminate seat time as a proxy for quality:** Federal policy should reform current rules that make seat time and credit hours the de facto determinations of quality.

State Spotlight: Louisiana

In fall 2020, Louisiana became one of the first states to adopt statewide quality standards for nondegree credentials. Using a framework developed by the National Skills Coalition, the standards were jointly created through a partnership between the state's higher education system, the state workforce commission, Louisiana Economic Development, and other state agencies. The quality criteria require a credential to have clear evidence of mastered competencies; align to occupations given ratings of three, four, or five stars, as determined by the state's workforce commission based on job demand and projected growth; and lead to an occupation with a 20% wage premium above what workers with a high school diploma earn in the state.

The new quality criteria determine which short-term credential programs offered by community and technical colleges receive state support. Louisiana Delta Community College, for instance, awarded more than 700 nondegree credentials last year, primarily in allied health, construction, and manufacturing. The state's newly adopted quality criteria are driving the college to partner with industry to create credentials that serve employers in ways that meet the new quality standards. For example, some credentials in the region are in high demand, such as forklift training, but don't meet wage thresholds on their own. The college has embedded that training into other short-term credential programs, such as Certified Production Technician, that lead to higher wages for completers.

At around the same time the state adopted these quality criteria, the Louisiana Board of Regents created the Prosperity Index, a comprehensive set of regional indicators covering, education, economics, health and wellness, and infrastructure. The index will reveal how communities are faring and enable them to better assess the broader impact of a focus on quality credentials and on the connections between education and factors such as wellness and income.

Appropriately Measure—and Make Transparent—Outcomes of Short-term Credential Programs, Through Enhanced Data Systems

The key to implementing quality metrics is collecting and producing accessible data to understand the impact of short-term workforce-oriented programs. Currently, data on program outcomes and on who earns these credentials doesn't exist, or is hard to access, often sitting within proprietary systems that are disconnected from other public data, such as certifying bodies' databases for industry-recognized credentials.

Collecting and producing broad-based data about postsecondary programs, including program outcome data as well as demographic information on participants, is crucial to assess the quality and equity of short-term credentials. The approach recommended above for holistic and relative quality standards would require the fundamental redesign and integration of data systems for education, employment, and individual and community indicators of well-being. This is necessary to provide learners and workers with reliable just-in-time information and guidance to make the right decisions about their careers. Investments in career navigation tools and other forms of career counseling and support to guide student decisions should be coupled with these data infrastructure enhancements.

Policy Recommendations

Essential Steps:

- **Pass federal legislation on data transparency:** Federal policy should encourage data transparency and sharing across systems and states. It should modernize the college reporting system for postsecondary data by reporting on student outcomes such as enrollment, completion, and post-college earnings—while ensuring the inclusion of short-term credential programs. Policy should also ensure that postsecondary education institutions have access to wage data so they can assess their students' outcomes.
- **Provide resources to improve state and local data systems:** While some states are connecting data across systems to better understand the wages and earnings of credential holders, many are not. Federal funding should be made available to support data collection efforts and should require a state funding match so that states are prioritizing building their data systems effectively. Resources should focus on aligning

systems, ensuring the capacity for regular data analysis, and providing publicly reported data results so consumers can make informed choices and policymakers can act on the information.

- **Transform traditional labor market information systems:** The federal government has a responsibility to provide high-quality labor market information. Today, this information is lacking, and stakeholders are using outside/private sources to determine regional labor market needs. Policy should augment traditional labor market information made available through the Bureau of Labor Statistics with publicly available real-time labor market information that is currently available only through proprietary platforms.

Transformational Changes:

- **Establish a robust career navigation system:** To ensure that all information on short-term programs is clear and accessible to the consumer, federal policy should support investment in a comprehensive career navigation system that provides states with the resources necessary to modernize their services. It should do so by leveraging technology and creating more accessible in-person assistance that can help students, parents, jobseekers, and workers make well-informed decisions about their educational and career paths.

What is Career Navigation?

Career navigation entails in-person and/or virtual services that assist individuals in determining a career path, understanding the requirements for the jobs they seek, and accessing the education and training needed to achieve their goals.

- **Measure career progression across systems:** Policy should support data tools and systems that can measure career progress—not just an individual’s first job and wage. Existing metrics like the educational progression measure in the Workforce Innovation and Opportunity Act (WIOA) should be built upon in higher education.

State Spotlight: Florida

Florida is a national leader in connecting students’ anonymized education records to their labor market outcomes as a public policy tool. Established in 1988, the Florida Education and Training Placement Information Program provides data on employment outcomes for graduates of public schools, colleges, and universities to inform policymakers and guide students. The

system underpins the Florida College System's performance funding formula as well as a graduate outcomes dashboard for students and families.

The state recently invested \$3 million of its Governor's Emergency Education Relief recovery funds to significantly enhance and refine this data system by adding the capacity to track outcomes that result from education programs below the associate degree level. This includes industry certifications, career and college certificates, apprenticeships, WIOA programs, and continuing workforce education programs. The expanded data system, expected to be available in 2022, will connect student record-level data with employment and wage data from the unemployment insurance system, as well as Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) data from the state's health and human services agency. The goal is to understand and predict how all programs—especially short-term credentials—are helping students find jobs, improve their wages, and reduce their dependence on public benefits. The new data system will support Florida's desire to implement a new quality framework for determining credentials of value.

Address Institutional Funding Constraints and Disincentives for Expanding Short-term Training Options

Funding drives the behavior of colleges, and current funding systems provide incentives for for-credit and longer-term programs. To the extent that some states do support short-term, workforce-oriented programs, they are mostly smaller, separate pots of funding that are insufficient to meet demand. New and innovative funding structures should reward all postsecondary credentials that provide value to students, not just degree pathways.

Funding approaches and regulatory structures need to evolve to enable and encourage institutions to expand short-term credential programs, focus on completion and workforce outcomes, and ensure responsiveness to employers and student needs. Funding approaches should support programs that have value and recognition in the labor market and dissuade the offering of programs that lack value.

Policy Recommendations

Essential Steps:

- **Increase federal and state investments:** To ensure that institutions can meet demand for short-term credentials and provide high-quality opportunities, federal and state policy should provide more funding for these programs. Federal recovery plans and future legislation represent an opportunity to support short-term credentials—as do state-led rapid reskilling initiatives and free college programs that are being developed or expanded. To ensure that institutions have the resources to provide high-quality short-term options, free college programs must also encompass these types of postsecondary options.
- **Fund programs equally:** Parity funding across noncredit and for-credit programs is key. Federal and state policy should stop funding these programs differently and then assume that program quality and outcomes will be equal. In the near term, as programs remain siloed, policy must increase resources for short-term credentials as well as ensure opportunities are connected to career pathways that are clear for students.

Transformational Changes:

- **End the distinction between noncredit and credit coursework:** The arbitrary distinction between noncredit and credit coursework in postsecondary education has led to siloed approaches to education and, often, the duplication of content and delivery because of whether the program is classified as noncredit or for-credit at the institution. Policy should be modernized to remove these distinctions to ensure that students' experiences are more seamless across postsecondary education and training and to ensure that institutions are able to use their funds more efficiently and effectively.
- **Base funding on education and employment outcomes:** Pay-for-success approaches are a promising way to reward institutions for improvements in student achievement in school and work. Policy should thoughtfully scale pay-for-success strategies that emphasize equity for the populations served and credential value in the labor market. Most performance-based funding schemes simply redistribute the same pot of money across colleges in ways that can result in funding losses to colleges despite improved outcomes if their performance is outstripped by others. To avoid this zero-sum game, policymakers should commit to indexing increases in funding for postsecondary institutions based on aggregate-level improvements made in performance. Such policy designs are dependent upon having access to reliable and timely data on outcomes in employment, wages, and advancement for learners.

State Spotlight: North Carolina

For many years, North Carolina has supported noncredit workforce-oriented programs through its enrollment-based funding formula for community colleges. This investment recognizes the significant workforce development role that community colleges play in the state and has led to robust noncredit (“continuing education”) offerings across the system’s 58 colleges in fields ranging from biotechnology to logistics. Traditionally, however, these programs were funded at a lower rate for the equivalent of a full-time student compared with courses in degree (“curriculum”) programs. About a decade ago, the state implemented a new, tiered approach that increased funding for programs that cost more to offer and programs targeting priority industries, including some noncredit programs. In 2019, the state went a step further, removing the funding disparity altogether, which put short-term workforce programs on the same financial footing as credit programs in the state. (Of course, the shorter duration of noncredit programs means that degree programs still receive more funding overall.)

As a result, there is less incentive for colleges to essentially shoehorn workforce-oriented programs into degree programs to cover their costs more easily. It also means that students seeking a targeted, skills-based credential don’t face some of the barriers that accompany credit programs, such as placement policies and general education requirements. At the institutional level, colleges can determine the best way to deliver specific competencies by choosing a short-term continuing education course, a curriculum degree course, or both. For example, this flexibility has allowed Forsyth Technical Community College to build stackable credentials and articulated transfer agreements that give students credit toward a degree from their short-term workforce programs. The college’s new two-year aviation degree program, for instance, includes a continuing education course as part of the degree pathway.

Increase the Affordability and Accessibility of Short-term Credential Programs for Students and Workers in their Communities

Most short-term credentials are left out of traditional financial aid in most states and are ineligible for federal Pell Grants. This drives students, especially students with low incomes, toward degree programs—even if a short-term credential might offer a more immediate and gainful educational opportunity. Current financial aid models also place an unfair burden on individuals who do enroll in job-oriented short-term options, because these students must pay out of pocket. From a student perspective, the current structures result in disparate access to postsecondary credentials.

To address this issue, policymakers should guarantee equitable debt-free access to quality short-term training. Since wage increases vary across programs, corresponding costs should consider the burden on the individual.

Policy Recommendations

Essential Steps:

- **Expand the Pell Grant program to cover short-term credential programs:** Federal policy should expand federal financial aid to include short-term credential programs, with the appropriate quality guardrails.
- **Create or enhance employer incentives to support robust partnerships:** Federal and state policy should incentivize employers to not only serve as partners or inform curricula but to assist with program costs for students. Policymakers should consider incentives such as tax credits, employer reimbursement models, and resources for intermediary organizations to coordinate efforts and remove burdens for employer engagement in the design and implementation of skills development programs.
- **Prioritize the basic needs of students:** Policy should continue to prioritize the basic needs of students in addition to the cost of tuition. Providing support for living costs and other needs plays an important role in student retention and the reduction of financial barriers. Additionally, to ensure that those looking for work can get the skills necessary to enter the workforce, individuals receiving unemployment insurance should be able to stay on or extend their benefits if they enroll and participate in a high-quality skill development credential program.

Transformational Changes:

- **Expand access to Individual Training Accounts:** Policymakers should expand the availability of Individual Training Accounts as a mechanism to ensure that individuals have the resources necessary to pay for skill development opportunities.
- **Scale innovative financing models:** Policymakers should support the exploration and scale of successful innovative financing options. These approaches may be well suited for funding shorter-term programs, which offer the potential for students to find work faster and realize a return on the upfront investment. The opportunity must be managed against potential challenges, and policymakers should consider whether right guardrails are in place to ensure that all students, specifically Black, Latinx, and Indigenous students, are not taken advantage of.

State Spotlight: Virginia

Virginia's FastForward program helps students afford their short-term, workforce-oriented credentials through an innovative pay-for-success approach. Because such programs are left out of most traditional college financial aid structures, the state implemented FastForward to ensure that students have access to short-term programs that can improve their career prospects. Under FastForward, Virginia has adopted an approved list of credentials that can put students on a trajectory toward a career that provides family-sustaining wages. When a student enrolls, they pay one-third of the tuition costs. The remaining two-thirds are paid for by state funds once the student successfully earns their credential. Student completers also receive a \$1,000 payment from VA Ready, a private foundation. If the student does not complete the program, they must pay for the second third of the tuition cost, and the college pays the final third. This shared-responsibility model encourages students to successfully complete their credentialing programs and colleges to guide and support them across the finish line. Importantly, the state also offers financial assistance to applicants from low-income backgrounds who are unable to pay their third of the tuition, further promoting the program's affordability.

Northern Virginia Community College reports that its FastForward programs are serving a much more diverse group of students now that they have access to financial aid. While the college's programs previously enrolled a lot of midlevel professionals who wanted to expand their skills, the vast majority of students today are adult learners with some college; many have been out of school for years or were previously educated in other countries.

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